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Jun Yang Financial Holdings Limited
君陽金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

**FORMATION OF THE INDEPENDENT BOARD COMMITTEE
AND
APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER**

Reference is made to the announcement dated 28 November 2017 issued by the Offeror, namely Jicheng Investment Limited, and the announcement dated 29 November 2017 issued by Jun Yang Financial Holdings Limited (the “**Company**”) in relation to the pre-conditional voluntary securities exchange Partial Offer and Option Offer by the Offeror (together the “**Announcements**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that an independent committee of the Board (the “**Independent Board Committee**”) comprising all the non-executive Directors, namely Mr. Choi Chun Chung, Danny (“**Mr. Choi**”) as a non-executive Director and Mr. Wong Kun To, Mr. Chu Hau Lim and Ms. Lim Xue Ling, Charlene as the independent non-executive Directors (each of whom has confirmed that he/she has no direct or indirect interest in the Offers), has been constituted for the purpose of advising and giving recommendation to the Jun Yang Independent Shareholders and Jun Yang Optionholders in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. Mr. Choi is a substantial Jun Yang Shareholder who beneficially owns approximately 28.25% of the issued Jun Yang Shares as at the date of this announcement.

The Board is pleased to announce that Beijing Securities Limited (“BSL”), a corporation licensed to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO, has been appointed as the independent financial adviser (the “**Independent Financial Adviser**”) to advise the Independent Board Committee in respect of the terms of the Offers and in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers. Such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code. The advice of BSL and the recommendation of the Independent Board Committee will be included in the response document in relation to the Offers.

By order of the Board
Jun Yang Financial Holdings Limited
Choi Chun Chung, Danny
Chairman

Hong Kong, 20 December 2017

As at the date of this announcement, the executive Directors are Dr. Tang Sing Hing, Kenny, Mr. Wu William Wai Leung and Mr. Sit Sai Hung, Billy; the non-executive Director is Mr. Choi Chun Chung, Danny; and the independent non-executive Directors are Mr. Wong Kun To, Mr. Chu Hau Lim and Ms. Lim Xue Ling, Charlene.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.