



JUN YANG FINANCIAL HOLDINGS LIMITED
君陽金融控股有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code : 397)

Interim Report 2015



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Bai Liang (*Chairman*)
Dr. Tang Sing Hing, Kenny (*Vice Chairman*)
Mr. Jiang You (*Chief Executive Officer*)
Mr. Siu Kam Chau
Mr. Peng Libin
Mr. Liu Guangdian

Independent Non-executive Directors

Mr. Chan Chi Yuen
Mr. Chik Chi Man
Mr. Lam Wing Tai

AUDIT COMMITTEE

Mr. Chan Chi Yuen (*Chairman*)
Mr. Chik Chi Man
Mr. Lam Wing Tai

REMUNERATION COMMITTEE

Mr. Lam Wing Tai (*Chairman*)
Mr. Chan Chi Yuen
Mr. Chik Chi Man

NOMINATION COMMITTEE

Mr. Chik Chi Man (*Chairman*)
Mr. Chan Chi Yuen
Mr. Lam Wing Tai

COMPANY SECRETARY

Mr. Siu Kam Chau

AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31st Floor, Gloucester Tower
The Landmark
11 Pedder Street, Central
Hong Kong

REGISTERED OFFICE

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1105, 11/F
Wing On Plaza, 62 Mody Road
Tsim Sha Tsui East, Kowloon
Hong Kong

PRINCIPAL BANKER

Dah Sing Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

WEBSITE

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FINANCIAL HIGHLIGHTS

For the six months ended 30 June 2015:

- The Group recorded revenue of approximately HK\$48,656,000 (2014: approximately HK\$22,836,000).
- Profit attributable to owners of the Company amounted to approximately HK\$465,194,000 (2014: approximately HK\$120,956,000).
- The Board does not recommend the payment of an interim dividend.

At 30 June 2015:

- The Group held pledged bank deposits and cash and cash equivalents of approximately HK\$440,672,000 (31 December 2014: approximately HK\$314,940,000). The Group held loan receivables of approximately HK\$280,293,000 (31 December 2014: approximately HK\$316,737,000) and held-for-trading investments of approximately HK\$1,556,148,000 (31 December 2014: approximately HK\$863,883,000).
- Net current assets amounted to approximately HK\$2,151,330,000 (31 December 2014: approximately HK\$1,328,183,000). Current ratio (defined as total current assets divided by total current liabilities) was 8.93 times (31 December 2014: 5.77 times).
- Net assets amounted to approximately HK\$2,806,217,000 (31 December 2014: approximately HK\$1,768,727,000).
- The Group had bank and other borrowings of approximately HK\$63,900,000 (31 December 2014: approximately HK\$43,582,000).

INTERIM RESULTS

The board (the “Board”) of directors (the “Directors”) of Jun Yang Financial Holdings Limited (“Jun Yang Financial” or the “Company”) announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2015 together with comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	48,656	22,836
Cost of sales		(15,014)	(13,496)
Gross profit		33,642	9,340
Other income and gains		7,064	5,926
Employee benefits expense		(26,896)	(8,079)
Depreciation of property, plant and equipment		(1,223)	(1,071)
Gain arising on change in fair value of held-for-trading investments		510,298	161,506
(Loss)/gain on disposals of subsidiaries		(504)	617
Loss on dilution of interests in associates		–	(31,177)
Finance costs	5	(524)	(6,909)
Other operating expenses		(36,523)	(20,060)
Share of results of associates		(18,745)	8,433
Profit before tax		466,589	118,526
Income tax (expense)/credit	6	(1,770)	270
Profit for the period	7	464,819	118,796

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the six months ended 30 June	
		2015	2014
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
Other comprehensive expense			
Exchange differences on translating foreign operations		(5)	(3,392)
Total comprehensive income for the period		464,814	115,404
Profit for the period attributable to:			
Owners of the Company		465,194	120,956
Non-controlling interests		(375)	(2,160)
		464,819	118,796
Total comprehensive income for the period attributable to:			
Owners of the Company		465,189	117,564
Non-controlling interests		(375)	(2,160)
		464,814	115,404
Earnings per share			
– Basic (HK cents per share)	9	9.91	1.36
– Diluted (HK cents per share)	9	9.91	1.35

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		446,191	386,838
Goodwill		808	808
Interests in associates		98,565	117,311
Other assets		225	225
Loan receivables		1,183	13,683
Available-for-sale investments		293,382	112,277
		840,354	631,142
Current assets			
Trade and other receivables	10	88,567	76,129
Loan receivables		279,110	303,054
Value-added tax recoverable		28,527	23,402
Held-for-trading investments		1,556,148	863,883
Bank trust account balances		29,645	25,380
Pledged bank deposits		1,982	4,727
Cash and cash equivalents		438,690	310,213
		2,422,669	1,606,788
Current liabilities			
Other payables and accruals	11	194,268	222,798
Derivative financial instruments		224	224
Deferred income		10,617	10,617
Tax payable		2,330	1,384
Bank and other borrowings		63,900	43,582
		271,339	278,605
Net current assets		2,151,330	1,328,183

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
Total assets less current liabilities	2,991,684	1,959,325
Non-current liabilities		
Deferred income	185,467	190,598
Net assets	2,806,217	1,768,727
Capital and reserves		
Share capital	66,698	44,465
Reserves	2,736,044	1,715,041
Equity attributable to owners of the Company	2,802,742	1,759,506
Non-controlling interests	3,475	9,221
Total equity	2,806,217	1,768,727

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the Company

	Share capital	Share premium	Capital redemption reserve	Contributed surplus	Convertible bonds reserve	Other reserve	Translation reserve	Share-based payments	Retained earnings/(accumulated loss)	Subtotal	Attributable to non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2014 (Audited)	177,888	1,304,993	861	311,790	-	153	13,585	21,965	(835,149)	996,086	59,142	1,055,228
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	(3,392)	-	120,956	117,564	(2,160)	115,404
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	(915)	(915)
Recognition of the equity component of convertible bonds	-	-	-	-	61,817	-	-	-	-	61,817	-	61,817
Deferred tax liability on recognition of equity component of convertible bonds	-	-	-	-	(10,200)	-	-	-	-	(10,200)	-	(10,200)
At 30 June 2014 (Unaudited)	177,888	1,304,993	861	311,790	51,617	153	10,193	21,965	(714,193)	1,165,267	56,067	1,221,334
At 1 January 2015 (Audited)	44,465	1,743,311	861	311,790	-	(805)	11,988	11,176	(363,280)	1,759,506	9,221	1,768,727
Total comprehensive loss for the period	-	-	-	-	-	-	(5)	-	465,194	465,189	(375)	464,814
Issue of new shares by placing	22,233	555,814	-	-	-	-	-	-	-	578,047	-	578,047
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,371)	(5,371)
At 30 June 2015 (Unaudited)	66,698	2,299,125	861	311,790	-	(805)	11,983	11,176	101,914	2,802,742	3,475	2,806,217

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended 30 June	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Net cash used in operating activities	(204,836)	(237,803)
Net cash used in investing activities	(251,397)	(46,149)
Net cash generated from financing activities	584,710	219,354
<hr/>		
Increase/(decrease) in cash and cash equivalents	128,477	(64,598)
Cash and cash equivalents at the beginning of period	310,213	208,600
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Cash and cash equivalents at the end of period	438,690	144,002
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NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for convertible bonds and held-for-trading investments which are measured at fair values.

Other than as set out below, accounting policies used in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

The following amendments to standards are relevant and mandatory to the Group for the financial year beginning 1 January 2015:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycles
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycles
Amendments to HKAS 19	Defined Benefit Plans – Employee Contributions

The Directors consider that the application of the above amendments to standards beginning 1 January 2015 is not material to the Group’s results of operations or financial position.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3. REVENUE

Revenue represents the aggregate of the net amounts received and receivable from third parties for the period.

An analysis of the Group's revenue for the period is as follows:

	For the six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Income from sales of electricity	16,622	8,979
Interest income from loan financing	14,726	13,857
Income from financial services	13,386	–
Income from the provision of green energy related consultancy services	3,922	–
	48,656	22,836

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker for the purposes of allocating resources to segments and assessing their performance.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- Assets investment segment – Investment in listed and unlisted securities and investment funds;
- Green energy segment – Provision of green energy related consultancy services and sales of electricity in the People's Republic of China (the "PRC");
- Money lending segment – Provision for loan financing in Hong Kong; and
- Financial services segment – Provision for financial services in Hong Kong

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

REVENUE AND RESULTS

	Assets		Green		Money		Financial		Total	
	Investment segment		Energy segment		Lending segment		Services segment		For the six months	
	For the six months		For the six months		For the six months		For the six months		ended 30 June	
	ended 30 June		ended 30 June		ended 30 June		ended 30 June		ended 30 June	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue										
Segment revenue	-	-	20,544	8,979	14,726	13,857	13,386	-	48,656	22,836
Results										
Segment results	505,359	161,464	5,074	(6,610)	11,353	12,036	7,931	-	529,717	166,890
Unallocated income									881	3,712
Unallocated corporate expenses									(44,236)	(23,040)
(Loss)/gain on disposals of subsidiaries									(504)	617
Loss on dilution of interests in associates									-	(31,177)
Finance costs									(524)	(6,909)
Share of results of associates									(18,745)	8,433
Profit before tax									466,589	118,526
Income tax (expense)/credit									(1,770)	270
Profit for the period									464,819	118,796

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the six months ended 30 June 2015 (2014: Nil).

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned by or loss from each segment without allocation of central administration costs including directors' emoluments, (loss)/gain on disposals of subsidiaries, loss on dilution of interests in associates, share of results of associates, other income and gains other than government grant, finance costs and income tax (expense)/credit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

	At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
Segment assets		
Assets investment segment	1,670,183	978,810
Green energy segment	497,392	431,993
Money lending segment	289,457	329,001
Financial services segment	7,931	–
Total segment assets	2,464,963	1,739,804
Unallocated	798,060	498,126
Consolidated total assets	3,263,023	2,237,930

	At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
Segment liabilities		
Assets investment segment	7,321	6,772
Green energy segment	363,694	389,398
Money lending segment	118	146
Financial services segment	1,463	–
Total segment liabilities	372,596	396,316
Unallocated	84,210	72,887
Consolidated total liabilities	456,806	469,203

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. FINANCE COSTS

	For the six months ended 30 June	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Interest on:		
– Bank and other borrowings wholly repayable within five years	524	1,382
– Bank overdraft	–	10
– Convertible bonds issued by the Company	–	5,517
	524	6,909

6. INCOME TAX EXPENSE/(CREDIT)

	For the six months ended 30 June	
	2015	2014
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Current tax:		
– Hong Kong profits tax	1,770	357
– PRC Enterprise Income Tax("EIT")	–	283
	1,770	640
Deferred tax	–	(910)
Total income tax recognised in profit or loss	1,770	(270)

Hong Kong profits tax is calculated at 16.5% (2014: 16.5%) of the estimated assessable profit for the period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

6. INCOME TAX EXPENSE/(CREDIT) (Continued)

Under the Law of People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards. Pursuant to the relevant laws and regulations in the PRC, the Group's PRC subsidiary, GS-Solar (Qinghai) Company Limited ("GS-Solar") was entitled to exemption from the PRC EIT for the first three years commencing from its first revenue generated from operation and thereafter, it is entitled to a 50% relief from the PRC EIT for the following three years. The first revenue generated year of GS-Solar was the year ended 31 December 2011. Accordingly, GS-Solar was exempted from PRC EIT for the years ended 31 December 2011, 2012 and 2013, followed by a 50% reduction for the years ended 31 December 2014, 2015 and 2016.

7. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging:		
Depreciation of property, plant and equipment	1,223	1,071
Operating lease rentals in respect of land and buildings	1,880	2,298
Net foreign exchange gain	2,923	979

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

9. EARNINGS PER SHARE

	For the six months ended 30 June	
	2015	2014
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings:		
Earnings for the purpose of basic earnings per share		
Profit for the period attributable to owners of the Company	465,194	120,956
Number of shares	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,692,182	8,894,420
Effect of dilutive potential ordinary shares:		
Adjustment in relation to share options issued by the Company	–	65,661
	4,692,182	8,960,081
Basic earnings per share (HK cents per share)	9.91	1.36
Diluted earnings per share (HK cents per share)	9.91	1.35

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. TRADE AND OTHER RECEIVABLES

	At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
Trade receivables		
Trade receivables arising from green energy business	14,734	7,183
Other receivables		
Amounts receivables arising from securities broking	4,562	14,296
Prepayments, deposits and other receivables	56,812	43,332
Prepayments for purchase of property, plant and equipment	12,815	11,674
	88,923	76,485
Less: provision for impairment of other receivables	(356)	(356)
Total trade and other receivables	88,567	76,129

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

10. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (i) The Group allows an average credit period of 30 to 90 days to its trade customers.

The following is an aged analysis of trade receivables at the end of the reporting period:

	At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
0-60 days	14,734	7,183
61-90 days	-	-
Over 90 days	-	-
	14,734	7,183

- (ii) At 30 June 2015, the Group's trade and other receivables included an amount of approximately HK\$27,548,000 (31 December 2014: approximately HK\$26,641,000) that is denominated in Renminbi.

11. OTHER PAYABLES AND ACCRUALS

	At 30 June 2015 (Unaudited) HK\$'000	At 31 December 2014 (Audited) HK\$'000
Amounts payable arising from securities broking	1,463	27,574
Other payables	185,739	187,590
Accruals	7,066	7,634
	194,268	222,798

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the six months ended 30 June 2015 (the “Period”), the Group recorded revenue of approximately HK\$48,656,000 (for the six months ended 30 June 2014: approximately HK\$22,836,000), representing a sharp year-on-year increase of 113%. The increase in revenue was principally attributable to the revenue growth in green energy, asset management and investment segments. Profit attributable to owners of the Company amounted to approximately HK\$465,194,000 (for the six months ended 30 June 2014: approximately HK\$120,956,000). The increase was principally attributable to the gain arising on change in fair value of held-for-trading investments of approximately HK\$510,298,000. The Company has pledged bank deposits and cash and cash equivalents of approximately HK\$440,672,000 (31 December 2014: approximately HK\$314,940,000).

BUSINESS REVIEW

Continued Supportive Policies of Renewable Energy by the PRC Government

The concept of green economy with limited carbon dioxide emissions and reduced resource intensity has evolved to a key element of national and social development. The development of the green economy is undoubtedly going to be one of the most important sustainable transitions globally. Energy conservation and environmental protection constitute important strategies for China’s national development. Premier Li Keqiang described environmental pollution as “a blight on people’s quality of life” and called for the Nation to pursue a renewable energy revolution in China. In such environment, a series of favorable policies were issued and implemented by the Central Government through the year of 2014 to 2015 for the development of distributed solar power generation.

On 15 March 2015, The Central Committee of Chinese Communist Party (“CCCP”) and the State Council published 《關於進一步深化電力體制改革的若干意見》(Opinions on Deepening the Reform of Electricity System), indicating the opening of distribution and retail market of electricity for private and foreign investment in an orderly manner and developing distributed power generation actively. In addition, on 16 March 2015, the National Energy Administration (“NEA”) issued “the Implementation Plan for Solar Power Generation in 2015”, which declared that the target of capacity of installation of solar power generation will be 17.8 gigawatts in 2015. The circular highlighted a cap on the total scale of the utility and distributed solar power plants, but rooftop projects and projects for self-electricity consumption were not subject to a maximum limit. These policies reaffirmed the government’s resolve to develop solar power.

MANAGEMENT DISCUSSION AND ANALYSIS

Stable Progress in Established Solar Photovoltaic (“PV”) Power Projects

In respect of solar power business, the Group’s four PV projects are under stable operations and are generating revenue to the Group.

- ***Large-scale grid-connected PV power station project in Golmud, Qinghai Province***

The 10-megawatt large-scale solar PV ground-mounted power station project invested by the Group in Golmud, Qinghai Province was completed in 2011 and started to generate electricity in 2012. The total power generation for the first half of 2015 was approximately 5,762,612 kilowatt-hours (“kWh”).

- ***20-megawatt and 1.5-megawatt rooftop power station projects in Xuchang and Zhengzhou, Henan Province***

Both the 20-megawatt and 1.5-megawatt rooftop power station projects in Xuchang and Zhengzhou, Henan Province have been put into operation to generate electricity since 2013, and are under stable development now. During the Period, the total power generation of the two projects amounted to approximately 8,562,352 kWh. Among which, the rooftop power station in Xuchang generated power of approximately 8,372,900 kWh. The Xuchang project is one of the largest projects in the second batch of the “Golden Sun Demonstration Project” of the Chinese Government and is included in the planning of the “12th Five-Year Plan”.

- ***10-megawatt rooftop power station project in Rongcheng, Shandong Province***

During the Period, the Group’s new project in Rongcheng, Shandong Province has been put into operation. The power station project in Rongcheng was approved by Department of Reform and Development of Weihai City in September 2014 and installation was completed in January 2015. This new project was connected to the Grid in February 2015 and power generation has commenced since 19 March 2015. The first electricity tariff has been collected. The Rongcheng Project is entitled to the Central Governmental subsidy of RMB0.42/kWh and a local subsidy of RMB0.05/kWh. The whole subsidy tariff for the six months has been collected. The Rongcheng Project was granted a bank loan of RMB50 million by the Bank of Beijing, which was one of the first loans to be granted to the distributed solar projects with power purchase agreement (“PPA”) as collateral. During the Period, the rooftop power station in Rongcheng has generated power of approximately 4,637,700 kWh.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition, the Group's new projects are well organized in the project pipeline. New 10-megawatt rooftop power station project in Jining and 5.9-megawatt rooftop power station project in Yantai, Shandong Province have been approved and are under construction.

Robust Growth of New Financial Services Business

Following the roll-out of Shanghai-Hong Kong Stock Connect Program in October 2014, ample funds had been transferred daily to Hong Kong market that buoyed investor confidence and encouraged cross investment activities. In turn, Hong Kong stock prices witnessed an upward trend driven by market expectations in the first half of the year. In summary, the Hang Seng Index surged 2,645 points during the first half of 2015, representing a remarkable cumulative increase of 11.2%, the performance was the second best after the financial crisis in 2008. The average daily turnover on the Stock Exchange was HK\$124 billion, representing a big jump of 99% during the Period. All these factors helped foster an optimistic market sentiment that stimulated different investment activities. Alongside with the ongoing internationalization of Renminbi, China's financial globalization also fuels the prosperity of Hong Kong's financial industry.

In view of this favorable trend of increasingly deepen financial relationship between Hong Kong and Mainland, the Group has acquired Jun Yang Securities Company Limited ("Jun Yang Securities") in October 2014 in order to focus on developing the financial services business. Since the acquisition, the scale of this new business has expanded at a tremendous speed. With the introduction of iFast Platform, the new trading system, it has offered a full range of products including securities, bonds, funds, etc. During the Period, revenue generated from the commission and brokerage services amounted to approximately HK\$5,262,000. In addition, Jun Yang Securities made a first foray into the equity capital market sector and successfully completed 10 fundraising transactions. Income from placing and underwriting activities amounted to approximately HK\$8,124,000, which accounted for 16.7% of the Group's total revenue. The total revenue of the new business segment surged to approximately HK\$13,386,000.

In order to well manage the new business section, the Group has appointed Dr. Tang Sing Hing, Kenny ("Dr. Tang") as the Chief Executive Officer of Jun Yang Securities in April 2015 and the Vice Chairman and an Executive Director of the Company on 12 June 2015. Dr. Tang is a seasoned professional with an extensive network in the industry, which will help the Group to further strengthen its financial services business.

MANAGEMENT DISCUSSION AND ANALYSIS

Backed by a sufficient fund, sizable client base and long-term client relations, the experienced management and the aggressive development strategies, the Company intends to become one of the most comprehensive and integrated financial service providers in Hong Kong. With such a goal, the Company is actively seeking to expand product and service offering by applying for both the Type 9 (asset management) licence and the Type 6 (advising on corporate finance) licence under the Securities and Futures Ordinance. Both licences will enable the Company to broaden the business scope and its client base, generating recurring and stable income stream.

Money Lending and Asset Investment Contributed to the Profitability of the Group

During the Period, the Group maintained a very healthy cash flow. The money lending and asset investment businesses were the sources of contribution.

In view of more stringent conventional bank lending requirement, licensed and non-bank money lenders provide the best alternatives for potential borrowers to obtain flexible liquidity solution, driving an increasing demand for loan services. Since the Group's entering into the money lending business through the acquisition of E Finance Limited in 2012, money lending business has been well on track and become one of the Group's principal business focuses and stable income sources.

In the first half of 2015, this business segment achieved income of approximately HK\$14,726,000 (for the six months ended 30 June 2014: approximately HK\$13,857,000), which laid a solid capital foundation for the development of financial services business and PV business. The management will pay close attention on the development of this business segment and promptly react to the demand in the market.

For the asset investment business, since its formation in 2008, the segment has been building investment experiences and those experiences have started to generate income for the Group. For the six months ended 30 June 2015, result from this segment amounted to approximately HK\$505,359,000 (for the six months ended 30 June 2014: approximately HK\$161,464,000), and the Company holds financial assets of approximately HK\$1.85 billion in the Hong Kong's market.

MANAGEMENT DISCUSSION AND ANALYSIS

Change of Company Name

On 8 June 2015, the Board proposed to change the name of the Company from “Jun Yang Solar Power Investments Limited 君陽太陽能電力投資有限公司” to “Jun Yang Financial Holdings Limited 君陽金融控股有限公司”.

The Board considered that the change of company name will better reflect the nature and principal activities of the Group. In addition, the new name can strengthen the Company’s corporate image and identity. A special resolution approving the change of company name was duly passed by the shareholders at the special general meeting of the Company held on 24 July 2015 by way of poll.

BUSINESS OUTLOOK

The Company is entering the prosperous financial services industry riding on the increasingly deepened and closer financial relationship between Hong Kong and the Mainland. It is inevitable that, the integration of economies of both places is acting on Hong Kong and Mainland stock market, bringing ample liquidity.

However, the continuing fluctuations and volatilities in the Hong Kong stock market are largely due to market worries caused by the uncertainties of an interest rate increase from US Federal Reserve, the financial crisis in Greece, the weakness of A-share market at the end of June and the news about political unrest in Hong Kong. Although there was an impact to a certain degree on the investor confidence, the Group views the industry has great upside potential because of the structural positives such as the rebalancing of China’s wealthy individuals’ investment portfolios, the rise of direct financing in China’s financial system, and further deregulation of the brokerage sector. The upward trend of the stock market reflects the growing confidence of investors in the investment market as the government continues cracking down on malicious short orders from global fund houses, which has made the market to stand stable and climb to a higher end.

Poised to seize the enormous market opportunities, the Company is committed to expanding its service offering continuously to cover asset management and investment, corporate financing advisory, margin and IPO financing, etc., which will diversify the stream of revenue in the long run. Moreover, the Company is also establishing the Central branch office and expanding the salesforce and service teams. In the meantime, the Company will continue to explore any possible cooperation with other industry players to enlarge its customer bases. All these measures are aimed at capturing the business opportunities of the upcoming Shenzhen-Hong Kong Stock Connect and the Mutual Recognition of Fund between the Mainland and Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

Distributed solar power generation is the cornerstone of the third industrial revolution. As one of the key methods to fight against pollution, the industry is experiencing rapid development and attracting great attention. During the Period, the PRC government has been constantly promoting its favorable policies in supporting the development of solar PV in China. As downstream demand is recovering and more favorable policies are coming from the NEA, China's 2015 solar installation target of 17.8 gigawatts is achievable. Besides, the NEA is aiming to pay subsidies for new solar projects within the same year, and pay delayed subsidies for previous years in 2015, which will again bring positive sentiment towards the investment of solar PV. In order to develop even further, the government issued favorable policies and helped the unit investment cost drop from RMB15/Watt in 2011 to RMB 7/Watt in 2015, with banks starting to lend money to the industry players with PPA as collateral.

The Group, as one of the leading players in the mainland distributed solar industry, has formulated refined development strategy to develop its distributed solar business further. To meet this target, it will focus on operating the existing projects to generate more electricity, expand the downstream solar power generation business, acquires more non-commercially operational distributed solar power generation projects and develop new projects. The Company is working actively in Shandong, Henan, Jiangsu provinces for new projects in the pipeline, and is also strategically identifying business partners globally for joint development and construction, including projects in Australia.

The Company believes that there will be a bright future for distributed solar power generation. As one of the very few solar power generation companies with a strong cash flow, the Company will keep investing more in this segment.

Looking ahead, the Group will further consolidate its position in the distributed solar power generation industry in China by investing more to expand its installed capacity and generating more income. At the same time, leveraging on the experience of its management team, it will further expand its new financial services business through self-development and acquisitions. The Group is confident that it will be able to not only maintain steady growth, but create long-term returns to its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2015, the Group held pledged bank deposits and cash and cash equivalents of approximately HK\$440,672,000 (31 December 2014: approximately HK\$314,940,000). Net current assets amounted to approximately HK\$2,151,330,000 (31 December 2014: approximately HK\$1,328,183,000). Current ratio (defined as total current assets divided by total current liabilities) was 8.93 times (31 December 2014: 5.77 times).

The gearing ratio of the Group (defined as total liabilities to total assets) was approximately 14% (31 December 2014: 21%).

As at 30 June 2015, the Group had outstanding bank and other borrowings of approximately HK\$63,900,000 (31 December 2014: HK\$43,582,000). As the Group's bank balances and borrowings were denominated in Hong Kong dollars, United States dollars and Renminbi, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the relevant loan agreements.

CAPITAL STRUCTURE

As at 30 June 2015, the Group had shareholders' equity of approximately HK\$66,698,000 (31 December 2014: approximately HK\$44,465,000).

On 10 June 2015, the Company allotted and issued 2,223,259,115 offer shares, at the price of HK\$0.26, to the qualifying shareholders of the Company pursuant to the open offer, further details of which are set out in the prospectus of the Company dated 15 May 2015 and the announcement of the Company dated 9 June 2015.

CHARGES ON GROUP ASSETS

As at 30 June 2015, certain bank deposits and held-for-trading investments of the Group with carrying value of approximately HK\$1,982,000 (31 December 2014: approximately HK\$4,727,000) and approximately HK\$10,293,000 (31 December 2014: approximately HK\$153,704,000) respectively were pledged to secure general bank facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2015, the Group employed approximately 73 employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:

Long positions in the shares and underlying shares of the Company

Name of Director	Capacity	Number of shares of the Company	Number of underlying shares of the Company pursuant to share options	Approximate % of the issued share capital of the Company as at 30 June 2015
Mr. Bai Liang	Beneficial owner	49,552,723	–	0.74%
		–	24,303,125	0.36%
	Deemed interest pursuant to section 317 of the SFO	66,070,297 (Note 1)	–	0.99%
	Interest of controlled corporation	562,500,000 (Note 2)	–	8.43%
Mr. Siu Kam Chau	Beneficial owner	–	24,303,125	0.36%
Mr. Peng Libin	Beneficial owner	1,275,000	–	0.02%
		–	24,303,125	0.36%
Mr. Liu Guangdian	Beneficial owner	–	24,303,125	0.36%

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

Notes:

- (1) The 66,070,297 shares of the Company comprise (i) 33,035,149 shares held by Mr. Bai Liang as beneficial owner; (ii) 16,517,574 shares held by Mr. Duan Lun as beneficial owner; and (iii) 16,517,574 shares held by Mr. Liu Xinglang as beneficial owner. Mr. Bai Liang being a party to the agreement, was deemed to be interested in the shares of the Company in which the other parties to the agreement (being Mr. Duan Lun and Mr. Liu Xinglang) were interested for the purpose of Part XV of the SFO. Details of the agreement and the transactions contemplated thereunder are set out in the announcement of the Company dated 17 January 2013.
- (2) Silver Idea Investments Limited was wholly-owned by Mr. Bai Liang, Mr. Bai Liang was deemed to be interested in 562,500,000 shares of the Company held by Silver Idea Investments Limited.

Long position in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity	Number of shares	Approximate % of total issued shares of the associated corporation
Mr. Jiang You	Pictures Global Holdings Limited	Interest of controlled corporation (Note)	99	9.9%

Note: Thinker Global Investments Limited was wholly-owned by Mr. Jiang You, Mr. Jiang You was deemed to be interested in 99 shares of Pictures Global Holdings Limited held by Thinker Global Investments Limited.

Save as disclosed above, as at 30 June 2015, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SHARE OPTIONS

(a) 2003 Share Option Scheme

The share option scheme adopted by the Company on 17 November 2003 (the "2003 Share Option Scheme"), for the primary purpose of providing incentives to Directors and employees. Under the 2003 Share Option Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for shares of the Company.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 4 June 2013, the Company terminated the 2003 Share Option Scheme. The share options granted under the 2003 Share Option Scheme prior to its termination shall continue to be valid and exercisable in accordance with the terms of the 2003 Share Option Scheme.

Details of the share options granted by the Company under the 2003 Share Option Scheme to the employees of the Company and the movements in such holdings during the six months ended 30 June 2015 were as follows:

Date of grant	Exercise period	Exercise price per share before open offer (Note) HK\$	Exercise price per share after open offer (Note) HK\$	Number of share options					Outstanding as at 30 June 2015
				Outstanding as at 1 January 2015	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Adjusted upon open offer (Note)	
9/10/2007	9/10/2007 to 8/10/2017	30.67	28.04	1,839,327	-	-	-	172,437	2,011,764
18/4/2008	18/4/2008 to 17/4/2018	17.81	16.28	96,840	-	-	-	9,079	105,919
Total:				1,936,167	-	-	-	181,516	2,117,683

Note: On 10 June 2015, the Company allotted and issued 2,223,259,115 new shares of the Company by way of open offer on the basis of one offer share for every two shares of the Company in issue held on the record date to the qualifying shareholders of the Company.

(b) 2013 Share Option Scheme

A new share option scheme was approved and adopted by the shareholders of the Company at the annual general meeting of the Company held on 4 June 2013 (the "2013 Share Option Scheme"), for the primary purpose of providing incentives to Directors and employees. Under the 2013 Share Option Scheme, the Company may grant options to eligible persons, including Directors and directors of the subsidiaries of the Company, to subscribe for shares of the Company.

OTHER INFORMATION

SHARE OPTIONS (Continued)

(b) 2013 Share Option Scheme (Continued)

Details of the share options granted by the Company under the 2013 Share Option Scheme to the Directors and employees of the Company and the movements in such holdings during the six months ended 30 June 2015 were as follows:

Name or category of participant	Date of grant	Exercise period	Exercise price per share before open offer (Note 1) HK\$	Exercise price per share after open offer (Note 1) HK\$	Number of share options					Outstanding as at 30 June 2015
					Outstanding as at 1 January 2015	Granted during the period (Note 2)	Exercised during the period	Cancelled/lapsed during the period	Adjusted upon open offer (Note 1)	
Directors										
Mr. Bai Liang	14/4/2015	14/7/2015 to 13/7/2017	0.325	0.297	-	22,220,000	-	-	2,083,125	24,303,125
Mr. Siu Kam Chau	14/4/2015	14/7/2015 to 13/7/2017	0.325	0.297	-	22,220,000	-	-	2,083,125	24,303,125
Mr. Peng Libin	14/4/2015	14/7/2015 to 13/7/2017	0.325	0.297	-	22,220,000	-	-	2,083,125	24,303,125
Mr. Liu Guangdian	14/4/2015	14/7/2015 to 13/7/2017	0.325	0.297	-	22,220,000	-	-	2,083,125	24,303,125
Sub-total:					-	88,880,000	-	-	8,332,500	97,212,500
Employees	14/4/2015	14/7/2015 to 13/7/2017	0.325	0.297	-	133,320,000	-	-	12,498,750	145,818,750
Total:					-	222,200,000	-	-	20,831,250	243,031,250

Notes:

- (1) On 10 June 2015, the Company allotted and issued 2,223,259,115 new shares of the Company by way of open offer on the basis of one offer share for every two shares of the Company in issue held on the record date to the qualifying shareholders of the Company.
- (2) The closing price of the shares of the Company on the business day immediately preceding the date of grant on 14 April 2015 was HK\$0.32 (adjusted for the open offer of the Company in May 2015) per share. The weighted average fair value of the share options granted during the period determined pursuant to the Binomial Option Pricing Model was HK\$0.1137 (adjusted for the open offer of the Company in May 2015) per share option.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS/OTHER PERSONS

So far as is known to any Director or chief executive of the Company, as at 30 June 2015, the following shareholders (other than the Directors or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Long position in the shares of the Company

Name of shareholder	Capacity	Number of shares of the Company	Approximate % of the issued share capital of the Company as at 30 June 2015
Silver Idea Investments Limited	Beneficial owner	562,500,000	8.43%

Save as disclosed above, as at 30 June 2015, there was no other person (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

CORPORATE GOVERNANCE

The Company endeavours in maintaining good corporate governance for the enhancement of shareholders' value. The Company has complied with all the applicable code provisions in the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") throughout the six months ended 30 June 2015.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of the Directors, the Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2015.

AUDIT COMMITTEE

The audit committee currently comprises three independent non-executive Directors, namely Mr. Chan Chi Yuen (the chairman of the audit committee), Mr. Chik Chi Man and Mr. Lam Wing Tai. The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2015.

OTHER INFORMATION

DISCLOSURE OF DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Name of Director	Details of Changes
Mr. Chan Chi Yuen	<ul style="list-style-type: none">– appointed as an executive director of e-Kong Group Limited (stock code: 524), a company listed on the Stock Exchange, with effect from 8 June 2015.– resigned as an executive director of South East Group Limited (stock code: 726), a company listed on the Stock Exchange, with effect from 3 July 2015.– appointed as an independent non-executive director of Leyou Technologies Holdings Limited (stock code: 1089), a company listed on the Stock Exchange, with effect from 24 July 2015.
Mr. Lam Wing Tai	<ul style="list-style-type: none">– resigned as an executive director of Ngai Shun Holdings Limited (stock code: 1246), a company listed on the Stock Exchange, with effect from 15 July 2015.

On behalf of the Board
Jun Yang Financial Holdings Limited
Bai Liang
Chairman

21 August 2015