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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)

**FURTHER INFORMATION IN RELATION
TO ANNUAL REPORTS
FOR THE YEARS ENDED 31 DECEMBER 2014 AND
31 DECEMBER 2015**

Reference is made to the annual reports of Jun Yang Financial Holdings Limited (“**Company**”) for the years ended 31 December 2014 (“**2014 Annual Report**”) and 31 December 2015 (“**2015 Annual Report**”). Unless the context otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the 2015 Annual Report.

As disclosed in the 2014 Annual Report, the Company has conducted several fund raising activities during the year ended 31 December 2014. The Company wishes to provide the shareholders and investing public with additional information on the placing of new shares by the Company under specific mandate completed in October 2014.

On 25 August 2014, the Company entered into a placing agreement with an independent placing agent pursuant to which the Company has conditionally agreed to offer for subscription and the placing agent has agreed to procure, on a best endeavor basis, not less than six independent places to subscribe for up to 1,090,000,000 placing shares at a price of HK\$0.193 per placing share. The Directors were of the view that the placing could improve the gearing ratio and strengthen the financial position of the Group. The placing also represented good opportunities to broaden the shareholder base and the capital base of the Company.

The aggregate nominal value of the placing shares under the placing was HK\$10,900,000. The placing price represented (i) a discount of approximately 12.67% to the closing price of HK\$0.221 per share as quoted on the Stock Exchange on 25 August 2014, being the date of the placing agreement; and (ii) a discount of approximately 15.87% to the average closing price of approximately HK\$0.2294 per share for the five consecutive trading days prior to 25 August 2014, being the date of the placing agreement.

The completion of the placing took place on 23 October 2014 and an aggregate of 1,090,000,000 placing shares were allotted and issued pursuant to the specific mandate granted to the Directors at the special general meeting of the Company held on 6 October 2014. The net proceeds from the placing were approximately HK\$204.61 million.

Such net proceeds were used (i) as to approximately HK\$200.61 million for redemption of the convertible bonds of the Company and the payment of interest accrued thereon and (ii) as to the remaining proceeds of approximately HK\$4.00 million for general working capital of the Group up to 31 December 2014. Such uses were in line with the intended use as disclosed by the Company in the announcements relating to such placing.

As disclosed in the 2015 Annual Report, the Company has conducted several fund raising activities during the year ended 31 December 2015. The Company wishes to provide the shareholders and investing public with additional information on the placing of new shares by the Company under specific mandate completed in October 2015.

On 10 July 2015, the Company entered into a placing agreement (“**Placing Agreement**”) with an independent placing agent (“**Placing Agent**”) pursuant to which the Company has conditionally agreed to offer for subscription and the placing agent has agreed to procure, on a best endeavor basis, not less than six independent places to subscribe for up to 8,604,700,000 placing shares at a price (“**Placing Price**”) of HK\$0.158 per placing share. The Directors were of the view that the placing could strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The placing also represented good opportunities to broaden the shareholders’ base and the capital base of the Company.

On 24 August 2015, owing to the decline of the then trading prices of the shares of the Company after the date of the Placing Agreement, the Company entered into a supplemental agreement to the Placing Agreement with the Placing Agent pursuant to which the Company and the Placing Agent agreed to amend the Placing Price from HK\$0.158 per placing share to HK\$0.113 per placing share (“**New Placing Price**”) to maintain the attractiveness of the placing to the potential investors. Given that the Company wished to maintain the funds to be raised by the Company under the placing, the number of the placing shares has also been revised from 8,604,700,000 placing shares to 12,031,350,000 placing shares.

The aggregate nominal value of the placing shares under the placing was HK\$120,313,500. The New Placing Price represented (i) a discount of approximately 18.12% to the closing price of HK\$0.138 per share as quoted on the Stock Exchange on 24 August 2015, being the date of the supplemental agreement; (ii) a discount of approximately 37.84% to the average closing price of approximately HK\$0.1818 per share for the five consecutive trading days prior to 24 August 2015, being the date of the supplemental agreement; and (iii) a discount of approximately 39.70% to the average closing price of approximately HK\$0.1874 per share for the ten consecutive trading days prior to 24 August 2015, being the date of the supplemental agreement.

The completion of the placing took place on 14 October 2015 and an aggregate of 12,031,350,000 placing shares were allotted and issued pursuant to the specific mandate granted to the Directors at the special general meeting of the Company held on 25 September 2015. The net proceeds from the placing were approximately HK\$1,314 million.

Such net proceeds were used (i) as to approximately HK\$600 million for assets investment (inclusive of investment in listed securities and unlisted investment fund), (ii) as to approximately HK\$383.00 million for money lending business and approximately HK\$45.00 million for operation of securities business and (iii) as to approximately HK\$114 million for the operation of the Group's securities related business operated by Jun Yang Securities up to 31 December 2015. Subsequent to 31 December 2015 and up to the date of this announcement, the Company has further deployed approximately HK\$40 million for its money lending business and approximately HK\$132 million for operation of its securities business. All such uses were in line with the intended uses as disclosed by the Company in the announcements relating to such placing.

On behalf of the Board
Jun Yang Financial Holdings Limited
Kwok Sze Yiu, Gordon
Chairman

Hong Kong, 2 June 2016

As at the date of this announcement, the executive Directors are Mr. Kwok Sze Yiu, Gordon, Dr. Tang Sing Hing, Kenny and Mr. Ng Tang; and the independent non-executive Directors are Mr. Chan Chi Yuen, Mr. Chik Chi Man and Mr. Lam Wing Tai.