

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Jun Yang Financial Holdings Limited**

**君陽金融控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 397)**

### **DISCLOSEABLE TRANSACTION: INVESTMENT IN FUND**

#### **THE SUBSCRIPTION**

The Board is pleased to announce that on 21 March 2017, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for, subject to acceptance by the Fund, 6,155 Participating Shares in the Fund with a subscription amount of US\$6.155 million (equivalent to approximately HK\$47.70 million), on the terms of the Private Offering Memorandum.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Subscription Agreement and the Private Offering Memorandum exceeds 5% but all relevant percentage ratios are less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE SUBSCRIPTION**

The Board is pleased to announce that on 21 March 2017, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Fund, pursuant to which the Subscriber agreed to subscribe for, subject to acceptance by the Fund, 6,155 Participating Shares in the Fund with a subscription amount of US\$6.155 million (equivalent to approximately HK\$47.70 million), on the terms of the Private Offering Memorandum.

The principal terms of the Subscription Agreement are as follows:

Date : 21 March 2017

Parties : (i) Plenty Cash Investment Limited as subscriber; and  
(ii) Heemin Capital Global Enhanced Yield Bond Fund

An indirect wholly-owned subsidiary of the Company holds all the issued Management Shares of the Fund. Mr. Ng Tang, chief executive officer of the Company and executive Director, is one of the directors of the Fund.

Assets acquired : 6,155 Participating Shares, which are Class A Shares

Subscription Amount : The subscription price for each Participating Share being offered is US\$1,000 (equivalent to approximately HK\$7,750). The total Subscription Amount payable is US\$6.155 million (equivalent to approximately HK\$47.70 million).

Subscription fee : The Subscriber is required to pay a subscription fee of 1.08% of the Subscription Amount to the Fund, being US\$66,474.

Acceptance : The Subscription Agreement will not be binding on the Fund unless and until it is accepted by the Fund. Unless and until the application of the Subscription is rejected by the Fund, the Subscriber shall not be entitled to cancel, terminate, or revoke the application of the Subscription.

## INFORMATION ON THE FUND

The Fund is a an exempted company incorporated with limited liability in the Cayman Islands under the Companies Law (Revised) of the Cayman Islands. It was incorporated on 15 November 2016. The Fund is a regulated mutual fund and is registered with the Cayman Islands Monetary Authority pursuant to the Mutual Funds Law (Revised) of the Cayman Islands. The Fund has been structured as an open-ended investment fund to allow its shareholders to collectively invest in pursuit of its investment objective. Further details of the Fund are as follows:

Investment objective : The principal focus of the Fund is to invest in low-risk investment grade bonds (above BB- S&P credit rating) worldwide to generate stable but more attractive income than those offered by bond market in the PRC.

Management : Heemin Capital Investment Management Limited, an indirect wholly-owned subsidiary of the Company, serves as the investment manager of the Fund.

The directors of the Fund have overall responsibility for the management and administration of the Fund but they have delegated to the Investment Manager the investment management responsibilities. The Investment Manager shall have full discretion and authority to manage, invest and reinvest the assets of the Fund in pursuit of the investment objective and in accordance with the investment strategies and restrictions described in the Private Offering Memorandum.

Classes and rights of Participating Shares : Participating Shares may be issued in different classes. The directors of the Fund have initially designated one class, being Class A Shares, which are offered under the terms of the Private Offering Memorandum.

Participating Shares within each class carry an equal right to such dividends as the directors of the Fund may declare.

On a winding-up of the Fund, the Participating Shares are entitled to the full amount of the assets of the Fund other than the paid-up capital of US\$0.01 per Management Share. The surplus assets of the Fund attributable to each class will be distributed among the holders of Participating Shares of that class according to the number of such Participating Shares held by each of them.

Except as in the situation of modifications of rights attaching to a class, the holders of Participating Shares have no right to vote.

Redemptions : Participating Shares may be redeemed at the option of the holder on any Redemption Day. However, a redemption fee of 1.5% of the redemption proceeds will be charged on the redemption of the Class A Shares which have been in issue for less than 12 calendar months.

Participating Shares will be redeemed at the relevant redemption price, which equals the net asset value per share of the relevant class as at the Valuation Point on the Valuation Day immediately preceding the relevant Redemption Day.

Redemption proceeds will normally be paid in cash by electronic transfer at the Subscriber's risk and expense. However, in certain circumstances, the Fund may effect the payment of redemption proceeds by way of a transfer of assets or partly in cash and partly by way of a transfer of assets.

Restrictions on transfer : Participating Shares may only be transferred to persons who are Eligible Investors and with the prior written consent of the directors of the Fund.

Dividends : It is not envisaged that any income or gains will be distributed by way of dividend. This does not preclude the directors of the Fund from declaring a dividend at any time in the future if they consider it appropriate to do so.

Fees and expenses : The Fund will pay the Investment Manager a Management Fee of one twelfth of 1.08% per month of the net asset value of the Class A Shares (before deduction of that month's Management Fee and before making any deduction for any accrued Performance Fees) as at the last Valuation Day in each month.

The Investment Manager will also be entitled to receive a Performance Fee from the Fund, calculated on a share-by-share basis. For each Performance Period, the Performance Fee in respect of each Participating Share will be equal to 20% of the appreciation in the net asset value per share of the relevant class during the Performance Period above the High Water Mark plus the hurdle rate. If the net asset value of the relevant class of Participating Share is not above the High Water Mark plus the hurdle rate at the end of a Performance Period, no Performance Fee will be payable in respect of that Performance Period. The hurdle rate is 7.00% per annum on the relevant High Water Mark calculated on a simple straight-line basis.

The Investment Manager is an indirect wholly-owned subsidiary of the Company. Mr. Kwok Sze Yiu, Gordon, chairman of the Board and executive Director, is one of the directors of the Investment Manager.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Group is principally engaged in financial service business, money lending business and assets investment.

Taking into account that the Fund will invest in low-risk investment grade bonds worldwide other than those in the Asia bond market, the Directors believe that the Subscription helps broaden and diversify the investment portfolio of the Group to global debt securities and provides the Group with stable and attractive income.

The Board (including the independent non-executive Directors) is of the view that the terms of the Subscription Agreement and the Private Offering Memorandum and the transaction contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest percentage ratio (as defined under the Listing Rules) in respect of the transaction contemplated under the Subscription Agreement and the Private Offering Memorandum exceeds 5% but all relevant percentage ratios are less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Class A Share”	a Participating Share designated as a Class A Share
“Company”	Jun Yang Financial Holdings Limited 君陽金融控股有限公司, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange (Stock code: 397)
“Director(s)”	directors of the Company
“Eligible Investor”	a person to whom the Fund can lawfully make an invitation to subscribe for Participating Shares without compliance with any registration or other legal requirements, who is able to acquire and hold Participating Shares without breaching the law or requirements of any country, regulatory body or government authority and who satisfies such eligibility requirements as may be determined by the directors of the Fund from time to time
“Fund”	Heemin Capital Global Enhanced Yield Bond Fund, an exempted company incorporated in the Cayman Islands with limited liability
“Group”	the Company and its subsidiaries
“High Water Mark”	in relation to any Participating Share, the greater of the net asset value per share of the relevant class at the time of issue of that Participating Share, and the highest net asset value per share of the relevant class in respect of which a Performance Fee (other than a performance fee redemption) has been charged at the end of any previous Performance Period (if any) during which such Participating Share was in issue
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Investment Manager”	Heemin Capital Investment Management Limited, a company incorporated in the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company, or such other person as may be appointed as investment manager in relation to the assets of the Fund from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Fee”	the management fee payable by the Fund to the Investment Manager
“Management Share”	a non-participating voting share of par value US\$0.01 in the capital of the Fund
“Participating Share”	a participating non-voting share of par value US\$0.01 in the capital of the Fund
“Performance Fee”	the performance fee payable by the Fund to the Investment Manager
“Performance Period”	a period of 12 calendar months commencing on each 1 January, provided that the first Performance Period in respect of any Participating Share will be the period commencing on the date such Participating Share is issued and ending on the next following 31 December
“Private Offering Memorandum”	the private offering memorandum issued by the Fund and the Investment Manager in relation to the offering of Participating Shares in the Fund
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.
“Redemption Day”	the first business day of each calendar month and/or such other day or days as the directors of the Fund may determine
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Plenty Cash Investment Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company
“Subscription”	the subscription of 6,155 Participating Shares of the Fund under the terms of the Subscription Agreement and the Private Offering Memorandum
“Subscription Agreement”	the subscription agreement dated 21 March 2017 entered into between the Subscriber and the Fund in relation to the Subscription
“Subscription Amount”	the subscription amount of US\$6.155 million for the Subscription
“Subscription Day”	the first business day of each calendar month and/or such other day or days as the directors of the Fund may determine
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Day”	the business day immediately preceding each Redemption Day and each Subscription Day and/or such other day or days as the directors of the Fund may determine
“Valuation Point”	the close of business in the last market relevant to the Fund to close on each Valuation Day or such other time as the directors of the Fund may determine
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in US\$ has been converted into HK\$ at the rate of US\$1.00 to HK\$7.75. Such exchange rates have been used, where applicable, for the purpose of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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

Hong Kong, 21 March 2017

*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 Ms. Yiu Wai Yee, Catherine.*