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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
FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Reference is made to the final results announcement (“**Final Results Announcement**”) dated 23 March 2016 and the annual report (“**Annual Report**”) of Jun Yang Financial Holdings Limited (“**Company**”) for the year ended 31 December 2015. Unless the context otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Final Results Announcement.

As at 31 December 2015, the Group recorded held-for-trading investments of approximately HK\$1,726.9 million and available-for-sale financial investments of approximately HK\$786.6 million. Given that the Group has invested in over 147 listed and unlisted securities during the year, the Directors consider that investments with a carrying amount that account for more than 5% of the Group’s audited total assets as at 31 December 2015 as significant investments.

Held-for-trading investments

The Directors would like to provide additional information on the Group's significant investments under the held-for-trading investments as at 31 December 2015 as below:

Description of investment	Brief description of the business	Number of shares held as at 31 December 2015	Percentage held to the total issued share capital	Investment cost/Capital owned as at 31 December 2015 <i>HK\$'000</i>	Carrying amount as at 31 December 2015 <i>HK\$'000</i>	Percentage to the Group's audited total assets as at 31 December 2015
			of the stock/ investment as at 31 December 2015			
Significant investments						
Convoy Financial Holdings Limited (stock code: 1019)	Independent financial advisory business, money lending business, proprietary investment business, asset management business and corporate finance advisory services.	1,483,788,000	9.93%	515,947	645,448	14.23%
Town Health International Medical Group Limited (stock code: 3886)	Healthcare business investments; provision and management of medical, dental and other healthcare related services; investments and trading in properties and securities.	372,552,000	4.99%	439,274	596,083	13.14%
Other investments						
Other listed shares*	–	–	–	525,093	475,055	10.47%
Unlisted investment funds outside Hong Kong	–	–	–	10,052	9,884	0.22%
Listed debt securities outside Hong Kong	–	–	–	462	453	0.01%
Grand total for the held-for-trading investments		–	–	1,490,828	1,726,923	38.07%

* Other listed shares mainly represented the Group's investment in 39 companies whose shares are listed on the Main Board and the Growth Enterprise Market of the Stock Exchange.

Available-for-sale financial assets

The Directors would like to provide additional information on the Group's significant investments under the available-for-sale financial assets as at 31 December 2015 as below:

Description of investment	Brief description of the business	Number of shares held as at 31 December 2015	Percentage held to the total issued share capital	Investment cost/Capital owned as at 31 December 2015	Carrying amount as at 31 December 2015	Percentage to the Group's audited total assets as at 31 December 2015
			of the stock/ investment as at 31 December 2015			
				HK\$'000	HK\$'000	
<i>Significant investments</i>						
Tech Pro Technology Development Limited (stock code: 3823)	Manufacture and sale of LED lighting products and accessories, energy efficiency projects and provision of property sub-leasing and management services.	233,080,000	3.57%	275,631	412,551	9.10%
<i>Other investments</i>						
Unlisted investment funds outside Hong Kong	-	-	-	450,714	366,042	8.07%
Unlisted securities in Hong Kong	-	-	-	8,000	8,000	0.17%
Grand total for the available-for-sale financial assets	-	-	-	734,345	786,593	17.34%

General analysis of the Group's investments

For the year ended 31 December 2015, the Group has recognised a loss on change in fair value of its held-for-trading investments in the amount of approximately HK\$57 million, which is a net off between the unrealised gains of approximately HK\$137 million arising on change in fair value and the realised loss of approximately HK\$194 million of its held-for-trading investments as a result of the volatile stock market in Hong Kong in the second half of 2015.

As disclosed in the Annual Report, the unlisted available-for-sale investments have incurred losses and the impairment loss of available-for-sale investments is approximately HK\$82 million at 2015. The loss was mainly due to the Group's investment in an unlisted investment fund outside Hong Kong under its available-for-sale investments, which invests in companies or other assets in Asia in the agricultural sector and the fund manager of such fund has full discretion in making investment decisions. The impairment made to the funds was mainly based on the statements prepared by the fund managers concerned and the carrying amounts of the funds were measured at cost less impairment at the end of the reporting period.

Performance for the year ended 31 December 2015 and future prospects of the Company's significant investments

Convoy Financial Holdings Limited (“Convoy”)

As at 1 January 2015, the Group held 5,000,000 shares of Convoy which amounted to an aggregate carrying amount of approximately HK\$3.5 million. During the year ended 31 December 2015, the Group purchased and sold an aggregate of 1,556,996,000 shares and 78,208,000 shares of Convoy in the aggregate amount of approximately HK\$796 million and HK\$52 million respectively. For the year ended 31 December 2015, the Group recorded a fair value gain of approximately HK\$150.2 million in its investment in Convoy.

As disclosed in the annual report of Convoy (“**Convoy Annual Report**”) for the year ended 31 December 2015, it recorded a net loss attributable to its owners of approximately HK\$467.3 million for the year.

With regards to the future prospects of Convoy based on published information, the Directors noted the view of the board of directors of Convoy as disclosed in the Convoy Annual Report that the market in which Convoy was operating was still having a surging pessimistic sentiment over the economic environment and might affect the performance of Convoy. The Directors also noted Convoy's vision of becoming one of the leading financial groups across Asia by pursuing various strategies as disclosed in the Convoy Annual Report,

Town Health International Medical Group Limited (“Town Health”)

As at 1 January 2015, the Group held 229,328,000 shares of Town Health which amounted to an aggregate carrying amount of approximately HK\$280 million. During the year ended 31 December 2015, the Group purchased an aggregate of 143,224,000 shares of Town Health in the aggregate amount of approximately HK\$270 million but did not sell any shares in Town Health. For the year ended 31 December 2015, the Group recorded a fair value gain of approximately HK\$47.1 million in its investment in Town Health.

As disclosed in the annual report of Town Health (“**Town Health Annual Report**”) for the year ended 31 December 2015, it recorded a profit of approximately HK\$260.9 million.

With regards to the future prospects of Town Health based on published information, the Directors are confident that Town Health will continue its growth as Town Health will continue to expand the healthcare service network, diversify its service and optimise the coverage in the PRC, to lay down the solid foundation for sustainable growth and facilitate itself to become the most influential healthcare enterprise in the Greater China, as disclosed in the Town Health Annual Report.

Tech Pro Technology Development Limited (“Tech Pro”)

As at 1 January 2015, the Group held 38,520,000 shares of Tech Pro which amounted to an aggregate carrying amount of approximately HK\$235 million. During the year ended 31 December 2015, share subdivision was implemented by Tech Pro whereby one then share was subdivided into four new shares of Tech Pro and following the share subdivision, the Group purchased an aggregate of 79,000,000 shares of Tech Pro in the aggregate amount of approximately HK\$150 million. The Group did not sell any shares in Tech Pro during the year ended 31 December 2015. For the year ended 31 December 2015, the Group recorded a fair value gain of approximately HK\$28 million in its investment in Tech Pro.

As disclosed in the annual report of Tech Pro (“**Tech Pro Annual Report**”) for the year ended 31 December 2015, it recorded a consolidated loss before income tax of approximately RMB282.0 million.

With regards to the future prospects of Tech Pro based on published information, the Directors noted that LED lighting business is still the major focus of Tech Pro. The Directors also noted that Tech Pro will keep on putting resources in products and technology development, market exploitation and cost control measures in order to enhance its competitiveness. As disclosed in the Tech Pro Annual Report, the board of directors of Tech Pro believes there are more challenges ahead, particularly the poor financial data in Hong Kong and the PRC, Tech Pro will take cautious steps to move forward.

General

Comparing the Hang Seng Index at the beginning of 2016 with that of the date of the announcement, it has dipped approximately 4.50% or approximately 959.07 points to 20,368.05. The share prices of the Group’s significant investments under the held-for-trading investments were in general on a downward trend during such period.

The Directors expect that the stock market in Hong Kong will continue to be volatile in the second half of 2016 and such investment environment may affect the value of both the held-for-trading investments and available-for-sale financial assets of the Group. However, taking into account the future prospects of the three companies mentioned above, the Directors are optimistic about the performance of such companies and the Group will continue to invest in such companies unless the investment strategy of the Group changes. The Group may consider acquiring additional shares in these companies when opportunity arises.

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

Hong Kong, 25 May 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.