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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)**

### **DISCLOSEABLE TRANSACTION: ACQUISITION OF 100% INTEREST OF THE TARGET**

The Board is pleased to announce that after trading hours on 26 May 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the SP Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target as at Completion, at the Consideration of HK\$20,000,000.

The Target is principally engaged in investment holding and its principal asset is the APA Shares, representing 20% of the equity interest of APA. The APA Group is principally engaged in real estate agency business in particular for the sales of properties in Australia and the United Kingdom.

As at the date of this announcement, the Purchaser owns 10% equity interest of APA. Such 10% equity interest was acquired by the Purchaser in November 2014. Such acquisition did not constitute any transaction discloseable under Chapter 14 or Chapter 14A of the Listing Rules. Upon Completion, the Purchaser will become the owner of 30% of the equity interest of APA.

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

As one of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all relevant percentage ratios in respect of the Acquisition are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

The Board is pleased to announce that after trading hours on 26 May 2016, the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the SP Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target as at Completion, at the Consideration of HK\$20,000,000.

Major terms of the SP Agreement are set out below.

## **THE SP AGREEMENT**

Date : 26 May 2016

Parties : (1) The Purchaser, a wholly-owned subsidiary of the Company; and

(2) The Vendor, WLS Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8021). The Vendor and its subsidiaries are principally engaged in provision of scaffolding and fitting out services, management contracting services, other services for construction and buildings work and money lending business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and the ultimate beneficial owners of the Vendor are Independent Third Parties.

### **Assets to be acquired**

The Sale Shares, free from all encumbrances together with all rights of any nature now or thereafter attaching thereto, represent the entire issued share capital of the Target as at Completion.

The Target is principally engaged in investment holding and its principal asset is the APA Shares, representing 20% of the equity interest of APA.

### **Consideration**

The Consideration for the Sale Shares shall be HK\$20,000,000 and payable by the Purchaser to the Vendor in cash upon Completion.

The Consideration will be funded by the Group's internal resources.

## **Basis of Consideration**

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to the business prospect of the APA Group.

## **Conditions Precedent**

The obligations of the Purchaser and the Vendor to effect Completion shall be conditional upon:

- (1) settling of the entire amount of the Shareholder's Loan by the Target to the Vendor by way of issuing and allotment of an additional 100 shares of the Target to the Vendor as fully paid-up shares and such additional shares shall rank *pari passu* with the existing issued shares of the Target ("**Capitalisation Arrangement**");
- (2) the Vendor having complied with all other applicable requirements under the GEM Listing Rules in respect of the transactions contemplated under the SP Agreement;
- (3) the Company having complied with all applicable requirements under the Listing Rules in respect of the transactions contemplated under the SP Agreement;
- (4) the Purchaser being satisfied, from the date of the SP Agreement and at any time before the Completion, that the Warranties remain true, accurate and not misleading and that no events have occurred that would result in any breach of any of the Warranties or other provisions of the SP Agreement by the Vendor;
- (5) there being no Material Adverse Change from the date of the SP Agreement up to Completion;
- (6) the Target having obtained the written confirmation from the other shareholders of APA that they will not serve any termination notice pursuant to the APA Shareholders' Agreement by reason of the transfer of the Sale Shares from the Vendor to the Purchaser and agree to waive their rights under the APA Shareholders' Agreement arising from such transfer;
- (7) (if applicable) all such waivers, consents or other documents as the Purchaser may require in relation to the completion of the transactions contemplated under the SP Agreement having been obtained; and
- (8) (if applicable) all such waivers, consents or other documents as the Vendor may require in relation to the completion of the transactions contemplated under the SP Agreement having been obtained.

The Purchaser may waive Conditions Precedent (4) and (5) at any time before the Long Stop Date by notice in writing to the Vendor. Save as aforesaid, none of the Conditions Precedent is capable of being waived by any party to the SP Agreement.

If any of the Conditions Precedent has not been fulfilled or waived on or before 5:00 p.m. Hong Kong time on the Long Stop Date, all rights and obligations of the parties thereunder shall cease and terminate, save and except for those relating to confidentiality, costs and expenses and miscellaneous matters which provisions shall remain in full force and effect, and no party shall have any claim against the other save for claim (if any) in respect of such continuing provisions or any antecedent breach thereof.

## **Completion**

Pursuant to the terms and conditions of the SP Agreement, Completion shall take place on the Completion Date.

As at the date of this announcement, the Company owns 10% equity interest of APA through the Purchaser, a wholly-owned subsidiary of the Company. Such 10% equity interest was acquired by the Purchaser in November 2014 by way of subscription of new shares in APA (“**2014 Acquisition**”). Immediately after Completion, the Purchaser will own the entire issued share capital of the Target and a total of 30% equity interest of APA. The financial results of the Target will be consolidated into the results of the Group and the Group will equity account the results of the APA Group as associates of the Company.

## **APA Shareholders’ Agreement**

In the 2014 Acquisition, the Purchaser, the Target, Dr. Tang, APA and the APA Majority Shareholder entered into the APA Shareholders’ Agreement to regulate and govern the shareholdings and the management of APA. Dr. Tang joined as a party to the APA Shareholders’ Agreement to guarantee the performance of the APA Majority Shareholder of its obligations under the APA Shareholders’ Agreement. At the time when the APA Shareholders’ Agreement was entered into in 2014, Dr. Tang was not a connected person of the Company.

The major terms of the APA Shareholders' Agreement are set out below.

### ***Board composition and management***

Unless otherwise agreed by the parties in writing, the board of APA shall consist of a maximum of five directors. For so long as the Target and the Purchaser together beneficially own, directly or indirectly, 30% or more of the issued share capital of APA, the Target and the Purchaser shall jointly be entitled to nominate two directors to the board of APA and for so long as the APA Majority Shareholder beneficially owns, directly or indirectly, 50% or more of the issued share capital of APA, the APA Majority Shareholder shall be entitled to nominate the majority of directors to the board of APA. The chairman of the board of APA shall be nominated by the APA Majority Shareholder and the financial controllers of all members of the APA Group shall be jointly nominated by the Target and the Purchaser. The quorum for meetings of the board of APA shall be two directors, one of whom shall be a director jointly nominated by the Target and the Purchaser and the other one of whom shall be a director nominated by the APA Majority Shareholder.

### ***Reserved matters***

Save as provided in the APA Shareholders' Agreement, prior written approval of the Target and the Purchaser will be required for certain matters relating to APA and the members of the APA Group, including, among other matters:

- (a) change the name or the name under which any member of the APA Group carries on business or their respective memorandum or articles of associations;
- (b) save for granting share options or issuing new shares up to 10% of the 10,000 issued shares of APA ("**Enlarged Issued Shares**") pursuant to any share option plan or bonus scheme implemented or to be implemented by any member of the APA Group ("**APA Employee Share Options**"), issue or agree to issue or grant any option over or right to acquire any additional shares or purchase or redeem any shares of any of the member of the APA Group;
- (c) vary any rights attaching to any shares of the members of the APA Group;
- (d) pass any resolution which may result in the winding up, liquidation or receivership of any member of the APA Group, or making any composition or arrangement with their respective creditors;
- (e) declare or pay any dividend in cash or specie by any member of the APA Group;
- (f) change the auditors of any member of the APA Group;

- (g) commence, defend or settle any litigation, arbitration or other proceedings other than routine debt collection by any member of the APA Group; and
- (h) adopt annual budget and annual business plan of the APA Group,

provided that the Target and the Purchaser will not unreasonably withhold such approval if undertaking such matter is in the best interest of the APA Group and is not detrimental to the own business interests of the APA Group.

### **Shareholding compensation to the Target and the Purchaser**

In the event that the Actual Adjusted PAT (as defined below) is less than HK\$20,000,000, the APA Majority Shareholder shall transfer certain number of shares of APA held by it to the Target (“**ES Top-up Shares**”) and the Purchaser (“**RM Top-up Shares**”, together with ES Top-Up Shares, “**Top-up Shares**”), which shall be calculated in accordance with the following formula at nil consideration:

$$\frac{\text{HK\$20,000,000} - \text{Actual Adjusted PAT}}{\text{HK\$20,000,000}} \times B \times \begin{array}{l} \text{Number of shares of APA in issue} \\ \text{immediately before the transfer} \\ \text{of the Top-up Shares} \\ \text{("Relevant Number of Shares")} \end{array}$$

“**Actual Adjusted PAT**” means the aggregate of the profits after tax of the APA Group as shown in (i) the unaudited consolidated financial statements (“**2015 Accounts**”) of the APA Group made up for the period from 1 January 2015 to 31 December 2015 (“**Year 2015**”) and (ii) the unaudited consolidated financial statements (“**2016 Accounts**”) of the APA Group made up for the period from 1 January 2016 to 31 December 2016 (“**Year 2016**”) prepared in accordance with the terms of the APA Shareholders’ Agreement and as adjusted by (i) the addition of losses or liabilities, and provision for losses or liabilities, suffered or incurred by the APA Group as a result of or otherwise in connection with natural disasters, wars, riots, or acts of terrorism (if any) for or during the relevant period concerned as recorded in the 2015 Accounts and (as the case may be) the 2016 Accounts; (ii) the deduction of the excluded profits, which shall be determined by the formula below, for the relevant period concerned; and (iii) the addition of any costs of the independent auditors which have been borne by APA. For the avoidance of doubt, if the Actual Adjusted PAT so calculated is a negative figure, it shall be deemed to be zero.

“**excluded profits**” means:

Commissions earned by the APA Group and having been recorded in the 2015 Accounts or the 2016 Accounts for the relevant period concerned as a direct result of customers or purchasers procured or referred by the Target and/or the Purchaser for the real estate agency business of the APA Group. For this purpose, there shall not be deemed any such procurement or referral made by Target and/or the Purchaser unless, prior to such customers or purchasers being referred to APA or entering into the relevant contracts for the purchase of the properties concerned, the APA Majority Shareholder on one part and the Target and/or the Purchaser on the other part have mutually agreed that the commissions resulting from such procurement or referral shall be deemed as “excluded profits” and not be taken into account for ascertaining whether the amount of HK\$20,000,000 has been met or not.

× 75%

“**B**” means 20% (as regard the Target) or 10% (as regards the Purchaser)

***As regards the Target***

In the event that the ES Top-up Shares together with the shares of APA held by the Target (including, for the avoidance of doubt, all such number of shares of APA representing up to 7% of the Enlarged Issued Shares (“**ES Call Option Shares**”) (if any) which the Target acquires pursuant to the exercise of an option (“**ES Call Option**”) granted by the APA Majority Shareholder to the Target, the exercise of which will oblige the APA Majority Shareholder to sell the ES Call Option Shares to the Target at the aggregate consideration up to HK\$5,600,000 subject to the terms and conditions of the APA ES Subscription Agreement (“**Then ES shares of APA**”)) will represent more than 32.6% times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is no exercise of the APA Employee Share Options prior to the transfer of the ES Top-up Shares) or the ES Second Threshold (as defined below) times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is issue of new shares of APA pursuant to the exercise of APA Employee Share Options prior to the transfer of the ES Top-up Shares), the Target shall have the right to opt to:

- (a) accept the ES Top-up Shares to such extent as shall, together with the Then ES shares of APA, equal to 32.6% times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is no exercise of the APA Employee Share Options prior to the transfer of the ES Top-up Shares) or the ES Second Threshold (as defined below) times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is issue of new shares of APA pursuant to the exercise of APA Employee Share Options prior to the transfer of the ES Top-up Shares), in which event the number of the ES Top-up Shares shall be deemed reduced to such extent and the Target shall not have any further rights to claim against the APA Majority Shareholder or Dr. Tang for or in respect of the number of the ES Top-up Shares as so reduced by virtue of the aforesaid provisions; or

- (b) sell to the APA Majority Shareholder, and the APA Majority Shareholder shall be obliged to purchase if the Target so opts for, all the shares of APA held by the Target within 21 business days after the 2016 Accounts is issued at the ES Repurchase Premium (as defined below), and if the Target elects to exercise this option (b), there will not be any transfer of any ES Top-up Shares to the Target.

The Target shall notify the APA Majority Shareholder in writing within 21 business days after the 2016 Accounts is issued as to which of the above options it elects, failing which the Target shall be deemed to have opted for option (a) above.

“**ES Second Threshold**” means:

$$32.6\% \quad \times \quad \frac{\text{Enlarged Issued Shares}}{\text{Relevant Number of Shares}}$$

“**ES Repurchase Premium**” shall be determined in accordance with the following formula:

HK\$16,000,000 **plus** interests accrued on HK\$16,000,000 at the rate of 5% per annum (such interests to be calculated based on a 365-day year and the number of days elapsed from the date of the APA Shareholders’ Agreement to the date of repurchase) **less** a sum equal to the total of (i) the aggregate amount received by the Target (whether from APA or the APA Majority Shareholder or otherwise) in respect of or in connection with claims (“**ES Claims**”) made by the Target under the APA ES Subscription Agreement and (ii) the notional interests accrued at the rate of 5% per annum on the respective amounts received by the Target (“**ES Received Compensated Amounts**”) under the ES Claims. Such notional interests shall be calculated based on a 365-day year and the number of days elapsed from the respective dates of receipt by the Target of the respective ES Received Compensated Amounts to the date of repurchase.

***As regards the Purchaser***

In the event that the RM Top-up Shares together with the shares of APA held by the Purchaser (including, for the avoidance of doubt, all such number of shares of APA representing up to 3% of the Enlarged Issued Shares (“**RM Call Option Shares**”) (if any) which the Purchaser acquires pursuant to the exercise of an option (“**RM Call Option**”) granted by the APA Majority Shareholder to the Purchaser, the exercise of which will oblige the APA Majority Shareholder to sell the RM Call Option Shares to the Purchaser at the aggregate consideration up to HK\$2,400,000 subject to the terms and conditions of the APA RM Subscription Agreement (“**Then RM shares of APA**”)) will represent more than 16.4% times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is no exercise of the APA Employee Share Options prior to the transfer of the RM Top-up Shares) or the RM Second Threshold (as defined below) times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is issue of new shares of APA pursuant to the exercise of APA Employee Share Options prior to the transfer of the RM Top-up Shares), the Purchaser shall have the right to opt to:



- (c) accept the RM Top-up Shares to such extent as shall, together with the Then RM shares of APA, equal to 16.4% times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is no exercise of the APA Employee Share Options prior to the transfer of the RM Top-up Shares) or the RM Second Threshold (as defined below) times the Relevant Number of Shares (rounded down to the nearest integer) (in case there is issue of new shares of APA pursuant to the exercise of APA Employee Share Options prior to the transfer of the RM Top-up Shares), in which event the number of the RM Top-up Shares shall be deemed reduced to such extent and the Purchaser shall not have any further rights to claim against the APA Majority Shareholder or Dr. Tang for or in respect of the number of the RM Top-up Shares as so reduced by virtue of the aforesaid provisions; or
- (d) sell to the APA Majority Shareholder, and the APA Majority Shareholder shall be obliged to purchase if the Purchaser so opts for, all the shares of APA held by the Purchaser within 21 business days after the 2016 Accounts is issued at the RM Repurchase Premium (as defined below), and if the Purchaser elects to exercise this option (b), there will not be any transfer of any RM Top-up Shares to the Purchaser.

The Purchaser shall notify the APA Majority Shareholder in writing within 21 business days after the 2016 Accounts is issued as to which of the above options it elects, failing which the Purchaser shall be deemed to have opted for option (a) above.

“**RM Second Threshold**” means:

$$16.4\% \times \frac{\text{Enlarged Issued Shares}}{\text{Relevant Number of Shares}}$$

“**RM Repurchase Premium**” shall be determined in accordance with the following formula:

HK\$8,000,000 **plus** interests accrued on HK\$8,000,000 at the rate of 5% per annum (such interests to be calculated based on a 365-day year and the number of days elapsed from the date of the APA Shareholders’ Agreement to the date of repurchase) **less** a sum equal to the total of (i) the aggregate amount received by the Purchaser (whether from APA or the APA Majority Shareholder or otherwise) in respect of or in connection with claims (“**RM Claims**”) made by the Purchaser under the APA RM Subscription Agreement and (ii) the notional interests accrued at the rate of 5% per annum on the respective amounts received by the Purchaser (“**RM Received Compensated Amounts**”) under the RM Claims. Such notional interests shall be calculated based on a 365-day year and the number of days elapsed from the respective dates of receipt by the Purchaser of the respective RM Received Compensated Amounts to the date of repurchase.

Dr. Tang has unconditionally and irrevocably guaranteed to the Target and the Purchaser the due and punctual performance and discharge by the APA Majority Shareholder of all obligations due, owing or incurred to the Target and the Purchaser by the APA Majority Shareholder pursuant to the above shareholding compensation provisions set out in the APA Shareholders' Agreement and in the event that the APA Majority Shareholder fails duly and punctually to perform or discharge any of such obligations, Dr. Tang shall forthwith upon demand perform and discharge or procure the performance and discharge of such obligations.

### ***Termination***

A shareholder (“**Non-default Shareholder**”) may give notice to the other shareholder of its desire to terminate the APA Shareholders' Agreement in the occurrence of certain circumstances as set out in the APA Shareholders' Agreement (including, where a petition/proceeding/order is presented/commenced/made for the winding-up, insolvency, dissolution of a shareholder of APA (“**Default Shareholder**”). After serving such notice, the Non-default Shareholder is entitled to require the Default Shareholder to purchase (“**Exit Put Option**”) or sell (“**Exit Call Option**”) all shares of APA held by the Non-default Shareholder or (as the case may be) by the Default Shareholder at a price to be determined by the auditors of APA for the time being, provided that where the APA Majority Shareholder is the Default Shareholder, the Non-default Shareholder(s) is not entitled to exercise such Exit Call Option requesting for the sale of the shares of APA held by the APA Majority Shareholder and the Non-default Shareholder(s) is only entitled to the exercise of the Exit Put Option and in case there are more than one Non-default Shareholder, the Exit Call Option shall be exercised between them in the proportion of their shareholding in APA bears to each other subject to the terms and conditions of the APA Shareholders' Agreement.

### ***Duration***

The APA Shareholders' Agreement shall cease to have effect (save as certain remaining provisions) or in relation to any antecedent claims upon the earlier of (a) the obtaining of the unanimous consent of the then shareholders of APA in writing; or (b) all the issued shares of APA become beneficially owned by one person or entity. The APA Shareholders' Agreement shall cease to have effect in relation to a shareholder of APA if it ceases to hold any issued shares of APA.

## **OPTIONS TO ACQUIRE FURTHER SHARES OF APA**

Pursuant to the APA ES Subscription Agreement, the APA Majority Shareholder granted to the Target the ES Call Option, the exercise of which shall entitle the Target to request the APA Majority Shareholder to sell the ES Call Option Shares to the Target at a fixed price of HK\$5,600,000. The ES Call Option is exercisable by the Target during a period ending 30 November 2016, in either one tranche or two equal tranches. Together with the RM Call Option granted by the APA Majority Shareholder to the Purchaser pursuant to the APA RM Subscription Agreement which entitles the Purchaser to request the APA Majority Shareholder to sell the RM Call Option Shares (representing 3% of the issued shares of APA) to the Purchaser, the Group will be entitled to acquire up to an

aggregate of an additional 10% of issued shares of APA from the APA Majority Shareholder after Completion. The Company will comply with the applicable requirements under the Listing Rules in the event the Group exercises any of such options.

## **INFORMATION ABOUT THE TARGET AND APA GROUP**

The Target, a company incorporated in the British Virgin Islands with limited liability on 10 September 2014, is principally engaged in investment holding and its principal asset is the APA Shares. The APA Group is a group of companies principally engaged in real estate agency business in particular for the sales of properties in Australia and the United Kingdom.

The Target is not engaged in any business activity other than holding the APA Shares. APA was incorporated on 14 March 2014.

Dr. Tang is interested in 7% equity interest of the APA Majority Shareholder, which holds 70% equity interest of APA. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Dr. Tang, each of the APA Majority Shareholder and its ultimate beneficial owners is an Independent Third Party.

Set out below is certain unaudited financial information of the Target for the period from 10 September 2014 (being the date of incorporation of the Target) to 30 April 2015 and the year ended 30 April 2016:

	<b>For the period from 10 September 2014 (date of incorporation) to 30 April 2015 <i>HK\$ (approximately)</i></b>	<b>For the year ended 30 April 2016 <i>HK\$ (approximately)</i></b>
Net profit/(loss) before tax	1,628,000	(256,000)
Net profit/(loss) after tax	1,628,000	(256,000)

The unaudited total asset value and net asset value of the Target as at 30 April 2016 were approximately HK\$17.64 million and HK\$1.37 million respectively.

Set out below is certain audited financial information of APA for the period from 14 March 2014 (being the date of incorporation of APA) to 30 June 2015:

	<b>For the period from 14 March 2014 (date of incorporation) to 30 June 2015 <i>HK\$ (approximately)</i></b>
Net profit (before taxation)	8,498,000
Net profit (after taxation)	6,732,000

As at 30 June 2015, the audited consolidated total asset value and net asset value of APA were approximately HK\$44.16 million and HK\$30.77 million respectively.

As at the date of this announcement, the Target was indebted to the Vendor the Shareholder's Loan of approximately HK\$16.29 million. As a Condition Precedent, the Vendor and the Target will effect the Capitalisation Arrangement to the effect that the Shareholder's Loan will be settled in full by way of capitalisation and allotment and issue of additional shares in the Target before Completion.

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in financial service business, solar energy business with a current focus on development, construction, operation and maintenance of power station projects, money lending business and assets investment.

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

The Group first invested in the APA Group through the 2014 Acquisition. The 2014 Acquisition did not constitute any transaction discloseable under Chapter 14 or Chapter 14A of the Listing Rules.

Taking into account the financial performance of the APA Group after the 2014 Acquisition and the Group's interest in APA increasing from 10% to 30% through the Acquisition, the Directors believe that the Acquisition will allow the Company to enjoy an increased share of the profit of the APA Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all relevant percentage ratios in respect of the Acquisition are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

## DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares
“APA”	AP Assets Limited 泛亞環球物業顧問有限公司, a company incorporated in Hong Kong and is owned as to 20% by the Target
“APA ES Subscription Agreement”	the subscription agreement dated 19 November 2014 entered into among the Target, the APA Majority Shareholder and APA in relation to the subscription of 2,000 then new shares of APA (i.e. the Sale Shares)
“APA Group”	APA and its subsidiaries
“APA Majority Shareholder”	a company incorporated in the British Virgin Islands with limited liability, in which Dr. Tang holds 7% equity interest, is one of the shareholders of APA
“APA RM Subscription Agreement”	the subscription agreement dated 19 November 2014 entered into among the Purchaser, the APA Majority Shareholder and APA in relation to the subscription of 1,000 then new shares of APA
“APA Shareholders’ Agreement”	the shareholders’ agreement dated 19 November 2014 entered into among the Target, the Purchaser, the APA majority Shareholder, APA and Dr. Tang
“APA Shares”	2,000 issued ordinary shares of APA wholly and beneficially owned by the Target, representing 20% of the issued shares of APA

“Board”	the board of Directors
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Jun Yang Financial Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Acquisition
“Completion Date”	a day within five Business Days after the last outstanding Condition Precedent (other than the Conditions Precedent which are only capable of being fulfilled upon Completion) shall have been fulfilled or waived (or such other date as the Vendor and the Purchaser may agree in writing) on which Completion is to take place
“Conditions Precedent”	the conditions precedent to which the Completion is subject as set out in the paragraph headed “Conditions Precedent” under the section headed “The SP Agreement” in this announcement
“Consideration”	the sum of HK\$20,000,000, being the aggregate consideration for the purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Dr. Tang”	Dr. Tang Sing Hing, Kenny, the vice-chairman of the Board and an executive Director
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2016 (or such later date as the Vendor and the Purchaser may agree in writing)
“Material Adverse Change”	any change (or effect) which has a material and adverse effect on the financial position, business or prospects or results of operations of the Target
“Purchaser”	Red Metro Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company, owns 10% equity interest of APA
“Sale Shares”	200 ordinary shares of US\$1.00 each in the issued share capital of the Target (inclusive of the shares of the Target to be allotted and issued pursuant to the Capitalisation Arrangement), representing the entire issued share capital of the Target as at Completion
“Shareholder’s Loan”	such amount as equals the face value of the entire sum owing by the Target to the Vendor immediately before the Completion, and as at the date of this announcement, such sum amounts to HK\$16,289,476
“SP Agreement”	the sale and purchase agreement dated 26 May 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Estate Sun Global Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	WLS Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8021)

“Warranties”

the representations, warranties and undertakings given by the Vendor in the SP Agreement to the Purchaser pursuant to the SP Agreement

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

Hong Kong, 26 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.*