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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: DISPOSAL OF APPROXIMATELY 30% OF THE ISSUED SHARE CAPITAL OF THE TARGET**

#### **DISPOSAL**

The Board is pleased to announce that after trading hours on 19 August 2016, the Company and the Purchaser entered into the SP Agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing approximately 30% of the issued share capital of the Target as at Completion, at the Consideration of HK\$34,500,000.

The Target is principally engaged in investment holding and the Target Group is principally engaged in solar energy business with a focus on the development, construction, operation and maintenance of power station projects in the PRC.

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

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal 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.

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Major terms of the SP Agreement are set out below.

## **THE SP AGREEMENT**

Date : 19 August 2016

Parties : (1) The Company as the vendor; and

(2) The Purchaser, Lucky Famous Limited, a wholly-owned subsidiary of GET Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on GEM (stock code: 8100). GET and its subsidiaries are principally engaged in (i) research, development and distribution of personal computer performance software, anti-virus software, mobile phone applications and toolbar advertisements, (ii) securities investment, (iii) money lending business, (iv) provision of insurance and mandatory provident fund schemes brokerage services and (v) provision of corporate management solutions and information technology contract services.

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

### **Assets to be acquired**

The Purchaser has conditionally agreed to acquire, and the Company has conditionally agreed to sell, the Sale Shares, representing approximately 30% of the issued share capital of the Target as at Completion, free from all encumbrances, and together with all rights and benefits attaching thereto on or after Completion.

## **Consideration**

The Consideration shall be HK\$34,500,000 and shall be payable by the Purchaser to the Company in the following manner:

- (1) the Deposit shall be paid upon signing of the SP Agreement as refundable deposit; and
- (2) the balance of the Consideration (being HK\$29,500,000) shall be paid upon Completion.

## **Basis of Consideration**

The Consideration was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms with reference to the unaudited consolidated net asset value of the Target as at 31 May 2016 of approximately HK\$114,438,000.

## **Conditions Precedent**

Completion shall be conditional upon and subject to the following conditions:

- (1) the Purchaser having carried out and completed the due diligence review of the Target Group (whether legal, accounting, financial, operational or other aspects that the Purchaser considers necessary) and being satisfied with the results of the due diligence review of the Target Group and the related business, assets, liabilities, activities, operations, financial position and prospects of the Target Group in all respects;
- (2) (where applicable) all the notification, publication and/or shareholders' approval requirements under Chapter 19 of the GEM Listing Rules for the SP Agreement and the transactions contemplated thereunder including the acquisition by the Purchaser of the Sale Shares having been complied with by GET;
- (3) (where applicable) all the notification, publication and/or shareholders' approval requirements under Chapter 14 of the Listing Rules for the SP Agreement and the transactions contemplated thereunder including the disposal by the Company of the Sale Shares having been complied with by the Company;
- (4) all licences, approvals and consents required by the Target Group for carrying on the solar energy business with a focus on the development, construction, operation and maintenance of power station projects in the PRC having remained valid and in full force and effect and not being revoked or cancelled by relevant organisation or regulatory authority and no circumstances or events that may result in the revocation and/or cancellation of such licences, approvals and consents have occurred up to Completion;

- (5) all the representations, warranties and undertakings given by the Company under the SP Agreement will remain true and correct and not misleading in all material respects as at the date of the Completion;
- (6) all requisite consents, clearances, authorisations and approvals (or, as the case may be, the relevant waivers) in connection with the entering into and performance of the terms of the SP Agreement having been obtained by the parties thereto;
- (7) the consummation of the transactions contemplated under the SP Agreement shall not have been restrained, enjoined or otherwise prohibited by any applicable laws and regulations, including any order, injunction, decree or judgment of any court or other governmental authority; and
- (8) there being no material adverse change to the business, assets and financial conditions of the Target Group since 31 May 2016.

The Purchaser may waive the conditions precedent (other than conditions (2), (3), (6) and (7) above) at any time before the Long Stop Date in whole or in part by notice in writing to the Company. Save as aforesaid, none of the conditions precedent is capable of being waived.

If the conditions precedent shall not have been fulfilled (or waived in accordance with the SP Agreement) in full on or before 5:00 p.m. on the Long Stop Date, all rights and obligations of the parties thereunder shall cease and terminate, save and except for (i) those regarding confidentiality and other general provisions which provisions shall remain in full force and effect, and (ii) the Company shall refund the Deposit to the Purchaser within 7 Business Days from the date of such termination without interest, 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**

Upon fulfilment or waiver (if applicable) of all the above conditions precedent, Completion shall take place on the fifth Business Day after the last outstanding condition precedent (other than the condition precedent which is only capable of being fulfilled upon Completion) shall have been fulfilled or waived (or such other date as the Purchaser and Company shall agree in writing).

Immediately after Completion, the Company will own approximately 70% of the issued share capital of the Target and members of the Target Group will continue to be subsidiaries of the Group.

## INFORMATION ABOUT THE TARGET GROUP

The Target is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the date of the SP Agreement, the Target is wholly-owned by the Company and owns a number of subsidiaries in the British Virgin Islands, Hong Kong and the PRC. The Target Group is principally engaged in solar energy business with a current focus on the development, construction, operation and maintenance of power station projects in the PRC.

Set out below is a summary of key financial information of the Target for the two years ended 31 December 2014 and 31 December 2015:

	<b>For the year ended 31 December 2014 HK\$'000 (unaudited)</b>	<b>For the year ended 31 December 2015 HK\$'000 (unaudited)</b>
Net loss (before taxation)	(20,803)	(36,558)
Net loss (after taxation)	(21,116)	(36,271)

The unaudited total asset value and net asset value of the Target as at 31 May 2016 were approximately HK\$688,531,000 and HK\$114,438,000 respectively.

## INFORMATION ABOUT THE GROUP

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

## REASONS FOR AND BENEFITS OF THE DISPOSAL

The name of the Company has been changed from “Jun Yang Solar Power Investments Limited” to “Jun Yang Financial Holdings Limited” in August 2015 to better reflect its current business direction. The Directors consider that the Disposal will enable the Group to shift the resources from solar energy business to financial services business of the Group in which the Group has been continuously putting more efforts and resources. On the other hand, the Directors are of the view that the Disposal will allow the Company to realise part of its investment in the Target at a reasonable price and is in the interest of the Company.

It is estimated that upon Completion, the Group will record a net gain of approximately HK\$168,600, which is calculated with reference to the difference between the Consideration and the unaudited net asset value of the Target Group of approximately HK\$114,438,000 as at 31 May 2016 without taking into account the profit and loss effect of the Target Group after 31 May 2016, after deduction of expenses of approximately HK\$370,000 in connection with the Disposal, including the legal and professional fees. The actual amount of gain or loss as a result of the Disposal to be recorded by the Company will be subject to the review and final audit by the auditors of the Company.

The Company intends to use the net proceeds from the Disposal for general working capital of the Group and/or its financial services business.

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 the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal 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:

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“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 Disposal
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the sum of HK\$34,500,000, being the aggregate consideration for the sale and purchase of the Sale Shares
“Deposit”	the refundable deposit in the sum of HK\$5,000,000 payable by the Purchaser to the Company upon signing of the SP Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares pursuant to the terms and conditions of the SP Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“GET”	GET Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on GEM
“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 PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2016 (or such later date as the Company and the Purchaser may agree in writing)

“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
“Purchaser”	Lucky Famous Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of GET
“Sale Shares”	10,670 ordinary shares of the Target of US\$1.00 each, representing approximately 30% of the issued share capital of the Target as at Completion
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“SP Agreement”	the sale and purchase agreement dated 19 August 2016 entered into between the Purchaser and the Company in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Jun Yang Solar Power Investment Holdings Limited 君陽光電投資控股有限公司, a company incorporated in the Cayman Islands with limited liability
“Target Group”	the Target and its subsidiaries

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

Hong Kong, 19 August 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.*