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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 A PROPERTY HOLDING COMPANY**

#### **ACQUISITION**

The Board is pleased to announce that after trading hours on 19 October 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 a cash consideration of HK\$56.5 million. The Vendor is an Independent Third Party.

The Target is principally engaged in investment holding and its principal asset is the Property, which is a commercial unit in Central.

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

As the highest percentage ratio (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.

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Major terms of the SP Agreement are set out below.

## **THE SP AGREEMENT**

Date : 19 October 2016

Parties : (1) The Vendor, AMCO United Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 630); and

(2) The Purchaser, Key Winner Investments Limited, a wholly-owned subsidiary of the Company.

The Vendor and its subsidiaries are principally engaged in (i) manufacture and sale of medical device products; (ii) manufacture and sale of plastic moulding products; (iii) provision of public relations services; (iv) provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works; (v) money lending business; and (vi) securities investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is an Independent Third Party.

### **Assets to be acquired**

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

### **Consideration**

The Consideration for the Acquisition payable by the Purchaser to the Vendor is HK\$56.5 million and shall be payable by the Purchaser to the Vendor in the following manner:

- (1) as to HK\$5.65 million ("**Deposit**") within seven calendar days from the date of signing of the SP Agreement as refundable deposit; and
- (2) as to the remaining balance of HK\$50.85 million upon Completion.

The Consideration shall be settled by the Company in cash. The Deposit was funded by the Group's internal resources and the remaining balance of the Consideration will also be funded by the internal resources of the Group.

### **Basis of Consideration**

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to a valuation of the Property of HK\$56.5 million as at 19 October 2016 conducted by an independent professional valuer.

### **Conditions Precedent**

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

- (1) the Purchaser being reasonably satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational, properties or other aspects that the Purchaser may consider necessary including but not limited to the Company's title to the Property) on the Target and its assets, properties, liabilities, activities, operations, prospects and other status which the Purchaser, its agents or professional advisers think reasonably necessary and appropriate to conduct;
- (2) the Vendor having complied with the requirements under the Listing Rules in respect of the transactions contemplated under the SP Agreement;
- (3) the Company having complied with the 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 up to Completion;
- (6) (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
- (7) (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 the conditions precedent referred to in paragraphs (1), (4) and (5) above at any time before the Long Stop Date by notice in writing to the Vendor. Save as aforesaid, none of the other conditions precedent above is capable of being waived.

If any of the above conditions precedent have 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 under the SP Agreement shall cease and terminate, save and except for (i) certain provisions relating to confidentiality, costs and expenses and certain miscellaneous matters 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; and (ii) the Vendor shall within five Business Days after the earlier of (a) the Long Stop Date; or (b) the earliest date on which any condition precedent above is incapable of being fulfilled, refund the Deposit, without interest, to the Purchaser (or it may direct).

### **Completion**

Subject to the fulfillment or waiver (as the case may be) of all the above conditions precedent, Completion shall take place within five Business Days after the last outstanding conditions precedent above (other than those 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.

Immediately after Completion, the Target will become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target will be consolidated with the results of the Group.

### **INFORMATION ABOUT THE TARGET GROUP**

The Target is a company incorporated in the British Virgin Islands with limited liability on 12 March 2015. The principal business of the Target is investment holding and its principal asset is the Property.

The unaudited financial information of the Target for the period from 12 March 2015 (being the date of incorporation of the Target) to 31 December 2015 and the nine months ended 30 September 2016 are set out below:

	<b>For the period from 12 March 2015 to 31 December 2015 <i>HK\$'000</i> (<i>unaudited</i>)</b>	<b>For the nine months ended 30 September 2016 <i>HK\$'000</i> (<i>unaudited</i>)</b>
Profit (before taxation)	3,654	14
Profit (after taxation)	3,616	51

The unaudited total assets value and net assets value of the Target as at 30 September 2016 were both approximately HK\$62.52 million.

The Property is a commercial unit in a prime location in Central, Hong Kong, occupying a saleable area of approximately 1,960 square feet. The Property is currently vacant.

## **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 principal asset of the Target is the Property, which is located at Office 503, 5th Floor, Wing On House, No. 71 Des Voeux Road Central, Hong Kong. The Directors consider that the Acquisition will enable the Group to purchase a property which may be used by the Group as its principal place of business in Hong Kong and that if there is an increase in the value of the Property in the future, the Group may realise its investment in the Property.

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 percentage ratio (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 by the Purchaser pursuant to the terms of the SP Agreement
“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 (Stock Code: 397)
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the date of Completion, which means a day within five Business Days after the last outstanding conditions precedent as set out in sub-paragraph headed “The SP Agreement – Conditions Precedent” above (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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate sum of HK\$56.5 million, being the consideration for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company

“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 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 as a whole
“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
“Property”	Office 503 (also known as Unit 503) on 5th Floor, Wing On House, No. 71 Des Voeux Road Central, Hong Kong
“Purchaser”	Key Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Sale Shares”	200 ordinary shares of US\$1.00 each in the issued share capital of the Target, which shall represent the entire 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 October 2016 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Bonus First Group Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Vendor, being the subject matter of the Acquisition
“Vendor”	AMCO United Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 630)
“Warranties”	the representations, warranties and undertakings given by the Vendor under the SP Agreement

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

Hong Kong, 19 October 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.*