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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 – EXTENSION OF LOAN ARRANGEMENT

Pursuant to the Loan Agreement dated 12 January 2017 made between the Lender, a wholly-owned subsidiary of the Company, and the Borrower, an Independent Third Party, the Original Loan in the principal amount of HK\$26,000,000, bearing interest at a rate of 12% per annum for a period of six months, was advanced to the Borrower. The Original Loan is secured by the Legal Charge. The Original Maturity Date of the Original Loan will fall on 13 July 2017.

The Board announces that on 11 July 2017, the Lender entered into the Extension Agreement with the Borrower whereby the Lender has agreed to extend the repayment date of the Extended Loan in the adjusted principal amount of HK\$27,560,000 (comprising the principal amount of the Original Loan and the interest accrued on the Original Loan up to the Original Maturity Date) to 13 January 2018 (i.e. the Extended Maturity Date).

The advance of the Original Loan did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of (i) the Extension; and (ii) the advance of the Original Loan and the Extension as a whole exceeds 5% and is lower than 25%, each of (i) the Extension; and (ii) the advance of the Original Loan and the Extension as a whole constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

BACKGROUND

The Lender is a wholly-owned subsidiary of the Company and is principally engaged in money lending activities in Hong Kong. In January 2017, the Lender advanced the Original Loan in the principal amount of HK\$26,000,000 to the Borrower. The Original Loan bore interest at a rate of 12% per annum and will, according to the original terms of the Loan Agreement, mature on 13 July 2017. Pursuant to the Extension Agreement made between the Lender and the Borrower, the principal amount of the loan has been adjusted and the maturity date has been changed.

THE ORIGINAL LOAN AND THE EXTENDED LOAN

The principal terms of the Loan Agreement (as amended by the Extension Agreement) are summarised as follows:

Date of the Loan Agreement	:	12 January 2017
Date of the Extension Agreement	:	11 July 2017
Lender	:	E Finance Limited, a wholly-owned subsidiary of the Company. The Lender is a licensed money lender in Hong Kong under the Money Lenders Ordinance
Borrower	:	An individual, who to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party
Principal amount of the Original Loan	:	HK\$26,000,000
Adjusted principal amount of the Extended Loan	:	HK\$27,560,000, representing the principal amount of the Original Loan and the unpaid interest of HK\$1,560,000 accrued thereon up to the Original Maturity Date
Maturity date	:	(i) the Original Maturity Date will fall on 13 July 2017 pursuant to the Loan Agreement; and (ii) the Extended Maturity Date shall fall on 13 January 2018 pursuant to the Extension Agreement
Interest	:	12% per annum All accrued but unpaid interest in respect of the Extended Loan shall be paid to the Lender on the Extended Maturity Date.
Security	:	The loan under the Loan Agreement (as varied by the Extension Agreement) is secured by the Legal Charge provided by the Borrower in favour of the Lender

The Original Loan advanced under the Loan Agreement to the Borrower was funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF THE ORIGINAL LOAN AND ITS EXTENSION

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

Money lending business is currently one of the Group's principal business activities. The terms of the Loan Agreement and the Extension Agreement were arrived at by the parties after arm's length negotiations with reference to the prevailing or then prevailing market conditions and practices. Having considered that the grant of the Original Loan and the Extension would be beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Loan Agreement and the Extension 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

The advance of the Original Loan by itself did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of (i) the Extension; and (ii) the advance of the Original Loan and the Extension as a whole exceeds 5% and is lower than 25%, each of (i) the Extension; and (ii) the advance of the Original Loan and the Extension as a whole constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	an individual who is an Independent Third Party
“Company”	Jun Yang Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company

“Extended Loan”	a loan in the principal amount of HK\$27,560,000 pursuant to the Extension Agreement
“Extended Maturity Date”	being 13 January 2018 pursuant to the Extension Agreement
“Extension”	the extension of the Original Maturity Date to the Extended Maturity Date pursuant to the Extension Agreement
“Extension Agreement”	the agreement dated 11 July 2017 entered into between the Lender and the Borrower in connection with the Extension
“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”	a third party independent of the Company and the connected persons of the Company
“Legal Charge”	a legal charge given by the Borrower in favour of the Lender in respect of the promissory notes in the principal amount of HK\$100,000,000 issued by a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange for all monies and obligations from time to time owing by the Borrower to the Lender under the Loan Agreement
“Lender”	E Finance Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement dated 12 January 2017 and entered into between the Lender and the Borrower in relation to the provision of the Loan
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Original Loan”	a loan in the principal amount of HK\$26,000,000 advanced by the Lender to the Borrower pursuant to the Loan Agreement

“Original Maturity Date” being 13 July 2017 pursuant to the Loan Agreement

“Shareholder(s)” the shareholder(s) of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

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

Hong Kong, 11 July 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.