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## **China Goldjoy Group Limited**

**中國金洋集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1282)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF 50% INTEREST IN SHENZHEN B&K NEW ENERGY CO., LTD.**

#### **SUBSCRIPTION AGREEMENT**

The Board announces that, on 12 January 2016 (after trading hours), Hong Kong Bao Yao, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Target Company, pursuant to which, Hong Kong Bao Yao has conditionally agreed to subscribe, and the Target Company has agreed to allot and issue to Hong Kong Bao Yao, the Subscription Shares at a consideration of RMB360,000,000 (equivalent to approximately HK\$425,844,000). Upon Completion, Hong Kong Bao Yao will hold approximately 50% interest in the Target Company, which in turn will become a subsidiary of the Group. The assets and liabilities and profits or losses of the Target Company thereafter will be combined into the consolidated financial statements of the Company.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions under the Subscription Agreement is more than 5% but less than 25%, the Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company for the purpose of Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

#### **CESSATION OF DISCUSSION RELATING TO THE PROPOSED ACQUISITION OF SEVEN TARGET COMPANIES**

Reference is made to the announcement of the Company dated 25 September 2015 relating to the First Proposed Acquisition.

The Board hereby announces that, as at the date of this announcement, the Board has decided not to proceed with the First Proposed Acquisition given certain commercial terms could not be finalized and agreed between the vendor and the Company.

**CESSATION OF DISCUSSION RELATING TO THE PROPOSED ACQUISITION OF THE OPTOELECTRONIC ENTERPRISE**

Reference is made to the announcement of the Company dated 7 July 2015 relating to, among other things, the Second Proposed Acquisition.

The Board hereby announces that, as at the date of this announcement, the Board has decided not to proceed with the Second Proposed Acquisition given there were certain due diligence issues relating to the Optoelectronic Enterprise which were not resolved to the satisfaction of the Company.

The Board announces that, on 12 January 2016 (after trading hours), Hong Kong Bao Yao, an indirect wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Target Company, pursuant to which, Hong Kong Bao Yao has conditionally agreed to subscribe, and the Target Company has agreed to allot and issue to Hong Kong Bao Yao, the Subscription Shares at a consideration of RMB360,000,000 (equivalent to approximately HK\$425,844,000). Upon Completion, Hong Kong Bao Yao will hold approximately 50% interest in the Target Company, which in turn will become a subsidiary of the Group. The assets and liabilities and profits or losses of the Target Company thereafter will be combined into the consolidated financial statements of the Company.

The principle terms of this Subscription Agreement are set out as follows:

**THE SUBSCRIPTION AGREEMENT**

Date: 12 January 2016

Parties: (a) Hong Kong Bao Yao, as subscriber;  
(b) Target Company.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Target Company and its beneficial owners are independent of, and not connected with the Company and its connected persons.

**SUBSCRIPTION**

The existing registered capital of the Target Company is RMB360,000,000, which will be increased to RMB720,000,000 (equivalent to approximately HK\$851,688,000) upon completion of the Subscription. Pursuant to the Subscription Agreement, Hong Kong Bao Yao will pay the Subscription Amount to a bank account designated by the Target Company on or before the Completion Date.

The Subscription Amount payable by Hong Kong Bao Yao was determined after arms' length negotiations on normal commercial terms between Hong Kong Bao Yao and the Target Company after taking into account, among others, the carrying amount of the Target Company and the valuations of certain tangible and intangible assets of the Target Company.

The Subscription Amount payable by Hong Kong Bao Yao will be funded out of the internal resources of the Group.

### **CONDITIONS PRECEDENT**

Completion will take place subject to the fulfilment or waiver from Hong Kong Bao Yao of the following conditions precedent pursuant to the Subscription Agreement:

- a) Hong Kong Bao Yao having satisfied with the results of business, financial and legal due diligence on the Target Company;
- b) all approvals, consents, filings and waiver (if any) required to be obtained from all government authorities and third parties in connection with transactions contemplated under the Subscription Agreement having been obtained;
- c) all statements and warranties made in the Subscription Agreement and the company information provided to Hong Kong Bao Yao by the Target Company being true, accurate and not misleading;
- d) the Subscription and the Staff and Management Arrangement (as defined below) having been effectively approved by the board and the shareholders' meeting of the Target Company;
- e) no occurrence of any event having caused material adverse effect to the business operation, financial conditions or assets of the Target Company; and
- f) the Board or the Shareholders of the Company at a general meeting of the Company (if applicable) having approved the transactions contemplated under the Subscription Agreement in accordance with the requirement of the Listing Rules.

After the signing of the Subscription Agreement, the Target Company and the Target Company shall procure its existing shareholders to use best endeavour to procure the fulfillment of the conditions precedent and to assist Hong Kong Bao Yao to complete all formalities in respect of the Subscription, and Hong Kong Bao Yao will commit to assist in all aspects.

If the conditions precedent above (other than the condition (c)) are not satisfied on 31 March 2016 or such other date as may be agreed by the parties, or not waived in writing, in full or in part, by Hong Kong Bao Yao, or the condition precedent (c) above is not fulfilled at the same time when the last of other conditions precedent is satisfied or waived, Hong Kong Bao Yao is entitled to postpone the date to such other date or declare that the Subscription Agreement is invalid.

## **THE TARGET GROUP'S STAFF AND MANAGEMENT ARRANGEMENT AFTER THE COMPLETION (THE "STAFF AND MANAGEMENT ARRANGEMENT")**

Upon Completion, the governance structure of the Target Group is as follows:

- a) The board of directors of each Target Group Company shall comprise seven directors, and Hong Kong Bao Yao is entitled to appoint at least four directors. The chairman of the board of directors of each Target Group Company shall be nominated by Hong Kong Bao Yao.
- b) The supervising committee of the Target Group Company shall comprise three supervisors, two of which shall be appointed by Hong Kong Bao Yao. The chairman of the supervising committee of each Target Group Company shall be nominated by Hong Kong Bao Yao.
- c) The general manager and legal representative of each Target Group Company shall be nominated by Hong Kong Bao Yao.
- d) Hong Kong Bao Yao will appoint a financial officer to each Target Group Company as required.

## **FINANCIAL INFORMATION OF THE TARGET GROUP**

According to the financial statements of the Target Group which are prepared in accordance with the PRC accounting standards, its consolidated financial results for the two years ended 31 December 2014 and the twelve months ended 31 December 2015 are as follows:

	<b>For the year ended 31 December</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
	(Audited)	(Audited)	(Unaudited)
	RMB'000	RMB'000	RMB'000
Net loss before tax	27,028	442,715	74,871
Net loss after tax	27,039	442,715	74,871
Net assets/(liabilities)	92,092	(220,623)	24,506

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

The Group is principally engaged in the development of a range of high-technology products, trading and providing services with respect to automation related equipment, and strategic investment and development in technologies mainly relating to biometric security, high-speed wireless data transmission and communications, and securities investment. The Subscriber is an investment holding company which is an indirect wholly-owned subsidiary of the Company.

The Target Company is principally engaged in the production and operation of machinery and electronic products and the development of new energy technologies. The Target Company currently holds a piece of land with approximately 120,000 square meters at the core area of Guangming New District in Shenzhen, on which approximately 100,000 square meters of properties completed, and the remaining undeveloped land is reserved for the purpose of development and construction upon the local government planning. The Company intends to hold a majority stake in the Target Company by way of the Subscription so that it can save up its effort to develop the new energy industry and the light-emitting diode manufacturing business and engage in related research and development of such business, and develop and operate the land held by it in accordance with the local government planning.

In view of the abovementioned, the Board considers that the terms of the Subscription Agreement are fair and reasonable and on normal commercial terms, in the ordinary course of business of the Company and in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions under the Subscription Agreement is more than 5% but less than 25%, the Subscription Agreement and the transactions contemplated thereunder constitute a discloseable transaction for the Company for the purpose of Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

### **CESSATION OF DISCUSSION RELATING TO THE PROPOSED ACQUISITION OF SEVEN TARGET COMPANIES**

Reference is made to the announcement of the Company dated 25 September 2015 relating to the First Proposed Acquisition.

The Board wishes to announce that, as at the date of this announcement, the Board has decided not to proceed with the First Proposed Acquisition given certain commercial terms could not be finalized and agreed between the vendor and the Company. No formal or legally binding agreement has been entered into between the parties in respect of the terms of the First Proposed Acquisition. Nonetheless, the Company will continue to explore other potential acquisition opportunities in the financial sector.

### **CESSATION OF DISCUSSION RELATING TO THE PROPOSED ACQUISITION OF THE OPTOELECTRONIC ENTERPRISE**

Reference is made to the announcement of the Company dated 7 July 2015 relating to the Second Proposed Acquisition.

The Board wishes to announce that, as at the date of this announcement, the Board has decided not to proceed with the Second Proposed Acquisition given there were certain due diligence issues relating to the Optoelectronic Enterprise which were not resolved to the satisfaction of the Company. No formal or legally binding agreement has been entered into

between the parties in respect of the terms of the Second Proposed Acquisition. However, save for the Subscription, the Company will continue to identify another investment opportunity relating to the energy-saving lighting business.

## DEFINITIONS

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

“Board”	the board of directors of the Company;
“Company”	China Goldjoy Group Limited (中國金洋集團有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“Conditions Precedent”	the conditions precedent set out in the Subscription Agreement;
“Completion”	the completion under the Subscription Agreement;
“Completion Date”	a date falling on or before the 5th working day after the Conditions Precedent in the Subscription Agreement are satisfied or waived by Hong Kong Bao Yao (as the case may be);
“Directors”	the directors of the Company;
“First Proposed Acquisition”	the proposed acquisition of the seven target companies principally engaging in the provision of financial services;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Bao Yao”	Hong Kong Bao Yao Technology Limited (香港寶耀科技有限公司), a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Optoelectronic Enterprise”	an enterprise which is principally engaged in research and development and manufacturing of energy-saving lighting products such as crystal semiconductors and carbon electrodes;
“PRC”	the People’s Republic of China, which for the purpose of the Subscription Agreement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;

“RMB”	Renminbi, the lawful currency of the PRC;
“Second Proposed Acquisition”	the proposed acquisition of the Optoelectronic Enterprise;
“Subscription”	the transactions contemplated under the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 12 January 2016 entered into between Hong Kong Bao Yao and the Target Company;
“Subscription Amount”	RMB360,000,000, being the total consideration of the Subscription,;
“Subscription Shares”	360,000,000 shares of RMB1.00 each to be issued by the Target Company to Hong Kong Bao Yao pursuant to the Subscription Agreement;
“subsidiary”	shall have the meaning ascribed to that term in the Listing Rules;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	深圳邦凱新能源股份有限公司 (Shenzhen B&K New Energy Co., Ltd.)*, a company incorporated in the PRC with limited liability; and
“Target Group”	comprising the Target Company and its subsidiaries (each, the <b>“Target Group Company”</b> ).

*Note:* For the purpose of illustration only, RMB is translated to HK\$ at the illustrative rate of RMB1.00 = HK\$1.1829.

By Order of the Board  
**China Goldjoy Group Limited**  
**Yao Jianhui**  
*Chairman and Chief Executive Officer*

Hong Kong, 12 January 2016

*As at the date of this announcement, the Board comprises two executive directors, namely Mr. Yao Jianhui and Mr. Li Minbin; one non-executive director, namely Mr. Huang Wei; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.*

\* *for identification purpose only*