

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **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)**

### **TERMINATION AGREEMENT AND DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SHENZHEN HONGSHENG ENERGY-SAVING TECHNOLOGY CO., LTD.**

#### **THE TERMINATION AGREEMENT**

Reference is made to the Announcement in relation to the proposed subscription of 50% equity interest in Shenzhen B&K. Due to certain local regulatory restrictions on Hong Kong Bao Yao, being an offshore entity, holding direct interest in Shenzhen B&K after the Subscription, on 13 June 2016, Shenzhen B&K and Hong Kong Bao Yao entered into the Termination Agreement to terminate the Subscription Agreement with immediate effect.

#### **THE SALE AND PURCHASE AGREEMENT**

The Board announces that, on 13 June 2016 (after trading hours), Shenzhen Bao Man, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Vendor conditionally agreed to sell, and Shenzhen Bao Man conditionally agreed to purchase, the Sale Interest at a consideration of RMB380,000,000 (equivalent to approximately HK\$450,497,600). Upon Completion, Shenzhen Bao Man will hold all the equity 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 and its subsidiaries thereafter will be combined into the consolidated financial statements of the Company.

#### **LISTING RULES IMPLICATIONS**

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

## **THE TERMINATION AGREEMENT**

Reference is made to the Announcement in relation to the proposed subscription of 50% equity interest in Shenzhen B&K. Unless otherwise stated herein, capitalised terms used, herein shall have the same meanings as those defined in the Announcement.

Due to certain local regulatory restrictions on Hong Kong Bao Yao, being an offshore entity, holding direct interest in Shenzhen B&K after the Subscription, on 13 June 2016, Shenzhen B&K and Hong Kong Bao Yao entered into the Termination Agreement to terminate the Subscription Agreement with immediate effect. The rights and obligations of each of Hong Kong Bao Yao and Shenzhen B&K under the Subscription Agreement have ceased upon termination of the Subscription Agreement.

## **THE SALE AND PURCHASE AGREEMENT**

The Board announces that, on 13 June 2016 (after trading hours), Shenzhen Bao Man, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which, the Vendor conditionally agreed to sell, and Shenzhen Bao Man conditionally agreed to purchase, the Sale Interest at a consideration of RMB380,000,000 (equivalent to approximately HK\$450,497,600). Upon Completion, Shenzhen Bao Man will hold all the equity 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 and its subsidiaries thereafter will be combined into the consolidated financial statements of the Company.

The principle terms of the Sale and Purchase Agreement are set out as follows:

### **DATE**

13 June 2016

### **PARTIES**

- (a) Shenzhen Bao Man, as purchaser; and
- (b) 深圳大華建設工程有限公司 (Shenzhen Dahua Construction Engineering Co., Ltd.\*) as vendor.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

### **SUBJECT OF THE ACQUISITION**

The entire equity interest in the Target Company.

## **CONSIDERATION**

The consideration for the Acquisition is RMB380,000,000 (equivalent to approximately HK\$450,497,600), which will be payable by Shenzhen Bao Man to the Vendor via bank transfer in cash on the Completion Date.

The consideration for the Acquisition was determined after arm's length negotiations on normal commercial terms between Shenzhen Bao Man and the Vendor after taking into account, among others, the unaudited consolidated net asset value of the Target Company of approximately RMB380,551,852 as at 30 April 2016.

The consideration for the Acquisition payable by Shenzhen Bao Man will be funded out of the internal resources of the Group.

## **CONDITIONS PRECEDENT**

Completion will take place subject to the fulfilment or waiver from Shenzhen Bao Man of the following conditions precedent pursuant to the Sale and Purchase Agreement:

- a) the board of directors or shareholders of the Vendor (if applicable in accordance with its articles) having approved the transactions contemplated under the Sale and Purchase Agreement;
- b) the Vendor having completed all relevant formalities for change of shareholder and registration with the relevant PRC regulatory authorities in connection with the transactions contemplated under the Sale and Purchase Agreement;
- c) the Vendor having completed all relevant legal procedures for transferring the Sale Interest to Shenzhen Bao Man;
- d) Shenzhen Bao Man having satisfied with the results of business, financial and legal due diligence on the Target Company;
- e) all statements and warranties made in the Sale and Purchase Agreement and the information provided to Shenzhen Bao Man by the Vendor (including information in connection with Shenzhen B&K) being true, accurate and not misleading; and
- f) the Board or the Shareholders in general meeting (if applicable) having approved the transactions contemplated under the Sale and Purchase Agreement in accordance with the requirement of the Listing Rules.

Shenzhen Bao Man is entitled to waive all or part of the aforesaid conditions precedent (save for conditions (b), (c) and (f) above) in writing. If the conditions precedent above are not satisfied on 13 June 2017 or such other date as may be agreed by the parties, or not waived in writing, in full or in part, by Shenzhen Bao Man, the Sale and Purchase Agreement shall immediately be terminated and thereafter no party has any claims against or liabilities or obligations to the other party.

## FINANCIAL INFORMATION OF THE TARGET GROUP

According to the financial statements of the Target Company which were prepared on a basis consistent with the PRC accounting standards, its audited financial results for the two years ended 31 December 2015 are as follows:

	<b>For the year ended 31 December</b>	
	<b>2014</b>	<b>2015</b>
	Unaudited	Audited
	RMB'000	RMB'000
	(Note 1)	
Net loss before tax	—	(2)
Net loss after tax	—	(2)
Net liabilities	—	(2)

*Note 1:*

The Target Company was incorporated on 16 November 2015. Thus, no financial information was available for the year ended 31 December 2014.

The financial statements of Shenzhen B&K for the two years ended 31 December 2015 were not consolidated into the financial statements of the Target Company for the two years ended 31 December 2015 as Shenzhen B&K has only become a subsidiary of the Target Company since May 2016.

Set out below is the financial information of Shenzhen B&K for the two years ended 31 December 2015, which were prepared on a basis consistent with the Hong Kong Financial Reporting Standards:

	<b>For the year ended 31 December</b>	
	<b>2014</b>	<b>2015</b>
	Unaudited	Audited
	RMB'000	RMB'000
Net loss before tax	(458,664)	(66,082)
Net loss after tax	(458,664)	(66,082)
Net assets/(liabilities)	(236,572)	17,346

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

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. Shenzhen Bao Man is an investment holding company which is an indirect wholly-owned subsidiary of the Company.

The Target Company is an investment holding company which, as at the date of the Sale and Purchase Agreement, held 50% equity interest of Shenzhen B&K, which is a subsidiary of the Target Company. The Company intends to acquire a control in Shenzhen B&K by way of the Acquisition. As disclosed in the Announcement, Shenzhen B&K is principally engaged in the production and operation of machinery and electronic products and the development of new energy technologies. Shenzhen B&K 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. After Completion, the Company is entitled to appoint members to the board of directors of the Target Company to exert certain control in the Target Company which will indirectly control Shenzhen B&K with the objective 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 Sale and Purchase 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 Sale and Purchase Agreement is more than 5% but less than 25%, the Sale and Purchase 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.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Interest by Shenzhen Bao Man from the Vendor pursuant to the Sale and Purchase Agreement;
“Announcement”	the announcement made by the Company dated 12 January 2016 in relation to the proposed subscription of 50% interest in Shenzhen B&K;
“associate”	has the meaning ascribed thereto in the Listing Rules;
“Completion”	completion of the Acquisition under the Sale and Purchase Agreement;
“Completion Date”	a date falling on or before the third working day after the Conditions Precedent in the Subscription Agreement are satisfied or waived by Shenzhen Bao Man (as the case may be);
“Conditions Precedent”	the conditions precedent set out in the Sale and Purchase Agreement;
“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;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 June 2016 entered into between Shenzhen Bao Man and the Vendor;
“Sale Interest”	the entire equity interest in the Target Company to be transferred from the Vendor to Shenzhen Bao Man pursuant to the Sale and Purchase Agreement;
“Shenzhen Bao Man”	深圳寶萬投資控股有限公司 (Shenzhen Bao Man Investment Holding Limited)*, a company established in the PRC and is an indirect wholly-owned subsidiary of the Company;
“Shenzhen B&K”	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;
“Subscription Agreement”	the subscription agreement dated 12 January 2016 entered into between Hong Kong Bao Yao and Shenzhen B&K;
“Target Company”	深圳鴻勝節能科技有限公司 (Shenzhen Hongsheng Energy-saving Technology Co., Ltd.)*, a company established in the PRC with limited liability;

“Target Group”	comprising the Target Company and its subsidiary;
“Termination Agreement”	the termination agreement dated 13 June 2016 entered into between Shenzhen B&K and Hong Kong Bao Yao in relation to the termination of the Subscription Agreement; and
“Vendor”	深圳大華建設工程有限公司 (Shenzhen Dahua Construction Engineering Co., Ltd.*), a company established in the PRC with limited liability.

Note: For the purpose of illustration only, RMB is translated to HK\$ at the illustrative rate of RMB1.00 = HK\$1.18552.

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

Hong Kong, 13 June 2016

*As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Feng Huiming 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*