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中國金洋集團有限公司
CHINA GOLDJOY GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1282)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



China Yinsheng Securities Limited

THE PLACING AGREEMENT

On 14 September 2016 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has agreed to place, through the Placing Agent on a best effort basis, up to 600,000,000 new Shares to not less than six Placées at the Placing Price of HK\$0.68 per Placing Share. The Placing Shares will be allotted and issued pursuant to the General Mandate. The net proceeds from the Placing is estimated to be approximately HK\$401,880,000.

Assuming that there is no change to the number of issued Shares between the date of this announcement and completion of the Placing, the 600,000,000 Placing Shares under the Placing represents (i) 2.78% of the total number of issued Shares as at the date of this announcement; and (ii) 2.71% of the total number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing is conditional upon the Stock Exchange having granted the listing of, and the permission to deal in, the Placing Shares.

Shareholders of the Company and potential investors should note that the Placing is subject to the fulfillment of the condition(s) as set out in the Placing Agreement, and that the Placing may or may not proceed to completion. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES

On 14 September 2016 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement with respect to the Placing, the principal terms of which are summarized below:

THE PLACING AGREEMENT

Date:

14 September 2016 (after trading hours)

Parties:

- (i) The Company as the issuer; and
- (ii) The Placing Agent as the placing agent.

The Placing Agent is a non wholly-owned subsidiary of the Company.

The Placing Shares

The Placing Agent has conditionally agreed to place, on a best effort basis, up to 600,000,000 Placing Shares to not less than six Placees. None of the Placees is expected to become a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing.

Assuming that there is no change to the number of issued Shares between the date of this announcement and completion of the Placing, the 600,000,000 Placing Shares under the Placing represents (i) 2.78% of the existing number of issued Shares; and (ii) 2.71% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

Based on the closing price of the Shares of HK\$0.77 on the date of the Placing Agreement, the Placing Shares have a market value of approximately HK\$462,000,000.

The Placing Shares will rank pari passu in all respects among themselves and with other Shares in issue on the date of allotment and issue of the Placing Shares.

The Placing Price

The Placing Price of HK\$0.68 per Placing Share was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares and represents:

- (i) a discount of 11.69% to the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on 14 September 2016; and
- (ii) a discount of 11.69% to the average closing price of HK\$0.77 per Share as quoted on the Stock Exchange for the last five trading days up to and including 13 September 2016.

Assuming that all the 600,000,000 Placing Shares are placed under the Placing, the gross proceeds and the estimated net proceeds from the Placing will amount to approximately HK\$408,000,000 and HK\$401,880,000, respectively. The net price per Placing Share is therefore estimated to be approximately HK\$0.67.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (i) the listing status of the Shares not being revoked such that the Shares shall continue to be traded on the Stock Exchange before the completion of the Subscription (except for the suspension of trading of the Shares in respect of the Placing Agreement pending an announcement to be made) and that neither the Stock Exchange nor the Securities and Futures Commission has indicated its dissenting view on the above-mentioned listing status based on the transactions proposed to be conducted under the Placing Agreement or reasons arising therefrom; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Placing Shares.

Completion of the Placing shall take place on or before the fifth business days after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the Placing Agent (the "Completion Date"). If the above conditions are not satisfied on or before 30 September 2016, the Placing Agreement will terminate and become void forthwith.

Placing Commission

The Company shall pay to the Placing Agent a commission equal to 1.5% of the aggregate amount of the Placing Price multiplied by the actual number of the Placing Shares being placed. The commission rate was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

Listing Application

An application will be made by the Company to the Stock Exchange for the granting of the listing of, and the permission to deal in, the Placing Shares.

The General Mandate

Under the General Mandate, the Directors are authorized to allot and issue up to 4,309,719,620 new Shares. As at the date of this announcement, no Share has been issued pursuant to the General Mandate. Since all the Placing Shares will be issued under the General Mandate, the Placing is not subject to approval of the shareholders of the Company.

On the assumption that 600,000,000 Placing Shares would be placed under the Placing, the Company will have unused General Mandate to issue up to 3,709,719,620 Shares.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the table of the shareholding structure of the Company before and after completion of the Placing, assuming the Placing Shares are placed in full and there had been no changes to the issued share capital of the Company between the date of this announcement and completion of the Placing:

	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Shareholding	Number of Shares	Shareholding
Shareholders of the Company				
Mr. Yao Jianhui	15,852,000	0.07%	15,852,000	0.07%
Tinmark Development Limited (Note)	10,771,835,600	49.99%	10,771,835,600	48.64%
Foresea Life Insurance Co., Ltd	4,219,560,000	19.58%	4,219,560,000	19.05%
The Placee(s)	—	—	600,000,000	2.71%
Other public shareholders	<u>6,541,350,500</u>	<u>30.36%</u>	<u>6,541,350,500</u>	<u>29.53%</u>
	<u>21,548,598,100</u>	<u>100.0%</u>	<u>22,148,598,100</u>	<u>100.0%</u>

Note: Tinmark Development Limited is wholly-owned by Mr. Yao Jianhui.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the trading and providing services with respect to automation related equipment; manufacturing; securities investment; and financial services.

The Placing is being conducted for the Company to raise capital while broadening its shareholder base and capital base. Assuming that all the 600,000,000 Placing Shares are placed under the Placing, the estimated net proceeds from the Placing will be approximately HK\$401,880,000. The Company intends to apply the net proceeds raised from the Placing to develop the finance lease business, and to acquire equity interests of financial services related enterprises in order to further extend the Group's business into the finance lease and financial services related sectors and to capture the development opportunities in the booming financial industry.

Given the above, the Directors are of the view that the terms of the Placing Agreement (including the Placing Price and the commission rate) are on normal commercial terms and are fair and reasonable, such that the Placing is in the interest of the Company and its shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

On 21 March 2016, the Company announced the placing of up to 585,416,800 new Shares under the general mandate (the “March Placing”). The March Placing was not completed. Save as disclosed, no equity fund raising exercise has been conducted by the Company in the past twelve months immediately preceding the date of this announcement.

Shareholders of the Company and potential investors should note that the Placing is subject to the fulfillment of the condition(s) as set out in the Placing Agreement, and that the Placing may or may not proceed to completion. Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“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;
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted by the shareholders of the Company to the Directors at the annual general meeting of the Company held on 3 May 2016 to allot, issue and deal with up to 4,309,719,620 new Shares, being 20% of the number of issued Shares as at the date of that annual general meeting;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	independent third party who is not connected person (as defined under the Listing Rules) of the Company and is independent of and not connected with the connected persons of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Placee(s)”	any professional, institutional or other investor(s) or person or entity who are Independent Third Parties procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing;
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement;

“Placing Agent”	China Yinsheng Securities Limited, an indirect non wholly-owned subsidiary of the Company and a licensed corporation to carry on businesses in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the placing agent in respect of the Placing;
“Placing Agreement”	the placing agreement dated 14 September 2016 entered into between the Company and the Placing Agent in respect of the Placing;
“Placing Price”	HK\$0.68 per Placing Share;
“Placing Shares”	up to 600,000,000 new Shares to be placed pursuant to the terms of the Placing Agreement;
“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;
“Share(s)”	ordinary share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

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

Hong Kong, 14 September 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.