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)

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF THE ENTIRE EQUITY INTEREST IN SHENZHEN XIN KAI TECHNOLOGY LIMITED

Reference is made to the Announcement in relation to the acquisition of the entire equity interest in Shenzhen Hongsheng, which holds 50% equity interest of Shenzhen B&K.

SHARE TRANSFER AGREEMENTS

On 8 December 2016, the Purchaser and the Vendors entered into the Share Transfer Agreements pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the entire equity interest in the Target Company, at an aggregate consideration of RMB226,181,800 (equivalent to approximately HK$254,624,161).

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% and all the applicable percentage ratios are less than 25%, the Acquisition constitutes 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.

Pursuant to Rule 14.22 of the Listing Rules, the Shenzhen Hongsheng Acquisition and the Acquisition will be aggregated as these transactions involve the acquisition of shares in Shenzhen B&K and are completed within a 12-month period. The Shenzhen Hongsheng Acquisition and the Acquisition, when aggregated, remain a discloseable transaction under Chapter 14 of the Listing Rules as the highest of the relevant percentage ratios exceeds 5% but is below 25%.

As at the date of this announcement, the Vendor A holds 99% equity interest in the Target Company which in turn holds 25.5% equity interest in Shenzhen B&K, an indirect non-wholly owned subsidiary of the Company. Accordingly, the Vendor A is a substantial shareholder of the Company and thus a connected person of the Company at the subsidiary level. As such, the transaction contemplated under the Share Transfer Agreement A constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given (i) the Board has approved the Share Transfer Agreements and the transactions contemplated thereunder; and (ii) the independent non-executive Directors have confirmed that the terms of the Share Transfer Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the transaction contemplated under the Share Transfer Agreement A is subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

BACKGROUND

Reference is made to the Announcement in relation to the acquisition of the entire equity interest in Shenzhen Hongsheng, which holds 50% equity interest of Shenzhen B&K. Unless otherwise stated herein, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

On 8 December 2016, the Purchaser and the Vendors entered into the Share Transfer Agreements pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell the entire equity interest in the Target Company, at an aggregate consideration of RMB226,181,800 (equivalent to approximately HK$254,624,161).

THE SHARE TRANSFER AGREEMENTS

(1) Share Transfer Agreement A

Date	:	8 December 2016 (after trading hours)
Parties	:	
Vendor A	:	深圳解新投資有限公司 (Shenzhen Jie Xin Investment Limited)*, a company established in the PRC with limited liability
Purchaser	:	深圳寶達金融服務有限公司 (Shenzhen Bao Da Financial Services Limited)*, a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company

The Vendor A is principally engaged in investment holding. As at the date of this announcement, the Vendor A was beneficially interested in 99% of the entire equity interest in the Target Company.

(2) Share Transfer Agreement B

Date	:	8 December 2016 (after trading hours)
Parties	:	
Vendor B	:	深圳訊安投資有限公司 (Shenzhen Xun An Investment Limited)*, a company established in the PRC with limited liability
Purchaser	:	深圳寶達金融服務有限公司 (Shenzhen Bao Da Financial Services Limited)*, a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company

The Vendor B is principally engaged in investment holding. As at the date of this announcement, the Vendor B was beneficially interested in 1% of the entire equity interest in the Target Company.

As at the date of this announcement, the Vendor A holds 99% equity interest in the Target Company which in turn holds 25.5% equity interest in Shenzhen B&K, an indirect non-wholly owned subsidiary of the Company. Accordingly, the Vendor A is a substantial shareholder of the Company and thus a connected person of the Company at the subsidiary level. Save as aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Vendor A and the Vendor B, together with their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

The Purchaser agreed to (i) acquire 99% of the equity interest in the Target Company from the Vendor A pursuant to the Share Transfer Agreement A; and (ii) 1% of the equity interest in the Target Company from the Vendor pursuant to the Share Transfer Agreement B.

Consideration

Pursuant to the Share Transfer Agreements, the Consideration of RMB226,181,800 (equivalent to approximately HK$254,624,161) shall be payable by the Purchaser to the Vendors in the following manner:

a) Pursuant to the Share Transfer Agreement A, 20% of the Consideration A (being RMB44,784,000) shall be payable by the Purchaser to the Vendor A via bank transfer in cash within 10 Business Days after the Completion Date; and the remaining balance shall be payable by the Purchaser to the Vendor A via bank transfer in cash on or before the date falling within 6 months from the Completion Date.

b) Pursuant to the Share Transfer Agreement B, the Consideration B shall be payable by the Purchaser to the Vendor B in one lump sum via bank transfer in cash on the Completion Date.

The Company intends to settle the Consideration by internal resources of the Group.

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser taking into account of (i) the unaudited net asset value of the Target Company as at 30 November 2016, being approximately RMB226,181,600 (equivalent to approximately HK$254,623,936); and (ii) the respective shareholding of the Vendors in the Target Company.

In light of the above, the Directors consider that the Acquisition is on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedents

Completion will take place subject to the fulfilment or waiver from the Purchaser of the following Conditions Precedents:

a) the board of directors or shareholders of each Vendor (if applicable in accordance with its articles) having approved the transactions contemplated under the relevant Share Transfer Agreement;

b) each 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 relevant Share Transfer Agreement;

c) each Vendor having completed all relevant legal procedures for transferring the relevant equity interests of the Target Company to the Purchaser;

d) the Purchaser having satisfied with the results of business, financial and legal due diligence on the Target Company;

e) all statements and warranties made in the relevant Share Transfer Agreement and the information provided to the Purchaser by each Vendor 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 Share Transfer Agreements in accordance with the requirement of the Listing Rules.

The Purchaser is entitled to waive all or part of the aforesaid Conditions Precedents in each of the Share Transfer Agreements (save for conditions (b), (c) and (f) above) in writing. If the Conditions Precedent above are not satisfied on 8 December 2017 or such other date as may be agreed by the parties, or not waived in writing, in full or in part, by the Purchaser, the relevant Share Transfer Agreement shall immediately be terminated and thereafter no party has any claims against or liabilities or obligations to the other party.

Completion

Completion of each of the Share Transfer Agreements is inter-conditional upon each other. The Purchaser has no obligation to complete the Share Transfer Agreement A if completion of the Share Transfer Agreement B does not occur (vice versa).

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company established in the PRC, which is principally engaged in investment holding.

The Target Company was incorporated on 26 October 2016. Thus, no audited financial information for the Target Company was available for the two years ended 31 December 2014 and 2015.

Set out below is the financial information of Shenzhen B&K for the two years ended 31 December 2014 and 2015, which were prepared on a basis consistent with the Hong Kong Financial Reporting Standards:

	For the year ended 31 December	
	2014	**2015**
	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 Company is an investment holding company. The Group is principally engaged in the manufacturing of a range of high-technology products, the trading of and provision of services with respect to automation-related equipment, securities investment and financial services. The Purchaser, an indirect wholly-owned subsidiary of the Company, is principally engaged in investment holding.

The Target Company is an investment holding company which, as at the date of the Share Transfer Agreements, held 25.5% equity interest of Shenzhen B&K. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. The Company will hold an aggregate of 75.5% equity interest of Shenzhen B&K accordingly. The reasons for and benefits of the acquisition of Shenzhen B&K were disclosed in the Announcement.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 5% and all the applicable percentage ratios are less than 25%, the Acquisition constitutes 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.

Pursuant to Rule 14.22 of the Listing Rules, the Shenzhen Hongsheng Acquisition and the Acquisition will be aggregated as these transactions involve the acquisition of shares in Shenzhen B&K and are completed within a 12-month period. The Shenzhen Hongsheng Acquisition and the Acquisition, when aggregated, remain a discloseable transaction under Chapter 14 of the Listing Rules as the highest of the relevant percentage ratios exceeds 5% but is below 25%.

As at the date of this announcement, the Vendor A holds 99% equity interest in the Target Company which in turn holds 25.5% equity interest in Shenzhen B&K, an indirect non-wholly owned subsidiary of the Company. Accordingly, the Vendor A is a substantial shareholder of the Company and thus a connected person of the Company at the subsidiary level. As such, the transaction contemplated under the Share Transfer Agreement A constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given (i) the Board has approved the Share Transfer Agreements and the transactions contemplated thereunder; and (ii) the independent non-executive Directors have confirmed that the terms of the Share Transfer Agreements and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the transaction contemplated under the Share Transfer Agreement A is subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent Shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors is considered to have a material interest in the Acquisition and therefore no Director was required to abstain from voting on the relevant resolutions for approving the Share Transfer Agreements and the transactions contemplated thereunder.

As Completion is subject to the terms and conditions under the Share Transfer Agreements, the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

"Acquisition"	the acquisition of the entire equity interest in the Target Company by the Purchaser from the Vendors pursuant to the Share Transfer Agreements

"Announcement"	the announcement made by the Company dated 13 June 2016 in relation to the Shenzhen Hongsheng Acquisition
"Business Day"	any day (other than Saturday, Sunday, a public holiday) on which banks in the PRC are generally open for business
"Completion"	the completion of the Acquisition
"Completion Date"	a date falling on or before the third Business Day after the Conditions Precedents are satisfied or waived by the Purchaser (as the case may be)
"Conditions Precedents"	the conditions precedents set out in each of the Share Transfer Agreements
"Consideration"	the total sum of RMB226,181,800 (equivalent to approximately HK$254,624,161) to be payable by the Purchaser to the Vendors for the Acquisition
"Consideration A"	the sum of RMB223,920,000 (equivalent to approximately HK$252,077,940), being the total consideration to be payable by the Purchaser to the Vendor A under the Share Transfer Agreement A
"Consideration B"	the sum of RMB2,261,800 (equivalent to approximately HK$2,546,221), being the total consideration to be payable by the Purchaser to the Vendor B under the Share Transfer Agreement B
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"PRC"	the People's Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Purchaser"	深圳寶達金融服務有限公司 (Shenzhen Bao Da Financial Services Limited)*, a company established in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
"Share Transfer Agreement A"	the share transfer agreement dated 8 December 2016 entered into between the Purchaser and the Vendor A in relation to the acquisition of 99% equity interest in the Target Company
"Share Transfer Agreement B"	the share transfer agreement dated 8 December 2016 entered into between the Purchaser and the Vendor B in relation to the acquisition of 1% equity interest in the Target Company

"Share Transfer Agreements"	collectively, the Share Transfer Agreement A and the Share Transfer Agreement B
"Share(s)"	ordinary share(s) of HK$0.1 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Hongsheng"	深圳鴻勝節能科技有限公司 (Shenzhen Hongsheng Energysaving Technology Co., Ltd.)*, a company established in the PRC with limited liability
"Shenzhen Hongsheng Acquisition"	the acquisition of the entire equity interest in Shenzhen Hongsheng by Shenzhen Bao Man
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Target Company"	深圳新凱科技有限公司 (Shenzhen Xin Kai Technology Limited)*, a company established in the PRC with limited liability
"Vendor A"	深圳解新投資有限公司 (Shenzhen Jie Xin Investment Limited)*, a company established in the PRC with limited liability
"Vendor B"	深圳訊安投資有限公司 (Shenzhen Xun An Investment Limited)*, a company established in the PRC with limited liability
"Vendors"	collectively, Vendor A and Vendor B; and each, the "**Vendor**"
"%"	per cent.

On behalf of the Board of
China Goldjoy Group Limited
Yao Jianhui
Chairman and Chief Executive Officer

Hong Kong, 8 December 2016

The translation of RMB into HK$ throughout this announcement is based on the exchange rate of RMB1.00 to HK$1.12575 which is adopted by the Purchaser and the Vendors for the Acquisition.

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Yao Jianhui, Mr. Shao Zuosheng 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*