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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: 01282)

DISCLOSEABLE TRANSACTION
ACQUISITION OF SHARES IN
NEW SPORTS GROUP LIMITED

The Board announces that on 28 November 2018 (after trading hours), the Subsidiary, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement in relation to the Acquisition for a total consideration of HK\$411,894,626.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% and all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board announces that on 28 November 2018 (after trading hours), the Subsidiary, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Agreement in relation to the Acquisition for a total consideration of HK\$411,894,626.

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

ACQUISITION OF NSG SHARES

Pursuant to the Agreement, an aggregate of 1,144,151,739 NSG Shares will be acquired, representing approximately 28.18% of the total number of NSG Shares in issue (i.e. 4,060,256,212 shares) as at the date of this announcement.

The total consideration for the Acquisition is HK\$411,894,626, which will be payable by the Subsidiary to the Vendors in cash. The total consideration was arrived at after arm's length negotiations between the Company and the Vendors and the purchase price of HK\$0.360 per NSG Share represents (i) a premium of approximately 26.32% to the closing price of HK\$0.285 per NSG Share as quoted on the Stock Exchange on the Last Trading Day, being

the last full trading day for the NSG Shares before the date of this announcement; and (ii) a premium of approximately 15.76% to the average closing price of approximately HK\$0.311 per NSG Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day.

The consideration for the Acquisition will be settled through the internal resources of the Group.

Completion will take place on 29 November 2018. Prior to the Acquisition, the Group held 40,999,048 NSG Shares, representing approximately 1.01% of the total number of NSG Shares in issue. Upon completion of the Acquisition, the Group will hold a total of 1,185,150,787 NSG Shares, representing approximately 29.19% of the total number of NSG Shares in issue (i.e. 4,060,256,212 shares) as at the date of this announcement. The investment in NSG will be classified as an “Interest in an Associates” and accounted for using the equity method of accounting in the consolidated financial statements of the Group upon completion of the Acquisition.

INFORMATION ABOUT NSG

NSG is a company incorporated in the Cayman Islands with limited liability, and its shares are listed on the Main Board of The Stock Exchange (Stock Code: 00299). NSG and its subsidiaries are principally engaged in property development and investment in the PRC, trading of commodities, development of cultural sports in the PRC, and securities investment.

According to the published financial statements of NSG, the financial results of NSG for the two years ended 31 December 2016 and 2017 are as follows:

| | For the year ended | |
|--------------------------|---------------------------|----------------|
| | 31 December | |
| | 2017 | 2016 |
| | (audited) | (audited) |
| | <i>HKD'000</i> | <i>HKD'000</i> |
| Profit/(loss) before tax | 105,388 | (917,221) |
| Profit/(loss) after tax | 101,847 | (920,171) |

The net asset value of NSG as at 30 June 2018 was HK\$3,883,596,000.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in financial services, automation, manufacturing, securities investment and property investment and development. The Subsidiary is an investment holding company.

INFORMATION ABOUT THE VENDORS

The Vendor A is an individual resided in the PRC and the Vendor B is an investment holding company incorporated in the British Virgin Islands and is wholly-owned by the Vendor A as at the date of this announcement.

REASON FOR THE ACQUISITION

Among the principal business activities of NSG and its subsidiaries (collectively, “**NSG Group**”), NSG’s strategies are to focus on sports culture and property development investment. Taking into consideration of the release by the Chinese government of “Several Opinions of the State Council on Accelerating the Development of Sports Industry to Promoting Sports Consumption” (Guo Fa 2014 No. 46) in 2014 to promote the domestic sports industry and promote policies related to the sports industry, sports consumption and national fitness, the Board believes that the average annual growth rate of the domestic sports industry will reach 15% or more in the next 10 years. In addition, NSG actively utilises its properties to seize the opportunities brought by the national policy and vigorously develops property development projects incorporating the concept of “sports and property development” by using its holding properties. The Board, therefore, believes that the value of the properties held by NSG will increase and a positive result of NSG is expected.

The Company actively carries out its property investment and development in recent years. It has been exploring suitable investment projects in the major cities and potential districts in the PRC. The Company takes the view that the Company will become the substantial shareholder of NSG after the Acquisition and the Company can promote its property investment and development business through the NSG’s resources and relationships in the PRC, its management personnel and experience. In addition, NSG has a large number of high-end customers and the Company believes that its financial services segment can provide financial services to NSG’s clients and therefore expand the customer base of its financial services segment and improve the segment result.

Based on the foregoing factors, the Board considers that the Acquisition was made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% and all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Given each of Mr. Yao Jianhui, Mr. Li Minbin and Mr. Zhang Chi holds 1,314,000, 306,500 and 1,220,000 NSG Shares respectively, representing approximately 0.0324%, 0.0075% and 0.0300% interest in NSG respectively. Mr. Yao Jianhui, Mr. Li Minbin and Mr. Zhang Chi were required to abstain from voting in the relevant board meeting in approving the Agreement and the translations contemplated thereunder.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings.

| | |
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| “Agreement” | the sale and purchase agreement dated 28 November 2018 entered into between the Subsidiary and the Vendors in relation to the Acquisition; |
| “Acquisition” | the acquisition of an aggregate of 1,144,151,739 NSG Shares by the Company from the Vendors under the Agreement; |
| “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 with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 01282); |
| “connected person” | has the meaning ascribed to it under the Listing Rules; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Last Trading Day” | 27 November 2018, the last full trading day in the NSG Shares before the date of the Agreement; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “NSG” | New Sports Group Limited, a company incorporated in the Cayman Islands with limited liability, and its shares are listed on the Main Board of The Stock Exchange (Stock Code: 00299); |
| “NSG Shares” | ordinary shares of HK\$0.05 each in the issued share capital of NSG; |
| “PRC” | the People’s Republic of China; |
| “Subsidiary” | Hong Kong Bao Da Financial Holdings Limited (香港寶達金融控股有限公司), an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong; |

| | |
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| “Shareholder(s)” | shareholder(s) of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Vendors” | the Vendor A and the Vendor B; |
| “Vendor A” | Ms. Ai Qing; |
| “Vendor B” | Boot Gain Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the Vendor A; and |
| “%” | per cent. |

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

Hong Kong, 28 November 2018

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Yao Jianhui, Mr. Li Minbin, Mr. Huang Wei and Mr. Zhang Chi; two non-executive directors, namely Mr. Lau Wan Po and Mr. Chen Kaiben; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.