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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)

FURTHER INFORMATION WITH REGARD TO CONNECTED TRANSACTION

Reference is made to the announcement of China Goldjoy Group Limited (the “**Company**”) dated 10 January 2019 (the “**Announcement**”) in relation to the Acquisitions. Unless otherwise provided, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to provide its shareholders and investors with the following additional information in relation to the Acquisitions:

ADJUSTMENT TO THE CONSIDERATION OF THE FIRST ACQUISITION

The consideration for the First Acquisition was determined by the parties through agreement with reference to the sum of the following items:

1. 2.2 times of the 30% of the net asset value of the First Target Companies as at 31 December 2015;
2. the capital contribution made by the First Vendor and Mr. Cheung to the First Target Companies from 1 January 2016 until the date of Announcement; and
3. undistributed profits of the First Target Companies attributable to the First Vendor and Mr. Cheung from 1 January 2016 to 31 December 2018 (the “**Relevant Period**”).

As the First Agreement was entered into soon after the end of the financial year of 2018, the actual amount of accrued profits of the First Target Companies for the last financial year of the Relevant Period was not available when the First Agreement was entered into. As such, the consideration for the First Acquisition was agreed to be HK\$107,129,000, which included the undistributed profits of the First Target Companies for the financial year of 2018 based on the management accounts of the First Target Companies for the eleven months up to 30 November 2018 and projected for the whole year (the “**First Reference Amount**”). The 2018 audited financial statements of the First Target Companies are expected to be issued on or before 30 April 2019. Upon the final profits of the First Target

Companies for the financial year of 2018 (the “**First Final Amount**”) becoming available, the First Consideration will be adjusted on a dollar-to-dollar basis by comparing the First Reference Amount and the First Final Amount whereupon:

- (a) if the First Final Amount is more than the First Reference Amount, the Purchaser will pay to the First Vendor an amount equal to the difference attributable to the interests held by the First Vendor in the First Target Companies;
- (b) if the First Final Amount is less than the First Reference Amount, the First Vendor will pay to the Purchaser an amount equal to the difference attributable to the interests held by the First Vendor in the First Target Companies; and
- (c) if the First Final Amount equals the First Reference Amount, no adjustment will be made to the consideration of the First Acquisition.

ADJUSTMENT TO THE CONSIDERATION OF THE SECOND ACQUISITION

The consideration for the Second Acquisition was determined by the parties through agreement with reference to the sum of the following items:

1. 2.2 times of the 30% of the net asset value of the Second Target Company as at 31 December 2015;
2. the capital contribution made by the Second Vendor and Mr. Cheung to the Second Target Company from 1 January 2016 until the date of Announcement; and
3. undistributed profits of the Second Target Company attributable to the Second Vendor and Mr. Cheung for the Relevant Period.

As the Second Agreement was entered into soon after the end of the financial year of 2018, the actual amount of accrued profits of the Second Target Company for the last financial year of the Relevant Period was not available when the Second Agreement was entered into. As such, the consideration for the Second Acquisition was agreed to be HK\$92,871,000, which included the undistributed profits of the Second Target Company for the financial year of 2018 based on the management accounts of the Second Target Company for the eleven months up to 30 November 2018 and projected for the whole year (the “**Second Reference Amount**”). The 2018 audited financial statements of the Second Target Companies are expected to be issued on or before 30 April 2019. Upon the final profits of the Second Target Company for the financial year of 2018 (the “**Second Final Amount**”) becoming available, the Second Consideration will be adjusted on a dollar-to-dollar basis by comparing the Second Reference Amount and the Second Final Amount whereupon:

- (a) if the Second Final Amount is more than the Second Reference Amount, the Purchaser will pay to the Second Vendor an amount equal to the difference attributable to the interests held by the Second Vendor in the Second Target Company;
- (b) if the Second Final Amount is less than the Second Reference Amount, the Second Vendor will pay to the Purchaser an amount equal to the difference attributable to the interests held by the Second Vendor in the Second Target Company; and

(c) if the Second Final Amount equals the Second Reference Amount, no adjustment will be made to the consideration of the Second Acquisition.

The Company is of the view that the Acquisitions were conducted after arm's length negotiations, under normal commercial terms and in the ordinary and usual course of business of the Company. The Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Acquisitions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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

Hong Kong, 15 January 2019

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.