

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint 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 joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of New Sports Group Limited or China Goldjoy Group Limited.



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)



NEW SPORTS GROUP LIMITED
新體育集團有限公司

*(Incorporated in the Cayman Islands with
limited liability)*
(Stock code: 00299)

HONG KONG BAO XIN ASSET MANAGEMENT LIMITED

香港寶信資產管理有限公司

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

(1) MAJOR TRANSACTION FOR CHINA GOLDJOY GROUP LIMITED IN RELATION TO THE CONDITIONAL AGREEMENT FOR ACQUISITION OF SHARES IN NEW SPORTS GROUP LIMITED THROUGH THE OFFEROR AND THE OFFER;

(2) POSSIBLE UNCONDITIONAL MANDATORY SECURITIES EXCHANGE OFFER WITH CASH ALTERNATIVE BY CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES IN THE SHARE CAPITAL OF NEW SPORTS GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT);

(3) ISSUE OF NEW SHARES BY CHINA GOLDJOY GROUP LIMITED UNDER SPECIFIC MANDATE AS CONSIDERATION SHARES TO THE VENDORS AND SHARE ALTERNATIVE UNDER THE GENERAL OFFER;

(4) RESUMPTION OF TRADING IN THE SHARES OF NEW SPORTS GROUP LIMITED; AND

(5) RESUMPTION OF TRADING IN THE SHARES OF CHINA GOLDJOY GROUP LIMITED

Financial adviser to the Offeror



建銀國際
CCB International

CCB International Capital Limited

THE SALE AND PURCHASE AGREEMENT

On 17 January 2019, the Offeror (an indirect wholly-owned subsidiary of CGG) and the Vendor Parties entered into the Sale and Purchase Agreement, pursuant to which the Offeror conditionally agreed to purchase, and the Vendors conditionally agreed to sell, the Sale Shares (being in aggregate 1,509,180,611 NSG Shares), representing approximately 37.18% of the entire issued share capital of NSG as at the date of this joint announcement. The consideration for the Sale Shares pursuant to the Sale and Purchase Agreement will be settled by CGG allotting and issuing the Consideration Shares (being in aggregate 1,509,180,611 new CGG Shares, representing approximately 5.83% of the existing issued share capital of CGG) to the Vendors on the basis of one (1) new CGG Share for every NSG Share sold as Sale Share.

Completion is conditional upon the fulfilment (or waiver) of the conditions described in the sub-section headed “Conditions” in the section headed “(1) THE SALE AND PURCHASE AGREEMENT” of this joint announcement.

POSSIBLE UNCONDITIONAL MANDATORY SECURITIES EXCHANGE OFFER WITH CASH ALTERNATIVE

As at the date of this joint announcement, there are 4,059,556,212 NSG Shares in issue and the Offeror Concert Group directly held in aggregate 1,187,991,287 NSG Shares, representing approximately 29.26% of the issued share capital of NSG.

Assuming no changes to the issued share capital of NSG from the date of this joint announcement to the Completion Date and subject to and upon Completion, the Offeror Concert Group will be interested in a total of 2,697,171,898 NSG Shares, representing approximately 66.44% of the issued share capital of NSG. Assuming 120,967,742 new NSG Shares are issued as Yue Jin Retained Shares on or before Completion and there are no other changes to the issued share capital of NSG from the date of this joint announcement to the Completion Date and subject to and upon Completion, the Offeror Concert Group will be interested in a total of 2,697,171,898 NSG Shares, representing approximately 64.52% of the issued share capital of NSG. Pursuant to Rule 26.1 of the Takeovers Code, subject to and upon Completion, the Offeror will make an unconditional mandatory general offer for all the issued NSG Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). As at the date of this joint announcement, there are no outstanding warrants, options, derivatives or convertible securities issued by NSG which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into NSG Shares.

Subject to and upon Completion, CCBI Capital will, on behalf of the Offeror and in compliance with the Takeovers Code, make an unconditional mandatory general offer for all the issued NSG Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on the terms to be set out in the Composite Offer Document to be issued in accordance with the Takeovers Code on the following basis:

(a) Share Alternative:

For each Offer Share one (1) new CGG Share; or

(b) Cash Alternative:

For each Offer Share HK\$0.435 in cash

The ratio under the Share Alternative is the same as the ratio of one (1) new CGG Share for every NSG Share sold as Sale Share by the Vendors under the Sale and Purchase Agreement.

The cash consideration per Offer Share under the Cash Alternative is based on the weighted average traded price of board lots of CGG Shares on the date of the Sale and Purchase Agreement.

The Offer will be extended to all NSG Independent Shareholders in accordance with the Takeovers Code. The NSG Independent Shareholders may elect to accept the Share Alternative or the Cash Alternative at their discretion. The NSG Independent Shareholders may elect to accept the Offer partly for the Share Alternative and partly for the Cash Alternative.

The principal terms of the Offer are set out in the section headed “(2) POSSIBLE UNCONDITIONAL MANDATORY SECURITIES EXCHANGE OFFER WITH CASH ALTERNATIVE” of this joint announcement.

THE OFFEROR’S INTENTIONS IN RELATION TO THE NSG GROUP

The Offeror intends to maintain the listing of the NSG Shares on the main board of the Stock Exchange after close of the Offer.

MAJOR TRANSACTION FOR CGG

As the highest of the applicable percentage ratios (as defined in the Listing Rules) for the transactions contemplated under the Sale and Purchase Agreement, when aggregated with the Previous Acquisition and the Offer, exceeds 25% but is less than 100%, the transactions contemplated under the Sale and Purchase Agreement and/or the Offer constitute a major transaction for CGG and are subject to the announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

The CGG EGM will be convened for the purpose of considering and approving, among other things, the transactions contemplated under the Sale and Purchase Agreement and the Offer. The CGG Circular containing, among other things, further information on NSG and a notice convening the CGG EGM, will be despatched to the CGG Shareholders in accordance with the Listing Rules. As additional time is required to prepare the information to be included in the CGG Circular, the despatch date of the CGG Circular is currently expected to be on or before 5 March 2019.

GENERAL

Independent Board Committee and independent financial adviser

Pursuant to Rule 2.1 of the Takeovers Code, an Independent Board Committee, comprising Ms. Zhan Yushan who is a non-executive director of NSG, and Mr. Chen Zetong, Ms. He Suying and Dr. Tang Lai Wah who are independent non-executive directors of NSG, has been established by NSG to advise the NSG Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

An independent financial adviser will be appointed by NSG pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Despatch of the Composite Offer Document

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document in relation to the Offer within thirty five (35) days of the date of this joint announcement or such later date as the Executive may approve. It is the intention of the Offeror and the NSG Board that the offer document from the Offeror and the offeree board circular from NSG be combined into the Composite Offer Document. The Composite Offer Document containing, among other things, details of the Offer (including the expected timetable), the recommendation from the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee in respect of the Offer and the relevant forms of acceptance and transfer, will be despatched by the Offeror and NSG jointly to the shareholders of NSG in accordance with the Takeovers Code.

NSG Independent Shareholders are encouraged to read the Composite Offer Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the NSG Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

RESUMPTION OF TRADING

At the request of NSG, trading in NSG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 January 2019 pending the publication of this joint announcement. Application has been made by NSG for the resumption of trading in the NSG Shares on the Stock Exchange with effect from 9:00 a.m. on 22 January 2019.

At the request of CGG, trading in CGG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 January 2019 pending the publication of this joint announcement. Application has been made by CGG for the resumption of trading in the CGG Shares on the Stock Exchange with effect from 9:00 a.m. on 22 January 2019.

WARNING: The Offer will only be made if Completion takes place. Completion is subject to fulfillment and/or waiver, as applicable, of the conditions precedent contained in the Sale and Purchase Agreement. Accordingly, the Offer may or may not be made. The issue of this joint announcement does not in any way imply that the Offer will be made. Shareholders and potential investors of NSG and CGG are advised to exercise extreme caution when dealing in the relevant securities of NSG and CGG. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

(1) THE SALE AND PURCHASE AGREEMENT

Date

17 January 2019

Parties

- (i) The Offeror, as purchaser of the Sale Shares;
- (ii) Upright Hoist Limited, as vendor of 758,558,639 NSG Shares;
- (iii) Mr. Zhang Xiaodong, as vendor of 1,475,000 NSG Shares and guarantor of Upright Hoist Limited;
- (iv) Tengyue Limited, as vendor of 749,146,972 NSG Shares; and
- (v) Mr. Wu Teng, as guarantor of Tengyue Limited.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Offeror conditionally agreed to purchase and the Vendors conditionally agreed to sell the Sale Shares, being in aggregate 1,509,180,611 NSG Shares, representing approximately 37.18% of the existing issued share capital of NSG as at the date of this joint announcement.

Consideration for the Sale Shares

The total consideration for the Sale Shares will be settled by the Offeror by procuring CGG to issue the Consideration Shares (being in aggregate 1,509,180,611 new CGG Shares, representing approximately 5.83% of the existing issued share capital of CGG as at the date of this joint announcement) to the Vendors, as to (i) 758,558,639 new CGG Shares to Upright Hoist Limited, (ii) 1,475,000 new CGG Shares to Mr. Zhang Xiaodong, and (iii) 749,146,972 new CGG Shares to Tengyue Limited.

Based on the weighted average traded price of board lots of CGG Shares on the date of the Sale and Purchase Agreement, each Sale Share has an ascribed value of HK\$0.435, which represents:

- (i) a premium of approximately 3.57% to the closing price of HK\$0.420 per NSG Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 4.32% to the average closing price of HK\$0.417 per NSG Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 0.23% to the average closing price of approximately HK\$0.436 per NSG Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 17.77% to the average closing price of approximately HK\$0.529 per NSG Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 0.46% to the audited consolidated net asset value attributable to the owners of NSG of approximately HK\$0.433 per NSG Share as at 31 December 2017, based on NSG's audited consolidated net asset value attributable to the owners of NSG of approximately HK\$1,759,462,000 as at 31 December 2017 and 4,059,556,212 NSG Shares in issue as at the date of this joint announcement; and
- (vi) a discount of approximately 39.08% to the unaudited consolidated net asset value attributable to the owners of NSG of approximately HK\$0.714 per NSG Share as at 30 June 2018, based on NSG's unaudited consolidated net asset value attributable to the owners of NSG of approximately HK\$2,900,166,000 as at 30 June 2018 and 4,059,556,212 NSG Shares in issue as at the date of this joint announcement.

The consideration for the Sale Shares was determined after arm's length negotiations between the Parties taking into account (i) the recent financial performance of CGG and NSG and (ii) the recent trading performance of CGG Shares and NSG Shares.

The Offeror shall procure for the issuance of the Consideration Shares by CGG to the Vendors on the Completion Date.

Rights and ranking of the Consideration Shares

The Consideration Shares, when allotted and issued, will rank equally in all respects among themselves and with all other CGG Shares in issue as at the date of issuance of such Consideration Shares, including the right to receive all future dividends and distributions which may be declared, made or paid by CGG with a record date falling on or after the date of allotment and issue of such Consideration Shares.

Mandate to issue the Consideration Shares by CGG

The Consideration Shares will be issued under the specific mandate to be sought at the CGG EGM.

Application for listing

An application will be made by CGG to the listing committee of the Stock Exchange for the listing of, and the permission to deal in, the Consideration Shares.

Conditions

Completion is conditional upon the fulfilment (or waiver) of the following conditions on or before the Long Stop Date:

- (i) this joint announcement having been published by NSG and the Offeror as required under the Takeovers Code;
- (ii) CGG having obtained approval of the CGG Shareholders for the transactions contemplated under the Sale and Purchase Agreement and the Offer (including, without limitation, the allotment and issue of the Consideration Shares and the new CGG Shares falling to be allotted and issued under the Share Alternative) in compliance with the Listing Rules;
- (iii) the listing committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares and the CGG Shares to be allotted and issued under the Share Alternative on the Stock Exchange;
- (iv) the Vendors' warranties remaining true, accurate and complete in all respects and not misleading in any respect as of date of the Sale and Purchase Agreement and the Completion Date, and none of the Vendor Parties nor NSG having breached the Sale and Purchase Agreement and/or the undertakings made by it/him thereunder;
- (v) the Vendor Parties having performed all their obligations under the Sale and Purchase Agreement which are required to be performed by them at or prior to the Completion Date;
- (vi) each member of the NSG Group having complied with the pre-Completion covenants set out in the Sale and Purchase Agreement;
- (vii) the NSG Shares remaining, during the period from the date of the Sale and Purchase Agreement up to the Completion Date, listed and trading on the Stock Exchange and there being, up to the Completion Date, no indication from the Stock Exchange or the SFC that the listing and/or trading of the NSG Shares on the Stock Exchange will be revoked or objected as a result of the consummation of the transactions under the Sale and Purchase Agreement, or the terms of the Sale and Purchase Agreement, or otherwise (but excluding any suspension of trading in NSG Shares due to insufficient public float in the NSG Shares immediately after the close of the Offer, or any suspension of trading in NSG Shares pending clearance of the transactions contemplated under the Sale and Purchase Agreement and/or the Offer by the SFC and/or the Stock Exchange);
- (viii) as of the Completion Date, no party shall have obtained any binding order from any competent authorities, and no legal proceedings shall have been instigated or threatened with a view to obtaining any such order, which restricts or prohibits any party from performing the Sale and Purchase Agreement or may adversely

affect the Offeror's legal and beneficial title to the Sale Shares free from all encumbrances, and the Sale and Purchase Agreement and all transactions contemplated thereunder shall have complied with all applicable legal and regulatory requirements;

- (ix) from the date of the Sale and Purchase Agreement, (i) there shall have occurred no material adverse effect with respect to the conditions (financial or otherwise), prospects, operating performance or affairs of the NSG Group as a whole and (ii) there shall have occurred no material adverse change in the applicable laws of all jurisdictions in which the NSG Group operates which may have a material adverse effect on the NSG Group as a whole; and
- (x) as of the Completion Date, none of NSG or other members of the NSG Group shall have breached or failed to comply (and there shall have occurred no event which causes NSG or other members of the NSG Group to not perform) any deeds, agreements, leases, mortgages, trust deeds, covenants, loan agreements or other agreements, obligations, undertakings, conditions or instruments to which NSG or other members of the NSG Group is a party or which has binding effect on the respective assets of NSG or other members of NSG Group, the breach or non-compliance of which may have material adverse effect with respect to the conditions (financial or otherwise), prospects, operating performance or affairs of the NSG Group as a whole.

The Offeror may waive (in whole or in part) any of the Conditions in paragraphs (iv) to (x) above in its absolute discretion at any time on or before the Long Stop Date by written notice to the Vendors. If any of the above Conditions has not been fulfilled or waived by the Offeror (as the case may be) on or before the Long Stop Date, the Offeror by written notice to the Vendors may terminate the Sale and Purchase Agreement whereupon everything therein contained shall become null and void and of no effect, except certain surviving provisions, subject to any liability in respect of any antecedent breach.

As at the date of this joint announcement, none of the Conditions above has been fulfilled or, if applicable, waived by the Offeror.

Undertakings

Pursuant to the Sale and Purchase Agreement, each Vendor Party has undertaken to the Offeror and CGG that during the period from the Completion Date up to the later of (a) the CGG Shares falling to be allotted and issued under the Share Alternative having been allotted and issued to the NSG Independent Shareholders who have accepted the Offer and elected for the Share Alternative and (b) 90 days after the Completion Date (both days inclusive), without the prior written consent of the Offeror and CGG, such Vendor Party will not:

- (i) allot, issue, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe for or purchase any interest in the Consideration Shares or any securities convertible into, exchangeable for or which carry rights to subscribe for or purchase the Consideration Shares or other instruments representing interests in the Consideration Shares;

- (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Consideration Shares;
- (iii) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (i), (ii) or (iii) is to be settled by delivery of Consideration Shares or other securities, in cash or otherwise; or
- (iv) announce or otherwise notify the public of the intention to do any of the foregoing.

Subject to Completion and compliance with the Listing Rules and the Takeovers Code, with effect from the date of the Sale and Purchase Agreement, the Offeror shall have the right to require the Vendor Parties to procure the appointment of the person(s) nominated by the Offeror as new NSG Directors with effect from the earliest date as may be permitted under the Takeovers Code.

Completion

Conditional upon the fulfilment (or waiver) of the Conditions, the Completion shall take place on the Completion Date, being the third Business Day after the fulfillment of the Conditions in paragraphs (i), (ii) and (iii) as detailed in the sub-section headed “Conditions” in the section headed “(1) THE SALE AND PURCHASE AGREEMENT” of this joint announcement, (or such other date as may be agreed between the Parties in writing).

(2) POSSIBLE UNCONDITIONAL MANDATORY SECURITIES EXCHANGE OFFER WITH CASH ALTERNATIVE

As at the date of this joint announcement, there are 4,059,556,212 NSG Shares in issue and the Offeror Concert Group directly held in aggregate 1,187,991,287 NSG Shares, representing approximately 29.26% of the issued share capital of NSG.

As disclosed in the announcement and circular of NSG dated 19 September 2016 and 30 November 2016 respectively in relation to the Yue Jin Acquisition, NSG may or may not be required to settle the retained consideration of HK\$150,000,000 by 30 April 2019 by allotting and issuing the Yue Jin Retained Shares (up to 120,967,742 new NSG Shares, subject to adjustment) to the Yue Jin Seller (or its nominee) in accordance with the Yue Jin Agreement. If 120,967,742 new NSG Shares are issued by NSG as Yue Jin Retained Shares pursuant to the Yue Jin Agreement, immediately upon the allotment and issue of such NSG Shares and assuming there is no other changes to the issued share capital of NSG, there will be 4,180,523,954 NSG Shares in issue.

Assuming no changes to the issued share capital of NSG from the date of this joint announcement to the Completion Date and subject to and upon Completion, the Offeror Concert Group will be interested in a total of 2,697,171,898 NSG Shares, representing approximately 66.44% of the issued share capital of NSG. Assuming 120,967,742 new NSG Shares are issued as Yue Jin Retained Shares on or before Completion and there are no other changes to the issued share capital of NSG from the date of this joint announcement to the Completion Date and subject to and upon Completion, the Offeror

Concert Group will be interested in a total of 2,697,171,898 NSG Shares, representing approximately 64.52% of the issued share capital of NSG. Pursuant to Rule 26.1 of the Takeovers Code, subject to and upon Completion, the Offeror will make a mandatory unconditional general offer for all the issued NSG Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it). As at the date of this joint announcement, there are no outstanding warrants, options, derivatives or convertible securities issued by NSG which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into NSG Shares.

Principal terms of the Offer

Subject to and upon Completion, CCBI Capital will, on behalf of the Offeror and in compliance with the Takeovers Code, make a mandatory unconditional general offer for all the issued NSG Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) on the terms to be set out in the Composite Offer Document to be issued in accordance with the Takeovers Code on the following basis:

(a) Share Alternative:

For each Offer Share one (1) new CGG Share; or

(b) Cash Alternative:

For each Offer Share HK\$0.435 in cash

The Offer will be extended to all NSG Independent Shareholders in accordance with the Takeovers Code. The NSG Independent Shareholders may elect to accept the Share Alternative or the Cash Alternative at their discretion. The NSG Independent Shareholders may elect to accept the Offer partly for the Share Alternative and partly for the Cash Alternative.

The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on or after the date on which the Offer is made, being the date of the posting of the Composite Offer Document.

Share Alternative

The ratio under the Share Alternative is the same as the ratio of one (1) new CGG Share for every NSG Share sold as Sale Share by the Vendors under the Sale and Purchase Agreement.

The closing price of HK\$0.435 per CGG Share on 17 January 2019 (being the Last Trading Day) represents:

- (i) a discount of approximately 0.23% to the average closing price of HK\$0.436 per CGG Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;

- (ii) a premium of approximately 3.08% to the average closing price of approximately HK\$0.422 per CGG Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 9.57% to the average closing price of approximately HK\$0.397 per CGG Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 45% to the audited consolidated net asset value attributable to the owners of CGG of approximately HK\$0.300 per CGG Share as at 31 December 2017, based on CGG's audited consolidated net asset value attributable to the owners of CGG of approximately HK\$7,769,381,000 as at 31 December 2017 and 25,869,806,100 CGG Shares in issue as at the date of this joint announcement; and
- (v) a premium of approximately 55.91% to the unaudited consolidated net asset value attributable to the owners of CGG of approximately HK\$0.279 per CGG Share as at 30 June 2018, based on CGG's unaudited consolidated net asset value attributable to the owners of CGG of approximately HK\$7,215,072,000 as at 30 June 2018 and 25,869,806,100 CGG Shares in issue as at the date of this joint announcement.

During the six-month period immediately prior to 17 January 2019 (being the Last Trading Day), the highest closing price per CGG Share as quoted on the Stock Exchange was HK\$0.48 on 23 July 2018, 31 July 2018 and 31 December 2018, and the lowest closing price per CGG Share as quoted on the Stock Exchange was HK\$0.32 on 30 October 2018 and 31 October 2018.

The actual number of new CGG Shares for allotment and issuance as Share Alternative under the Offer will be determined on the last day for acceptance of the Offer but in any event shall be not more than 1,483,352,056 CGG Shares, representing approximately 5.73% of the issued share capital of CGG as at the date of this joint announcement and approximately 5.14% of the enlarged issue share capital of CGG of 28,862,338,767 CGG Shares (as enlarged by the issue of the Consideration Shares to the Vendors pursuant to the Sale and Purchase Agreement and the maximum number of CGG Shares to be issued pursuant to the Share Alternative), assuming there is no other change in the issued share capital of CGG and all NSG Independent Shareholders have accepted the Offer and elected for the Share Alternative.

The CGG Shares to be issued in satisfaction of the Share Alternative pursuant to the Offer will be issued and credited as fully paid and will rank equally with the existing CGG Shares at the date of issue and are expected to be issued under the specific mandate to be sought at the CGG EGM. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the CGG Shares to be issued in satisfaction of the Share Alternative on the Stock Exchange.

Cash Alternative

The cash consideration per Offer Share under the Cash Alternative is HK\$0.435 per Offer Share, which is based on the weighted average traded price of board lots of CGG Shares on the date of the Sale and Purchase Agreement.

The cash consideration of HK\$0.435 per Offer Share under the Cash Alternative represents:

- (i) a premium of approximately 3.57% to the closing price of HK\$0.420 per NSG Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 4.32% to the average closing price of HK\$0.417 per NSG Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 0.23% to the average closing price of approximately HK\$0.436 per NSG Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 17.77% to the average closing price of approximately HK\$0.529 per NSG Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 0.46% to the audited consolidated net asset value attributable to the owners of NSG of approximately HK\$0.433 per NSG Share as at 31 December 2017, based on NSG's audited consolidated net asset value attributable to the owners of NSG of approximately HK\$1,759,462,000 as at 31 December 2017 and 4,059,556,212 NSG Shares in issue as at the date of this joint announcement; and
- (vi) a discount of approximately 39.08% to the unaudited consolidated net asset value attributable to the owners of NSG of approximately HK\$0.714 per NSG Share as at 30 June 2018, based on NSG's unaudited consolidated net asset value attributable to the owners of NSG of approximately HK\$2,900,166,000 as at 30 June 2018 and 4,059,556,212 NSG Shares in issue as at the date of this joint announcement.

During the six-month period immediately prior to 17 January 2019 (being the Last Trading Day), the highest closing price per NSG Share as quoted on the Stock Exchange was HK\$0.76 on 17 July 2018, 19 July 2018 and 20 July 2018, and the lowest closing price per NSG Share as quoted on the Stock Exchange was HK\$0.285 on 27 November 2018.

Total value of the Offer

As at the date of this joint announcement, NSG has 4,059,556,212 NSG Shares in issue. If 120,967,742 new NSG Shares are issued by NSG as Yue Jin Retained Shares pursuant to the Yue Jin Agreement before Completion, there will be 4,180,523,954 NSG Shares in issue. The Offeror Concert Group will hold in aggregate 2,697,171,898 NSG Shares upon Completion. As such, up to 1,483,352,056 NSG Shares will be subject to the Offer.

NSG has no other outstanding shares, options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into NSG Shares.

Assuming that there is no other change in the issued share capital of NSG from the date of this joint announcement up to the Closing Date, based on the cash consideration of HK\$0.435 per Offer Share under the Cash Alternative and 1,483,352,056 NSG Shares being subject to the Offer, if all NSG Independent Shareholders accept the Offer and elect for the Cash Alternative, the amount of cash required for the Offer is approximately HK\$645,258,144.

Assuming that there is no other change in the issued share capital of NSG from the date of this joint announcement up to the Closing Date and 1,483,352,056 NSG Shares being subject to the Offer, and based on the closing price of HK\$0.435 per CGG Share on 17 January 2019 (being the Last Trading Day), if all NSG Independent Shareholders accept the Offer and elect for the Share Alternative, the Offer is valued at approximately HK\$645,258,144.

Financial resources available to the Offeror

No cash consideration will be payable by the Offeror for the Sale Shares given that the consideration for the Sale Shares will be settled by the Offeror by procuring CGG to issue the Consideration Shares (being in aggregate 1,509,180,611 new CGG Shares) to the Vendors.

The Offeror intends to finance the cash consideration payable for the Cash Alternative under the Offer by its internal resources and the Facility granted by CCBI Securities, which is secured by (i) a charge over the NSG Shares currently held by the Offeror and to be acquired by the Offeror under the Sale and Purchase Agreement and the Offer which will be deposited into a margin account under the name of the Offeror opened with CCBI Securities; (ii) a charge over the NSG Shares currently held by Hong Kong Bao Da Financial Holdings Limited (a subsidiary of CGG) which has been deposited into a margin account under the name of Hong Kong Bao Da Financial Holdings Limited opened with CCBI Securities; (iii) the personal guarantee provided by Mr. Yao Jianhui in favour of CCBI Securities; and (iv) the corporate guarantee provided by CGG in favour of CCBI Securities.

CCBI Capital has been appointed as the financial adviser to the Offeror in respect of the Offer. CCBI Capital, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

Effect of accepting the Offer

By validly accepting the Offer, the NSG Independent Shareholders will sell their tendered NSG Shares to the Offeror free from all Encumbrances and together with all rights attached thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared on or after the date on which the Offer is made, being the date of the posting of the Composite Offer Document.

Acceptance of the Offer by any NSG Independent Shareholder will be deemed to constitute a warranty by such person that all the Offer Shares sold by such person under the Offer are free from all Encumbrances and with all rights accrued or attached

thereto, including but not limited to the right to receive all dividends and distributions which may be paid, made or declared, if any, on or after the date on which the Offer is made, being the date of the Composite Offer Document.

Any NSG Independent Shareholder who has accepted the Offer but who do not make any election as to the Share Alternative or Cash Alternative will be deemed to have elected for the Share Alternative.

NSG Independent Shareholders should also be aware that CGG Shares are traded in board lots of 4,000 shares and no arrangements are intended to be made for the trading of odd lots of CGG Shares following completion of the Offer. Acceptance of the Offer by any NSG Independent Shareholder who elect for the Share Alternative may result in their holding odd lots of CGG Shares. A limited period of matching service will be arranged for odd lot of CGG Shares that may be held by NSG Independent Shareholders as a result of completion of the Offer. Details of such matching service will be set out in the Composite Offer Document.

Acceptance of the Offer shall be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the NSG Independent Shareholders or if higher, the market value of the NSG Shares, will be deducted from the amount payable to the NSG Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant NSG Independent Shareholders accepting the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the NSG Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

As the issuance of new CGG Shares for the purpose of satisfying the Share Alternative does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) on issuance of new CGG Shares to NSG Independent Shareholders who opt for the Share Alternative.

Settlement of consideration

Cheques for cash entitlements to those who elect the Cash Alternative, and share certificates for CGG Shares for those who elect the Share Alternative, shall be paid for or despatched as soon as practicable but in any event within seven (7) business days (as defined in the Takeovers Code) of the date of receipt by the Offeror (or its agent) of duly completed and valid acceptances in respect of the Offer.

Taxation advice

The NSG Independent Shareholders, whether in Hong Kong or in other jurisdictions, are recommended to consult their own professional advisers if they are in doubt as to the taxation implications of accepting or rejecting the Offer and, in particular, whether

the receipt of the Cash Alternative and/or Share Alternative by valid acceptance of the Offer would make such NSG Independent Shareholders liable to taxation in Hong Kong or in other jurisdictions.

None of the Offeror and the parties acting in concert with it, CCBI Capital, CCBI Securities, NSG, and their respective directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Dealing and interests in NSG’s securities

For the six months immediately prior to the date of this joint announcement (the “**Period**”), save for (i) the purchase of the Sale Shares under the Sale and Purchase Agreement, (ii) any dealings and holdings in NSG Shares by CCBI Securities (a fellow subsidiary of CCBI Capital, which is the financial adviser to the Offeror in respect of the Offer) and/or other entities controlling, controlled by or under the same control as CCBI Capital (collectively, the “**Financial Adviser’s Group**”, and any one of them as a “**member of the Financial Adviser’s Group**”) on the instruction of third party clients who are not parties acting in concert with the Financial Adviser’s Group and (iii) the transactions as set out below, none of the Offeror and the parties acting in concert with it had dealt in any NSG Shares, options, derivatives, warrants, other securities convertible into NSG Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in NSG.

Date of the relevant transaction	Relevant party	Purchase/sale	Number of NSG Shares involved	Highest price per NSG Share (HK\$)	Average price per NSG Share (HK\$)
28 November 2018 (Note)	The Offeror	Purchase	1,144,151,739	0.3600	0.3600

Note: Please refer to CGG’s announcement dated 28 November 2018 for further details in relation to this transaction.

The full details of the dealings in the relevant securities in NSG by the Offeror and the parties acting in concert with it during the Period, including (where applicable) any dealings and holdings in the relevant securities of NSG by any member of the Financial Adviser’s Group which are required to be disclosed in the Composite Offer Document pursuant to the Takeovers Code, will be disclosed in the Composite Offer Document in accordance with the requirements of the Takeovers Code.

During the Period, NSG has carried out the on-market buy-backs of NSG Shares as set out below. All the NSG Shares bought back have been cancelled by NSG.

Date of the relevant transaction (<i>Note</i>)	Number of NSG Shares involved	Highest price per NSG Share (HK\$)	Lowest price per NSG Share (HK\$)
18 October 2018	510,000	0.3200	0.3050
19 October 2018	3,490,000	0.3250	0.3050
22 October 2018	1,630,000	0.3200	0.3000
23 October 2018	360,000	0.3200	0.3150
25 October 2018	4,760,000	0.3200	0.3150
6 November 2018	4,300,000	0.3250	0.3150
7 November 2018	2,900,000	0.3250	0.3200
8 November 2018	4,400,000	0.3250	0.3200
9 November 2018	3,650,000	0.3250	0.3250
28 November 2018	700,000	0.3200	0.2950

Note: Please refer to the announcements published by NSG on the transaction dates for further details in relation to the on-market buy-backs of NSG Shares as listed in the above table.

Dealing and interests in CGG's securities

During the Period, save for (i) the transactions as set out below and (ii) any dealings and holdings in CGG Shares by the Financial Adviser's Group on the instruction of third party clients who are not parties acting in concert with the Financial Adviser's Group, none of the Offeror and the parties acting in concert with it had dealt in any

CGG Shares, options, derivatives, warrants, other securities convertible into CGG Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in CGG.

Date of the relevant transaction	Relevant party	Purchase/sale	Number of CGG Shares involved	Highest price per CGG Share (HK\$)	Average price per CGG Share (HK\$)
19 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	2,924,000	0.3300	0.3254
22 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	2,948,000	0.3300	0.3237
23 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	6,424,000	0.3300	0.3238
24 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	1,212,000	0.3300	0.3254
25 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	2,100,000	0.3300	0.3211
26 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	496,000	0.3250	0.3250
29 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	2,300,000	0.3250	0.3217
30 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	3,276,000	0.3300	0.3216
31 October 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	988,000	0.3250	0.3204
1 November 2018	Tinmark Development Limited (<i>Note</i>)	Purchase	440,000	0.3250	0.3250

Note: Tinmark Development Limited is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Yao Jianhui.

The full details of the dealings in the relevant securities in CGG by the Offeror and the parties acting in concert with it during the Period, including (where applicable) any dealings and holdings in the relevant securities of CGG by any member of the Financial Adviser's Group which are required to be disclosed in the Composite Offer Document pursuant to the Takeovers Code, will be disclosed in the Composite Offer Document in accordance with the requirements of the Takeovers Code.

Overseas Holders

The Offeror intends to make the Offer available to all NSG Independent Shareholders, including those who are residents outside Hong Kong. As the Offer to persons not residing in Hong Kong may be affected by the laws of the relevant jurisdiction in which they are resident, Overseas Holders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should obtain information about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of the Overseas Holders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdictions).

Any acceptance by any Overseas Holder will be deemed to constitute a representation and warranty from such Overseas Holder to the Offeror that the local laws and requirements have been complied with. The Overseas Holders should consult their professional advisers if in doubt.

Other arrangements

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (i) save for the Offeror Concert Group's existing holding of in aggregate 1,187,991,287 NSG Shares and the Offeror's interest in the Sale Shares upon Completion as disclosed in this joint announcement, none of the Offeror nor parties acting in concert with it owned or had control or direction over any voting rights or rights over the NSG Shares, options, derivatives, warrants, other securities convertible into NSG Shares, or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in NSG;
- (ii) none of the Offeror nor parties acting in concert with it has received any irrevocable commitment to accept the Offer or any irrevocable undertaking from any NSG Independent Shareholders not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any NSG Shares held by he/she/it/them;

- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror, CGG or NSG and which might be material to the Offer;
- (iv) there is no agreement or arrangement to which the Offeror or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (v) none of the Offeror nor parties acting in concert with it has entered into any arrangement or contract in relation to any outstanding derivative in respect of securities in NSG nor has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in NSG.

Save for the consideration payable under the Sale and Purchase Agreement, there is no other consideration, compensation or benefits in whatever form provided or to be provided by the Offeror and parties acting in concert with it on the one hand to the Vendors and parties acting in concert with any of them on the other hand.

As at the date of this joint announcement, there is no special deal (under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it on the one hand and the Vendors and parties acting in concert with any of them on the other hand.

(3) SHAREHOLDING STRUCTURE OF NSG

Assuming there is no change in the issued share capital of NSG from the date of this joint announcement up to the Closing Date other than the issuance of Yue Jin Retained Shares pursuant to the Yue Jin Agreement (if any), the table below sets out the shareholding structure of NSG (i) as at the date of this joint announcement; (ii) upon Completion but before the Offer is made (assuming no Yue Jin Retained Share is issued); and (iii) upon Completion but before the Offer is made (assuming 120,967,742 Yue Jin Retained Shares are issued):

<i>Shareholders</i>	<i>As at the date of this joint announcement</i>		<i>Immediately upon Completion but before the Offer is made (assuming no Yue Jin Retained Share is issued)</i>		<i>Immediately upon Completion but before the Offer is made (assuming 120,967,742 Yue Jin Retained Shares are issued)</i>	
	<i>Number of NSG Shares</i>	<i>Approximate %</i>	<i>Number of NSG Shares</i>	<i>Approximate %</i>	<i>Number of NSG Shares</i>	<i>Approximate %</i>
<i>The Vendors</i>						
Mr. Zhang Xiaodong	1,475,000	0.04	—	—	—	—
Upright Hoist Limited (Note 1)	758,558,639	18.69	—	—	—	—
Tengyue Limited (Note 2)	<u>749,146,972</u>	<u>18.45</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Sub-total of the Vendors	<u>1,509,180,611</u>	<u>37.18</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<i>The Offeror Concert Group</i>						
The Offeror (Note 3)	19,870,000	0.49	1,529,050,611	37.67	1,529,050,611	36.58
Hong Kong Bao Da Financial Holdings Limited (Note 3)	1,144,151,739	28.18	1,144,151,739	28.18	1,144,151,739	27.37
China Goldjoy Securities Limited (Note 3)	21,129,048	0.52	21,129,048	0.52	21,129,048	0.51
Mr. Yao Jianhui (Note 4)	1,314,000	0.03	1,314,000	0.03	1,314,000	0.03
Mr. Li Minbin (Note 5)	306,500	0.01	306,500	0.01	306,500	0.01
Mr. Zhang Chi (Note 6)	<u>1,220,000</u>	<u>0.03</u>	<u>1,220,000</u>	<u>0.03</u>	<u>1,220,000</u>	<u>0.03</u>
Sub-total of the Offeror Concert Group	<u>1,187,991,287</u>	<u>29.26</u>	<u>2,697,171,898</u>	<u>66.44</u>	<u>2,697,171,898</u>	<u>64.52</u>
Public shareholders	<u>1,362,384,314</u>	<u>33.56</u>	<u>1,362,384,314</u>	<u>33.56</u>	<u>1,483,352,056</u>	<u>35.48</u>
Total	<u>4,059,556,212</u>	<u>100</u>	<u>4,059,556,212</u>	<u>100</u>	<u>4,180,523,954</u>	<u>100</u>

Notes:

1. Upright Hoist Limited is wholly-owned by Mr. Zhang Xiaodong, an executive director and the vice chairman of NSG. He is deemed to be interested in all the NSG Shares held by Upright Hoist Limited by virtue of the SFO.
2. Tengyue Limited is wholly-owned by Mr. Wu Teng, a non-executive director of NSG. He is deemed to be interested in all the NSG Shares held by Tengyue Limited by virtue of the SFO.
3. Each of the Offeror and Hong Kong Bao Da Financial Holdings Limited is a wholly-owned subsidiary of CGG and China Goldjoy Securities Limited is a non-wholly owned subsidiary of CGG in which CGG holds 57.6% effective interest.
4. Mr. Yao Jianhui is an executive director and the chairman of NSG and is also an executive director, the chairman and chief executive officer of CGG. He is also a controlling shareholder (as defined under the Listing Rules) of CGG. He is deemed to be interested in all the NSG Shares held by the Offeror, Hong Kong Bao Da Financial Holdings Limited and China Goldjoy Securities Limited by virtue of the SFO.
5. Mr. Li Minbin is an executive director of NSG and is also an executive director of CGG.
6. Mr. Zhang Chi is an executive director of CGG.
7. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

(4) SHAREHOLDING STRUCTURE OF CGG

As at the date of this joint announcement, CGG has 25,869,806,100 CGG Shares in issue. Except for the Consideration Shares that will be issued upon Completion and the new CGG Shares that will be issued for satisfying the Share Alternative under the Offer, CGG has no other outstanding shares, options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into CGG Shares.

Assuming there is no change in the issued share capital of CGG from the date of this joint announcement up to the Closing Date other than the issuance of the Consideration Shares to the Vendors pursuant to the Sale and Purchase Agreement and the new CGG Shares to satisfy the Share Alternative under the Offer, the table below sets out the shareholding structure of CGG (i) as at the date of this joint announcement, (ii) upon Completion but before the Offer is made, and (iii) upon completion of the Offer

(assuming 120,967,742 Yue Jin Retained Share are issued and all NSG Independent Shareholders validly elect to accept the Offer and opt for the Share Alternative, and a maximum of 1,483,352,056 new CGG Shares may thereby fall to be issued):

<i>Shareholders</i>	As at the date of this joint announcement		Immediately upon Completion but before the Offer is made		Immediately upon completion of the Offer	
	<i>Number of CGG Shares</i>	<i>Approximate %</i>	<i>Number of CGG Shares</i>	<i>Approximate %</i>	<i>Number of CGG Shares</i>	<i>Approximate %</i>
<i>Directors and substantial shareholders of CGG</i>						
Mr. Yao Jianhui (Note 1)	44,468,000	0.17	44,468,000	0.16	44,468,000	0.15
Tinmark Development Limited (Note 1)	10,794,943,600	41.73	10,794,943,600	39.43	10,794,943,600	37.40
Qian Hai Life Insurance Co., Ltd.* (前海人壽保險股份有限公司)	<u>4,219,560,000</u>	<u>16.31</u>	<u>4,219,560,000</u>	<u>15.41</u>	<u>4,219,560,000</u>	<u>14.62</u>
Sub-total of directors and substantial shareholders of CGG	<u>15,058,971,600</u>	<u>58.21</u>	<u>15,058,971,600</u>	<u>55.00</u>	<u>15,058,971,600</u>	<u>52.18</u>
<i>The Vendors</i>						
Mr. Zhang Xiaodong	—	—	1,475,000	0.005	1,475,000	0.01
Upright Hoist Limited (Note 2)	—	—	758,558,639	2.77	758,558,639	2.63
Tengyue Limited (Note 3)	<u>—</u>	<u>—</u>	<u>749,146,972</u>	<u>2.74</u>	<u>749,146,972</u>	<u>2.60</u>
Sub-total of the Vendors	<u>—</u>	<u>—</u>	<u>1,509,180,611</u>	<u>5.51</u>	<u>1,509,180,611</u>	<u>5.23</u>
Public shareholders	<u>10,810,834,500</u>	<u>41.79</u>	<u>10,810,834,500</u>	<u>39.49</u>	<u>12,294,186,556</u>	<u>42.60</u>
Total	<u>25,869,806,100</u>	<u>100</u>	<u>27,378,986,711</u>	<u>100</u>	<u>28,862,338,767</u>	<u>100</u>

Notes:

1. Mr. Yao Jianhui is an executive director, the chairman and chief executive officer of CGG and is also an executive director and the chairman of NSG. He is interested in the entire issued share capital of Tinmark Development Limited, a company incorporated in the British Virgin Islands with limited liability. He is deemed to be interested in all the CGG Shares held by Tinmark Development Limited by virtue of the SFO.
2. Upright Hoist Limited is wholly-owned by Mr. Zhang Xiaodong, an executive director and the vice chairman of NSG. He will be deemed to be interested in all the CGG Shares held by Upright Hoist Limited upon Completion by virtue of the SFO.
3. Tengyue Limited is wholly-owned by Mr. Wu Teng, a non-executive director of NSG. He will be deemed to be interested in all the CGG Shares held by Tengyue Limited upon Completion by virtue of the SFO.

4. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

(5) INFORMATION OF THE NSG GROUP

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, development of cultural sports in the PRC, trading of commodities and securities investment.

According to the published consolidated financial statements of NSG, the financial results of the NSG Group for the two years ended 31 December 2016 and 2017 and the six months ended 30 June 2018 are as follows:

	<i>(in HK\$'000)</i>		
	For the year ended 31 December 2016 (audited)	2017 (audited)	For the six months ended 30 June 2018 (unaudited)
Profit/(loss) before tax	(917,221)	105,388	182,820
Profit/(loss) after tax	(920,171)	101,847	146,780

The unaudited net asset value of the NSG Group as at 30 June 2018 as shown in the unaudited consolidated financial statements of NSG in its published interim report for the six months ended 30 June 2018 was HK\$3,883,596,000.

Further financial information of the NSG Group will be set out in the Composite Offer Document to be despatched to the NSG Independent Shareholders and the CGG Circular to be despatched to the CGG Shareholders.

(6) INFORMATION OF THE OFFEROR AND THE CGG GROUP

The Offeror is a company incorporated in Hong Kong with limited liability and principally engages in investment holding.

The Offeror is an indirect wholly-owned subsidiary of CGG. CGG is a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (stock code: 01282). The CGG Group is principally engaged in financial services, automation, manufacturing, securities investment and property investment and development. The ultimate controlling shareholder of CGG is Mr. Yao Jianhui, who is interested in approximately 41.90% of the issued shares of CGG as at the date of this joint announcement.

As at the date of this joint announcement, CGG (through its subsidiaries) is interested in an aggregate of 1,185,150,787 NSG Shares, representing approximately 29.19% of the issued shares of NSG.

(7) THE OFFEROR'S INTENTIONS IN RELATION TO THE NSG GROUP

Subject to and upon Completion, the Offeror and parties acting in concert with it will become the controlling shareholder of NSG. As at the date of this joint announcement, the Offeror intends to continue the existing principal businesses of the NSG Group and had no intention to discontinue the employment of the employees (save for changes in the composition of the board of directors of NSG) or to dispose or re-deploy the assets of the NSG Group other than those in its ordinary course of business.

The Offeror will, following the close of the Offer, conduct a review on the business activities/operations and financial position of the NSG Group for the purpose of formulating business plans and strategies for the future business development of the NSG Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for NSG which may involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the NSG Group's business growth and asset base as well as broadening its income stream. As at the date of this joint announcement, the Offeror has no plan, and has not engaged in any discussion or negotiation, on any injection of any assets or businesses into the NSG Group.

Proposed change of board composition of NSG

The NSG Board is currently made up of eleven directors, comprising (i) three executive directors, namely Mr. Yao Jianhui (chairman), Mr. Zhang Xiaodong (vice chairman) and Mr. Li Minbin, (ii) four non-executive directors, namely Mr. Lau Wan Po, Mr. Wu Teng, Ms. Zhan Yushan and Mr. Chen Kaiben, and (iii) four independent non-executive directors, namely Mr. Chen Zetong, Ms. He Suying, Dr. Tang Lai Wah and Mr. Wong Chun Bong.

As at the date of this joint announcement, the Offeror has not decided on the future composition of the board of directors of NSG. Pursuant to the terms of the Sale and Purchase Agreement, subject to and upon Completion, the Vendor Parties shall, upon request by the Offeror, procure for the written resignation as director of each existing director of NSG (other than existing directors of NSG appointed by CGG) and the other members of the NSG Group, which will take effect from such time as the Offeror deems appropriate, subject to the requirement under the Takeovers Code, the Listing Rules and applicable laws.

Any changes to the board of directors of NSG will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by NSG as and when appropriate.

Maintaining the listing status of NSG

The Offeror intends to maintain the listing of the NSG Shares on the main board of the Stock Exchange after close of the Offer. In the event that the public float of NSG falls below 25% upon completion of the Offer, each of the Offeror and the new directors to be appointed to the NSG Board will undertake to the Stock Exchange that they would

take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible upon the completion of the Offer to ensure that sufficient public float exists for the NSG Shares.

The Stock Exchange had stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to NSG, being 25% of the issued NSG Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the NSG Shares; or (ii) that there are insufficient NSG Shares in public hands to maintain an orderly market, it would consider exercising its discretion to suspend trading in the NSG Shares until the prescribed level of public float is restored.

Therefore, upon the completion of the Offer, there may be insufficient public float of the NSG Shares and the trading in the NSG Shares may be suspended until sufficient public float exists for the NSG Shares.

Shareholders and potential investors of NSG are advised to exercise caution when dealing in NSG Shares.

(8) MAJOR TRANSACTION FOR CGG

Reasons and benefits

Among the principal business activities of the NSG Group, NSG's strategies are to focus on sports culture and property development investment in the PRC. Taking into consideration of the release by the PRC 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 CGG 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 utilizes 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 CGG Board, therefore, believes that the value of the properties held by NSG will increase and a positive result of NSG is expected.

CGG 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. CGG takes the view that CGG will become the controlling shareholder of NSG after Completion and CGG can promote its property investment and development business through 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 CGG 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.

The directors of CGG (including the independent non-executive directors of CGG) consider that the terms of the Sale and Purchase Agreement and the Offer are on normal commercial terms and are fair and reasonable, and in the interests of CGG and its shareholders as a whole.

Chapter 14 of the Listing Rules

As the highest of the applicable percentage ratios (as defined in the Listing Rules) for the transactions contemplated under the Sale and Purchase Agreement, when aggregated with the Previous Acquisition and the Offer, exceeds 25% but is less than 100%, the transactions contemplated under the Sale and Purchase Agreement and the Offer constitute a major transaction for CGG and are subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

CGG EGM and despatch of the CGG Circular

The CGG EGM will be convened for the purpose of considering and approving, among other things, the transactions contemplated under the Sale and Purchase Agreement and the Offer. The CGG Circular containing, among other things, further information on NSG and a notice convening the CGG EGM, will be despatched to the CGG Shareholders in accordance with the Listing Rules. As additional time is required to prepare the information to be included in the CGG Circular, the despatch date of the CGG Circular is currently expected to be on or before 5 March 2019.

Mr. Yao Jianhui is an executive director and the chairman of NSG and is also an executive director, the chairman and chief executive officer of CGG. By virtue of his overlapping executive roles in CGG and NSG, as well as his shareholding interests in NSG (details of which are set out in the section headed “(3) SHAREHOLDING STRUCTURE OF NSG” in this joint announcement), Mr. Yao Jianhui is deemed to have material interest in the transactions contemplated under the Sale and Purchase Agreement and/or the Offer. As such, Mr. Yao Jianhui and his associates (as defined in the Listing Rules) are required to abstain from voting on the resolution(s) to be proposed at the CGG EGM for approving the transactions contemplated under the Sale and Purchase Agreement and/or the Offer. As at the date of this joint announcement, Mr. Yao Jianhui and Tinmark Development Limited (which is a company wholly-owned by him and is his associate (as defined in the Listing Rules)) are interested in 10,839,411,600 CGG Shares (representing approximately 41.90% of the issued share capital of CGG).

To the best knowledge, information and belief of the CGG Directors after all reasonable enquiries have been made, save for Mr. Yao Jianhui and Tinmark Development Limited, (i) no CGG Shareholders or any of their respective associates (as defined in the Listing Rules) has any material interest in the transactions contemplated under the Sale and Purchase Agreement and/or the Offer; and (ii) no CGG Shareholders would be required to abstain from voting on the resolution(s) to be proposed at the CGG EGM for approving the transactions contemplated under the Sale and Purchase Agreement and/or the Offer.

Information on the parties to the Sale and Purchase Agreement (other than the Offeror)

Upright Hoist Limited is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding. Mr. Zhang Xiaodong, an executive director and vice chairman of NSG, is legally and beneficially interested in the entire issued share capital of Upright Hoist Limited.

As at the date of this joint announcement, each of Upright Hoist Limited and Mr. Zhang Xiaodong is independent of CGG and connected persons of CGG.

Tengyue Limited is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding. Mr. Wu Teng, a non-executive director of NSG, is legally and beneficially interested in the entire issued share capital of Tengyue Limited.

As at the date of this joint announcement, each of Tengyue Limited and Mr. Wu Teng is independent of CGG and connected persons of CGG.

(9) GENERAL

Independent Board Committee

Pursuant to Rule 2.1 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is fair and reasonable and (ii) as to the acceptance of the offer.

Therefore, an Independent Board Committee, comprising Ms. Zhan Yushan who is a non-executive director of NSG, and Mr. Chen Zetong, Ms. He Suying and Dr. Tang Lai Wah who are independent non-executive directors of NSG, has been established by NSG to advise the NSG Independent Shareholders in relation to the terms and conditions of the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Mr. Lau Wan Po, Mr. Wu Teng and Mr. Chen Kaiben, who are non-executive directors of NSG, and Mr. Wong Chun Bong, who is an independent non-executive director of NSG, have not been included as members of the Independent Board Committee on the basis that (i) each of Mr. Lau Wan Po and Mr. Chen Kaiben is also a non-executive director of CGG, and Mr. Wong Chun Bong is also an independent non-executive director of CGG, and therefore each of them is presumed to be acting in concert with CGG and the Offeror under class (2) of the definition of “acting in concert” under the Takeovers Code in respect of the Offer; and (ii) Mr. Wu Teng is interested in the entire issued share capital of Tengyue Limited which is one of the Vendors and he is also a party to the Sale and Purchase Agreement, and therefore he is deemed to have material interest in the Offer.

Appointment of independent financial adviser

An independent financial adviser will be appointed by NSG pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

A further announcement will be made by NSG as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Offer Document to be despatched to the shareholders of NSG.

Despatch of the Composite Offer Document

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the offer document in relation to the Offer within thirty five (35) days of the date of this joint announcement or such later date as the Executive may approve. It is the intention of the Offeror and the NSG Board that the offer document from the Offeror and the offeree board circular from NSG be combined into the Composite Offer Document. The Composite Offer Document containing, among other things, details of the Offer (including the expected timetable), the recommendation from the Independent Board Committee, the advice from the independent financial adviser to the Independent Board Committee in respect of the Offer and the relevant forms of acceptance and transfer, will be despatched by the Offeror and NSG jointly to the shareholders of NSG in accordance with the Takeovers Code.

NSG Independent Shareholders are encouraged to read the Composite Offer Document carefully, including the advice of the independent financial adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the NSG Independent Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

Disclosure of dealings

In accordance with Rule 3.8 of the Takeovers Code, associates of the Offeror, CGG and NSG, including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of CGG and NSG, are hereby reminded to disclose their dealings in the relevant securities of the Offeror, CGG or NSG pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with

them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

(10) RESUMPTION OF TRADING

At the request of NSG, trading in NSG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 January 2019 pending the publication of this joint announcement. Application has been made by NSG for the resumption of trading in the NSG Shares on the Stock Exchange with effect from 9:00 a.m. on 22 January 2019.

At the request of CGG, trading in CGG Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 January 2019 pending the publication of this joint announcement. Application has been made by CGG for the resumption of trading in the CGG Shares on the Stock Exchange with effect from 9:00 a.m. on 22 January 2019.

WARNING: The Offer will only be made if Completion takes place. Completion is subject to fulfillment and/or waiver, as applicable, of the conditions precedent contained in the Sale and Purchase Agreement. Accordingly, the Offer may or may not be made. The issue of this joint announcement does not in any way imply that the Offer will be made. Shareholders and potential investors of NSG and CGG are advised to exercise extreme caution when dealing in the relevant securities of NSG and CGG. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate”	has the meaning ascribed to it under the Takeovers Code
“Business Day(s)”	a day, excluding Saturday, Sunday and public holiday in Hong Kong

“Cash Alternative”	the cash alternative under the Offer, being HK\$0.435 in cash for each Offer Share
“CCBI Capital”	CCB International Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror
“CCBI Securities”	CCB International Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO
“CGG”	China Goldjoy Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 01282)
“CGG Board”	the board of CGG Directors
“CGG Circular”	a circular of CGG containing, among other things, (i) further details about the Sale and Purchase Agreement and the transactions contemplated thereunder, and (ii) a notice of the CGG EGM together with a proxy form for the CGG EGM
“CGG Directors”	the directors of CGG
“CGG EGM”	an extraordinary general meeting to be convened by CGG for approving the Sale and Purchase Agreement and the transactions contemplated thereunder and the Offer
“CGG Group”	CGG and its subsidiaries
“CGG Shareholders”	the holders of CGG Shares
“CGG Share(s)”	share(s) with a par value of HK\$0.10 each in the share capital of CGG
“Closing Date”	the date to be stated in the Composite Offer Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror in accordance with the Takeovers Code and approved by the Executive
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement

“Completion Date”	the third Business Day after satisfaction of the Conditions set out in paragraphs (i), (ii) and (iii) as detailed in the sub-section headed “Conditions” in the section headed “(1) THE SALE AND PURCHASE AGREEMENT” in this joint announcement or such other date as may be agreed between the Parties in writing
“Composite Offer Document”	the composite offer and response document to be jointly issued by the Offeror and NSG in accordance with the Takeovers Code containing, among other things, details of the Offer (including the expected timetable), the recommendation from the Independent Board Committee to the NSG Independent Shareholders and the advice from the independent financial adviser to the Independent Board Committee in respect of the Offer and the relevant forms of acceptance and transfer
“Conditions”	the conditions precedent to Completion, as more particularly set out in the sub-section headed “Conditions” in the section headed “(1) THE SALE AND PURCHASE AGREEMENT” in this joint announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration Shares”	in aggregate 1,509,180,611 new CGG Shares to be issued by CGG to the Vendors to settle the consideration payable by the Offeror for the Sale Shares pursuant to the Sale and Purchase Agreement
“Encumbrances”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the executive director of the Corporate Finance Division of the SFC or any of his delegates
“Facility”	a loan facility of up to HK\$620,000,000 granted by CCBI Securities to the Offeror
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent board committee, comprising Ms. Zhan Yushan who is a non-executive director of NSG, and Mr. Chen Zetong, Ms. He Suying and Dr. Tang Lai Wah who are independent non-executive directors of NSG, which has been established by NSG to advise the NSG Independent Shareholders in relation to the terms and conditions of the Offer
“Last Trading Day”	17 January 2019, being the last trading day for the NSG Shares and CGG Shares immediately prior to their respective suspension in trading on the Stock Exchange pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“Long Stop Date”	30 April 2019 or such later date as may be agreed in writing by the Parties
“NSG”	New Sports Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 00299)
“NSG Board”	the board of NSG Directors
“NSG Directors”	directors of NSG
“NSG Group”	NSG together with its subsidiaries and the expression “member of the NSG Group” shall be construed accordingly
“NSG Independent Shareholders”	in respect of the Offer, the holders of NSG Shares, other than the Offeror and parties acting in concert with it
“NSG Share(s)”	share(s) with a par value of HK\$0.05 each in the share capital of NSG
“Offer”	the possible unconditional mandatory general offer (with Cash Alternative and Share Alternative) to be made by CCBI Capital for and on behalf of the Offeror for all the issued NSG Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) in compliance with the Takeovers Code
“Offer Share(s)”	all the issued NSG Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it when the Offer is made

“Offeror”	Hong Kong Bao Xin Asset Management Limited, a company incorporated in Hong Kong with limited liability which is an indirect wholly-owned subsidiary of CGG
“Offeror Concert Group”	the Offeror and parties acting in concert with it, including, without limitation, CGG and its subsidiaries, Mr. Yao Jianhui, Mr. Li Minbin and Mr. Zhang Chi
“Overseas Holders”	the NSG Independent Shareholders whose addresses, as shown on the register of members of NSG, are outside Hong Kong
“Parties”	the Offeror and the Vendor Parties
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, shall exclude Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Acquisition”	the acquisition of an aggregate of 1,144,151,739 NSG Shares by a subsidiary of CGG pursuant to a sale and purchase agreement dated 28 November 2018, details of which are set out in CGG’s announcement dated 28 November 2018
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 17 January 2019 entered into among the Offeror and the Vendor Parties in respect of the sale and purchase of the Sale Shares, as amended and supplemented by a supplemental agreement dated 18 January 2019 entered into among the same parties
“Sale Shares”	in aggregate 1,509,180,611 NSG Shares, representing approximately 37.18% of the issued share capital of NSG as at the date of this joint announcement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Alternative”	the share alternative under the Offer, being one (1) new CGG Share for every Offer Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Vendor Party(ies)”	Upright Hoist Limited, Mr. Zhang Xiaodong, Tengyue Limited and/or Mr. Wu Teng
“Vendor(s)”	Upright Hoist Limited, Mr. Zhang Xiaodong and/or Tengyue Limited
“Yue Jin Acquisition”	the acquisition of the entire issued share capital in Yue Jin Asia Limited* (粵錦亞洲有限公司) by a wholly-owned subsidiary of NSG pursuant to the terms and conditions of the Yue Jin Agreement, details of which are set out in NSG’s announcement and circular dated 19 September 2016 and 30 November 2016 respectively
“Yue Jin Agreement”	the agreement dated 19 September 2016 entered into among NSG, the Yue Jin Seller and other parties named therein in relation to the Yue Jin Acquisition
“Yue Jin Retained Shares”	new NSG Shares that may fall to be allotted and issued by NSG to the Yue Jin Seller (or its nominee) by 30 April 2019 to settle the retained consideration of HK\$150,000,000 (subject to adjustment) pursuant to the terms and conditions of the Yue Jin Agreement
“Yue Jin Seller”	Yue Jin International Limited* (粵錦國際有限公司), a company incorporated in the British Virgin Islands with limited liability and the seller as named in the Yue Jin Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

* For illustration purposes only

By order of the board of directors of
China Goldjoy Group Limited
Yao Jianhui
Chairman and Chief Executive Officer

By order of the board of directors of
New Sports Group Limited
Yao Jianhui
Chairman

By order of the board of directors of
Hong Kong Bao Xin Asset Management Limited
Yao Jianhui
Director

Hong Kong, 21 January 2019

As at the date of this joint announcement, NSG's executive directors are Mr. Yao Jianhui, Mr. Zhang Xiaodong and Mr. Li Minbin; the non-executive directors are Mr. Lau Wan Po, Mr. Wu Teng, Ms. Zhan Yushan and Mr. Chen Kaiben; and the independent non-executive directors are Mr. Chen Zetong, Ms. He Suying, Dr. Tang Lai Wah and Mr. Wong Chun Bong.

The directors of NSG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror and CGG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. Yao Jianhui and Mr. Li Minbin.

As at the date of this joint announcement, the CGG 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.

The directors of the Offeror and CGG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the NSG Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of NSG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

In the event of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.