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China Goldjoy Group Limited

中國金洋集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1282)

CLARIFICATION ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement dated 4 July 2016 (the “**Announcement**”) made by China Goldjoy Group Limited (the “**Company**”) in relation to the continuing connected transactions. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board wishes to clarify that under the Margin Financing Service Agreements, the margin financing fee/interest rate is set at the Hong Kong prime rate +3%, or at rates no more favourable than the rates charged to other customers of China Yinsheng Securities that are Independent Third Parties of similar credit standing, trading record and quality for the collateral.

The Board adopts the following internal control and procedure to determine the rates of the margin financing fee/interest income for the Relevant Persons:

MANAGEMENT EXPERTISE

China Yinsheng Securities has designated a staff with over 10 years of experience (the “**Responsible Staff**”) in margin financing business to be responsible for managing and monitoring the margin financing facility to/portfolio of the Relevant Persons. The Responsible Staff directly reports to the board of China Yinsheng Securities.

PRICING MECHANISM

The rates of the margin financing fee/interest income charged to the Relevant Persons will be no more favourable than the rates that China Yinsheng Securities charged to Independent Third Parties of similar credit standing, trading record and quality for the collateral. Before entering into a margin financing service agreement with a Relevant Person, the Responsible Staff will analyze the credit portfolio, the trading record and risk level of, and the quality for the collateral to be provided by, the Relevant Person. In addition, the Responsible Staff will make reference to the margin financing rates posted on the websites of two other securities firms which offer similar services. The rate of the margin financing fee/interest will be assessed by the Responsible Staff on the basis that such rate will not be more favourable to the Relevant

Person than that offered to other Independent Third Parties of similar credit standing, trading record and quality for the collateral. The Responsible Staff will then submit its analysis and the proposed rate to the board of China Yinsheng Securities for approval.

The Board considers that with the foregoing procedure in place, the provision of margin financing services will be conducted on normal commercial terms and in a manner not prejudicial to the interests of the Company and its minority Shareholders.

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

Hong Kong, 8 July 2016

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Feng Huiming and Mr. Li Minbin; one non-executive director, namely Mr. Huang Wei; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.