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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: 1282)**

**DISCLOSEABLE AND CONNECTED TRANSACTION**  
**ACQUISITION OF PROPERTIES AT HEFEI CITY, THE PRC**

**THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 13 September 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Properties for a total consideration of RMB315,054,000 (equivalent to approximately HK\$365,746,000) (subject to adjustment in accordance with the Certificate Area).

**LISTING RULES IMPLICATIONS**

Given the Vendor is indirectly controlled by Mr. Yao and Mr. Yao Zhenhua (姚振華), the elder brother of Mr. Yao, the Vendor is an associate of a connected person of the Company and the Acquisition contemplated under the Sale and Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable and connected transaction of the Company, and is subject to the reporting, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given Mr. Yao is a controlling shareholder of the Company and Mr. Huang is the senior vice president of 深圳寶能投資集團有限公司 (Shenzhen Baoneng Investment Group Co., Ltd\*), a company which Mr. Yao Zhenhua (姚振華) (elder brother of Mr. Yao) is its ultimate controlling shareholder, each of them is considered to be materially interested in the Sale and Purchase Agreement. Accordingly, Mr. Yao and Mr. Huang have abstained from voting for the Board resolution to approve the Sale and Purchase Agreement.

An Independent Board Committee will be formed to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. Save for Mr. Yao and his associates, no Shareholder has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. Mr. Yao and his associates will abstain from voting at the EGM to be convened to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. Save for the foregoing, no other Shareholders will be required to abstain from voting on the resolution(s) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to both the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be dispatched to the Shareholders as soon as practicable but not later than 4 October 2016.

The Board is pleased to announce that on 13 September 2016, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Properties for a total consideration of RMB315,054,000 (equivalent to approximately HK\$365,746,000).

### **The Sale and Purchase Agreement**

**Date:** 13 September 2016

**Parties:** (a) **Purchaser:** Heshan World Fair Electronics Technology Limited (鶴山市世逸電子科技有限公司), an indirect wholly-owned subsidiary of the Company; and

(b) **Vendor:** He Fei Baoneng Real Estate Development Co., Ltd (合肥市寶能房地產開發有限公司).

### **Sale and purchase:**

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Properties upon the terms contained therein.

### **The Properties:**

The Properties are located at the intersection of Yungu Road and Huashan Road at Binghu District, Hefei City, Anhui Province, the PRC and a portion of Phase 2 of the Baonengcheng (寶能城) project (the “**Land**”). Occupying an area of 83,829.17 sqm in total with the land use right

until 20 June 2084, Phase 2 of the Baonengcheng project targets to develop and construct 10 buildings. The Properties are buildings no. 3 and no. 8 (excluding floors 1–2, which are intended for commercial use). Currently, construction of the Properties has not been completed, but the properties are qualified for pre-sales. Building no. 3 has a gross floor area of 14,288.04 sqm with 39 floors on the ground, and building no. 8 has a gross floor area of 17,616.90 sqm with 49 floors on the ground (floor 3–49 for residential use). The Properties comprise 344 units in total. The Land was acquired by the Vendor on 20 May 2014 at an acquisition cost of approximately RMB260,155,648.

Immediately upon completion of the Acquisition, the Properties will be recorded as investment properties on the consolidated financial statements of the Group.

### **Consideration:**

The initial consideration for the Properties is RMB315,054,000 (equivalent to approximately HK\$365,746,000) (the “**Initial Consideration**”) (subject to adjustment in accordance with the Certificate Area). The Initial Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor and by reference to the preliminary valuation of the Properties at RMB315,054,000 as at 9 September 2016, as assessed by American Appraisal China Limited, a firm of independent professional valuers, adopting the market approach with reference to the registered sales price of the Properties in compliance with the Anhui Province Commodity Flat Presale Register Selling Price Provisions (安徽省商品房銷售明碼標價規定實施細則(試行)).

### **Terms of Payment:**

The Initial Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of RMB157,527,000 (the “**Deposit**”), being approximately 50% of the Consideration, will be paid by the Purchaser to the Vendor in cash within 20 business days after the execution of the Commodity Property Sale and Purchase Agreements; and
- (b) the balance payment of the Initial Consideration in the sum of RMB157,527,000 will be paid by the Purchaser to the Vendor within 60 calendar days after the execution of the Commodity Property Sale and Purchase Agreements.

The Deposit will be settled by internal resources of the Group, and the remaining balance of the Initial Consideration will be settled by way of mortgage from a bank and/or internal resources if failing to obtain such mortgage.

## Conditions

Payment of the Deposit is conditional upon the satisfaction (or waiver by the Purchaser (except Condition (d))) of all the following conditions:

- (a) the Purchaser having been satisfied with the results of the due diligence on the Properties;
- (b) all statements and warranties made in the Sale and Purchase Agreement and the information provided to the Purchaser by the Vendor in connection with the Properties being true, accurate and not misleading;
- (c) the board of directors or shareholders of the Vendor (if applicable) having approved the transactions contemplated under the Sale and Purchase Agreement;
- (d) the independent shareholders of the Company having approved the Sale and Purchase Agreement at an extraordinary general meeting to be convened to approve the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (e) the Vendor having obtained the pre-sale permit from the relevant government authority and all necessary consent or approval in respect of the Acquisition.

## Adjustment to the Initial Consideration

Since the actual gross floor area of the Properties as stated in the Property Ownership Certificates will be determined by the relevant PRC authority upon completion of its full plan inspection of the Properties, the Vendor and the Purchaser have agreed that the Initial Consideration will be subject to the following adjustment upon issue of the Property Ownership Certificates:

- (a) if the area discrepancy is 3% or below, the Initial Consideration will remain unchanged;
- (b) if the area discrepancy is over 3% and the Certificate Area is larger than the Agreement Area, the Purchaser shall pay the Vendor an additional amount up to a maximum of 3% of the Initial Consideration, being the consideration for the Actual Area Difference at an average price of approximately RMB9,874.77 per sqm within 5 business days after the date of issue of the relevant Property Ownership Certificates; and
- (c) if the area discrepancy is a negative figure and the Certificate Area is smaller than the Agreement Area, the Vendor shall pay back the Purchaser an amount being the consideration for the Actual Area Difference at an average price of approximately RMB9,874.77 per sqm within 5 business days after the date of issue of the relevant Property Ownership Certificates.

The area discrepancy is calculated as follow:

$$\text{Area discrepancy} = \frac{(\text{Certificate Area} - \text{Agreement Area})}{\text{Agreement Area}} \times 100\%$$

## **Delivery of the Properties**

The Properties shall be delivered before the Expected Delivery Date. In case of a force majeure event or any reason not caused by the Vendor which constitutes an expected delay of the delivery of the Properties, the Vendor is entitled to postpone such delivery date to a later date by providing a written notice to the Purchaser within 15 days from the date of such event.

## **Default**

If either the Vendor or the Purchaser is not able to perform any of its obligations and/or is in breach of any warranty under the Sale and Purchase Agreement, the non-defaulting party is entitled to request the defaulting party to rectify within 3 business days of such default, failure of which the non-defaulting party is entitled to request the defaulting party to continue to perform its obligations, or choose to request the defaulting party to pay a daily penalty charge of RMB100,000 calculating from the date of the relevant default until the default is rectified.

The Purchaser has the right to terminate the Sale and Purchase Agreement if (i) the delivery of the Properties is more than 90 days after the Expected Delivery Date, or (ii) the Vendor fails to complete all necessary registration procedures in respect of the Properties within 90 days after the actual date of delivery of the Properties, causing the Purchaser fails to receive the relevant property registration certificate within the prescribed timeframe; and notify the Vendor to return the total consideration amount paid as at the relevant date thereof, plus a penalty charge of an amount equal to 12% of the consideration paid to the Vendor within 15 days from such notice. No daily penalty charge of RMB100,000 will be required from the Vendor in the above two circumstances.

## **Reasons for and Benefits of the Acquisition**

The Baonengcheng (寶能城) project is adjacent to the heart of provincial capital and the offices of the back-office operations of the international financial services providers. The Land contains clusters of offices premises, five-star hotels, internationalized residential area, commercial streets along the river and business centres. In view of the physical location and the price of the Properties, the Directors consider that the Acquisition is a good investment opportunity and believe that the Group will benefit from the anticipated growth in value of the Properties. Having considered the prospects of the property market in the PRC in general, the Board is confident that the Acquisition will contribute positively to the Group by bringing in additional source of income from such investment.

Given that the Sale and Purchase Agreement was entered into on normal commercial terms with the Initial Consideration being determined based on the market value of the Properties, the Directors (excluding the independent non-executive Directors who will express their view after receiving the advice from the Independent Financial Adviser) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Given the Vendor is indirectly controlled by Mr. Yao and Mr. Yao Zhenhua (姚振華), the elder brother of Mr. Yao, the Vendor is an associate of a connected person of the Company and the Acquisition contemplated under the Sale and Purchase Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

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Given Mr. Yao is a controlling shareholder of the Company and Mr. Huang is the senior vice president of 深圳寶能投資集團有限公司 (Shenzhen Baoneng Investment Group Co., Ltd\*), a company which Mr. Yao Zhenhua (姚振華) (elder brother of Mr. Yao) is its ultimate controlling shareholder, each of them is considered to be materially interested in the Sale and Purchase Agreement. Accordingly, Mr. Yao and Mr. Huang have abstained from voting for the Board resolution to approve the Sale and Purchase Agreement.

## **GENERAL**

The Company is an investment holding company. The Group is principally engaged in the manufacturing of a range of high-technology products, the trading of and provision of services with respect to automation-related equipment, securities investment and financial services. The Purchaser is principally engaged in manufacturing of printed circuit boards and touch pads.

The Vendor is principally engaged in property development mainly on the development of the Baonengcheng (寶能城) project in the PRC.

An Independent Board Committee will be formed to advise the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder. The Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard. Save for Mr. Yao and his associates, no Shareholder has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. Mr. Yao and his associates will abstain from voting at the EGM to be convened to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. Save for the foregoing, no other Shareholders will be required to abstain from voting on the resolution(s) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) further details of the Sale and Purchase Agreement; (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to both the

Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, will be dispatched to the Shareholders as soon as practicable but not later than 4 October 2016.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Properties by the Purchaser from the Vendor in accordance with the terms of the Sale and Purchase Agreement;
“Actual Area Difference”	the difference between the Certificate Area and the Agreement Area;
“Agreement Area”	the gross floor area of the Properties as stated in the Sale and Purchase Agreement (i.e. 31,904.94 sqm);
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors;
“Certificate Area”	the actual total gross area of the Properties as stated in the Property Ownership Certificates;
“Company”	China Goldjoy Group Limited (中國金洋集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1282);
“Commodity Property Sale and Purchase Agreements”	the commodity property sale and purchase agreements in relation to the Properties to be entered into within 3 business days after the date of the Independent Shareholders passing the relevant resolution for approving the Sale and Purchase Agreement at the EGM, the terms of which will be substantially the same as the Sale and Purchase Agreement;
“connected person”	has the meanings ascribed to it under the Listing Rules;
“controlling shareholder”	has the meanings ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“EGM”	an extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder;

“Expected Delivery Date”	30 December 2018, or such other late date as agreed between the Vendor and the Purchaser;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	the independent committee of the Board, comprising Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung, all of whom are independent non-executive Directors, will be formed to advise the Independent Shareholders as to the Sale and Purchase Agreement and the transactions contemplated thereunder;
“Independent Financial Adviser”	an independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders as to the Sale and Purchase Agreement and the transactions contemplated thereunder;
“Independent Shareholders”	with respect to the Sale and Purchase Agreement and the transactions contemplated thereunder, the Shareholders excluding Mr. Yao and his associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Huang”	Mr. Huang Wei, the non-executive Director of the Company;
“Mr. Yao”	Mr. Yao Jianhui, the chairman and executive Director of the Company who is also the controlling shareholder of the Company;
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Properties”	residential units of Buildings No. 3 and No. 8 (excluding floors 1–2 which are intended for commercial use), Phase 2 of Baonengcheng, located at Binghu District, Hefei City, Anhui Province, the PRC;
“Property Ownership Certificates”	the property ownership certificates (房產權證) in relation to the Properties to be issued by the relevant PRC authority;
“Purchaser”	Heshan World Fair Electronics Technology Limited (鶴山市世逸電子科技有限公司), a company established in the PRC and is an indirect wholly-owned subsidiary of the Company;



“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the agreement dated 13 September 2016 entered into between the Purchaser and the Vendor in relation to the sale and purchase of the Properties;
“Shares”	the shares of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“sqm”	square meter;
“Vendor”	He Fei Baoneng Real Estate Development Co., Ltd.* (合肥市寶能房地產開發有限公司), a company established in the PRC; and
“%”	per cent.

*Note: For the purpose of illustration only, RMB is translated to HK\$ at the illustrative rate of RMB1.00 = HK\$1.1609.*

By Order of the Board  
**China Goldjoy Group Limited**  
**Kwok Ling Yee, Pearl Elizabeth**  
*Company Secretary*

Hong Kong, 13 September 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.*

*\* for identification purpose only*