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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

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On 25 October 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 862,068,000 Subscription Shares at the Subscription Price of HK\$0.58 per Subscription Share. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

The Subscription Shares represent approximately 3.89% of the existing issued share capital of the Company and approximately 3.75% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming there is no change to the share capital of the Company between the date of the Subscription Agreement and the date of completion of the Subscription). The Subscription Shares will be issued under the General Mandate and will rank pari passu in all respects among themselves and with the existing Shares in issue.

The Subscription Price of HK\$0.58 per Subscription Share represents (i) a discount of approximately 4.92% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 25 October 2017, being the last full trading day for the Shares before the date of the Subscription Agreement; and (ii) a premium of approximately 5.07% to the average closing price of approximately HK\$0.552 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 24 October 2017, being the trading day immediately preceding the date of the Subscription Agreement.

The aggregate gross proceeds of the Subscription will be HK\$499,999,440. The aggregate net proceeds of the Subscription, after the deduction of the related expenses, will be approximately HK\$499,899,440. The Company intends to apply the net proceeds of the Subscription in the manner set out in the paragraph headed "Reasons for the Subscription and use of proceeds" of this announcement.

An application will be made to the Listing Committee for listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

Since completion of the Subscription is subject to the fulfilment of the Condition(s) as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

On 25 October 2017 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 862,068,000 Subscription Shares at the Subscription Price of HK\$0.58 per Subscription Share.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENT

Date : 25 October 2017
Issuer : The Company
Subscriber : The Subscriber

The Subscriber is an investment holding company established in the British Virgin Islands and is wholly owned by Ms. Jin Teresa.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

The Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber will subscribe for 862,068,000 Subscription Shares, representing approximately 3.89% of the existing issued share capital of the Company as at the date of this announcement and approximately 3.75% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming there is no change to the share capital of the Company between the date of the Subscription Agreement and the date of completion of the Subscription).

Subscription Price

The Subscription Price is HK\$0.58 per Subscription Share. The aggregate nominal value of the Subscription Shares is HK\$499,999,440, and the market value of the Subscription Shares is HK\$525,861,480, based on the closing price of HK0.61 per Share on the date of the Subscription Agreement.

The Subscription Price represents:

- (i) a discount of approximately 4.92% to the closing price of HK\$0.61 per Share as quoted on the Stock Exchange on 25 October 2017, being the last full trading day for the Shares before the date of the Subscription Agreement; and
- (ii) a premium of approximately 5.07% to the average closing price of approximately HK\$0.552 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 24 October 2017, being the trading day immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent trading price and trading volume of the Shares. The Directors consider that the terms and conditions of the Subscription Agreement (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price in the sum of HK\$499,999,440 will be payable by the Subscriber within 15 days upon the signing of the Subscription Agreement.

Ranking of Subscription Shares

The Subscription Shares, when fully paid and allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions Precedent for the Subscription

Completion of the Subscription is conditional in all respects upon:

- (a) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Subscription Shares;
- (b) trading in the Shares on the Stock Exchange not being revoked or withdrawn at any time prior to Completion;
- (c) there being no indication being received from the Stock Exchange that the listing of the Shares on the Stock Exchange will be suspended, revoked or withdrawn at any time after Completion, whether in connection with any of the transactions contemplated by the Subscription Agreement or otherwise;
- (d) the Company having obtained all necessary consents and approvals as may be required to be obtained on the part of the Company in respect of the Subscription and the transactions contemplated under the Subscription Agreement; and
- (e) the Subscriber having obtained all necessary consents and approvals as may be required to be obtained on the part of the Subscriber in respect of the Subscription and the transactions contemplated under the Subscription Agreement.

Lock-up

The Subscription Shares are freely transferable.

Completion of the Subscription

Completion of the Subscription of the Subscription Shares will take place on the Completion Date. The allotment and issue of the Subscription Shares is not subject to any further Shareholders' approval.

General Mandate

The Subscription Shares will be issued under the General Mandate. As at the date of this announcement, no Shares have been issued by the Company under the General Mandate, thus the maximum number of new Shares which may be issued by the Company under the General Mandate is 4,429,719,620 Shares, being 20% of the aggregate nominal amount of the total issued share capital of the Company of 22,148,598,100 Shares as at the date of the Annual General Meeting on 12 May 2017. As such, no Shareholders' approval is required for the allotment and issue of the Subscription Shares.

Upon Completion, the Company will have unused General Mandate to issue up to 3,567,651,620 Shares.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activity in the 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

The below table demonstrates the effect of the Share Subscription on the shareholding structure of the Company:

Shareholders of the Company	As at the date of this announcement		Immediately after the Completion (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the Completion Date)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Yao Jianhui	44,468,000	0.20	44,468,000	0.19
Tinmark Development Limited (<i>Note</i>)	10,771,835,600	48.64	10,771,835,600	46.81
Foresea Life Insurance Co., Ltd.	4,219,560,000	19.05	4,219,560,000	18.34
The Subscriber	0	0	862,068,000	3.75
Other public shareholders	7,112,734,500	32.11	7,112,734,500	30.91
	<u>22,148,598,100</u>	<u>100</u>	<u>23,010,666,100</u>	<u>100</u>

Note: Tinmark Development Limited is wholly-owned by Mr. Yao Jianhui.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

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

The Subscription is being conducted for the Company to raise capital while broadening its shareholder base and capital base. The aggregate gross proceeds of the Subscription will be HK\$499,999,440 and the aggregate net proceeds of the Subscription, after the deduction of the related expenses, are estimated to be approximately HK\$499,899,440. The Company intends to use the net proceeds from the Subscription for its general working capital and expansion of its current business.

Given the above, the Directors are of the view that the terms and conditions of the Subscription Agreement are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Since completion of the Subscription is subject to the fulfilment of the Conditions as set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company held on 12 May 2017;
“associate(s)”	has the meaning as ascribed thereto in the Listing Rules;
“Board”	the board of Directors;
“Business Day(s)”	a day on which banks are generally open for business in Hong Kong (excluding Saturdays, Sundays and public holidays);
“Company”	China Goldjoy Group Limited (中國金洋集團有限公司), a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the Subscription pursuant to the Subscription Agreement;
“Completion Date”	means the tenth Business Day (or at such date as may be agreed by the Subscriber and the Company) following the day on which all the Conditions as set out in the Subscription Agreement are satisfied in full being the date on which Completion occurs in accordance with the terms and conditions of the Subscription Agreement;
“Conditions”	the conditions precedent for the Completion as set out in the Subscription Agreement;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;

“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted by the shareholders of the Company to the Directors at the annual general meeting of the Company held on 12 May 2017 to allot, issue and deal with up to 4,429,719,620 new Shares, being 20% of the number of issued Shares as at the date of that annual general meeting;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange with responsibility for considering applications for listing and the granting of listing on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share(s)”	the ordinary share(s) in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Virtue Dragon Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Subscription”	the subscription by the Subscriber for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 25 October 2017 in relation to the Subscription;
“Subscription Price”	HK\$0.58 per Subscription Share;

“Subscription Shares” 862,068,000 new Shares to be issued and allotted by the Company to the Subscriber, representing approximately 3.89% of the entire issued share capital of the Company and 3.75% of the enlarged issued share capital of the Company immediately after Completion, each a “Subscription Share”;

“%” per cent

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

Hong Kong, 25 October 2017

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Li Minbin and Mr. Zhang Chi; 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.