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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)**

**Global Coordinator**



## **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 3 December 2017, the Company entered into three Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue, an aggregate of 2,857,140,000 Subscription Shares at the Subscription Price of HK\$0.63 per Subscription Share.

The Subscription Shares represent approximately 12.42% of the existing issued share capital of the Company and approximately 11.04% 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 Agreements 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\$0.63 per Subscription Share represents (i) a discount of approximately 3.08% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day, being the last full trading day for the Shares before the date of the Subscription Agreements; and (ii) a discount of approximately 2.48% to the average closing price of approximately HK\$0.646 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day.

The aggregate gross proceeds of the Subscription will be HK\$1,799,998,200. The aggregate net proceeds of the Subscription, after the deduction of related expenses, will be approximately HK\$1,799,898,200. 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 the 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 Agreements, the Subscription may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

On 3 December 2017, the Company entered into three Subscription Agreements with the Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, an aggregate of 2,857,140,000 Subscription Shares at the Subscription Price of HK\$0.63 per Subscription Share.

## **PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS**

### **The First Subscription Agreement**

Date : 3 December 2017  
Issuer : the Company  
Subscriber : the First Subscriber

The First Subscriber is an investment holding company established in the British Virgin Islands and is wholly owned by Ms. Ai Qing. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the First Subscriber and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

#### *Subject matter*

Pursuant to the terms of the First Subscription Agreement, the First Subscriber will subscribe for 1,190,476,000 Subscription Shares at the Subscription Price.

## **The Second Subscription Agreement**

Date : 3 December 2017  
Issuer : the Company  
Subscriber : the Second Subscriber

The Second Subscriber is an investment holding company established in the British Virgin Islands and is wholly owned by Mr. Tang Hao. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Second Subscriber and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

### *Subject matter*

Pursuant to the terms of the Second Subscription Agreement, the Second Subscriber will subscribe for 1,190,476,000 Subscription Shares at the Subscription Price.

## **The Third Subscription Agreement**

Date : 3 December 2017  
Issuer : the Company  
Subscriber : the Third Subscriber

The Third Subscriber is an investment holding company established in the British Virgin Islands and is wholly owned by Mr. Su Junhao. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Third Subscriber and its ultimate beneficial owner is a third party independent of the Company and its connected persons.

### *Subject matter*

Pursuant to the terms of the Third Subscription Agreement, the Third Subscriber will subscribe for 476,188,000 Subscription Shares at the Subscription Price.

## **The Subscription Shares**

The Subscribers will subscribe in aggregate 2,857,140,000 Subscription Shares, representing approximately 12.42% of the existing issued share capital of the Company as at the date of this announcement and approximately 11.04% 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 Agreements and the date of completion of the Subscription).

The aggregate nominal value of the Subscription Shares is HK\$285,714,000, and the market value of the Subscription Shares is HK\$1,857,141,000, based on the closing price of HK\$0.65 per Share on the Last Trading Day.

### **Subscription Price**

The Subscription Price is HK\$0.63 per Subscription Share. The Subscription Price represents:

- (i) a discount of approximately 3.08% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 2.48% to the average closing price of approximately HK\$0.646 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent trading price and trading volume of the Shares. The Directors consider that the terms and conditions of the Subscription Agreements (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\$1,799,998,200 will be payable by the Subscribers within 15 days upon the signing of the Subscription Agreements.

### **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 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 Agreements 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 Agreements; and

- (e) the Subscribers having obtained all necessary consents and approvals as may be required to be obtained on the part of the Subscribers in respect of the Subscription and the transactions contemplated under the Subscription Agreements.

### **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, 862,068,000 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 3,567,651,620 Shares, being 16.11% 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.

Upon Completion, the Company will have unused General Mandate to issue up to 710,511,620 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**

Details of the fund raising activities carried out by the Company in the past twelve months are set out below:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds and intended use</b>	<b>Actual use of proceeds</b>
25 October 2017	Subscription of 862,068,000 new Shares at the subscription price of HK\$0.58 per share by Virtue Dragon Holdings Limited	HK\$499,899,440 to be applied as general working capital and for expansion of current business	The net proceeds of the subscription have been used as intended

Save as disclosed above, the Company had not conducted any equity fund raising activity in the past 12 months immediately preceding the date of this announcement.

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

The table below demonstrates the effect of the 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	0.19	44,468,000	0.17
Tinmark Development Limited ( <i>Note</i> )	10,771,835,600	46.81	10,771,835,600	41.64
Foresea Life Insurance Co., Ltd.	4,219,560,000	18.34	4,219,560,000	16.31
First Subscriber	–	–	1,190,476,000	4.60
Second Subscriber	–	–	1,190,476,000	4.60
Third Subscriber	–	–	476,188,000	1.84
Other public shareholders	7,976,802,500	34.66	7,976,802,500	30.84
	<u>23,012,666,100</u>	<u>100</u>	<u>25,869,806,100</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 net proceeds of the Subscription of approximately HK\$1,799,898,200 will be used for the repayment of loans, expansion of current business and as general working capital of the Group.

Given the above, the Directors are of the view that the terms and conditions of the Subscription Agreements 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 Agreements, 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 Agreements;
“Completion Date”	means the tenth Business Day (or at such date as may be agreed by the Subscribers and the Company) following the day on which all the Conditions as set out in the Subscription Agreements are satisfied in full being the date on which Completion occurs in accordance with the terms and conditions of the Subscription Agreements;
“Conditions”	the conditions precedent for the Completion as set out in the Subscription Agreements;
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“First Subscriber”	Shiny Palace Development Limited, a company incorporated in the British Virgin Islands with limited liability;

“First Subscription Agreement”	the agreement dated 3 December 2017 entered into between the Company and the First Subscriber;
“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;
“Last Trading Day”	1 December 2017, the last full trading day in the Shares before the date of the Subscription Agreements;
“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;
“Second Subscriber”	Discovery Key Investments Limited, a company incorporated in the British Virgin Islands with limited liability;
“Second Subscription Agreement”	the agreement dated 3 December 2017 entered into between the Company and the Second Subscriber;
“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;
“Subscribers”	the First Subscriber, the Second Subscriber and the Third Subscriber;

“Subscription”	the subscription by the Subscribers for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the Subscription Agreements;
“Subscription Agreements”	the First Subscription Agreement, the Second Subscription Agreement and the Third Subscription Agreement;
“Subscription Price”	HK\$0.66 per Subscription Share;
“Subscription Shares”	2,857,140,000 new Shares to be issued and allotted by the Company to the Subscribers, representing approximately 12.42% of the entire issued share capital of the Company and 11.04% of the enlarged issued share capital of the Company immediately after Completion, each a “Subscription Share”;
“Third Subscriber”	Champion Radiant Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability;
“Third Subscription Agreement”	the agreement dated 3 December 2017 entered into between the Company and the Third Subscriber;
“%”	per cent

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

Hong Kong, 3 December 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.*