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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: 01282)**

**CONNECTED TRANSACTION**

**THE ACQUISITIONS**

**The First Acquisition**

On 10 January 2019, the Purchaser, a wholly-owned subsidiary of the Company, entered into the First Agreement with the First Vendor under which the Purchaser has conditionally agreed to purchase the First Sale Shares from the First Vendor at the consideration of HK\$107,129,000.

The First Sale Shares represent 20% of the issued share capital in each of the First Target Companies. The First Target Companies are non wholly owned subsidiaries of the Company. Upon completion, the First Target Companies will be owned as to 80% by GAL, a 72% non wholly-owned subsidiary of the Purchaser, and as to 20% by the Purchaser, and the First Target Companies will continue to be accounted as subsidiaries of the Group with their financial statements consolidated with the accounts of the Group.

**The Second Acquisition**

On 10 January 2019, the Purchaser entered into the Second Agreement with the Second Vendor under which the Purchaser has conditionally agreed to purchase the Second Sale Shares from the Second Vendor at the consideration of HK\$92,871,000.

The Second Sale Shares represent 20% of the issued share capital in the Second Target Company. The Second Target Company is a 80% non wholly-owned subsidiary of the Company. Upon completion of the Second Acquisition, the Second Target Company together with its wholly-owned subsidiary will become wholly-owned subsidiaries of the Group with their financial statements consolidated with the accounts of the Group.

The First Target Companies and the Second Target Company, together with their subsidiaries, operate the financial services business of the Group.

## **LISTING RULES IMPLICATIONS**

As each of the Vendors is indirectly wholly-owned by Mr. Cheung, the First Acquisition and the Second Acquisition are required to be aggregated for the purpose of classifying the transactions. In addition, as Mr. Cheung is a connected person of the Company at the subsidiary level, the Acquisitions also constitute connected transactions for the Company.

As the applicable ratios in respect of the Acquisitions are more than 1% but less than 5%, the Acquisitions are subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **THE ACQUISITIONS**

### **The First Agreement**

**Date:** 10 January 2019

### **Parties:**

- (1) The Purchaser; and
- (2) The First Vendor.

### **Subject matter**

Pursuant to the First Agreement, the First Vendor has agreed to sell and the Purchaser has agreed to purchase the First Sale Shares. The First Sale Shares represents 20% of the issued share capital of each of the First Target Companies.

### **Consideration**

The consideration for the First Acquisition is HK\$107,129,000 (subject to possible adjustment, if any) and was determined by the parties after arm's length negotiations with reference to the sum of the following items (collectively referred to as the "First Consideration Principle"):

1. 2.2 times of the 30% of the net asset value of the First Target Companies as at 31 December 2015;
2. The further capital contribution made by the First Vendor and Mr. Cheung to the First Target Companies from 1 January 2016 until the date of announcement; and
3. Undistributed profits of the First Target Companies attributable to the First Vendor and Mr. Cheung from 1 January 2016 to 31 December 2018.

The consideration will be satisfied by the internal resources of the Group and is payable in accordance with the following schedule:

- (1) 35% of the consideration, equivalent to HK\$37,495,150, is payable on or before 11 January 2019;
- (2) 50% of the consideration, equivalent to HK\$53,564,500, is payable on or before 31 January 2019; and
- (3) the remaining balance of the consideration, equivalent to HK\$16,069,350, is payable within 30 days upon the release of 2018 audited financial statements of the First Target Companies.

The consideration for the First Agreement may be adjusted on a dollar-to-dollar basis in accordance with the 2018 audited financial statements of the First Target Companies and the First Consideration Principle.

### **Conditions precedent**

Completion of the First Agreement is conditional upon the transactions contemplated under the First Agreement having obtained the required approvals (if necessary) from the Stock Exchange, the SFC and the relevant authorities, and the parties and/or their respective ultimate controlling shareholders having obtained (where necessary) the consents and/or approvals from their respective shareholders, board of directors and relevant supervisory authorities.

The parties have agreed to use their best endeavours to cause the completion of the conditions to the First Agreement as soon as practicable.

### **The Second Agreement**

**Date:** 10 January 2019

**Parties:**

- (1) The Purchaser; and
- (2) The Second Vendor.

### **Subject matter**

Pursuant to the Second Agreement, the Second Vendor has agreed to sell and the Purchaser has agreed to purchase the Second Sale Shares. The Second Sale Shares represents 20% of the issued share capital of the Second Target Company.

## **Consideration**

The consideration for the Second Acquisition is HK\$92,871,000 (subject to possible adjustment, if any) and was determined by the parties after arm's length negotiations with reference to the sum of the following items (collectively referred to the "Second Consideration Principle"):

1. 2.2 times of the 30% of the net asset value of the Second Target Company as at 31 December 2015;
2. The further capital contribution made by the Second Vendor and Mr. Cheung to the Second Target Company from 1 January 2016 until the date of announcement; and
3. Undistributed profits of the Second Target Company attributable to the Second Vendor and Mr. Cheung from 1 January 2016 to 31 December 2018.

The consideration will be satisfied by the internal resources of the Group and is payable in accordance with the following schedule:

- (1) 35% of the consideration, equivalent to HK\$32,504,850, is payable on or before 11 January 2019;
- (2) 50% of the consideration, equivalent to HK\$46,435,500, is payable on or before 31 January 2019; and
- (3) the remaining balance of the consideration, equivalent to HK\$13,930,650, is payable within 30 days upon the release of the 2018 audited financial statements of the Second Target Company.

The consideration for the Second Agreement may be adjusted on a dollar-to-dollar basis in accordance with the 2018 audited financial statements of the Company and the Second Consideration Principle.

## **Conditions precedent**

Completion of the Second Agreement is conditional upon the transactions contemplated under the Second Agreement having obtained the required approvals (if necessary) from the Stock Exchange, the SFC and the relevant authorities, and the parties and/or their respective ultimate controlling shareholders having obtained (where necessary) the consents and/or approvals from their respective shareholders, board of directors and relevant supervisory authorities.

The parties have agreed to use their best endeavours to cause the completion of the conditions to the Second Agreement as soon as practicable.

## **INFORMATION ON THE TARGET COMPANIES**

Each of the First Target Companies is held as to 80% by GAL, a 72% owned subsidiary of the Group, and as to 20% by the Purchaser as at the date of this announcement.

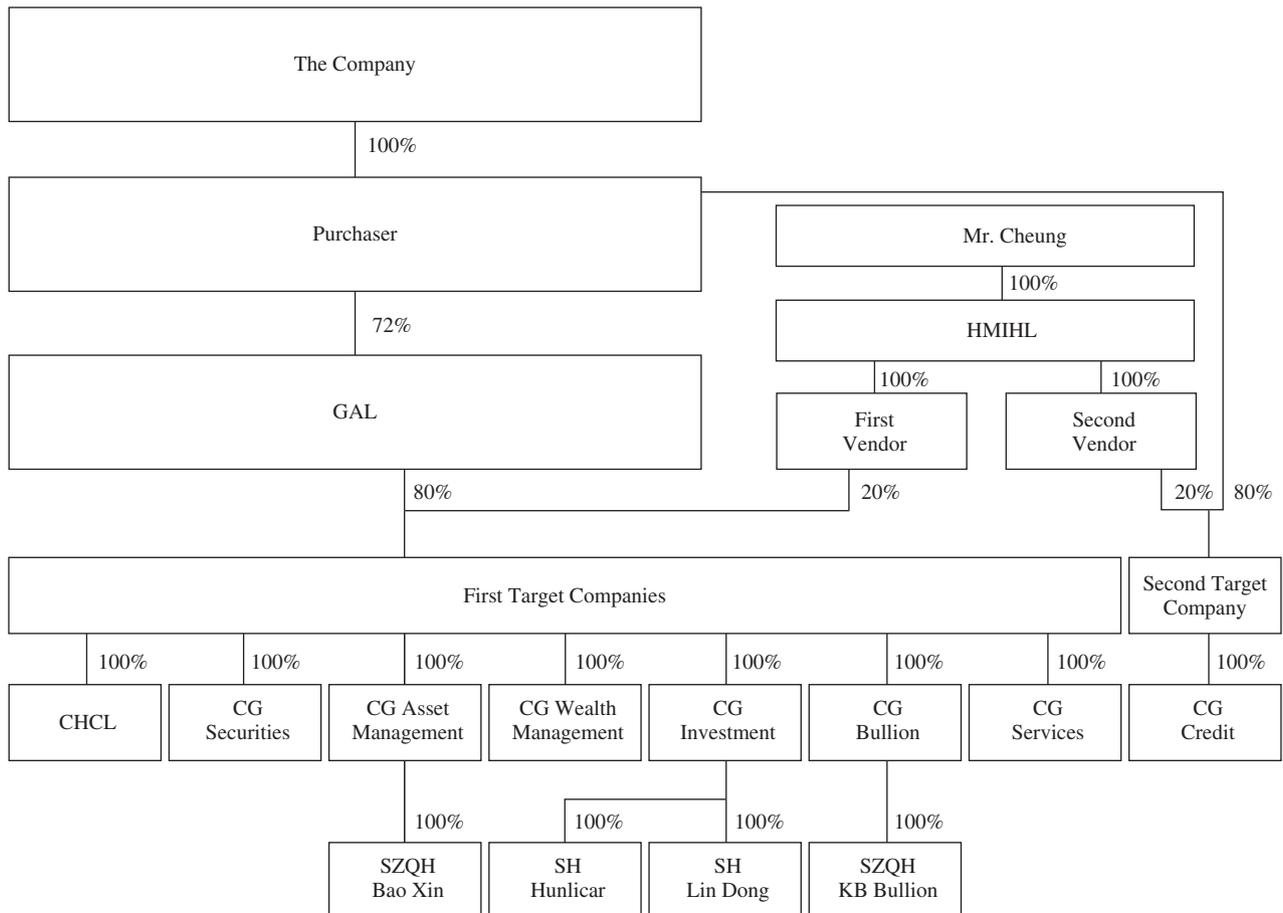
The First Target Companies have seven directly held wholly-owned subsidiaries established in Hong Kong and four indirectly held wholly-owned subsidiaries established in the PRC. Among these subsidiaries, CG Securities is licensed to carry out Type 1, Type 2, Type 4, Type 6 and Type 9 regulated activities under the SFO, and CG Asset Management Limited is licensed to carry out type 4 and type 9 regulated activities under the SFO.

The Second Target Company is an investment holding company. As at the date of this announcement, the Second Target Company is held as to 80% by the Purchaser and as to 20% by the Second Vendor. The wholly-owned subsidiary of the Second Target Company, CG Credit, holds a money-lender license in Hong Kong.

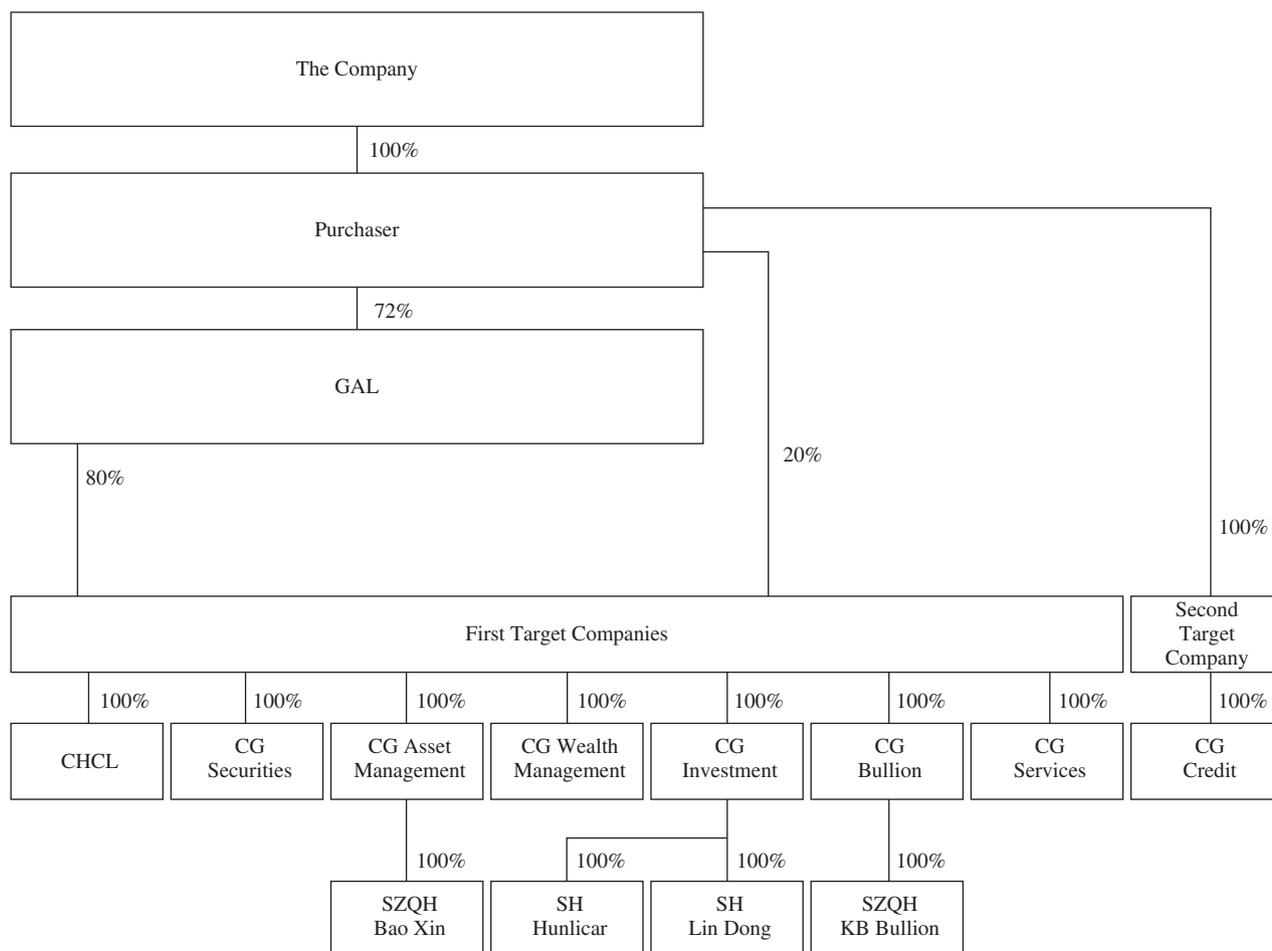
The Target Companies together with their subsidiaries, operate the financial services business of the Group.

### Organisation chart of the Target Companies before and upon completion of the Acquisitions

#### *Before the Acquisitions*



*Immediately upon completion of the Acquisitions*



**Financial Information of the Target Companies**

Set out below is the combined financial information of the Target Companies for the two financial years ended 31 December 2016 and 2017, and the six months ended 30 June 2018:

	<b>For the year ended December 31</b>		<b>For the six months ended</b>
	<b>2016</b>	<b>2017</b>	<b>30 June</b>
	<b>(Audited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profits before tax	63,147	39,146	28,490
Profits after tax	48,977	29,406	17,343

As at 30 June 2018, the aggregate unaudited net asset value of the Target Companies was approximately HK\$875,812,000.

Upon completion of the First Acquisition, the First Target Companies will be owned as to 80% by GAL, a 72% non wholly-owned subsidiary of the Purchaser and as to 20% by the Purchaser, and the First Target Companies will continue to be accounted as subsidiaries of the Group with their financial statements consolidated with the accounts of the Group.

Upon completion of the Second Acquisition, the Second Target Company together with its wholly-owned subsidiary will become wholly-owned subsidiaries of the Group with their financial statements consolidated with the accounts of the Group.

## **REASONS FOR THE TRANSACTIONS**

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

The financial services business is an important business segment of the Group. The Acquisitions will enable the Group to exercise complete control over the business and allow the Group to determine strategic and operation directions without involving the minority shareholder, thereby enabling the Group to adapt and respond to the fast changing environment in the financial market and facilitate the long-term development of the Group in this segment.

Given that the Acquisitions were conducted after arm's length negotiations, under normal commercial terms, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Acquisitions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As each of the Vendors is indirectly wholly-owned by Mr. Cheung, the First Acquisition and the Second Acquisition are required to be aggregated for the purpose of classifying the transactions. In addition, as Mr. Cheung is a connected person of the Company at the subsidiary level, the Acquisitions also constitute connected transactions for the Company.

As the applicable ratios in respect of the Acquisitions are more than 1% but less than 5%, the Acquisitions are subject to the reporting and announcement requirements and exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **GENERAL**

No Director is interested in the transactions contemplated under the Acquisitions and no Director is required to abstain from voting at the Board meeting held to approve the Acquisitions.

## DEFINITIONS

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

“AAL”	Affluent Advantage Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“Acquisitions”	the acquisition of the First Sale Shares and Second Sale Shares by the Purchaser;
“Board”	the board of Directors;
“CG Asset Management”	China Goldjoy Asset Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and a wholly-owned subsidiary of PUL;
“CG Bullion”	China Goldjoy Bullion Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of GIL;
“CG Credit”	China Goldjoy Credit Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of SRL;
“CG Investment”	China Goldjoy Investment Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of NFL;
“CG Securities”	China Goldjoy Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation for Type 1 (dealing in securities), Type 2 (dealing in future contract), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a direct wholly-owned subsidiary of PPL;
“CG Services”	China Goldjoy Services Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of MGL;
“CG Wealth Management”	China Goldjoy Wealth Management Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of FPL;

“CHCL”	China Huatong Capital Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of AAL;
“Company”	China Goldjoy Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 01282);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“FPL”	Fast Prestige Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“First Acquisition”	the acquisition of the First Sale Shares by the Purchaser;
“First Agreement”	the agreement dated 10 January 2019 between the Purchaser and the First Vendor;
“First Sale Shares”	20% of the issued share capital in each of the First Target Companies;
“First Target Companies”	seven investment holding companies incorporated in the British Virgin Islands, namely Affluent Advantage Limited, Proficient Power Limited, Prominent Up Limited, Fast Prestige Limited, Novel Forward Limited, Gigantic Increase Limited and Metro Grow Limited, each a non wholly-owned subsidiary of the Company;
“First Vendor”	Ascend Fortune Ventures Limited, a company incorporated in the British Virgin Islands which is principally engaged in investment holding. As at the date of this announcement, the First Vendor is indirectly wholly-owned by Mr. Cheung;
“GAL”	Golden Affluent Limited, a company incorporated in the British Virgin Islands and is a 72% owned subsidiary of the Group;
“GIL”	Gigantic Increase Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“Group”	the Company and its subsidiaries;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HMIHL”	Harbour Mark Investment Holdings Limited, a company incorporated in the British Virgin Islands and is directly wholly owned by Mr. Cheung;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MGL”	Metro Grow Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“Mr. Cheung”	Mr. Cheung Lit Wan Kenneth, a substantial shareholder at the subsidiary level of the Company holding 20% interests in each of the First Target Companies and the Second Target Company and a director of certain subsidiaries of the Company, and is a connected person of the Company at the subsidiary level for the purpose of the Listing Rules;
“NFL”	Novel Forward Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“PPL”	Proficient Power Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“PRC”	the People’s Republic of China;
“PUL”	Prominent Up Limited, a company incorporated in the British Virgin Islands with limited liability, a non wholly-owned subsidiary of the Company and one of the First Target Companies;
“Purchaser”	Goldjoy Holding Limited, a company incorporated in the Cayman Islands which is a wholly-owned subsidiary of the Company and is principally engaged in the business of investment holding;
“Second Acquisition”	the acquisition of the Second Sale Shares by the Purchaser;
“Second Agreement”	the agreement dated 10 January 2019 between the Purchaser and the Second Vendor;

“Second Sale Shares”	20% of the issued share capital in the Second Target Company;
“Second Target Company”	Stellar Results Limited, a company incorporated in the British Virgin Islands, a non wholly-owned subsidiary of the Company;
“Second Vendor”	Merit Faith Ventures Limited, a company incorporated in the British Virgin Islands which is principally engaged in investment holding. As at the date of this announcement, the Second Vendor is indirectly wholly-owned by Mr. Cheung;
“SFC”	the Securities and Futures Commission;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	shareholder(s) of the Company;
“SH Hunlicar”	上海雄愉投資管理有限公司(Shanghai Hunlicar Investment Management Company Limited)*, a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CG Investment;
“SH Lin Dong”	霖動企業管理諮詢(上海)有限公司 (Lin Dong Corporate Management Consulting (Shanghai) Limited)*, a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CG Investment;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“SZQH Bao Xin”	深圳前海寶新股權投資基金管理有限公司 (Shenzhen Qianhai Bao Xin Equity Investment Fund Management Company Limited)*, a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CG Asset Management;
“SZQH KB Bullion”	深圳前海宏基金業有限公司(Shenzhen Qianhai KB Bullion Limited)*, a company incorporated in the PRC with limited liability and a direct wholly-owned subsidiary of CG Bullion;
“Target Companies”	the First Target Companies and the Second Target Company;

“Vendors” the First Vendor and the Second Vendor; and

“%” per cent.

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

Hong Kong, 10 January 2019

*As at the date of this announcement, the 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.*

\* *For identification purpose only*