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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)**



**NEW SPORTS GROUP LIMITED**  
**新體育集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00299)**

**HONG KONG BAO XIN ASSET MANAGEMENT LIMITED**

**香港寶信資產管理有限公司**

*(Incorporated in Hong Kong with limited liability)*

## **JOINT ANNOUNCEMENT**

### **UPDATE IN RELATION TO THE CHANGE IN THE NUMBER OF SALE SHARES**

#### **INTRODUCTION**

References are made to (i) the announcement jointly issued by CGG, the Offeror and NSG dated 21 January 2019 regarding, among other matters, the Offer (the “**Joint Announcement**”); (ii) the announcement jointly issued by the Offeror and NSG dated 25 February 2019 in relation to the extension of time for despatch of the Composite Offer Document; and (iii) the announcement issued by CGG dated 5 March 2019 in relation to the delay in despatch of the CGG Circular. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Joint Announcement.

#### **UPDATE IN RELATION TO THE CHANGE IN THE NUMBER OF SALE SHARES**

##### **Change in the number of Sale Shares of Mr. Zhang Xiaodong**

As disclosed in the Joint Announcement, Mr. Zhang Xiaodong (being one of the Vendors) conditionally agreed to sell 1,475,000 NSG Shares (representing approximately 0.036% of the issued share capital of NSG as at the date of this joint announcement) to the Offeror in consideration of the issue of 1,475,000 new CGG Shares to him pursuant to the terms and conditions of the Sale and Purchase Agreement.

The Offeror has been advised by Mr. Zhang Xiaodong that he expects to be able to deliver only part of his Sale Shares, being 800,000 NSG Shares (representing approximately 0.020% of the issued share capital of NSG as at the date of this joint announcement), to the Offeror at Completion because the remaining part of his Sale Shares, being 675,000 NSG Shares (representing approximately 0.017% of the issued share capital of NSG as at the date of this joint announcement), are pledged in favour of a lender and it is expected that such Sale Shares will still be subject to the pledge upon Completion.

The Offeror intends to proceed with the transactions contemplated under the Sale and Purchase Agreement notwithstanding that Mr. Zhang Xiaodong may fail to deliver all his 1,475,000 Sale Shares to the Offeror at Completion as agreed under the Sale and Purchase Agreement. To the extent that Mr. Zhang Xiaodong is only able to deliver 800,000 Sale Shares to the Offeror at Completion, and subject to all of the Conditions having been fulfilled (or otherwise waived, as the case may be), the Offeror intends to accept such Sale Shares at Completion and correspondingly adjust the number of Consideration Shares to be issued to Mr. Zhang Xiaodong to 800,000 new CGG Shares on the basis of one Consideration Share for each Sale Share.

All other terms and conditions of the Sale and Purchase Agreement will remain unchanged.

#### **Adjusted Number of Sale Shares and Consideration Shares**

On the basis that Mr. Zhang Xiaodong will only deliver 800,000 NSG Shares to the Offeror at Completion:

- (i) the adjusted total number of Sale Shares will be 1,508,505,611 NSG Shares, representing approximately 37.16% of the existing issued share capital of NSG as at the date of this joint announcement, as to:
  - (a) 758,558,639 NSG Shares to be sold by Upright Hoist Limited;
  - (b) 800,000 NSG Shares to be sold by Mr. Zhang Xiaodong; and
  - (c) 749,146,972 NSG Shares to be sold by Tengyue Limited;

(ii) the adjusted total number of Consideration Shares will be 1,508,505,611 new CGG Shares, representing approximately 5.83% of the existing issued share capital of CGG as at the date of this joint announcement, as to:

- (a) 758,558,639 new CGG Shares to be issued to Upright Hoist Limited;
- (b) 800,000 new CGG Shares to be issued to Mr. Zhang Xiaodong, and
- (c) 749,146,972 new CGG Shares to be issued to Tengyue Limited.

Mr. Zhang Xiaodong will therefore retain 675,000 NSG Shares immediately upon Completion and such 675,000 NSG Shares will be subject to the Offer.

### **Adjusted Maximum Number of Offer Shares and Value of the Offer**

As at the date of this joint announcement, NSG has 4,059,556,212 NSG Shares in issue. If 120,967,742 new NSG Shares are issued by NSG as Yue Jin Retained Shares pursuant to the Yue Jin Agreement before Completion, there will be 4,180,523,954 NSG Shares in issue. Subject to and upon Completion, and on the basis that Mr. Zhang Xiaodong will only deliver 800,000 NSG Shares to the Offeror at Completion, the Offeror Concert Group will hold in aggregate 2,696,496,898 NSG Shares upon Completion. As such, up to 1,484,027,056 NSG Shares (including 675,000 NSG Shares that will be retained by Mr. Zhang Xiaodong) will be subject to the Offer.

NSG has no other outstanding shares, options, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that carry a right to subscribe for or which are convertible into NSG Shares.

Assuming that there is no other change in the issued share capital of NSG from the date of this joint announcement up to the Closing Date, based on the cash consideration of HK\$0.435 per Offer Share under the Cash Alternative and 1,484,027,056 NSG Shares being subject to the Offer, if all NSG Independent Shareholders accept the Offer and elect for the Cash Alternative, the amount of cash required for the Offer is approximately HK\$645,551,769.

Assuming that there is no other change in the issued share capital of NSG from the date of this joint announcement up to the Closing Date and 1,484,027,056 NSG Shares being subject to the Offer, and based on the closing price of HK\$0.435 per CGG Share on 17 January 2019 (being the Last Trading Day), if all NSG Independent Shareholders accept the Offer and elect for the Share Alternative, the Offer is valued at approximately HK\$645,551,769.

## **Financial resources available to the Offeror**

No cash consideration will be payable by the Offeror for the Sale Shares given that the consideration for the Sale Shares will be settled by the Offeror by procuring CGG to issue the Consideration Shares (being in aggregate 1,508,505,611 new CGG Shares on the basis that Mr. Zhang Xiaodong will only deliver 800,000 NSG Shares to the Offeror at Completion) to the Vendors.

The Offeror intends to finance the cash consideration payable for the Cash Alternative under the Offer by its internal resources and the Facility granted by CCBI Securities, which is secured by (i) a charge over the NSG Shares currently held by the Offeror and to be acquired by the Offeror under the Sale and Purchase Agreement and the Offer which will be deposited into a margin account under the name of the Offeror opened with CCBI Securities; (ii) a charge over the NSG Shares currently held by Hong Kong Bao Da Financial Holdings Limited (a subsidiary of CGG) which has been deposited into a margin account under the name of Hong Kong Bao Da Financial Holdings Limited opened with CCBI Securities; (iii) the personal guarantee provided by Mr. Yao Jianhui in favour of CCBI Securities; and (iv) the corporate guarantee provided by CGG in favour of CCBI Securities.

CCBI Capital, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

## **Principal terms of the Offer**

The actual number of new CGG Shares for allotment and issuance as Share Alternative under the Offer will be determined on the last day for acceptance of the Offer but in any event shall be not more than 1,484,027,056 CGG Shares, representing approximately 5.74% of the issued share capital of CGG as at the date of this joint announcement and approximately 5.14% of the enlarged issued share capital of CGG of 28,862,338,767 CGG Shares (as enlarged by the issue of the Consideration Shares to the Vendors pursuant to the Sale and Purchase Agreement and the maximum number of CGG Shares to be issued pursuant to the Share Alternative, and on the basis that Mr. Zhang Xiaodong will retain 675,000 NSG Shares immediately upon Completion and such 675,000 NSG Shares will be subject to the Offer), assuming there is no other change in the issued share capital of CGG from the date of this joint announcement up to the Closing Date and all NSG Independent Shareholders have accepted the Offer and elected for the Share Alternative.

Save as disclosed above, the principal terms of the Offer as disclosed in the Joint Announcement will remain unchanged.

## Shareholding structure of NSG

Assuming there is no change in the issued share capital of NSG from the date of this joint announcement up to the Closing Date other than the issuance of Yue Jin Retained Shares pursuant to the Yue Jin Agreement (if any), and on the basis that Mr. Zhang Xiaodong will only deliver 800,000 NSG Shares to the Offeror at Completion, the table below sets out the shareholding structure of NSG (i) as at the date of this joint announcement; (ii) upon Completion but before the Offer is made (assuming no Yue Jin Retained Share is issued); and (iii) upon Completion but before the Offer is made (assuming 120,967,742 Yue Jin Retained Shares are issued):

<i>Shareholders</i>	<i>As at the date of this joint announcement</i>		<i>Immediately upon Completion but before the Offer is made (assuming no Yue Jin Retained Share is issued)</i>		<i>Immediately upon Completion but before the Offer is made (assuming 120,967,742 Yue Jin Retained Shares are issued)</i>	
	<i>Number of NSG Shares</i>	<i>Approximate %</i>	<i>Number of NSG Shares</i>	<i>Approximate %</i>	<i>Number of NSG Shares</i>	<i>Approximate %</i>
<i>The Vendors</i>						
Mr. Zhang Xiaodong	1,475,000	0.04	675,000	0.02	675,000	0.02
Upright Hoist Limited (Note 1)	758,558,639	18.69	—	—	—	—
Tengyue Limited (Note 2)	749,146,972	18.45	—	—	—	—
Sub-total of the Vendors	<u>1,509,180,611</u>	<u>37.18</u>	<u>675,000</u>	<u>0.02</u>	<u>675,000</u>	<u>0.02</u>
<i>The Offeror Concert Group</i>						
The Offeror (Note 3)	19,870,000	0.49	1,528,375,611	37.65	1,528,375,611	36.56
Hong Kong Bao Da Financial Holdings Limited (Note 3)	1,144,151,739	28.18	1,144,151,739	28.18	1,144,151,739	27.37
China Goldjoy Securities Limited (Note 3)	21,129,048	0.52	21,129,048	0.52	21,129,048	0.51
Mr. Yao Jianhui (Note 4)	1,314,000	0.03	1,314,000	0.03	1,314,000	0.03
Mr. Li Minbin (Note 5)	306,500	0.01	306,500	0.01	306,500	0.01
Mr. Zhang Chi (Note 6)	1,220,000	0.03	1,220,000	0.03	1,220,000	0.03
Sub-total of the Offeror Concert Group	<u>1,187,991,287</u>	<u>29.26</u>	<u>2,696,496,898</u>	<u>66.42</u>	<u>2,696,496,898</u>	<u>64.50</u>
Public shareholders	<u>1,362,384,314</u>	<u>33.56</u>	<u>1,362,384,314</u>	<u>33.56</u>	<u>1,483,352,056</u>	<u>35.48</u>
<b>Total</b>	<b><u>4,059,556,212</u></b>	<b><u>100</u></b>	<b><u>4,059,556,212</u></b>	<b><u>100</u></b>	<b><u>4,180,523,954</u></b>	<b><u>100</u></b>

### Notes:

- Upright Hoist Limited is wholly-owned by Mr. Zhang Xiaodong, an executive director and the vice chairman of NSG. He is deemed to be interested in all the NSG Shares held by Upright Hoist Limited by virtue of the SFO.

2. Tengyue Limited is wholly-owned by Mr. Wu Teng, a non-executive director of NSG. He is deemed to be interested in all the NSG Shares held by Tengyue Limited by virtue of the SFO.
3. Each of the Offeror and Hong Kong Bao Da Financial Holdings Limited is a wholly-owned subsidiary of CGG and China Goldjoy Securities Limited is a non-wholly owned subsidiary of CGG in which CGG holds 77.6% effective interest.
4. Mr. Yao Jianhui is an executive director and the chairman of NSG and is also an executive director, the chairman and chief executive officer of CGG. He is also a controlling shareholder (as defined under the Listing Rules) of CGG. He is deemed to be interested in all the NSG Shares held by the Offeror, Hong Kong Bao Da Financial Holdings Limited and China Goldjoy Securities Limited by virtue of the SFO.
5. Mr. Li Minbin is an executive director of NSG and is also an executive director of CGG.
6. Mr. Zhang Chi is an executive director of CGG.
7. The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.

### Shareholding structure of CGG

Assuming there is no change in the issued share capital of CGG from the date of this joint announcement up to the Closing Date other than the issuance of the Consideration Shares to the Vendors pursuant to the Sale and Purchase Agreement and the new CGG Shares to satisfy the Share Alternative under the Offer, and on the basis that Mr. Zhang Xiaodong will only deliver 800,000 NSG Shares to the Offeror at Completion, the table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement, (ii) upon Completion but before the Offer is made, and (iii) upon completion of the Offer (assuming 120,967,742 Yue Jin Retained Share are issued and all NSG Independent Shareholders validly elect to accept the Offer and opt for the Share Alternative, and a maximum of 1,484,027,056 new CGG Shares may thereby fall to be issued):

<i>Shareholders</i>	<i>As at the date of this joint announcement</i>		<i>Immediately upon Completion but before the Offer is made</i>		<i>Immediately upon completion of the Offer</i>	
	<i>Number of CGG Shares</i>	<i>Approximate %</i>	<i>Number of CGG Shares</i>	<i>Approximate %</i>	<i>Number of CGG Shares</i>	<i>Approximate %</i>
<i>Directors and substantial shareholders of CGG</i>						
Mr. Yao Jianhui ( <i>Note 1</i> )	44,468,000	0.17	44,468,000	0.16	44,468,000	0.15
Tinmark Development Limited ( <i>Note 1</i> )	10,794,943,600	41.73	10,794,943,600	39.43	10,794,943,600	37.40
Qian Hai Life Insurance Co., Ltd.* (前海人壽保險股份有限公司)	<u>4,219,560,000</u>	<u>16.31</u>	<u>4,219,560,000</u>	<u>15.41</u>	<u>4,219,560,000</u>	<u>14.62</u>
Sub-total of directors and substantial shareholders of CGG	<u>15,058,971,600</u>	<u>58.21</u>	<u>15,058,971,600</u>	<u>55.00</u>	<u>15,058,971,600</u>	<u>52.18</u>

<i>Shareholders</i>	As at the date of this joint announcement		Immediately upon Completion but before the Offer is made		Immediately upon completion of the Offer	
	<i>Number of</i>	<i>Approximate %</i>	<i>Number of</i>	<i>Approximate %</i>	<i>Number of</i>	<i>Approximate %</i>
	<i>CGG Shares</i>		<i>CGG Shares</i>		<i>CGG Shares</i>	
<i>The Vendors</i>						
Mr. Zhang Xiaodong (Note 2)	—	—	800,000	0.003	1,475,000	0.005
Upright Hoist Limited (Note 3)	—	—	758,558,639	2.77	758,558,639	2.63
Tengyue Limited (Note 4)	—	—	749,146,972	2.74	749,146,972	2.60
Sub-total of the Vendors	—	—	1,508,505,611	5.51	1,509,180,611	5.23
Public shareholders	10,810,834,500	41.79	10,810,834,500	39.49	12,294,186,556	42.60
<b>Total</b>	<b>25,869,806,100</b>	<b>100</b>	<b>27,378,311,711</b>	<b>100</b>	<b>28,862,338,767</b>	<b>100</b>

*Notes:*

- Mr. Yao Jianhui is an executive director, the chairman and chief executive officer of CGG and is also an executive director and the chairman of NSG. He is interested in the entire issued share capital of Tinmark Development Limited, a company incorporated in the British Virgin Islands with limited liability. He is deemed to be interested in all the CGG Shares held by Tinmark Development Limited by virtue of the SFO.
- Assuming that (i) Mr. Zhang Xiaodong will retain 675,000 NSG Shares immediately upon Completion, (ii) such 675,000 NSG Shares will be subject to the Offer, and (iii) Mr. Zhang Xiaodong will accept the Offer for such 675,000 NSG Shares and elect for the Share Alternative in full.
- Upright Hoist Limited is wholly-owned by Mr. Zhang Xiaodong, an executive director and the vice chairman of NSG. He will be deemed to be interested in all the CGG Shares held by Upright Hoist Limited upon Completion by virtue of the SFO.
- Tengyue Limited is wholly-owned by Mr. Wu Teng, a non-executive director of NSG. He will be deemed to be interested in all the CGG Shares held by Tengyue Limited upon Completion by virtue of the SFO.
- The aggregate of the percentage figures in the table above may not add up to the relevant sub-total or total percentage figures shown due to rounding of the percentage figures to two decimal places.



**WARNING: The Offer will only be made if Completion takes place. Completion is subject to fulfillment and/or waiver, as applicable, of the conditions precedent contained in the Sale and Purchase Agreement. Accordingly, the Offer may or may not be made. The issue of this joint announcement does not in any way imply that the Offer will be made. Shareholders and potential investors of NSG and CGG are advised to exercise extreme caution when dealing in the relevant securities of NSG and CGG. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.**

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

By order of the board of directors of  
**New Sports Group Limited**  
**Yao Jianhui**  
*Chairman*

By order of the board of directors of  
**Hong Kong Bao Xin Asset Management Limited**  
**Yao Jianhui**  
*Director*

Hong Kong, 18 March 2019

*As at the date of this joint announcement, NSG's executive directors are Mr. Yao Jianhui, Mr. Zhang Xiaodong and Mr. Li Minbin; the non-executive directors are Mr. Lau Wan Po, Mr. Wu Teng, Ms. Zhan Yushan and Mr. Chen Kaiben; and the independent non-executive directors are Mr. Chen Zetong, Ms. He Suying, Dr. Tang Lai Wah and Mr. Wong Chun Bong.*

*The directors of NSG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror and CGG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Offeror are Mr. Yao Jianhui and Mr. Li Minbin.*

*As at the date of this joint announcement, the CGG Board comprises five executive directors, namely Mr. Yao Jianhui, Mr. Lau Wan Po, Mr. Li Minbin, Mr. Huang Wei and Mr. Zhang Chi; one non-executive director, namely Mr. Chen Kaiben; and three independent non-executive directors, namely Mr. Wong Chun Bong, Professor Lee Kwok On, Matthew, and Mr. Lee Kwan Hung.*



*The directors of the Offeror and CGG jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the NSG Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of NSG) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.*

*In the event of any inconsistency, the English text of this joint announcement shall prevail over the Chinese text.*