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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)

REVISION OF ANNUAL CAPS FOR CONTINUING CONNECTED TRANSACTIONS

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 4 July 2016 in relation to the Margin Financing Service Agreements.

On 17 February 2017, China Goldjoy Securities Limited (formerly known as China Yinsheng Securities) entered into the Supplemental Margin Financing Service Agreements to revise the annual caps for the continuing connected transactions under the Margin Financing Service Agreements.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Margin Financing Service Agreements on an annual basis are more than 0.1% but less than 5%, the revision to the annual caps is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 4 July 2016 (the "**Announcement**") in relation to the Margin Financing Service Agreements. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL MARGIN FINANCING SERVICE AGREEMENTS

On 17 February 2017, China Goldjoy Securities Limited (formerly known as China Yinsheng Securities) ("**China Goldjoy Securities**") entered into the supplemental agreements to the Margin Financing Service Agreements (the "**Supplemental Margin Financing Service Agreements**") with each of the Relevant Persons, pursuant to which the parties agreed to revise the annual caps for each of the Financing Annual Caps and the Interest Annual Caps under the Margin Financing Service Agreements for the three financial years of 2016, 2017 and 2018.

Revised maximum daily outstanding amount of financing to be provided to the Relevant Persons and the Revised Financing Annual Caps

Pursuant to the Supplemental Margin Financing Service Agreements, the maximum daily outstanding amount of financing to be provided to the Relevant Persons for the three years of 2016, 2017 and 2018 will be revised as follows:

Original caps	Financing Annual Cap for the financial year of		
	2016 <i>HK\$</i>	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Cheung Lit Wan, Kenneth and his associates	27,000,000	27,000,000	27,000,000
Lam Oi Chun and her associates	<u>5,500,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Total	32,500,000	32,000,000	32,000,000
Revised caps			
Cheung Lit Wan, Kenneth and his associates	63,000,000	130,000,000	130,000,000
Lam Oi Chun and her associates	<u>9,200,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total	72,200,000	140,000,000	140,000,000

Margin financing services to be provided to the Relevant Persons and the Interest Annual Caps

Pursuant to the Supplemental Margin Financing Service Agreements, the estimated interest income to be received by China Goldjoy Securities from the Relevant Persons for the three financial years of 2016, 2017 and 2018 will be revised as follows:

Original caps	Interest Annual Cap for the financial year of		
	2016 <i>HK\$</i>	2017 <i>HK\$</i>	2018 <i>HK\$</i>
Cheung Lit Wan, Kenneth and his associates	2,000,000	2,000,000	2,000,000
Lam Oi Chun and her associates	<u>250,000</u>	<u>200,000</u>	<u>200,000</u>
Total	2,250,000	2,200,000	2,200,000
Revised caps			
Cheung Lit Wan, Kenneth and his associates	4,410,000	8,125,000	8,125,000
Lam Oi Chun and her associates	<u>368,000</u>	<u>625,000</u>	<u>625,000</u>
Total	4,778,000	8,750,000	8,750,000

Basis of determining the revised Financing Annual Caps and the revised Interest Annual Caps

The revised Financing Annual Caps and the revised Interest Annual Caps were determined after arm's length negotiations between China Goldjoy Securities and each of the Relevant Persons and their associates based on (i) the historical transaction amount (in particular, the transaction amount for the year ended 31 December 2016); (ii) the expected trading volume and demand of margin financing services by the Relevant Persons for the remaining term of the Margin Financing Service Agreements; (iii) the financial resources and capacity of margin financing facilities of China Goldjoy Securities for granting the margin financing facility after taking into account the credit assessment, financial strength, past payment records and collateral securities for the facility of them; and (iv) the benefit for capturing the securities trading activities of the Relevant Persons and their associates so as to earn more commission and fees in the usual and ordinary course of business of China Goldjoy Securities.

The historical transaction amounts for margin financing services with the Relevant Persons were as follows:

Daily outstanding financing	For the financial year of		
	2014	2015	2016
	<i>HK\$</i>	<i>HK\$</i>	<i>(unaudited)</i>
			<i>HK\$</i>
Cheung Lit Wan, Kenneth and his associates	15,863,568.97	14,834,791.64	62,767,788.73
Lam Oi Chun and her associates	<u>2,940,391.00</u>	<u>6,707,629.00</u>	<u>9,113,243.35</u>
Total	18,803,959.97	21,542,420.64	71,881,032.08
Interest income			
Cheung Lit Wan, Kenneth and his associates	545,082.60	1,614,224.09	3,471,348.19
Lam Oi Chun and her associates	<u>137,643.26</u>	<u>338,110.43</u>	<u>505,702.82</u>
Total	682,725.86	1,952,334.52	3,977,051.01

Save for the revision to the Financing Annual Caps and the Interest Annual Caps, the other terms of the Margin Financing Service Agreements remain unchanged.

REASONS FOR THE REVISION TO THE ANNUAL CAPS

Upon completion of the First Acquisition, Mr. Cheung Lit Wan, Kenneth, who is a director of each of China Goldjoy Asset Management Limited (formerly known as China Yinsheng Asset Management), China Goldjoy Wealth Management Limited (formerly known as China Yinsheng Wealth Management), China Goldjoy Investment Limited (formerly known as KB Investment) and China Goldjoy Credit Limited (formerly known as KB Credit), and Ms. Lam Oi Chun, who is a director of China Goldjoy Securities, became connected persons of the Company at the subsidiary level, and the margin financing services that China Goldjoy Securities provided to them became continuing connected transactions of the Company.

Owing to better market conditions and the Shanghai and Shenzhen Connect programs becoming effective, there exist more trading opportunities and hence higher demand for margin financing services from the Relevant Persons. The entering into of the Supplemental Margin Financing Service Agreements will enable China Goldjoy Securities to continue (a) granting margin financing facilities to the Relevant Persons and their associates, (b) capturing the securities trading activities of the Relevant Persons and their associates, and (c) earning income from the Relevant Persons and their associates in the ordinary course of business of China Goldjoy Securities.

Given that the Supplemental Margin Financing Service Agreements have been entered into after arm's length negotiations and under normal commercial terms, the Board (including the independent non-executive Directors) considers that (i) the transactions contemplated under the Supplemental Margin Financing Service Agreements are being provided on normal commercial terms and in the ordinary course of business of China Goldjoy Securities which are not more favorable than those available to the Independent Third Parties of similar credit standing, trading record and quality of collaterals given; (ii) the terms of the Supplemental Margin Financing Service Agreements and the proposed revised annual caps thereunder are fair and reasonable; and (iii) the Supplemental Margin Financing Service Agreements are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules for the revised annual caps under the Supplemental Margin Financing Service Agreements on an annual basis are more than 0.1% but less than 5%, the revision to the annual caps is subject to the reporting and announcement requirements and exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As none of the Directors is interested in the Supplemental Margin Financing Service Agreements, no Director was required to abstain from voting for the resolutions proposed at the Board meeting held to approve the revisions to the annual caps under the Supplemental Margin Financing Service Agreements.

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

Hong Kong, 17 February 2017

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Yao Jianhui, Mr. Shao Zuosheng 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.