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珠光控股
ZHUGUANG HOLDINGS

ZHUGUANG HOLDINGS GROUP COMPANY LIMITED

珠光控股集團有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 1176)

**ISSUE OF SENIOR NOTES AND WARRANTS UNDER SPECIFIC MANDATE
AND
DISCLOSURE UNDER RULES 13.17 AND 13.18**

ISSUE OF SENIOR NOTES AND WARRANTS

The Company wishes to announce that on 22 September 2019, the Company, Rong De, the Ultimate Shareholders and the Investors entered into the Note Purchase Agreement, pursuant to which the Company has conditionally agreed to issue to the Investors, and the Investors have conditionally agreed to, severally and not jointly, subscribe for, the Senior Notes of an aggregate principal amount of US\$410,000,000 (equivalent to approximately HK\$3,198,000,000). The Senior Notes rank at least *pari passu* with all other present and future direct, unconditional, unsecured, unsubordinated and general obligations issued, created or assumed by the Company. The Senior Notes of an aggregate principal amount of US\$410,000,000 (equivalent to approximately HK\$3,198,000,000) were issued on 22 September 2019.

In consideration of the agreement to subscribe for the Senior Notes by the Investors and entering into other transactions contemplated under the Transaction Documents, the Company, pursuant to the Specific Mandate, will issue to the Investors the Warrants with an aggregate amount of exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000). The Warrants will entitle the holders thereof to subscribe for Warrant Shares at an initial Strike Price of HK\$1.6148 per Warrant Share up to such aggregate exercise moneys.

* For identification purpose only

The Warrant Shares will be issued under the Specific Mandate to be sought at the SGM. No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares.

Assuming the Warrants with an aggregate amount of exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000) are issued, the Subscription Rights attaching to the Warrants, if exercised in full, will entitle the holders thereof to subscribe for up to 297,064,651 Warrant Shares (of an aggregate nominal value of HK\$29,706,465.1) at the initial Strike Price of HK\$1.6148. Such Warrant Shares represent approximately 4.13% of the Shares in issue as at the date of this announcement. Assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of the full exercise of the Subscription Rights, such 297,064,651 Warrant Shares represent approximately 3.97% of the issued share capital of the Company as enlarged by the issue of such Warrant Shares.

A summary of the principal terms and conditions of the Senior Notes and the Warrants are set out in this announcement below.

LISTING RULES IMPLICATIONS

Pursuant to the Note Purchase Agreement, the Controlling Shareholder (a connected person of the Company) is required to provide and has provided collateral security and corporate guarantee for, and the Ultimate Shareholders (each being a connected person of the Company) are required to provide and have provided personal guarantees for, the issue of the Senior Notes and the continuing term of the Senior Notes. The provision of such collateral security and/or such guarantee is regarded as a provision of financial assistance to the Company by such connected persons of the Company and constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. Given that no security over the assets of the Group is granted to the Controlling Shareholder and/or the Ultimate Shareholders in respect of the grant of the financial assistance by them to secure the Company's obligations under the Transaction Documents and such grant of financial assistance is for the benefit of the Company on normal commercial terms (or better to the Company), such grant of financial assistance is fully exempted from the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules under Rule 14A.90 of the Listing Rules.

Pursuant to the Note Purchase Agreement, the Controlling Shareholder is required to enter and has entered into the Listco Share Charge, whereby the Controlling Shareholder's interests in, among other things, certain number of Shares in the Listco Shares Account are charged, by way of a first fixed charge, in favour of the Security Agent (as trustee for the benefit of itself and on behalf of the Investors). Such charge over the Shares is required to be disclosed pursuant to Rule 13.17 of the Listing Rules. Please refer to the paragraph headed "The Note Purchase Agreement — The Senior Notes — Security and guarantee" in this announcement for further details.

The conditions of the Senior Notes also included certain conditions imposing specific performance obligations on the Controlling Shareholder and the Ultimate Shareholders (including but not limited to, a requirement to maintain a specified minimum holding in the share capital of the Company by each of the Controlling Shareholder and the Ultimate Shareholders) and breach of such obligations would cause a default in respect of the Senior Notes, and such specific performance obligations of the Controlling Shareholder and the Ultimate Shareholders is required to be disclosed pursuant to Rule 13.18 of the Listing Rules. Please refer to the paragraph headed “The Note Purchase Agreement — The Senior Notes — Specific performance obligations of the Controlling Shareholder and the Ultimate Shareholders” in this announcement for further details.

GENERAL

The SGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve the Specific Mandate for the allotment and issue of the Warrant Shares.

A circular containing, among other things, (i) further details of the Warrants; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

On 22 September 2019, the Company, Rong De, the Ultimate Shareholders and the Investors entered into the Note Purchase Agreement, pursuant to which the Company has conditionally agreed to issue to the Investors, and the Investors have conditionally agreed to, severally and not jointly, subscribe for, the Senior Notes of an aggregate principal amount of US\$410,000,000 (equivalent to approximately HK\$3,198,000,000). In consideration of the agreement to subscribe for the Senior Notes by the Investors and entering into other transactions contemplated under the Transaction Documents, the Company intends to, pursuant to the Specific Mandate, issue to the Investors the Warrants with an aggregate amount of exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000). The Senior Notes of an aggregate principal amount of US\$410,000,000 (equivalent to approximately HK\$3,198,000,000) were issued on 22 September 2019.

Details of the Senior Notes and the Warrants are set out below.

THE NOTE PURCHASE AGREEMENT

Set out below are the major terms of the Note Purchase Agreement:

Date

22 September 2019

Parties

- (i) Issuer: The Company
- (ii) Controlling Shareholder: Rong De, which is principally engaged in investment holding

- (iii) Ultimate Shareholders:
- (1) Mr. Liao Tengjia, who is the deputy chairman of the Board and an executive Director, and the beneficial owner of 36.00% equity interest in the Controlling Shareholder as at the date of the Note Purchase Agreement;
 - (2) Mr. Chu Hing Tsung, who is the chairman of the Board and an executive Director, and the beneficial owner of 34.06% equity interest in the Controlling Shareholder as at the date of the Note Purchase Agreement; and
 - (3) Mr. Chu Muk Chi, who is an executive Director and the beneficial owner of 29.94% equity interest in the Controlling Shareholder as at the date of the Note Purchase Agreement
- (iv) Investors:
- (1) Blooming Rose;
 - (2) Heroic Day;
 - (3) CCB International; and
 - (4) China Cinda

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Investors is principally engaged in investment holding and each of the Investors and its ultimate beneficial owner(s) is an Independent Third Party.

Subject matter

Pursuant to the Note Purchase Agreement, the Company shall issue to the Investors the Senior Notes in the aggregate principal amount of US\$410,000,000 (equivalent to approximately HK\$3,198,000,000). In consideration of the agreement to subscribe for the Senior Notes by the Investors and entering into other transactions contemplated under the Transaction Documents, the Company intends to, pursuant to the Specific Mandate, issue to the Investors the Warrants with an aggregate amount of exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000). The Investors' obligations to purchase the Senior Notes are several.

The Senior Notes

The principal terms of the Senior Notes were arrived at after arm's length negotiations between the Investors and the Company and are summarised as follows:

Principal amount of Senior Notes subscribed by the Investors: US\$410,000,000 (equivalent to approximately HK\$3,198,000,000).
Subject to the conditions as set out in the paragraph headed "The Note Purchase Agreement — The Senior Notes — Conditions precedent" below, the Company shall issue to each Investor, and each Investor shall, severally and not jointly, subscribe for, the Senior Notes in the principal amount as set out opposite such Investor's name below on the Notes Closing Date.

Name of Investor	Principal amount of Senior Notes subscribed
Blooming Rose	US\$200,000,000
Heroic Day	US\$70,000,000
CCB International	US\$21,000,000
China Cinda	US\$119,000,000

Maturity Date: 21 September 2022 or, if such date is not a Business Day, the Business Day immediately following such date

Interest rate: Interest shall accrue on the Senior Notes from and including the Issue Date until and including the date on which the Senior Notes are redeemed in accordance with the terms and conditions of the Senior Notes (including the date on which the Senior Notes are deemed to have been redeemed on the date of a Set-off Event) at the rate of 11% per annum on the outstanding principal amount of the Senior Notes.

If the Warrants Closing does not take place on or before 31 December 2019, the interest rate for the period from and including 1 January 2020 until and including the Warrants Closing Date, shall be adjusted to a rate of 13% per annum.

If a Step-Up Event occurs, at the written request of the Noteholders, the interest rate for the period from and including 1 July 2020 until and including the date on which the Group acquires 100% of Project AEC, shall be adjusted to a rate of 14% per annum.

If an event of default (other than a Step-Up Event) occurs, the interest rate for the period from and including the date of occurrence of such event of default (other than a Step-Up Event) until and including the date on which such event of default ceases to continue, shall be adjusted to a rate of 25% per annum.

The Company shall pay interest in cash on the last day of (i) the three-month period commencing on (and including) the Issue Date, and (ii) each successive three-month period, with the last period ending on (and including) the Maturity Date.

Ranking:

The Senior Notes constitute direct, unconditional, secured, guaranteed, unsubordinated and general obligations of the Company and rank equally and without any preference amongst themselves, and the payment obligations of the Company under the Senior Notes will (subject to any obligations preferred by mandatory provisions of Law) rank at least *pari passu* with all other present and future direct, unconditional, unsecured, unsubordinated and general obligations issued, created or assumed by the Company.

Security and guarantee:

As security for the Senior Notes, the following security and guarantee have been created in favour of the Security Agent (for itself and on behalf of the Investors) on the Notes Closing Date:

- (i) the Listco Share Charge executed by the Controlling Shareholder over, among other things, 3,361,112,000 Shares held by the Controlling Shareholder and all assets and rights under the Listco Shares Account;
- (ii) the Subsidiary Share Charges executed by each of the Subsidiary Chargors in respect of the entire issued share capital of each of (a) Ai De; (b) Capital Fame; (c) Cheng Chang; (d) East Orient; (e) Ever Crown; (f) Fresh International; (g) Fully Wise; (h) Polyhero International; (i) Profait International; (j) Talent Wide; (k) Top Asset; (l) Top Perfect; (m) Vanco Investment; and (n) World Sharp, held by the relevant Subsidiary Chargor;
- (iii) the Personal Guarantees executed by each of the Ultimate Shareholders (namely, Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi) to guarantee the performance of the obligations of the Obligor; and
- (iv) the Corporate Guarantees executed by each of the Corporate Guarantors to guarantee the performance of the obligations of the Obligor.

Transfer: The Senior Notes are freely transferable (in whole or in part) by the Noteholder to any Person subject to compliance with all applicable Law and any transfer of the Senior Notes may be in respect of the whole or any part (in the Authorised Denomination) of the outstanding principal amount of the Senior Notes. No consent of the Company is required for any transfer of the Senior Notes to any Person, provided that no transfer shall be made to a connected person of the Company.

Events of default: Each Noteholder is entitled to require, by lodging a notice of repayment (“**EOD Notice of Repayment**”), the Senior Notes registered in its name to be redeemed at the EOD Redemption Amount upon occurrence of any event of default. Such events of default include:

- (i) any failure by the Company to pay the principal and/or any interest due and payable on any Senior Note and/or any other amount due and payable under any Transaction Document on their respective due dates;
- (ii) the Ultimate Shareholders cease to (a) control the Company; or (b) effectively and beneficially own in aggregate at least 51% of the total issued share capital of the Company on a fully-diluted basis;
- (iii) the Ultimate Shareholders cease to (a) control the Controlling Shareholder; or (b) legally and beneficially own in aggregate at least 76.03% of the total issued share capital of the Controlling Shareholder on a fully-diluted basis;
- (iv) the Controlling Shareholder ceases to beneficially own at least 3,670,000,000 Shares;
- (v) the Controlling Shareholder ceases to (a) control the Company; or (b) beneficially own at least 51% of the total issued share capital of the Company on a fully-diluted basis;
- (vi) the Net Asset Value is less than HK\$4,500,000,000;
- (vii) the ratio of the Consolidated Adjusted Total Debt to the Consolidated Adjusted Total Assets in respect of any Relevant Period exceeds 82.5%;

- (viii) other than the 2017 Notes or pursuant to a refinancing transaction of the Company as permitted under the terms and conditions of the Senior Notes, the Company issues any notes or bonds or convertible notes or bonds or similar securities and the maturity date thereof is earlier than the Maturity Date of any Senior Notes;
- (ix) any representation, warranty, certification or statement made by or on behalf of the Company or any other Obligor under any of the Transaction Documents shall have been incorrect, misleading or false;
- (x) the trading in the Shares on the Stock Exchange is suspended or halted for three (3) consecutive Trading Days or more for any reason;
- (xi) the Company submits a notification to the Stock Exchange of its proposed cancellation of the admission of the Shares;
- (xii) the Shareholders approve a resolution to delist the Company from the Main Board of the Stock Exchange;
- (xiii) the Company ceases to be listed on the Stock Exchange;
- (xiv) any breach by the Company of its undertaking relating to the use of proceeds from the issue of the Senior Notes as specified in the Note Purchase Agreement; and
- (xv) any failure by the Company (or its relevant subsidiary), for any reason, to complete the Project AEC Acquisition or to acquire 100% of Project AEC on or before 30 June 2020.

EOD Redemption Amount:

Upon early redemption of the Senior Notes due to occurrence of any event of default, the amount payable by the Company to each Noteholder who has delivered an EOD Notice of Repayment in respect of the outstanding principal amount of the Senior Notes on the date of such redemption, being the aggregate of:

- (i) the Base Redemption Amount;
- (ii) interest accrued and outstanding;

- (iii) an amount equal to an IRR of 25% per annum on the Base Redemption Amount, calculated from the Issue Date to the date of such redemption, taking into account:
 - (a) all interest paid on the Senior Notes prior to or on the date of such redemption; and
 - (b) any warrants return (which is calculated in accordance with a formula specified in the terms and conditions of the Senior Notes) with respect to the Warrants exercised by such Noteholder prior to or on the date of such redemption; and
- (iv) any other payment accrued and outstanding to such Noteholder.

Step-Up Event:

Without prejudice to the right of any Noteholder under the terms and conditions of the Senior Notes upon the occurrence of any of the events of default, if (a) there occurs a Step-Up Event, and (b) no Noteholder has issued an EOD Notice of Repayment after the occurrence of such Step-Up Event, the Company shall, if so requested in writing by the Noteholders, pay interest at the rate adjusted by the terms and condition of the Senior Notes, being 14% per annum, as set out in the paragraph headed “The Note Purchase Agreement – The Senior Notes – Interest rate” in this announcement. In the event that the Noteholders have requested an adjustment of the rate of interest as provided in the terms and conditions of the Senior Notes, no Noteholder shall issue any EOD Notice of Repayment by reason only of the occurrence of a Step-Up Event.

Set-off Event:

Any Noteholder, who holds any Warrants and exercises any Subscription Rights attaching to such Warrants, shall have the right to set off in whole or in part the outstanding principal amount of the Senior Notes held by such Noteholder (“**Set-off Notes**”) in an amount equal to all or part of the subscription price payable for the Warrant Shares upon the exercise of the Subscription Rights attaching to such Warrants in accordance with the terms and conditions set forth in the Warrant Instrument (“**Set-off Event**”). The Set-off Notes shall be deemed to have been redeemed by the Company on the date on which payment is required to be made under the Warrant Instrument in relation to the exercise of such Subscription Rights. As the Set-off Event only relates to the outstanding principal amount of the relevant Senior Notes, the Company shall be liable and pay to the Noteholder all interest accrued (but not paid) on the Set-off Notes up to and including the date on which the Set-off Notes are deemed to have been redeemed by the Company.

Voluntary redemption:

- (a) Unless previously redeemed, the Company may at any time after twelve (12) months from the Issue Date and from time to time prior to the Maturity Date, by giving not less than three (3) months’ notice to the Noteholder (“**Voluntary Redemption Notice**”), redeem in whole or in part, in the Authorised Denomination, the Senior Notes for the time being outstanding as at the date of the Voluntary Redemption Notice at the total redemption price equal to the aggregate of (i) 100% of the principal amount of the Senior Notes as may be determined by the Company and set out in the Voluntary Redemption Notice to be reduced by such redemption; and (ii) all interest accrued and outstanding in respect of the Senior Notes to be reduced by such redemption, on the date of redemption set out in the Voluntary Redemption Notice. The Voluntary Redemption Notice, once delivered, shall be irrevocable unless the Noteholders consent to the withdrawal of such Voluntary Redemption Notice.
- (b) The Company shall redeem the Senior Notes held by the Noteholders on a pro-rata basis.

Mandatory redemption:

- (a) First mandatory redemption:
 - (i) Subject to the following condition (ii) and unless previously redeemed, the Company shall, on the date falling twelve (12) months after the Issue Date, redeem such part of the Senior Note held by a Noteholder representing 10% of the then outstanding principal amount of that Senior Note or such other outstanding principal amount as provided in the following condition (ii) (“**First Mandatory Principal Amount**”) at the total redemption price equal to the aggregate of (1) 100% of the First Mandatory Principal Amount; and (2) all interest accrued and outstanding in respect of that part of the Senior Note to be reduced by such redemption.
 - (ii) For the purpose of a mandatory redemption under the foregoing condition (i), in the event that 10% of the then outstanding principal amount of the relevant Senior Note which is subject to such mandatory redemption is an amount less than US\$1,000,000, such outstanding principal amount shall be, or shall be deemed to be, the First Mandatory Principal Amount.
- (b) Second mandatory redemption:
 - (i) Subject to the following condition (ii) and unless previously redeemed, the Company shall, on the date falling 24 months after the Issue Date, redeem such part of the Senior Note held by a Noteholder representing 10% of the then outstanding principal amount of that Senior Note or such other outstanding principal amount as provided in the following condition (ii) (“**Second Mandatory Principal Amount**”) at the total redemption price equal to the aggregate of (1) 100% of the Second Mandatory Principal Amount; and (2) all interest accrued and outstanding in respect of that part of the Senior Note to be reduced by such redemption.

- (ii) For the purpose of a mandatory redemption under the foregoing condition (i), in the event that 10% of the then outstanding principal amount of the relevant Senior Note which is subject to such mandatory redemption is an amount less than US\$1,000,000, such outstanding principal amount shall be, or shall be deemed to be, the Second Mandatory Principal Amount.

Conditions precedent:

The obligation of each Investor to subscribe for the Senior Notes is subject to the fulfilment or waiver (if applicable) of various conditions precedent on or before the Notes Closing Long Stop Date, which include, amongst other conditions:

- (i) the 2016 Indebtedness (including the 2016 Note Indebtedness but excluding the 2016 Warrant Indebtedness) shall have been repaid or settled in full, there shall be no outstanding amount payable by any 2016 Obligor to the 2016 Noteholders under the 2016 Notes, and the 2016 Notes shall have been cancelled by the Company in full;
- (ii) all obligations and liabilities of the 2016 Obligors under the 2016 Transaction Documents shall have been discharged, repaid and settled in full and all 2016 Transaction Documents shall have ceased to be effective or shall have otherwise been terminated (except for the 2016 Warrant Instrument and 2016 Warrant Certificates, which shall cease to be effective upon the Termination Date (as defined in the 2016 Warrant Instrument) of the 2016 Warrants pursuant to the 2016 Warrant Instrument);
- (iii) the Controlling Shareholder shall ensure that the Listco Shares Account shall have a final balance of at least 3,361,112,000 Shares on the Notes Closing;

- (iv) the current listing of the Shares on the Stock Exchange shall not have been cancelled or withdrawn, the Shares shall continue to be traded on the Stock Exchange at all times from the date of the Note Purchase Agreement and including the Notes Closing Date (save for any temporary suspension for not more than three (3) consecutive Business Days) and neither the Stock Exchange and/or the SFC shall not have indicated that it will or may qualify, object to, suspend, cancel or withdraw such listing and/or dealings in the Shares and, without prejudice to the generality of the foregoing, no circumstances shall exist based on which the SFC could exercise its powers under Section 8 of the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong);
- (v) all requirements, if any, imposed by the Stock Exchange, in connection with the transactions contemplated under the Transaction Documents (other than the issue of Warrants), shall have been complied with in full;
- (vi) the representations and warranties of the Warrantors under the Note Purchase Agreement (“**Warranties**”) shall be true, correct, accurate, complete and not misleading when made and shall continue to be true, correct, accurate, complete and not misleading up to the Notes Closing Date with the same force and effect as if they had been repeated throughout the period from (and including) the signing of the Note Purchase Agreement to (and including) the Notes Closing Date (or as of another date if any of the Warranties are made with respect to such other date); and
- (vii) the Investors shall have been satisfied with the results of their commercial, financial and legal due diligence on the Group and shall have performed and complied to its satisfaction all ‘know your customer’, anti-money laundering or similar identification procedures in respect of the Group.

In the event that any of the conditions precedent to the Notes Closing is not fulfilled or waived on or before the Notes Closing Long Stop Date, each Investor participating in the Notes Closing may, at its option, without prejudice to the rights of such Investor and without prejudice to the other Investors' rights, amongst other rights, terminate the Note Purchase Agreement provided that if any other Investor proceeds with the Notes Closing in accordance with the terms of the Note Purchase Agreement, the Note Purchase Agreement shall not be terminated but the Investor who has elected not to proceed to the Notes Closing shall not be obliged to proceed with the Notes Closing.

Specific performance obligations of the Controlling Shareholder and the Ultimate Shareholders:

It is an event of default under the conditions of the Senior Notes, if, amongst others:

- (i) the Controlling Shareholder ceases to beneficially own at least 3,670,000,000 Shares;
- (ii) the Controlling Shareholder ceases to (a) control the Company, or (b) beneficially own at least 51% of the total issued share capital of the Company on a fully-diluted basis;
- (iii) the Ultimate Shareholders cease to (a) control the Company, or (b) effectively and beneficially own in aggregate at least 51% of the total issued share capital of the Company on a fully-diluted basis;
- (iv) the Ultimate Shareholders cease to (a) control the Controlling Shareholder, or (b) legally and beneficially own in aggregate at least 76.03% of the total issued share capital of the Controlling Shareholder on a fully-diluted basis; and
- (v) any of the Ultimate Shareholders ceases to be a Director.

Upon the occurrence of an event of default, the Senior Notes shall become immediately due and repayable in accordance with the terms and conditions of the Senior Notes.

Listing:

No application will be made for a listing of the Senior Notes on the Stock Exchange or any stock exchange.

Use of proceeds: As stipulated in the Note Purchase Agreement, the Company shall, and each Warrantor shall procure the Corporate Guarantors and the Ultimate Shareholders to, use US\$410,000,000, being the full amount of the proceeds received from the issue of the Senior Notes, to repay the principal amount of debt (to the extent such principal amount has not been set-off or settled as contemplated under the Note Purchase Agreement) payable to the 2016 Creditors in relation to the 2016 Indebtedness.

Closing: The Notes Closing has taken place on the Notes Closing Date (i.e. 22 September 2019).

The Warrants

The Company intends to, pursuant to the Specific Mandate, issue to each Investor the Warrants representing an amount of exercise moneys as set out opposite such Investor's name below on the Warrants Closing Date:

Name of Investor	Amount of exercise moneys of the Warrants
Blooming Rose	US\$30,000,000
Heroic Day	US\$10,500,000
CCB International	US\$3,150,000
China Cinda	US\$17,850,000

The principal terms of the Warrants were arrived at after arm's length negotiations between the Investors and the Company and are summarised as follows:

Exercise period: The period commencing on the date of the issue of the Warrants and ending at 5:00 p.m. (Hong Kong time) on the Termination Date

Termination Date: With respect to each Warrant, the earliest of (i) the date on which all Subscription Rights in respect of such Warrant have been exercised in full, (ii) the De-listing Early Redemption Date, and (iii) the date falling 36 months from the issue date of such Warrant, provided that if such date is not a Business Day, the Business Day immediately following such date.

The Company will ensure compliance with the requirements under Rule 15.02(2) of the Listing Rules at all times that the issue of the Warrants should, among other things, expire not less than one and not more than five years from the date of issue by ensuring that the events of default as set out in subparagraphs (xi) to (xiii) under the paragraph headed “The Note Purchase Agreement — The Senior Notes — Events of default” above shall not occur within one year after the issue of the Warrants. In this regard, within one year after the issue of the Warrants, the Company will not submit any notification to the Stock Exchange in relation to a proposed cancellation of the admission of the Shares, the Board will not propose any resolution to the Shareholders to delist the Company from the Main Board of the Stock Exchange, and the Company will take all reasonable steps to maintain its listing status.

Strike Price:

The initial Strike Price is HK\$1.6148 (subject to adjustment) per Warrant Share, being approximately 150% of the average closing price of the Shares for the 20 consecutive Trading Days prior to the date of the Note Purchase Agreement.

The Warrantholders are entitled to subscribe for the Warrant Shares of up to an aggregate amount of US\$61,500,000 (equivalent to approximately HK\$479,700,000) at the Strike Price.

The initial Strike Price of HK\$1.6148 per Warrant Share represents:

- (i) a premium of approximately 46.8% over the closing price per Share of HK\$1.1 as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 45.48% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five consecutive Trading Days up to and including the Last Trading Date, being HK\$1.11 per Share; and
- (iii) a premium of approximately 45.09% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last ten consecutive Trading Days up to and including the Last Trading Date, being HK\$1.113 per Share.

Proceeds:

The subscription money payable by a Warrantholder, upon the exercise of the Subscription Rights, may be satisfied in the following manner at such Warrantholder's election:

- (i) by setting off an amount of the exercise moneys equal to the aggregate strike price against the outstanding principal amount of any Senior Notes held by such Warrantholder (“**Set-off**”);
- (ii) by payment in cash to such bank account as designated by the Company as notified in writing to the Warrantholder three (3) Business Days in advance;
- (iii) by a combination of payment in cash and by way of Set-off as set forth in the foregoing (i) and (ii); or
- (iv) by such other method of payment as the Company and such Warrantholder may reasonably agree.

Assuming the Warrants with an aggregate amount of exercise moneys of US\$61,500,000 are issued and all exercise moneys of the Subscription Rights will be settled by the Warrantholders to the Company in cash, the Company will receive gross proceeds of approximately HK\$479.7 million, and the net proceeds of approximately HK\$478 million in this regard. The Company currently intends to use the net proceeds from the issue of the Warrants to repay the Senior Notes.

Assuming the full exercise of the Subscription Rights, the net price to the Company of each Warrant Share, which is calculated by dividing the aggregate net proceeds from the issue of the Warrant Shares and the exercise of the Subscription Rights by the Warrantholders by the total number of the Warrant Shares, is approximately HK\$1.6091.

Adjustment to Strike Price:

The Strike Price shall from time to time be adjusted as set out in the terms and conditions of the Warrants if and whenever:

- (i) the Shares, by reason of any consolidation or subdivision, become of a different nominal amount;
- (ii) the Company shall issue any Shares credited as fully paid by way of capitalisation of profits or reserves;

- (iii) the Company shall make any distributions in cash or specie to Shareholders (whether on a reduction of capital or otherwise) or shall grant to such Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) the Company shall offer to Shareholders new Shares for subscription by way of rights, or shall grant to Shareholders any rights to subscribe for new Shares, at a price per new Share which is less than 95% of the Market Price at the date of the announcement of the terms of the offer or grant;
- (v) the Company or any other company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights to acquire or subscribe for new Shares and the total effective consideration (i.e. the consideration receivable by the issuer for any such securities plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the conversion or exchange thereof or the exercise of such acquisition or subscription rights) per new Share initially receivable for such securities is less than 95% of the Market Price at the date of the announcement of the terms of issue of such securities;
- (vi) the Company shall issue wholly for cash any new Shares (other than pursuant to a rights issue) at a price per Share which is less than 95% of the Market Price at the date of the announcement of the terms of such issue;
- (vii) the Company shall purchase any Shares or securities convertible into Shares or any rights to acquire Shares (other than on the Stock Exchange or any stock exchange recognised for such purpose) and the Directors cancel such Shares, securities convertible into Shares or rights to acquire Shares;
- (viii) the Company shall issue any Shares for the acquisition of any asset at a total effective consideration (i.e. the aggregate consideration credited as being paid for such new Shares by the Company on acquisition of the relevant asset without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof) per new Share which is less than 95% of the Market Price at the date of the announcement of the terms of such issue.

No adjustment to the Strike Price shall be made to (i) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into or exchangeable for Shares or upon exercise of any rights to acquire or subscribe for Shares provided that an adjustment has been made in respect of the issue of such securities or granting of such rights (as the case may be); (ii) any issue of Shares pursuant to the exercise of the Subscription Rights; (iii) the grant of any option or Shares under the Share Incentive Scheme or an issue of Shares pursuant to the exercise of the said option(s); and (iv) the issue of Shares upon the exercise of any subscription rights in relation to the 2016 Warrants on the terms and subject to the conditions of the 2016 Warrant Instrument.

No adjustment to the Strike Price shall be made if such adjustment will result in issuing any Warrant Share at a discount to the applicable par value of a Share and the adjusted Strike Price shall then be set at the then applicable par value of a Share.

Warrant Shares:

As at the date of this announcement, the Company has a total of 7,194,417,247 Shares in issue. Assuming the Warrants with an aggregate amount of exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000) are issued, the Subscription Rights attaching to the Warrants, if exercised in full, will entitle the holders thereof to subscribe for up to 297,064,651 Warrant Shares (of an aggregate nominal value of HK\$29,706,465.1) at the initial Strike Price of HK\$1.6148. Such Warrant Shares represent approximately 4.13% of the Shares in issue as at the date of this announcement. Assuming there is no change in the issued share capital of the Company from the date of this announcement to the date of the full exercise of the Subscription Rights, such 297,064,651 Warrant Shares represent approximately 3.97% of the issued share capital of the Company as enlarged by the issue of such Warrant Shares.

Ranking:

The Warrant Shares, when allotted and issued, will rank *pari passu* with the existing issued Shares as at the date of the allotment.

Listing:

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares. No application for the listing of the Warrants has been or will be made.

Conditions precedent:

The obligation of the Company to issue the Warrants is subject to the fulfilment of each of the following conditions (none of which may be waived):

- (i) the Notes Closing shall have taken place upon the terms and subject to the conditions of the Note Purchase Agreement;
- (ii) the subscription rights under the 2016 Warrant Instrument has lapsed and ceases to be exercisable;
- (iii) the Shareholders shall have granted the Specific Mandate to the Board and such Specific Mandate remains valid, fully effective and has not been revoked;
- (iv) the Investors shall have received from the Company a copy certified as true by a Director or the company secretary of the Company of the resolution of the Company passed at the SGM approving the terms of the Warrant Instrument, the transactions contemplated thereunder, and the allotment and issue of all Warrant Shares issuable by the Company upon the full exercise of the Subscription Rights, and such resolutions have not been subsequently amended or revoked; and
- (v) the Investors shall have received from the Company a certified true copy of the approval of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares (either unconditionally or subject only to the conditions to which neither the Company nor the Investors may reasonably object).

Transfer:

The Warrants are freely transferable to any Person in whole or in part (in US\$1,000,000 or integral multiples thereof) of the total exercise moneys, and no consent of the Company is required for any transfer of the Warrants to any Person, provided that no transfers shall be made to a connected person of the Company.

The Strike Price set out above was determined based on the arm's length negotiations between the Company and the Investors, taking into account the recent trading prices of the Shares. The Directors consider that the terms of the Senior Notes and the Warrants (including the Strike Price (and the mechanism for determining the Strike Price)) are on normal commercial terms and are fair and reasonable and in the best interest of the Company and its shareholders as a whole.

SPECIFIC MANDATE TO ISSUE THE WARRANT SHARES

The Warrant Shares will be issued under the Specific Mandate to be sought at the SGM.

APPLICATION FOR LISTING

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares.

REASONS FOR THE ISSUE OF SENIOR NOTE AND WARRANTS

The Group is principally engaged in property development, property investment, project management, and other property development related services in the PRC.

The Board considers that the issue of Senior Notes and Warrants represent an opportunity to raise funds for the Company to repay the 2016 Indebtedness.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activity in the 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activity	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement
26 November 2018 and 2 January 2019	Issue of 770,000,000 Shares at the subscription price of HK\$1.30 per subscription share to Rong De pursuant to the subscription agreement dated 26 November 2018 entered into between the Company and Rong De	Total net proceeds of approximately HK\$1,000.5 million were intended to be used for repaying the bank and other borrowings of the Group	Total net proceeds of approximately HK\$1,000.5 million have been fully used by the Group for repaying its bank and other borrowings

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company had 7,194,417,247 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the Subscription Rights (assuming that (a) the Warrants representing exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000) will be issued; (b) there will be no further changes in the issued share capital of the Company prior to such exercise; and (c) there will be no adjustment to the Strike Price) are as follows:

	As at the date of this announcement		Immediately after the full exercise of the Subscription Rights	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Rong De (<i>Note 1</i>)	4,825,791,289	67.08	4,825,791,289	64.42
Warrantholders	—	—	297,064,651	3.97
Public Shareholders	2,368,625,958	32.92	2,368,625,958	31.62
Total	7,194,417,247	100.00	7,491,481,898	100.00

Notes:

1. Rong De is beneficially owned as to 36.00% by Mr. Liao Tengjia, 34.06% by Mr. Chu Hing Tsung and 29.94% by Mr. Chu Muk Chi, each being an executive Director.
2. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LISTING RULES IMPLICATIONS

Pursuant to the Note Purchase Agreement, the Controlling Shareholder (a connected person of the Company) is required to provide and has provided collateral security and corporate guarantee for, and the Ultimate Shareholders (each being a connected person of the Company) are required to provide and have provided personal guarantees for, the issue of the Senior Notes and the continuing term of the Senior Notes. The provision of such collateral security and/or such guarantee is regarded as a provision of financial assistance to the Company by such connected persons of the Company and constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. Given that no security over the assets of the Group is granted to the Controlling Shareholder and/or the Ultimate Shareholders in respect of the grant of the financial assistance by them to secure the Company's obligations under the Transaction Documents and such grant of financial assistance is for the benefit of the Company on normal commercial terms (or better to the Company), such grant of financial assistance is fully exempted from the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules under Rule 14A.90 of the Listing Rules.

Pursuant to the Note Purchase Agreement, the Controlling Shareholder is required to enter and has entered into the Listco Share Charge, whereby the Controlling Shareholder's interests in, among other things, certain number of Shares in the Listco Shares Account are charged, by way of a first fixed charge, in favour of the Security Agent (as trustee for the benefit of itself and on behalf of the Investors). Such charge over the Shares is required to be disclosed pursuant to Rule 13.17 of the Listing Rules. Please refer to the paragraph headed "The Note Purchase Agreement — The Senior Notes — Security and guarantee" in this announcement for further details.

The conditions of the Senior Notes also included certain conditions imposing specific performance obligations on the Controlling Shareholder and the Ultimate Shareholders (including but not limited to, a requirement to maintain a specified minimum holding in the share capital of the Company by each of the Controlling Shareholder and the Ultimate Shareholders) and breach of such obligations would cause a default in respect of the Senior Notes, and such specific performance obligations of the Controlling Shareholder and the Ultimate Shareholders is required to be disclosed pursuant to Rule 13.18 of the Listing Rules. Please refer to the paragraph headed "The Note Purchase Agreement — The Senior Notes — Specific performance obligations of the Controlling Shareholder and the Ultimate Shareholders" in this announcement for further details.

GENERAL

The SGM will be convened and held to consider and, if thought fit, pass the requisite resolution(s) to approve the Specific Mandate for the allotment and issue of the Warrant Shares. As at the date of this announcement, to the best knowledge of the Directors, no Shareholder has any material interest in the proposed grant of the Specific Mandate and accordingly, all Shareholders are entitled to vote at the SGM. Pursuant to the terms of the Note Purchase Agreement, the Controlling Shareholder has undertaken to the Investors that it will vote in favour of the resolution approving the grant of the Specific Mandate at the SGM.

A circular containing, among other things, (i) further details of the Warrants; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

"2016 Creditors"	all creditors who are entitled to any payment under the 2016 Transaction Documents, including the 2016 Noteholders
"2016 Indebtedness"	all outstanding indebtedness incurred by the 2016 Obligors under the 2016 Transaction Documents (including the 2016 Note Indebtedness but excluding the 2016 Warrant Indebtedness) as at the Notes Closing Date
"2016 Noteholders"	all registered holders of the outstanding 2016 Notes as at the date of the Note Purchase Agreement

“2016 Note Indebtedness”	all outstanding indebtedness incurred by the 2016 Obligors under the 2016 Notes as at the Notes Closing Date
“2016 Notes”	the senior secured guaranteed notes in the aggregate principal amount of up to US\$500,000,000 due 2019 issued by the Company as constituted by the note certificates and the terms and conditions in relation thereto (as amended and supplemented from time to time), further details of which are set out in the announcements of the Company dated 3 August 2016, 23 September 2016, 11 October 2016 and 2 August 2019, and the circular of the Company dated 23 September 2016
“2016 Obligors”	the parties to the 2016 Transaction Documents other than the 2016 Noteholders, the Security Agent, the other 2016 Creditors and ABCI Securities Company Limited
“2016 Transaction Documents”	all transaction documents in connection with the issue by the Company of the 2016 Notes and the 2016 Warrants
“2016 Warrant Certificates”	certificates representing the 2016 Warrants held by all registered holders of the outstanding 2016 Warrants as at the date of the Note Purchase Agreement
“2016 Warrant Indebtedness”	all amounts payable to all registered holders of the outstanding 2016 Warrants as at the date of the Note Purchase Agreement under the 2016 Warrant Instrument as at the Notes Closing Date
“2016 Warrant Instrument”	the warrant instrument dated 14 October 2016 executed by way of a deed poll by the Company in relation to the 2016 Warrants
“2016 Warrants”	the warrants with an aggregate amount of exercise moneys of up to US\$75,000,000 of the Company which entitles holders thereof to subscribe for shares of the Company at the initial strike price of HK\$1.9995 (as adjusted from time to time in accordance with the 2016 Warrant Instrument) with the current adjusted strike price of HK\$1.79, as constituted by the 2016 Warrant Instrument and warrant certificates issued to all registered holders of the outstanding 2016 Warrants as at the date of the Note Purchase Agreement, further details of which are set out in the announcements of the Company dated 3 August 2016, 22 August 2016, 23 September 2016, 11 October 2016, 14 November 2016 and 9 January 2019 and the circular of the Company dated 23 September 2016

“2017 Notes”	the senior secured guaranteed notes in the aggregate principal amount of up to US\$80,000,000 due 2019 issued by the Company as constituted by the note certificates and the terms and conditions in relation thereto, further details of which are set out in the announcement of the Company dated 30 November 2017
“Ai De”	Ai De Investments Limited (靄德投資有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“All Flourish”	All Flourish Investments Limited (通興投資有限公司), a company incorporated in the BVI with limited liability
“Authorised Denomination”	the denomination of US\$1,000,000 or integral multiples thereof
“Base Redemption Amount”	100% of the aggregate principal amount of such outstanding Senior Notes held by each Noteholder
“Board”	the board of Directors
“Blooming Rose”	Blooming Rose Enterprises Corp., a company incorporated in the BVI with limited liability, being one of the Investors
“Business Day”	a day on which commercial banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or a day on which commercial banks do not open for business owing to a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal being in force in Hong Kong)
“BVI”	the British Virgin Islands
“Capital Fame”	Capital Fame Investments Limited (嘉鋒投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“CCB International”	CCB International Overseas Limited, a company incorporated in Hong Kong with limited liability, being one of the Investors
“Cheng Chang”	Cheng Chang Holdings Limited (誠昌控股有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“China Cinda”	China Cinda (HK) Asset Management Co., Limited, a company incorporated in Hong Kong with limited liability, being one of the Investors
“Company”	Zhuguang Holdings Group Company Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“connected person”	has the meaning ascribed to it under the Listing Rules
“Consolidated Adjusted Total Assets”	at any time, the aggregate value of all current assets and non-current assets of the Group on the account date of and as shown on the Relevant Financial Statements minus all the advances from customers and contract liabilities of the Group on the account date of and as shown in the Relevant Financial Statements
“Consolidated Adjusted Total Debt”	at any time, the aggregate amount of all interest-bearing borrowings and other indebtedness (whether current or funded, secured or unsecured, including liabilities in respect of mandatorily redeemable or purchasable shares, capital stock or securities convertible into shares) of the Group on the account date of and as shown on the Relevant Financial Statements minus all the advances from customers and contract liabilities of the Group on the account date of and as shown in the Relevant Financial Statements
“Controlling Shareholder” or “Rong De”	Rong De Investments Limited (融德投資有限公司), a company incorporated in the BVI with limited liability, being the controlling shareholder (within the meaning of the Listing Rules) of the Company
“Corporate Guarantee”	each deed of guarantee entered into between the Security Agent (for itself and on behalf of the Investors) and each Corporate Guarantor on the Notes Closing Date, and “Corporate Guarantees” shall be construed accordingly
“Corporate Guarantors”	means collectively: <ul style="list-style-type: none"> (i) Rong De; (ii) Zhuguang Group; (iii) South Trend; (iv) Cheng Chang; (v) Profait International; (vi) Ai De; (vii) Top Perfect; (viii) Ever Crown; (ix) East Orient; (x) Fully Wise; (xi) Polyhero International; (xii) Top Asset; (xiii) Vanco Investment; (xiv) Talent Wide; (xv) Capital Fame; (xvi) Fresh International; and (xvii) World Sharp, and each a “Corporate Guarantor”

“Custodian Deed”	the custodian deed supplemental to the cash securities trading account terms and conditions in relation to the Listco Shares Account entered into between the Controlling Shareholder, ABCI Securities Company Limited as safekeeping agent and the Security Agent (for itself and on behalf of the Investors) on the Notes Closing Date
“De-listing Early Redemption Date”	the date on which all the outstanding Senior Notes are redeemed by the Noteholders pursuant to the terms and conditions of the Senior Notes upon the occurrence of any of the events of default as set out in sub-paragraphs (xi) to (xiii) under the paragraph headed “The Note Purchase Agreement — The Senior Notes — Events of default” in this announcement
“Director(s)”	the director(s) of the Company
“East Orient”	East Orient Investment Limited (達東投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“EOD Redemption Amount”	upon early redemption of the Senior Note due to occurrence of any event of default, the amount payable by the Company to each Noteholder who has delivered an EOD Notice of Repayment in respect of the outstanding principal amount of the Senior Notes on the date of such redemption
“Ever Crown”	Ever Crown Corporation Limited (冠恒興業有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Fresh International”	Fresh International Limited (豐順國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Fully Wise”	Fully Wise Investment Limited (惠豐投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Governmental Authority”	any nation or government or any federation, province or state or any other political subdivision thereof; any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission, instrumentality, securities exchange, supervisory or regulatory body of any country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization

“Group”	the Company and its subsidiaries
“Heroic Day”	Heroic Day Limited, a company incorporated in the BVI with limited liability, being one of the Investors
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and the connected persons of the Company and an “Independent Third Party” shall be construed accordingly
“Investors”	Blooming Rose, Heroic Day, CCB International and China Cinda, and each an “Investor”
“IRR”	an annual compounded, cumulative internal rate of return that produces a net present value of all cash flows (positive and negative) from an investment equal to zero
“Issue Date”	the issue date of the Senior Notes
“Last Trading Date”	20 September 2019, being the last Trading Day immediately before the entering into the Note Purchase Agreement
“Law” or “Laws”	any constitutional provision, statute or other law, rule (including the Listing Rules), regulation, guidance, decisions, published official policy or published official interpretation of any Governmental Authority and any injunction, judgment, order, ruling, assessment or writ issued by any Governmental Authority
“Listco Share Charge”	the share charge entered into between the Controlling Shareholder as chargor and the Security Agent (for itself and on behalf of the Investors), which creates a security interest over, among other things, initially 3,361,112,000 Shares held by the Controlling Shareholder and all assets and rights under the Listco Shares Account, on the Notes Closing Date
“Listco Shares Account”	a specific cash securities trading account of the Controlling Shareholder established and operated in accordance with the Transaction Documents
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Market Price”	the average of the closing prices of one Share on the Stock Exchange in respect of dealings in board lots for the five consecutive Trading Days ending on the last Trading Day preceding the day on or as of which the Market Price is to be ascertained
“Maturity Date”	21 September 2022 or, if such date is not a Business Day, the Business Day immediately following such date, on which the outstanding principal amount payable under the Senior Notes become due and payable
“Net Asset Value”	the consolidated net asset value of the Group on the account date of and as shown in the Relevant Financial Statements
“Note Instrument”	the instrument executed by way of deed poll by the Company creating and constituting the Senior Notes on the Notes Closing Date
“Noteholder(s)”	holder(s) of any Senior Notes from time to time
“Note Purchase Agreement”	the note purchase agreement entered into by and among the Company, the Controlling Shareholder, the Ultimate Shareholders and the Investors dated 22 September 2019 in relation to the issue and subscription of the Senior Notes and the transactions contemplated thereunder
“Notes Closing”	the consummation of the issue and subscription of the Senior Notes in accordance with the Note Purchase Agreement
“Notes Closing Date”	the date on which the Notes Closing occurred, i.e. 22 September 2019
“Notes Closing Long Stop Date”	on or before 22 September 2019 or such other date as may be agreed between the Company and the Investors in writing
“Obligors”	collectively the parties to the Transaction Documents other than the Investors, ABCI Securities Company Limited as the safekeeping agent and the Security Agent, and “Obligor” means any one of them
“Person”	any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity and that Person’s legal personal representatives, successors and assigns

“Personal Guarantee”	each deed of guarantee entered into between the Security Agent (for itself and on behalf of the Investors) and each Ultimate Shareholder on the Notes Closing Date, and “Personal Guarantees” shall be construed accordingly
“Polyhero International”	Polyhero International Limited (寶豪國際有限公司), a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Profaiith International”	Profaiith International Holdings Limited (盈信國際控股有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Project AEC”	a real property development project known as Project AEC in relation to a piece of land with lot number D1518 圖7幅 1地號, and with a gross area of approximately 107,400 square metres, which is located at Huangpu Road East, Tianhe District, Guangzhou City, Guangdong Province, PRC (with real estate certificate number 0150049922)
“Project AEC Acquisition”	the acquisition by the Group of the entire issued share capital of the Project AEC Acquisition Target(s), in one transaction or a series of transactions, on such terms as may be approved by the Investors for the purpose of acquiring Project AEC
“Project AEC Acquisition Target(s)”	All Flourish and/or another subject company whose equity securities are the target of acquisition under the Project AEC Acquisition
“Relevant Financial Statements”	the financial statements of the Group provided by the Company from time to time pursuant to the Transaction Documents
“Relevant Period”	each period of twelve (12) months ending on the last day of each financial year of the Company and each period of six (6) months ending on the last day of the first six (6) months of each financial year of the Company
“Security Agent”	The Bank of New York Mellon, Hong Kong Branch, or its successor as appointed from time to time under the Security Trust Deed

“Security and Guarantee Documents”	(i) the Personal Guarantees; (ii) the Corporate Guarantees; (iii) the Listco Share Charge; (iv) the Subsidiary Share Charges; (v) each additional security document; (vi) each document executed by an Obligor under or in connection with each Security and Guarantee Document; and (vii) any other document designated as such pursuant to the Note Purchase Agreement
“Security Trust Deed”	the security trust deed entered into between the Company, the Ultimate Shareholders, Rong De, the Security Agent, the Investors, the Corporate Guarantors and the Subsidiary Chargors on the Notes Closing Date
“Senior Notes”	the senior secured guaranteed notes in the aggregate principal amount of US\$410,000,000 (equivalent to approximately HK\$3,198,000,000) of the Company created and constituted by the Note Instrument
“SFC”	Hong Kong Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened to approve the Specific Mandate
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Incentive Scheme”	any scheme approved in general meeting(s) of the Shareholders for the issue or grant to such eligible participants or their personal representatives of Shares or options to subscribe for Shares in accordance with the requirements of the Stock Exchange and the Listing Rules
“Shareholder(s)”	holder(s) of the Share(s)
“South Trend”	South Trend Holdings Limited (南興控股有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM for the allotment and issue of all Warrant Shares upon the full exercise of the Subscription Rights

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strike Price”	the price payable to subscribe for one Warrant Share upon exercise of the Subscription Rights conferred by a Warrant, which is subject to adjustments
“Step-Up Event”	the event of default as set out in sub-paragraph (xv) under the paragraph headed “The Note Purchase Agreement – The Senior Notes – Events of default” in this announcement
“Subscription Rights”	the subscription rights that are attached to the Warrants to subscribe for the Warrant Shares
“Subsidiary Chargors”	<p>means collectively:</p> <ul style="list-style-type: none"> (i) Ai De; (ii) Cheng Chang; (iii) Profaith International; (iv) South Trend; (v) Talent Wide; and (vi) Zhuguang Group, <p>each being a wholly-owned subsidiary of the Company, and each a “Subsidiary Chargor”</p>
“Subsidiary Share Charges”	the various share charges in favour of the Security Agent (for itself and on behalf of the Investors) executed by certain subsidiaries of the Company as set out in the paragraph headed “The Note Purchase Agreement — The Senior Notes — Security and guarantee”
“Talent Wide”	Talent Wide Holdings Limited (智博控股有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Termination Date”	with respect to each Warrant, the earliest of (i) the date on which all Subscription Rights in respect of such Warrant have been exercised in full, (ii) the De-listing Early Redemption Date, and (iii) the date falling 36 months from the issue date of such Warrant, provided that if such date is not a Business Day, the Business Day immediately following such date

“Top Asset”	Top Asset Development Limited (通利發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Top Perfect”	Top Perfect Development Limited (泰恒發展有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Trading Day”	a day on which trading is conducted on the Stock Exchange in accordance with the Trading Rules of the Stock Exchange other than a day on which both the morning and the afternoon trading sessions or either of them is cancelled owing to a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal being in force in Hong Kong
“Transaction Documents”	(i) the Note Purchase Agreement; (ii) the Note Instrument (and the Senior Notes as evidenced by the note certificates together with terms and conditions attached thereto); (iii) the Warrant Instrument (and the Warrants as evidenced by the warrant certificates together with the terms and conditions attached thereto); (iv) the Security and Guarantee Documents; (v) the Security Trust Deed; (vi) the Custodian Deed; (vii) any other document designated as such pursuant to the Note Purchase Agreement; and (viii) any deeds of adherence, deeds of accession, deeds of novation, other agreements, instruments, certificates executed or entered into pursuant to or in connection with any of the foregoing
“Ultimate Shareholders”	Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi, each being an executive Director, who, in aggregate, hold 100% equity interest in Rong De, and each an “Ultimate Shareholder”
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vanco Investment”	Vanco Investment Limited (雅豪投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Warrantholder”	the Person in whose name the Warrants are registered from time to time, and “Warrantholders” shall be construed accordingly

“Warrant Instrument”	the instrument to be executed by way of deed poll by the Company creating and constituting the Warrants on the Warrants Closing Date
“Warrants”	the warrants of the Company to subscribe for Shares in favour of the Warrantholders, with an aggregate amount of exercise moneys of US\$61,500,000 (equivalent to approximately HK\$479,700,000) to be created and issued by the Company to the Investors at the Warrants Closing, which entitle the holder(s) thereof to subscribe for the Warrant Shares at the Strike Price
“Warrants Closing”	the consummation of the issue of the Warrants in accordance with the Note Purchase Agreement
“Warrants Closing Date”	the date on which the Warrants Closing occurs, which shall be a date falling within three (3) Business Days after the fulfilment of the conditions to the Warrants Closing as set out in the paragraph headed “The Note Purchase Agreement — The Warrants — Conditions precedent” in this announcement
“Warrant Share(s)”	the Share(s) issuable to the Warrantholders upon exercise of the Subscription Rights
“Warrantors”	(i) the Company, (ii) Rong De and (iii) the Ultimate Shareholders, each a “Warrantor”
“World Sharp”	World Sharp Investments Limited (華聲投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Zhuguang Group”	Zhuguang Group Limited (珠光集團有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company

“0%”

per cent

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.80 per US\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

On behalf of the Board
Zhuguang Holdings Group Company Limited
Chu Hing Tsung
Chairman

Hong Kong, 22 September 2019

As at the date of this announcement, the Board comprises (i) six executive Directors, namely Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) (Chairman), Mr. Liu Jie (Chief Executive Officer), Mr. Liao Tengjia (Deputy Chairman), Mr. Huang Jiajue (Deputy Chairman), Mr. Chu Muk Chi (alias Mr. Zhu La Yi) and Ms. Ye Lixia; and (ii) three independent non-executive Directors, namely Mr. Leung Wo Ping JP, Mr. Wong Chi Keung and Dr. Feng Ke