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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Zhuguang Holdings Group Company Limited (“Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchasers or transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchasers or transferees.

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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 WARRANTS AND ALLOTMENT AND ISSUE OF WARRANT SHARES UNDER SPECIFIC MANDATE; AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of the Company (“SGM”) to be held at 2:15 p.m. on Thursday, 21 November 2019 at Meeting Room No.1, 19/F., Zhuguang Xincheng International Centre, Block B, No. 3 Qingyi Street, Race Course Road, Tianhe District, Guangzhou, The People’s Republic of China, is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the respective websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.zhuguang.com.hk). Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong by 2:15 p.m. on Tuesday, 19 November 2019 or in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5 November 2019

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“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

DEFINITIONS

“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
“Accountants”	one of the big four accounting firms or such other qualified independent public accountant firm of international repute approved by the Warrantholders
“Ai De”	Ai De Investments Limited (靚德投資有限公司), 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
“Announcement”	the announcement of the Company dated 22 September 2019 in relation to the issue of the Senior Notes and the Warrants
“Approved Investment Bank”	an independent reputable investment bank holding a licence from the SFC for Type 6 regulated activity and approved by the Warrantholders
“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

DEFINITIONS

“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

DEFINITIONS

“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) Profaith 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”

DEFINITIONS

“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 from 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 the Letter from the Board in this circular
“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

DEFINITIONS

“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
“Latest Practicable Date”	1 November 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining information for inclusion in this circular
“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

DEFINITIONS

“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

DEFINITIONS

“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 circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Profait International”	Profait 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

DEFINITIONS

“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”	a special general meeting of the Company convened to be held at 2:15 p.m. on Thursday, 21 November 2019 at Meeting Room No.1, 19/F., Zhuguang Xincheng International Centre, Block B, No. 3 Qingyi Street, Race Course Road, Tianhe District, Guangzhou, The People’s Republic of China, for the purpose of considering and, if thought fit, approving the issue of the Warrants and the Specific Mandate for the allotment and issue of the Warrant Shares

DEFINITIONS

“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 the Letter from the Board in this circular
“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>

DEFINITIONS

“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” in the Letter from the Board in this circular
“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 respects 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 the terms and condition 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 designed 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

DEFINITIONS

“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
“Warrant Certificates”	the certificates representing the Warrants
“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 the Letter from the Board in this circular
“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”

DEFINITIONS

“Winding Up”	bankruptcy, restructuring, composition, winding up, amalgamation, reconstruction, administration, judicial management, dissolution, liquidation, merger or consolidation or any analogous procedure or step in any jurisdiction, whether or not the entity involved is or becomes insolvent
“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
“%”	per cent

In this circular, 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.

References to time and dates in this circular are to Hong Kong time and dates.

LETTER FROM THE BOARD



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)

Executive Directors:

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*)

Ms. Ye Lixia

Independent non-executive Directors:

Mr. Leung Wo Ping *JP*

Mr. Wong Chi Keung

Dr. Feng Ke

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Principal place of business
in Hong Kong:*

Room 5702-5703, 57th Floor
Two International Finance Centre
8 Finance Street
Central, Hong Kong

5 November 2019

To the Shareholders

Dear Sir or Madam

ISSUE OF WARRANTS AND ALLOTMENT AND ISSUE OF WARRANT SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the Announcement in which the Company announced 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). 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).

** For identification purpose only*

LETTER FROM THE BOARD

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

The purpose of this circular is to give you, among other matters, (i) further details of the Warrants; and (ii) a notice convening the SGM.

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: | <p>(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;</p> <p>(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</p> <p>(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.</p> |
| (iv) | Investors: | <p>(1) Blooming Rose;</p> <p>(2) Heroic Day;</p> <p>(3) CCB International; and</p> <p>(4) China Cinda</p> |

LETTER FROM THE BOARD

Information on the Investors

Blooming Rose is a limited liability company incorporated in the BVI whose ultimate beneficial owner is China Orient Asset Management Co., Ltd., which is a state-owned non-banking financial institution with its registered address in Beijing, the PRC.

Heroic Day is a limited liability company incorporated in the BVI whose ultimate beneficial owner is Agricultural Bank of China Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1288) and the Shanghai Stock Exchange (stock code: 601288).

CCB International is a limited liability company incorporated in Hong Kong whose ultimate beneficial owner is China Construction Bank Corporation, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939).

China Cinda is a limited liability company incorporated in Hong Kong whose ultimate beneficial owner is China Cinda Asset Management Co., Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1359).

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 their respective 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 issue of the Senior Notes and the issue of the Warrants (both are governed by the Note Purchase Agreement) are not inter-conditional to each other. However, the issue of the Warrants is conditional upon that the Notes Closing shall have taken place upon the terms and subject to the conditions of the Note Purchase Agreement (i.e. the Senior Notes have been issued).

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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 Note 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) Profaith International; (j) Talent Wide; (k) Top Asset; (l) Top Perfect; (m) Vanco Investment; and (n) World Sharp, held by the relevant Subsidiary Chargor;

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- (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;

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- (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.

LETTER FROM THE BOARD

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) 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 conditions of the Senior Notes, being 14% per annum, as set out in the paragraph headed “The Note Purchase Agreement — The Senior Notes — Interest rate” above. 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.

LETTER FROM THE BOARD

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.

LETTER FROM THE BOARD

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.

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- (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, 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;

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- (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 their satisfaction all ‘know your customer’, anti-money laundering or similar identification procedures in respect of the Group.

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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.

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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.

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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 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.

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- (iv) a premium of approximately 55.27% over the closing price per Share of HK\$1.04 as quoted on the Stock Exchange on the Latest Practicable Date.

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 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 accordance with the following relevant provisions and if the event giving rise to any such adjustment shall be such as would be capable of falling within more than one of the following sub-paragraphs (i) to (vii) inclusive it shall fall within the first of the applicable sub-paragraphs to the exclusion of the remaining sub-paragraphs:

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- (i) If and whenever the Shares, by reason of any consolidation or sub-division, become of a different nominal amount, the Strike Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount. Each such adjustment shall be effective from the close of business in Hong Kong on the Business Day immediately preceding the date on which the consolidation or sub-division becomes effective.
- (ii) If and whenever the Company shall issue any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account, contributed surplus account or capital redemption reserve fund), the Strike Price in force immediately prior to such issue shall be adjusted by multiplying it by the aggregate nominal amount of the issued Shares immediately before such issue and dividing the result by the sum of such aggregate nominal amount and the aggregate nominal amount of the Shares issued in such capitalisation. Each such adjustment shall be effective (if appropriate, retroactively) from the commencement of the day next following the record date for such issue.
- (iii) If and whenever the Company shall make any distributions in cash or specie (“**Capital Distribution**”) 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, the Strike Price in force immediately prior to such distribution or grant shall be adjusted by multiplying it by the following fraction:

$$\frac{A - B}{A}$$

where:

A = the closing price of one Share on the Stock Exchange on the Trading Day next preceding the date on which the Capital Distribution or, as the case may be, the grant is publicly announced or (failing any such announcement) next preceding the date of the Capital Distribution or, as the case may be, of the grant; and

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B = the fair market value on the day of such announcement or (as the case may require) the next preceding day, as determined in good faith by an Approved Investment Bank or the Accountants, of the portion of the Capital Distribution or of such rights which is attributable to one Share,

provided that:

- (A) if in the opinion of an Approved Investment Bank or the Accountants (as the case may be), the use of the fair market value as aforesaid produces a result which is significantly inequitable, it may instead determine (and in such event the above formula shall be construed accordingly) the amount of the said closing price which should properly be attributed to the value of the Capital Distribution or rights; and
- (B) the provisions of this sub-paragraph (iii) shall not apply in relation to the issue of Shares paid out of profits or reserves and issued in lieu of a cash dividend nor to a purchase by the Company of Shares in accordance with the provisions of applicable Law.
- (iv) If and whenever 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, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately before the date of the announcement of such offer or grant by the following fraction:

$$\frac{A + B}{C}$$

where:

A = the number of Shares in issue immediately before the date of such announcement;

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B = the number of Shares which the aggregate of the amount (if any) payable for the rights, options or warrants and of the amount payable for the total number of new Shares comprised therein would purchase at such Market Price; and

C = the number of Shares in issue immediately before the date of such announcement plus the aggregate number of Shares offered for subscription or comprised in the rights, options or warrants.

Such adjustment shall become effective (if appropriate, retroactively) from the commencement of the day next following the record date for the offer or grant.

- (v) If and whenever 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) (“**First Total Effective Consideration**”) 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, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to the issue by the following fraction:

$$\frac{A + B}{C}$$

where:

A = the number of Shares in issue immediately before the date of the issue;

B = the number of Shares which the First Total Effective Consideration receivable for the securities issued would purchase at such Market Price;

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C = the number of Shares in issue immediately before the date of the issue plus the number of Shares to be issued upon conversion or exchange of, or the exercise of the acquisition or subscription rights conferred by, such securities at the initial conversion or exchange rate or acquisition or subscription price.

Such adjustment shall become effective (if appropriate, retroactively) from the close of business in Hong Kong on the Business Day next preceding whichever is the earlier of the date on which the issue is announced and the date on which the issuer determines the conversion or exchange rate or subscription price.

For the purpose of this sub-paragraph (v), if and whenever the rights of conversion or exchange or acquisition or subscription attached to any such securities as are mentioned in this sub-paragraph (v) are modified so that the First Total Effective Consideration per Share initially receivable for such securities shall be less than 95% of the Market Price at the date of announcement of the proposal to modify such rights of conversion or exchange or acquisition or subscription, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately prior to such modification by a fraction of which the numerator is the number of Shares in issue immediately before the date of such modification plus the number of Shares which the First Total Effective Consideration receivable for the securities issued at the modified conversion or exchange price would purchase at the Market Price at the date of the announcement of such proposal and of which the denominator is the number of Shares in issue immediately before such date of modification plus the number of Shares to be issued upon conversion or exchange of or the exercise of the acquisition or subscription rights conferred by, such securities at the modified conversion or exchange rate or acquisition or subscription price. Such adjustment shall become effective as at the date upon which such modification shall take effect.

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- (vi) If and whenever 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, the Strike Price shall be adjusted by multiplying the Strike Price in force immediately before the date of such announcement by a fraction of which the numerator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares which the aggregate amount payable for the issue would purchase at such Market Price and the denominator is the number of Shares in issue immediately before the date of such announcement plus the number of Shares so issued. Such adjustment shall become effective on the date of the issue.
- (vii) If and whenever 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 other stock exchange recognised for such purpose) and the Directors cancel such Shares, securities convertible into Shares or rights to acquire Shares, the Board shall appoint an Approved Investment Bank or the Accountants to consider whether, for any reason whatever as a result of such purchases, an adjustment should be made to the Strike Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if an Approved Investment Bank or the Accountants shall consider in its opinion that it is appropriate to make an adjustment to the Strike Price, the Strike Price shall be adjusted in such manner as an Approved Investment Bank or the Accountants shall certify to be, in its opinion, appropriate. Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which such purchases by the Company are made.

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- (viii) If and whenever the Company shall issue any Shares for the acquisition of any asset at the 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) (“**Second Total Effective Consideration**”) per new Share which is less than 95% of the Market Price at the date of the announcement of the terms of such issue, the Strike Price shall be adjusted by multiplying it by a fraction of which the numerator shall be the Second Total Effective Consideration per new Share and the denominator shall be such Market Price. Each such adjustment shall be effective (if appropriate retroactively) from the close of business in Hong Kong on the Business Day next preceding the date on which the Company determines the issue price for such new Shares.

No adjustment to the Strike Price shall be made to (1) 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); (2) any issue of Shares pursuant to the exercise of the Subscription Rights; (3) 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; (4) 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 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 then par value of a Share and the adjusted Strike Price shall then be set at the then applicable par value of a Share.

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- Warrant Shares:** As at the Latest Practicable Date, the Company had 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 Latest Practicable Date. Assuming there is no change in the issued share capital of the Company from the Latest Practicable Date 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 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;

LETTER FROM THE BOARD

- (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 resolution has 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).

As at the Latest Practicable Date, save for the Notes Closing which took place on 22 September 2019 and the subscription rights under the 2016 Warrant Instrument have lapsed and ceased to be exercisable, none of the above conditions has been fulfilled.

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.

Rights of Warrantholders to participate in distributions and offer of further securities made by the Company:

In the event the record date for entitlement to any dividend and other distribution of the Company falls on or after a Warrantholder has lodged a notice to exercise its Subscription Rights in accordance with the Warrant Instrument but before the date on which the Warrant Shares are allotted and issued to such Warrantholder in accordance with the Warrant Instrument, the Company shall pay to such Warrantholder such dividend or distribution in respect of the Warrant Shares issuable to the Warrantholder under such notice of exercise as if the Warrant Shares had been held by such Warrantholder on the relevant record date.

Rights of Warrantholders in Winding Up:

If an effective resolution is passed on or before the Termination Date for the voluntary Winding Up of the Company, then

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- (a) if such Winding Up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement in conjunction with which a proposal is made to the Warrantholders and is approved by the Warrantholders, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warrantholders; and
- (b) subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised prior to the commencement of the Winding Up shall lapse and each Warrant Certificate will cease to be valid for the purpose of exercising any Subscription Right. Prior to the implementation of such scheme of arrangement or (as the case may be) proposal, the Company shall, at the direction of the Warrantholders, (i) procure the surviving entity of the amalgamation or reconstruction to issue the Warrants to the Warrantholders on such terms satisfactory to the Warrantholders; or (ii) do such things, make such arrangements, and execute such documents as may be required by the Warrantholders for the purpose of (a) above.

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 then recent trading prices of the Shares prior to the date of the Note Purchase Agreement. As agreed between the Company and the Investors, the Strike Price shall be 150% of the average closing price of the Shares for the 20 consecutive Trading Days immediately prior to the date of the Note Purchase Agreement. 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.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, other than the Transaction Documents and the documents in relation to the repayment of the 2016 Indebtedness, the Company has not entered, or contemplated to enter, into any other arrangements, agreements or understanding (whether formal or informal and whether express or implied) with the Investors.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company contemplated that the Group would proceed with the Project AEC Acquisition and considered to dispose of its interest in Gains Wide Holdings Limited, an indirect wholly-owned subsidiary of the Company (“**Gains Wide Disposal**”), which, through its wholly-owned subsidiaries, owns a number of properties situated at the Royal Mediterranean Hotel, No. 518 Tianhe Road, Tianhe District, Guangzhou, the PRC. As at the Latest Practicable Date, the Group has not entered into any definitive and/or legally binding agreements or contracts in respect of the Project AEC Acquisition and the Gains Wide Disposal. The Project AEC Acquisition and the Gains Wide Disposal, if materialise, may constitute notifiable transaction(s) and/or connected transaction(s) of the Company under Chapters 14 and 14A of the Listing Rules. Further announcements will be made by the Company regarding the Project AEC Acquisition and the Gains Wide Disposal as and when appropriate in compliance with the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other contemplated acquisitions, disposals or other matters during the exercise period of the Warrants that may have a material impact on the Company which is necessary for the Shareholders and the public to appraise the position of the Company.

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 NOTES 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 the Senior Notes and the Warrants represent an opportunity to raise funds for the Company to repay the 2016 Indebtedness. The issue of the Senior Notes and the Warrants will not result in any immediate dilution effect on the shareholding of the existing Shareholders.

LETTER FROM THE BOARD

The Board has considered other alternative fund raising methods including issuing new Shares, rights issue and open offer. However, the Directors are of the view that issuing new Shares at premium to market price is not realistic. Furthermore, rights issue and open offer require approval from relevant authorities and involve, among other things, the preparation and the issue of a prospectus, the issue of legal opinion if there are any overseas Shareholders, a longer acceptance process by potential investors and the printing and handling of application forms and, thereby are relatively time consuming and costly. In addition, taking into account the substantial fund raising amount of US\$410 million in order to repay the 2016 Indebtedness, the Directors considered that other fund raising alternatives to meet the fund raising amount of US\$410 million are not practicable in view of the then market conditions and have come to a decision that the issue of the Senior Notes and the Warrants is the most appropriate way of raising funds.

It is the agreement between the Company and the Investors that no application will be made for listing of the Warrants. The Company does not propose to apply for listing of the Warrants after taking into account of the compliance requirements and costs in relation to the listing of the Warrants as well as the anticipated number of holders of the Warrants.

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 Latest Practicable Date.

Date of announcement	Fund raising activity	Intended use of net proceeds	Actual use of net proceeds as at the Latest Practicable Date
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 Group's bank and other borrowings	Total net proceeds of approximately HK\$1,000.5 million have been fully used by the Group for repaying its bank and other borrowings

LETTER FROM THE BOARD

CHANGES IN SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company had 7,194,417,247 Shares in issue. The shareholding structure of the Company (i) as at the Latest Practicable Date; 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 Latest Practicable Date		Immediately after the full exercise of the Subscription Rights	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Rong De (Note 1)	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.

SGM

The SGM will be held at 2:15 p.m. on Thursday, 21 November 2019 at Meeting Room No.1, 19/F., Zhuguang Xincheng International Centre, Block B, No. 3 Qingyi Street, Race Course Road, Tianhe District, Guangzhou, The People's Republic of China, for the Shareholders to consider and, if thought fit, approve the issue of the Warrants and the grant of the Specific Mandate for the allotment and issue of the Warrant Shares. The notice of the SGM is set out on pages SGM-1 to SGM-3 of this circular.

A form of proxy for use at the SGM is enclosed with this circular and such form of proxy is also published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zhuguang.com.hk). Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 2:15 p.m. on Tuesday, 19 November 2019 or in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

The record date for determining the entitlement of the Shareholders to attend and vote at the SGM will be Friday, 15 November 2019. In order to qualify for the entitlement to attend and vote at the SGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 15 November 2019.

In compliance with the Listing Rules, the resolution will be voted on by way of a poll at the SGM.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

After the conclusion of the SGM, the poll results will be published on the respective websites of the Stock Exchange and of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders is required to be abstained from voting at the SGM in respect of the resolution relating to the issue of the Warrants and the grant of the Specific Mandate for the allotment and issue of the Warrant Shares.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the issue of the Warrants and the allotment and issue of the Warrant Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all Shareholders should vote in favour of the resolution proposed at the SGM to approve the issue of the Warrants and the Specific Mandate for the allotment and issue of the Warrant Shares.

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

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (“**Meeting**”) of Zhuguang Holdings Group Company Limited (“**Company**”) will be held at 2:15 p.m. on Thursday, 21 November 2019 at Meeting Room No.1, 19/F., Zhuguang Xincheng International Centre, Block B, No. 3 Qingyi Street, Race Course Road, Tianhe District, Guangzhou, The People’s Republic of China, or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Warrant Shares (as defined below):
 - (a) the directors of the Company (“**Directors**”) be and are hereby authorised to create and issue warrants (“**Warrants**”) to the Investors (as defined in the circular of the Company dated 5 November 2019 (“**Circular**”), a copy of which has been produced to this meeting marked “A” and initialled by the chairman of this meeting for the purpose of identification) entitling the holders of the Warrants to subscribe in cash of an aggregate of US\$61,500,000 for the Warrant Shares (as defined in the Circular) at the strike price of HK\$1.6148 per Warrant Share (subject to adjustments) and exercisable at any time during 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 (as defined in the Circular), on the terms and conditions set out in the Warrant Instrument (as defined in the Circular, the execution copy of which has been produced to this meeting marked “B” and initialled by the chairman of this meeting for the purpose of identification) and the Warrant Instrument be and is hereby approved;
 - (b) the Directors be and are hereby specifically authorised to allot and issue the Warrant Shares in accordance with the terms and conditions set out in the Warrant Instrument; and

** For identification purpose only*

NOTICE OF SPECIAL GENERAL MEETING

- (c) the Directors be and are hereby authorised to do all such acts and things, to sign and execute such documents or agreements or deed on behalf of the Company and to do such other things and to take all such actions as they consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Note Purchase Agreement (as defined in the Circular) and all the transactions contemplated thereunder as well as in relation to the issue and allotment of the Warrant Shares and to agree to such variation, amendments or waiver or matters relating thereto (excluding any variation, amendments or waiver of such documents or any terms thereof, which are fundamentally and materially different from those as provided for in the Note Purchase Agreement and which shall be subject to approval of the shareholders of the Company) as are, in the opinion of the Directors or a duly authorised committee of the board of Directors, in the interest of the Company and its shareholders as a whole.”

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

5 November 2019

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business in Hong Kong:
Room 5702-5703, 57th Floor
Two International Finance Centre
8 Finance Street
Central, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 2:15 p.m. on Tuesday, 19 November 2019 or in any event not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof (as the case may be).
3. Completion and deposit of the proxy form will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Friday, 15 November 2019. In order to qualify for the entitlement to attend and vote at the Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 15 November 2019.

NOTICE OF SPECIAL GENERAL MEETING

5. For joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares of the Company as if the shareholder was solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares of the Company shall alone be entitled to vote in respect thereof.
6. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll.
7. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, the board of the Directors 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.