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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)**

**CONNECTED TRANSACTION:  
ACQUISITION OF THE REMAINING 10% EQUITY INTEREST  
OF A NON-WHOLLY OWNED SUBSIDIARY**

Reference is made to the Announcement pursuant to which the Company announced that on 22 April 2020, after trading hours, the Vendor (also referred to as “United Talent”), a wholly-owned subsidiary of the Company, the Company, Skyleap, the Target Company and the Purchaser entered into the Co-Development Agreement, pursuant to which United Talent has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Equity Interest at the consideration of RMB1,500 million (equivalent to approximately HK\$1,665 million) and the Sale Loan (which amounted to approximately RMB1,831 million (equivalent to approximately HK\$2,033 million) as at 31 December 2019) at the face value of the Sale Loan at Completion, upon and subject to the terms and conditions of the Co-Development Agreement.

**THE SP AGREEMENT**

The Board is pleased to announce that, after trading hours on 19 June 2020, Guangzhou Rongcheng and United Talent, a wholly-owned subsidiary of the Company, entered into the SP Agreement pursuant to which Guangzhou Rongcheng has agreed to sell, and United Talent has agreed to acquire, the RC Sale Equity Interest, representing 10% of the equity interest in the Target Company, at nil consideration.

*\* For identification purpose only*

## **IMPLICATIONS UNDER THE LISTING RULES**

Immediately before the RC Completion, the equity interest in the Target Company is held as to 90% by United Talent and 10% by Guangzhou Rongcheng. As such, Guangzhou Rongcheng is a substantial shareholder of the Target Company and thus a connected person of the Company at subsidiary level, and the RC Sale Equity Interest Acquisition constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios exceeds 1% but is less than 5%, the RC Sale Equity Interest Acquisition is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from the circular (including independent financial advice) and the shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

Reference is made to the announcement (“**Announcement**”) of the Company dated 22 April 2020, pursuant to which the Company announced that on 22 April 2020, after trading hours, the Vendor (also referred to as “United Talent”), a wholly-owned subsidiary of the Company, the Company, Skyleap, the Target Company and the Purchaser entered into the Co-Development Agreement, pursuant to which United Talent has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Equity Interest at the consideration of RMB1,500 million (equivalent to approximately HK\$1,665 million) and the Sale Loan (which amounted to approximately RMB1,831 million (equivalent to approximately HK\$2,033 million) as at 31 December 2019) at the face value of the Sale Loan at Completion, upon and subject to the terms and conditions of the Co-Development Agreement. Capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcement unless the context requires otherwise.

The Board is pleased to announce that, after trading hours on 19 June 2020, Guangzhou Rongcheng and United Talent, a wholly-owned subsidiary of the Company, entered into the SP Agreement pursuant to which Guangzhou Rongcheng has agreed to sell, and United Talent has agreed to acquire, the RC Sale Equity Interest, representing 10% of the equity interest in the Target Company, at nil consideration.

## **THE SP AGREEMENT**

Major terms of the SP Agreement are set out below:

### **Date**

19 June 2020

### **Parties**

- (i) Guangzhou Rongcheng as the vendor; and
- (ii) United Talent as the purchaser.

Guangzhou Rongcheng (being a substantial shareholder of the Target Company immediately before the RC Completion), is a company established in the PRC with limited liability, the principal activities of which include the provision of commercial consulting service, investment consulting service, information technology consulting service, market research service, public relations service and corporate management consulting service. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Guangzhou Rongcheng and its ultimate beneficial owner are Independent Third Parties.

### **Assets to be acquired**

Guangzhou Rongcheng has agreed to sell, and United Talent has agreed to acquire, the RC Sale Equity Interest, representing 10% of the equity interest of the Target Company, free from all encumbrances and together with all rights and benefits attaching thereto. Subject to the RC Completion, the 8.2% profit sharing right (“**Target Profit Sharing Right**”) held by Guangzhou Rongcheng in the Target Company will be transferred to United Talent, resulting in United Talent owning 82% of the Target Profit Sharing Right after the RC Completion.

In January 2019, Guangzhou Rongcheng acquired the RC Sale Equity Interest from United Talent at nil consideration.

### **Consideration**

The RC Sale Equity Interest will be transferred by Guangzhou Rongcheng to United Talent at nil consideration.

The consideration for the RC Sale Equity Interest was determined after arm’s length negotiations between United Talent and Guangzhou Rongcheng on normal commercial terms, with reference to (i) the unaudited net liabilities of the Target Company of approximately RMB121 million (equivalent to approximately HK\$134 million) as at 31 March 2020; and (ii) the RC Sale Equity Interest being transferred from United Talent to Guangzhou Rongcheng at nil consideration in January 2019.

### **Completion**

The RC Completion will take place upon the completion of the registration of the transfer of the RC Sale Equity Interest from Guangzhou Rongcheng to United Talent with the State Administration for Industry and Commerce (國家工商行政管理總局) of the PRC. Immediately after the RC Completion, United Talent will own (i) the entire equity interest in the Target Company; and (ii) 82% of the Target Profit Sharing Right. The results of the Target Company will continue to be consolidated into the financial statements of the Group after the RC Completion.

On 27 May 2020, the Target Company has repaid the shareholder's loan of RMB600 million (equivalent to approximately HK\$666 million) and the interest accrued thereon in the aggregate amount of approximately RMB1.17 million (equivalent to approximately HK\$1.30 million) to Guangzhou Rongcheng, which was funded by the internal resources of the Group.

## INFORMATION OF THE TARGET COMPANY

Immediately before the RC Completion, the equity interest in the Target Company is owned as to 90% by United Talent and 10% by Guangzhou Rongcheng, while the Target Profit Sharing Right is owned as to 73.8% by United Talent, 18% by Dongjin Company and 8.2% by Guangzhou Rongcheng. Immediately after the RC Completion, the entire equity interest in the Target Company will be held by United Talent, while the Target Profit Sharing Right will be owned as to 82% by United Talent and 18% by Dongjin Company.

The Target Company is a co-operative joint venture established in the PRC and is principally engaged in the provision of business services (商務服務業). As at the date of this announcement, the Target Company does not hold any equity interest in the Project Company. However, as set out in the Announcement, the equity interest in the Project Company shall be transferred to the Target Company in tranches. It is also a term of the Co-Development Agreement that the Project Company shall be wholly owned by the Target Company after Completion and within six months after completion of the preliminary registration of all the properties developed under the Reconstruction Area required to be delivered to the original residents of the Land and Huocun Econ Organisation.

Set out below is certain unaudited financial information of the Target Company for the two years ended 31 December 2019 and for the period from 1 January 2020 to 31 March 2020:

	<b>For the period ended 31 March 2020</b> <i>approximately RMB'000 (unaudited)</i>	<b>Year ended 31 December 2019</b> <i>approximately RMB'000 (unaudited) (Note 1)</i>	<b>Year ended 31 December 2018</b> <i>approximately RMB'000 (unaudited) (Note 2)</i>
Net loss before taxation	15,003 (equivalent to approximately HK\$16,656,000)	94,418 (equivalent to approximately HK\$107,342,000)	11,225 (equivalent to approximately HK\$13,283,000)
Net loss after taxation	15,003 (equivalent to approximately HK\$16,656,000)	94,418 (equivalent to approximately HK\$107,342,000)	11,225 (equivalent to approximately HK\$13,283,000)

*Notes:*

- 1. The amounts of net loss before taxation and net loss after taxation quoted in RMB have been converted into HK\$ using the average exchange rate for the year ended 31 December 2019.*
- 2. The amounts of net loss before taxation and net loss after taxation quoted in RMB have been converted into HK\$ using the average exchange rate for the year ended 31 December 2018.*

As at 31 March 2020, (i) the unaudited total assets of the Target Company amounted to approximately RMB3,142.5 million (equivalent to approximately HK\$3,488.8 million); (ii) the unaudited total liabilities of the Target Company amounted to approximately RMB3,263.2 million (equivalent to approximately HK\$3,622.8 million); and (iii) the unaudited net liabilities of the Target Company amounted to approximately RMB121 million (equivalent to approximately HK\$134 million).

Based on the preliminary valuation conducted by an independent professional valuer using the asset approach, the market value of the Target Company as at 29 February 2020 was RMB1,467 million (equivalent to approximately HK\$1,629 million).

## **REASONS FOR AND BENEFITS OF THE RC SALE EQUITY INTEREST ACQUISITION**

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

Given that the RC Completion is one of the conditions precedent to the completion of the Disposal pursuant to the Co-Development Agreement, United Talent and Guangzhou Rongcheng entered into the SP Agreement.

The Directors (including the independent non-executive Directors) are of the view that the SP Agreement was on normal commercial terms or better that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors had a material interest in the SP Agreement which required any of them to abstain from voting on the Board resolutions in relation to the SP Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

Immediately before the RC Completion, the equity interest in the Target Company is held as to 90% by United Talent and 10% by Guangzhou Rongcheng. As such, Guangzhou Rongcheng is a substantial shareholder of the Target Company and thus a connected person of the Company at subsidiary level, and the RC Sale Equity Interest Acquisition constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios exceeds 1% but is less than 5%, the RC Sale Equity Interest Acquisition is only subject to the reporting and announcement requirements under the Listing Rules but is exempt from the circular (including independent financial advice) and the shareholders' approval requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules.

## DEFINITIONS

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

“Company”	Zhuguang Holdings Group Company Limited Limited (珠光控股集團有限公司*) (stock code: 1176), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Guangzhou Rongcheng”	Guangzhou Rongcheng Investment Development Company Limited* (廣州融晟投資發展有限公司), a company established in the PRC with limited liability and a substantial shareholder of the Target Company until the RC Completion. The ultimate beneficial owner of Guangzhou Rongcheng is Huang Kai Xing* (黃開興).
“RC Sale Equity Interest Acquisition”	the acquisition of the RC Sale Equity Interest by United Talent pursuant to the SP Agreement
“RC Completion”	completion of the RC Sale Equity Interest Acquisition
“RC Sale Equity Interest”	10% equity interest in the Target Company
“SP Agreement”	the agreement dated 19 June 2020 entered into between Guangzhou Rongcheng and United Talent in relation to the RC Sale Equity Interest Acquisition
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Guangzhou Yuhong Investment Company Limited* (廣州御宏投資有限公司), a company established in the PRC with limited liability and a non-wholly-owned subsidiary of the Company immediately before the RC Completion
“United Talent” or “Vendor”	United Talent Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

*\* For identification purpose only*

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ using the exchange rate of RMB1:HK\$1.1102, unless otherwise indicated. 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, 19 June 2020

*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.*