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**MADISON WINE<sup>®</sup>**

**Madison Wine Holdings Limited**

**麥迪森酒業控股有限公司**

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

**(Stock Code: 8057)**

**(I) DISCLOSEABLE TRANSACTION –  
SUBSCRIPTION OF ZA SHARES;  
AND  
(II) EXEMPTED CONNECTED TRANSACTION**

**THE SUBSCRIPTION**

The Company wishes to announce that on 4 July 2017 (after trading hours), Pure Horizon, an indirect wholly-owned subsidiary of the Company, entered into the Placing Letter with Eternal Pearl, being one of the Placing Agents and indirectly wholly-owned by Bartha Holdings Limited, in which Mr. Ting (an executive Director, the chairman of the Board and a controlling shareholder of the Company) is indirectly interested. Pursuant to the Placing Letter, Pure Horizon agreed to subscribe for the Subscription Shares at a subscription price of HK\$1.50 per ZA Share.

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, Mr. Ting, an executive Director, the chairman of the Board and a controlling shareholder of the Company, was indirectly interested in 85.25% shares of Bartha Holdings Limited, which in turn, indirectly holds the entire issued share capital of Eternal Pearl. Hence, Eternal Pearl is a connected person of the Company and the entering into of the Placing Letter constitutes a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As each of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Placing Letter is less than 0.1%, the entering into of the Placing Letter is exempted from the requirement of reporting, announcement and independent shareholders' approval under Chapter 20 of the GEM Listing Rules.

To the best of the information, knowledge and belief of the Directors, Zhong An is an Independent Third Party. As one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Subscription is more than 5% but all the relevant percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **THE SUBSCRIPTION**

The Company wishes to announce that on 4 July 2017 (after trading hours), Pure Horizon, an indirect wholly-owned subsidiary of the Company, entered into the Placing Letter with Eternal Pearl, being one of the Placing Agents and indirectly wholly-owned by Bartha Holdings Limited, in which Mr. Ting (an executive Director, the chairman of the Board and a controlling shareholder of the Company) is indirectly interested. Pursuant to the Placing Letter, Pure Horizon agreed to subscribe for the Subscription Shares at a subscription price of HK\$1.50 per ZA Share.

### **Consideration**

The aggregate consideration of the Subscription Shares was HK\$9,900,000 (excluding transaction costs), which was payable in cash and financed by the Group's internal resources.

This subscription price of HK\$1.5 per ZA Share represents:

- (i) a discount of approximately 26.11% to the closing price of HK\$2.03 per ZA share as quoted on the Stock Exchange as at the date of this announcement;
- (ii) a discount of approximately 8.31% to the average closing price of approximately HK\$1.636 per ZA Share as quoted on the Stock Exchange for the last five trading days up to and including the date of this announcement; and
- (iii) a premium of approximately 4.38% over the average closing price of approximately HK\$1.437 per ZA Share as quoted on the Stock Exchange for the last ten trading days up to and including the date of this announcement.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Zhong An and its ultimate beneficial owners, are Independent Third Parties. Further details of the Placing, including the subscription price of HK\$1.5 per ZA Share, are disclosed in the announcement of Zhong An dated 3 July 2017.

## **Subscription Shares**

The Subscription Shares represent approximately 0.23% of the enlarged issued share capital of Zhong An on the assumption that the Placing Shares are fully subscribed.

## **THE PLACING LETTER**

The principal terms of the Placing Letter are summarised as follows:–

Date:	4 July 2017
Parties:	Pure Horizon, as subscriber  Eternal Pearl, as one of the Placing Agents acting on behalf of Zhong An
Shares to be placed:	the Subscription Shares
Total consideration:	HK\$9,900,000 (exclusive of transaction costs), at the subscription price of HK\$1.5 per ZA Share, payable to Whole Good Management Limited, the vendor under the Placing and Subscription Agreement
Brokerage:	HK\$49,500 (being 0.5% of the total consideration), payable to Eternal Pearl, which was negotiated on arm's length basis with Eternal Pearl, with reference to the market rate
Subscription money:	an aggregate of HK\$9,960,162.30, being the total consideration and the transaction costs

## **Completion**

Pursuant to the Placing and Subscription Agreement, the completion of Placing is expected to take place on 6 July 2017 or such other date as the Placing Agents may agree.

## **INFORMATION OF ETERNAL PEARL AND ZHONG AN**

Eternal Pearl is a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO, and is a company indirectly wholly owned by Bartha Holdings Limited, in which Mr. Ting is indirectly interested.

Zhong An is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 672). The principal activity of Zhong An is investment holding. The principal activities of the Zhong An Group are property development, leasing and hotel operation.

The following information is extracted from the annual report of Zhong An for the year ended 31 December 2016:

	<b>For the year ended 31 December 2016 (RMB\$'000)</b>	<b>For the year ended 31 December 2015 (RMB\$'000)</b>
Revenue	5,007,148	2,883,146
Profit before taxation	249,212	1,008,594
Profit after taxation	160,962	593,302

The audited consolidated total asset value and net asset value of Zhong An as at 31 December 2016 were approximately RMB\$20,270,441,000 and RMB\$7,711,135,000 respectively.

Immediately before the completion of the Subscription, the Company does not held any ZA Shares. As informed by Mr. Ting, immediately before the completion of the Subscription, he was interested in an aggregate of 135,930,000 ZA Shares, representing 4.823% of the existing issued share capital of Zhong An through his controlled companies.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF PLACING SHARES**

The Company is an investment holding company. Its major operating subsidiaries are mainly engaged in sales of alcoholic beverages and provision of wine storage services.

Having considered the financial performance of Zhong An, the Directors consider that the Subscription is an attractive investment and can enhance the investment returns for the Company. The Directors (including the independent non-executive Directors) consider the terms of the Placing Letter (including the subscription price and the brokerage payable to Eternal Pearl) are on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As at the date of this announcement, Mr. Ting, an executive Director, chairman of the Board and a controlling shareholder of the Company, was indirectly interested in 85.25% shares of Bartha Holdings Limited, which in turn, indirectly holds the entire issued share capital of Eternal Pearl. Hence, Eternal Pearl is a connected person of the Company and the entering into of the Placing Letter constitutes a connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As each of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Placing Letter is less than 0.1%, the entering into of the Placing Letter is exempted from the requirement of reporting, announcement and independent shareholders' approval under Chapter 20 of the GEM Listing Rules. As Mr. Ting is having material interest in the entering into of the Placing Letter, Mr. Ting has abstained from voting in the Board meeting on the resolution to approve the entering into of the Placing Letter.

To the best of the information, knowledge and belief of the Directors, Zhong An is an Independent Third Party. As one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Subscription is more than 5% but all the relevant percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Company”	Madison Wine Holdings Limited, a company incorporated in the Cayman Islands, whose Shares are listed on GEM (Stock code: 8057)
“connected person(s)”	has the meaning subscribed to it under the GEM Listing Rules
“Director(s)”	Director(s) of the Company
“Eternal Pearl”	Eternal Pearl Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO, a company indirectly owned by Bartha Holdings Limited in which Mr. Ting is indirectly interested
“GEM”	the Growth Enterprise Market of the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the GEM Listing Rules) any of the directors, chief executives or substantial shareholders of the Company or subsidiaries of the Company or any of their respective associates
“Mr. Ting”	Mr. Ting Pang Wan, Raymond, an executive Director, the chairman of the Board and a controlling shareholder of the Company
“Placing”	the proposed placing of a maximum of 100,000,000 ZA Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing Agents”	collectively, Eternal Pearl and Haitong International Securities Company Limited
“Placing and Subscription Agreement”	the conditional placing and subscription agreement dated 3 July 2017 entered into among Zhong An, the Placing Agents and Whole Good Management Limited
“Placing Letter”	a placing letter dated 4 July 2017 issued by Eternal Pearl as placing agent on behalf of Zhong An in relation to the Subscription
“Placing Shares”	a maximum of 100,000,000 ZA shares to be placed pursuant to the Placing and Subscription Agreement
“Pure Horizon”	Pure Horizon Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.001 each in the capital of the Company
“Shareholder(s)”	holders of the issued Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by Pure Horizon
“Subscription Share(s)”	an aggregate of 6,600,000 ZA Shares, out of the Placing Shares
“ZA Share(s)”	share(s) of HK\$0.10 each in the share capital of Zhong An
“Zhong An”	Zhong An Real Estate Limited (眾安房產有限公司), a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 672)
“Zhong An Group”	Zhong An and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

By order of the Board  
**Madison Wine Holdings Limited**  
**Ting Pang Wan Raymond**  
*Chairman and executive Director*

Hong Kong, 4 July 2017

*As at the date of this announcement, the executive Directors are Mr. Ting Pang Wan Raymond and Mr. Zhu Qin; the non-executive Director is Kao Sheng-Chi; and the independent non-executive Directors are Ms. Fan Wei, Mr. Chu Kin Wang Peleus and Mr. Ip Cho Yin, J.P.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the website of the Company at [www.madison-wine.com](http://www.madison-wine.com)*