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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)

**SUPPLEMENTAL ARRANGEMENT TO
ISSUE OF SENIOR NOTES AND WARRANTS UNDER GENERAL MANDATE**

Placing Agent



This announcement is made by the Company pursuant to Rules 13.09(2)(a) and 13.17 of the Listing Rules and Part XIVA of the SFO.

As disclosed in the Preceding Announcements, on 20 June 2014, the Company and the other Parties had entered into the conditional Note Purchase Agreement, pursuant to which the Company had agreed to issue to the Investors, under two tranches, (i) Senior Notes of an aggregate principal amount of up to US\$350,000,000 (equivalent to approximately HK\$2,730,000,000), and (ii) Warrants representing an aggregate amount of exercise moneys of up to US\$70,000,000 (equivalent to approximately HK\$546,000,000) pursuant to the General Mandate. As at 18 July 2014, the Company had completed the issue of First Tranche Notes in the aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) and First Tranche Warrants representing the aggregate amount of exercise moneys of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

* For identification purposes only

The Company wishes to announce that after trading hours on 24 December 2014, the Company and the other Parties entered into the Supplemental Note Purchase Deed, pursuant to which, it was agreed by the Parties, among other things, that the Senior Notes and Warrants will be issued in three (instead of two) tranches. Under the New Transaction Structure, the Company will, subject to the fulfilment (or waiver) of the relevant conditions precedent, issue (i) Second Tranche Notes in the aggregate principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000) and Second Tranche Warrants representing the aggregate amount of exercise moneys of up to US\$20,000,000 (equivalent to approximately HK\$156,000,000) to the Second Tranche Investors on the Second Closing Date; and (ii) Third Tranche Notes in the aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) and Third Tranche Warrants representing the aggregate amount of exercise money of up to US\$30,000,000 (equivalent to approximately HK\$234,000,000) to the Third Tranche Investors on the Third Closing Date.

The creation and issue of the Second Tranche Notes and Third Tranche Notes are subject to the fulfilment (or waiver) of certain conditions precedents. Under the New Transaction Structure, (i) the creation and issue of Second Tranche Notes will be subject to, among other things, the New Conditions, which are required to be fulfilled on or before the Second Closing Long-Stop Date; and (ii) the Relevant Conditions have been re-designated as conditions precedent for the creation and issue of the Third Tranche Notes only, which are required to be fulfilled on or before the Third Closing Long-Stop Date.

The Company wishes to further announce that after trading hours on 24 December 2014, it received subscription letters from Finic Resources, Wise Sharp and Huarong in relation to their conditional subscription for Second Tranche Notes in the principal amount of US\$15,000,000 (equivalent to approximately HK\$117,000,000), US\$20,000,000 (equivalent to approximately HK\$156,000,000), and US\$30,000,000 (equivalent to approximately HK\$234,000,000) respectively. Accordingly, upon the Second Closing, the Company will issue Second Tranche Warrants with exercise moneys of US\$3,000,000 (equivalent to approximately HK\$23,400,000), US\$4,000,000 (equivalent to approximately HK\$31,200,000), and US\$6,000,000 (equivalent to approximately HK\$46,800,000) to Finic Resources, Wise Sharp and Huarong respectively as part and parcel of the issue of the Second Tranche Notes.

The Company will issue further announcements as and when each of the Second Closing and Third Closing takes place.

This announcement is made by the Company pursuant to Rules 13.09(2)(a) and 13.17 of the Listing Rules and Part XIVA of the SFO.

INTRODUCTION

Reference is made to the respective announcements of the Company dated 22 June 2014, 26 June 2014, 17 July 2014 and 18 July 2014 (the “**Preceding Announcements**”). Capitalised terms used in this announcement, unless otherwise defined, shall have the meaning as those defined in the Preceding Announcements.

As disclosed in the Preceding Announcements, on 20 June 2014, the Company, the Controlling Shareholder, the Ultimate Shareholders, Blooming Rose, Design Time and Wise Sharp (collectively, the “**Parties**”) had entered into a conditional Note Purchase Agreement, pursuant to which the Company had agreed to issue to the Investors, under two tranches, (i) Senior Notes of an aggregate principal amount of up to US\$350,000,000 (equivalent to approximately HK\$2,730,000,000), and (ii) Warrants representing an aggregate amount of exercise

moneys of up to US\$70,000,000 (equivalent to approximately HK\$546,000,000) pursuant to the General Mandate. As at 18 July 2014, the Company had completed the issue of First Tranche Notes in the aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) and First Tranche Warrants representing the aggregate amount of exercise moneys of US\$20,000,000 (equivalent to approximately HK\$156,000,000).

NEW TRANSACTION STRUCTURE

After trading hours on 24 December 2014, the Company and the other Parties entered into the Supplemental Note Purchase Deed, pursuant to which, it was agreed by the Parties, among other things, that the Senior Notes and Warrants will be issued in three (instead of two) tranches. Under the New Transaction Structure, the Company will, subject to the fulfilment (or waiver) of the relevant conditions precedent, issue (i) Second Tranche Notes in the aggregate principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000) and Second Tranche Warrants representing the aggregate amount of exercise moneys of up to US\$20,000,000 (equivalent to approximately HK\$156,000,000) to the Second Tranche Investors on the Second Closing Date; and (ii) Third Tranche Notes in the aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) and Third Tranche Warrants representing the aggregate amount of exercise money of up to US\$30,000,000 (equivalent to approximately HK\$234,000,000) to the Third Tranche Investors on the Third Closing Date. Please refer to the Preceding Announcements for further details on the terms and conditions of the Senior Notes and Warrants respectively.

CONDITIONS PRECEDENT TO ISSUE OF SECOND TRANCHE NOTES AND THIRD TRANCHE NOTES

It was announced in the Preceding Announcements that the creation and issue of the second tranche Senior Notes are subject to the fulfilment of, among other things, the following conditions precedent on or before the Second Closing Long-Stop Date:

- (i) the Company's acquisition of Project Huaxi;
- (ii) the relevant Subsidiary Chargors having duly executed the Subsidiary Share Charge 2 and delivered to the Security Agent any documents required under the Subsidiary Share Charge 2;
- (iii) the Company having completed the New Issuance; and
- (iv) the Controlling Shareholder having duly executed the Listco Share Charge 2 and delivered to the Security Agent any documents required under Listco Share Charge 2 (conditions (i) to (iv) above are collectively referred to as the "**Relevant Conditions**").

Under the New Transaction Structure, the Relevant Conditions have been re-designated as conditions precedent to be fulfilled on or before the Third Closing Long-Stop Date for the creation and issue of the Third Tranche Notes only. The creation and issue of the Second Tranche Notes will, in turn, be subject to the fulfilment of, among other things, the following conditions precedent on or before the Second Closing Long-Stop Date:

- (i) the Controlling Shareholders having deposited and charged additional Shares in favour of the Security Agent under Listco Share Charge 1 in order to maintain the security coverage of 1.5 times of the outstanding principal amount of the Senior Notes on or before the Second Closing Date;

- (ii) the following new security having been created in favour of the Security Agent as security for the Senior Notes:
- (a) South Trend having executed a share charge, which charges the entire issued share capital of Top Asset in favour of the Security Agent; and
 - (b) Top Asset having executed a deed of guarantee to guarantee the performance of the obligations of the Obligor (conditions (i) and (ii) above are collectively referred to as the “**New Conditions**”).

SUBSCRIPTION OF SECOND TRANCHE NOTES AND SECOND TRANCHE WARRANTS

After trading hours on 24 December 2014, the Company received subscription letters from Finic Resources, Wise Sharp and Huarong (the “**Subscription Letters**”) in relation to their conditional subscription for Second Tranche Notes in the principal amount of US\$15,000,000 (equivalent to approximately HK\$117,000,000), US\$20,000,000 (equivalent to approximately HK\$156,000,000), and US\$30,000,000 (equivalent to approximately HK\$234,000,000) respectively. Accordingly, upon the Second Closing, the Company will issue Second Tranche Warrants with exercise moneys of US\$3,000,000 (equivalent to approximately HK\$23,400,000), US\$4,000,000 (equivalent to approximately HK\$31,200,000), and US\$6,000,000 (equivalent to approximately HK\$46,800,000) to Finic Resources, Wise Sharp and Huarong respectively as part and parcel of the issue of the Second Tranche Notes. If each of Finic Resources, Wise Sharp and Huarong exercises the Subscription Rights attaching to this Second Tranche Warrants is full, the Company is required to issue 42,644,461 Second Tranche Warrant Shares (with an aggregate nominal value of HK\$4,264,446.10) at the initial strike price of HK\$2.3778 per Warrant Share (subject to adjustment).

Assuming that all the Second Tranche Notes in the aggregate principal amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) will be subscribed for and all the Second Tranche Warrants in the aggregate amount of Exercise Moneys of US\$20,000,000 (equivalent to approximately HK\$156,000,000) will be issued, the Subscription Rights attaching to the Second Tranche Warrants, if exercised in full, will entitle the holders thereof to subscribe for up to 65,606,863 Second Tranche Warrant Shares (with an aggregate nominal value of HK\$6,560,686.30) at the initial Strike Price of HK\$2.3778 per Warrant Share (subject to adjustment). The Second Tranche Warrant Shares represent (i) approximately 1.36% of the 4,818,312,935 Shares in issue as at the date of this announcement; and (ii) approximately 1.34% of the Shares in issue as enlarged by the issue of the Second Tranche Warrant Shares.

The initial Strike Price of HK\$2.3778 per Warrant Share represents:

- (i) a premium of approximately 38.24% over the closing price per Share of HK\$1.720 as quoted on the Stock Exchange on 24 December 2014, being the date of the Subscription Letters;
- (ii) a premium of approximately 17.13% over the closing price per Share of HK\$2.030 as quoted on the Stock Exchange on 20 June 2014, being the date of the Note Purchase Agreement and the date on which the initial Strike Price was fixed;
- (iii) a premium of approximately 13.01% over the average closing prices of the Shares as quoted on the Stock Exchange during the 5-Trading Days period of HK\$2.104 ended on 20 June 2014, being the date of the Note Purchase Agreement and the date on which the initial Strike Price was fixed.

REASONS FOR THE ISSUE OF SECOND TRANCHE NOTES AND SECOND TRANCHE WARRANTS AND FOR THE NEW TRANSACTION STRUCTURE

The Group is principally engaged in property development, property investment, and property rental activities in the PRC.

The Board considers that the issue of Second Tranche Notes and Second Tranche Warrants, which form part of the Senior Notes and Warrants, represent an opportunity to raise additional funds for (i) the Company's general working capital; and (ii) for the acquisition and development of real estate development projects by the Group in the PRC. The Board also considers that it will give the Company greater flexibility in raising funds to meet the Group's capital requirements by issuing the Senior Notes by various tranches.

INFORMATION OF THE GROUP, FINIC RESOURCES, WISE SHARP AND HUARONG

The Group focuses on property development and sales business, and property investments business in the PRC, and has been continuously enhancing its presence in Guangzhou and in other nearby cities. During the year ended 31 December 2013, the Group's total contracted sales in relation to the property development and sales segment amounted to approximately HK\$1,599,587,000 and contracted gross floor area amounted to approximately 125,526 square metres. In relation to the property investments segment, the Group will continue to maintain a certain portion of investment properties in order to keep a steady income stream to the Group.

Finic Resources is a subsidiary of China Cinda (HK) Asset Management Co. Ltd. ("**CCHK**"). CCHK is an investment holding company and its parent company is China Cinda Asset Management Co., Ltd., which is established in the PRC. China Cinda Asset Management Co., Ltd. is one of the big four non-performing asset management companies in the PRC.

Wise Sharp is a subsidiary of China Travel Service (Holdings) Hong Kong Limited ("**CTS**"), which, in turn, is a subsidiary of China National Travel Service (HK) Group Corporation, which is incorporated in the PRC. The principal activities of CTS are investments and investment holding.

Huarong is controlled by China Huarong Asset Management Co., Ltd. ("**China Huarong**"). China Huarong is a large state-owned non-bank financial company, co-sponsored by the Ministry of Finance. China Huarong holds over RMB300 billion in assets and provides comprehensive financial services including asset management, banking, securities, trust, leasing, investment, funds, futures and real estate.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Second Tranche Investors and its ultimate beneficial owners are Independent Third Parties.

FUNDING RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

As at 18 July 2014, the Company issued First Tranche Notes in the principal amount of US\$100,000,000 (equivalent to approximately HK\$780,000,000) to the First Tranche Investors. In consideration of the purchase of the First Tranche Notes, the Company issued First Tranche Warrants representing the aggregate amount of exercise moneys of US\$20,000,000 (equivalent to approximately HK\$156,000,000). Upon the full exercise of the Subscription Rights under the First Tranche Warrants, holders of the First Tranche Warrants are entitled to subscribe for up to 65,606,863 Warrant Shares at the initial Strike Price of HK\$2.3778 per Warrant Share (subject to adjustment).

On 23 December 2014, the Company issued a total of 580,444,533 Shares (the “**Joygain Consideration Shares**”) to settle part of the consideration for the Group’s acquisition of 50% of the issued share capital of Joygain Holdings Limited.

Save as disclosed above, the Company has not conducted any equity fund raising activity or issued any equity securities in the 12 months immediately preceding the date of this announcement.

GENERAL MANDATE TO ISSUE THE WARRANT SHARES

The Second Tranche Warrants Shares will be issued pursuant to the General Mandate. The maximum number of new Shares which can be issued under the General Mandate is 847,573,680 Shares. As at the date of this announcement, save for the proposed issue of Warrant Shares upon exercise of the Subscription Rights and the issue of Joygain Consideration Shares, the Company has not utilised the General Mandate.

As such the creation and issue of the Second Tranche Warrants and the issue of the Second Tranche Warrant Shares upon the exercise of the Subscription Rights will not be subject to any additional Shareholders’ approval.

In order to facilitate the Second Closing, the Company has applied to the Stock Exchange for the listing of, and permission to deal in the Second Tranche Warrant Shares, being a total of 65,606,863 Shares (subject to adjustment).

The Company will issue further announcements as and when each of the Second Closing and Third Closing takes place.

DEFINITIONS

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

“Finic Resources”	means Finic Resources Limited, a company incorporated in the BVI, being one of the Second Tranche Investors
“Huarong”	means Huarong (HK) International Holdings Ltd., a company incorporated in Hong Kong, being one of the Second Tranche Investors
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“New Transaction Structure”	means the new transaction structure for the creation and issue of Senior Notes and Warrants as contemplated under the Note Purchase Agreement as amended and supplemented by the Supplemental Note Purchase Deed
“Second Closing Date”	means the date on which the Second Closing takes place, which is a date no later than five (5) Business Days after the fulfilment (or waiver) of the relevant conditions precedent

“Second Closing Long-Stop Date”	means the latest date on which the Warrantors shall have fulfilled all of the conditions precedent in relation to the Second Closing in accordance with the Note Purchase Agreement as amended and supplemented by the Supplemental Note Purchase Deed, being 31 December 2014 or such other date as may be agreed between the Parties
“Second Tranche Notes”	means senior secured guaranteed notes of an aggregate principal amount of up to US\$100,000,000 (equivalent to approximately HK\$780,000,000) to be issued by the Company to the Second Tranche Investors at the Second Closing
“Second Tranche Warrants”	means Warrants to be issued by the Company to the Second Tranche Investors representing exercise moneys of up to US\$20,000,000 (equivalent to approximately HK\$156,000,000) at the Second Closing
“Second Tranche Warrant Shares”	means Warrant Shares issuable upon the exercise of Subscription Rights attaching to the Second Tranche Warrants in full at the strike price of HK\$2.3778, being a total of 65,606,863 Warrant Shares, subject to adjustment
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Supplemental Note Purchase Deed”	means the supplemental deed dated 24 December 2014 and entered into between the Company, the Controlling Shareholder, the Ultimate Shareholders, Blooming Rose, Design Time and Wise Sharp to amend and supplement certain terms of the Note Purchase Agreement
“Third Closing”	means the consummation of the issue and purchase of the Third Tranche Notes and the issue of the Third Tranche Warrants to each Third Tranche Investor
“Third Closing Date”	means the date on which the Third Closing takes place, which is a date no later than five (5) Business Days after the fulfilment (or waiver) of the relevant conditions precedent
“Third Closing Long-Stop Date”	means the latest date on which the Warrantors shall have fulfilled all of the conditions precedent in relation to the Third Closing in accordance with the Note Purchase Agreement as amended and supplemented by the Supplemental Note Purchase Deed, being 31 March 2015 or such other date as may be agreed between the Parties
“Third Tranche Investors”	means such Investors being persons who are not connected persons of the Company (as defined under the Listing Rules) as identified by the Company which will purchase the Third Tranche Notes at the Third Closing, subject to the satisfaction of various conditions precedent on or before the Third Closing Long-Stop Date

“Third Tranche Notes”	means senior secured guaranteed notes of an aggregate principal amount of up to US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to be issued by the Company to the Third Tranche Investors at the Third Closing
“Third Tranche Warrants”	means Warrants to be issued by the Company to the Third Tranche Investors representing exercise moneys of up to US\$30,000,000 (equivalent to approximately HK\$234,000,000) at the Third Closing
“Top Asset”	means Top Asset Development Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Wise Sharp”	means Wise Sharp Investments Limited, a company incorporated in the BVI, being one of the First Tranche Investors and Second Tranche Investors

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

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

Hong Kong, 28 December 2014

As at the date of this announcement, the Board comprises Mr. Chu Hing Tsung (alias Mr. Zhu Qing Yi) (Chairman and Chief Executive Officer), Mr. Chu Muk Chi (alias Mr. Zhu La Yi), Mr. Liao Tengjia, and Mr. Huang Jia Jue as executive Directors, and Mr. Leung Wo Ping JP, Mr. Law Shu Sang Joseph and Mr. Wong Chi Keung as independent non-executive Directors.