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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)**

**MAJOR TRANSACTION  
ACQUISITION OF ALL EQUITY INTEREST IN THE TARGET COMPANY**

**THE TRANSACTION**

The Board is pleased to announce that on 29 March 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendors and the Target Company, pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Equity Interest, representing all equity interest in the Target Company, at the aggregate consideration of RMB1,812,214,000 (equivalent to approximately HK\$2,046,533,270).

As at the date of the Equity Transfer Agreement, the Target Company is the owner of the Project Lands, the Development Rights and the Industrial Lands. It is a Condition Precedent that the Target Company will transfer the Industrial Lands to the Vendors prior to the Completion. Upon the Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the Group will be the owner of the Project Lands and the Development Rights.

**LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceed 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

*\* For identification purpose only*

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transaction; and (2) the written shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at the general meeting to approve the Transaction.

So far as the Company is aware having made all reasonable enquiries, no Shareholder is required to abstain from voting at the general meeting of the Company for the approval of the Transaction. The Company has obtained a written approval from Rong De Investments Limited, which holds 3,779,299,289 Shares, representing approximately 58.83% of the issued share capital of the Company as at the date of this announcement, in lieu of an approval from the Shareholders at the general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

A circular which contains, among other things, further details of the Transaction and information required under the Listing Rules will be despatched to the Shareholders for their information. As the Company will require additional time to prepare the circular, and in particular, the valuation report in respect of the Project Lands to be contained therein, it is expected that the circular will be despatched to the Shareholders on or before 15 May 2017.

The Board is pleased to announce that on 29 March 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Vendors and the Target Company, pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Equity Interest, representing all equity interest in the Target Company, at the aggregate consideration of RMB1,812,214,000 (equivalent to approximately HK\$2,046,533,270).

Principal terms of the Equity Transfer Agreement are set out below.

## **THE EQUITY TRANSFER AGREEMENT**

### **Date**

29 March 2017

### **Parties**

- (i) Purchaser : Xianghe County Yijing Property Development Company Limited\* (香河縣逸景房地產開發有限公司), a wholly foreign owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company
- (ii) Vendors : Mr. Tong Dexin\* (佟德新); who owns 50% of the equity interest in the Target Company as at the date of the Equity Transfer Agreement; and  
Mr. Tong Demin\* (佟德珉), who owns 50% of the equity interest in the Target Company as at the date of the Equity Transfer Agreement

- (iii) Target Company : Xianghe Jingang Real Estate Development Company Limited\* (香河金港房地產開發有限公司), a private enterprise established in the PRC

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Vendors, the Target Company and its ultimate beneficial owners (who are the Vendors) are third parties independent of the Company and its connected persons (as defined in the Listing Rules) as at the date of the Equity Transfer Agreement.

### Assets to be acquired

Pursuant to the Equity Transfer Agreement, the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Equity Interest, representing all equity interest in the Target Company.

As at the date of the Equity Transfer Agreement, the Target Company is the owner of:

1. the Project Lands comprising:
  - (a) a parcel of residential land located at the north of Planned S2 Road\* (規劃S2路) and the west of Yongtai Road\* (永泰路), Langfang City (廊坊市), Hebei Province, the PRC, with a site area of 30,971.20 square metres (“**Project Land A**”); and
  - (b) a parcel residential land located at the north of Planned S2 Road\* (規劃S2路) and the east of Planned E4 Road\* (規劃E4路), Langfang City (廊坊市), Hebei Province, the PRC, with a site area of 58,906.54 square metres (“**Project Land B**”);
2. the Development Rights comprising:
  - (a) the contractual right to conduct the demolition and renovation works for the Zhouyuanshafa Accessories Market\* (周元沙發材料市場) pursuant to the agreement entered into between the Target Company and the Xinkai Sub-district office of the Xianghe County\* (香河縣新開街道辦事處);
  - (b) the contractual right to conduct the zone planning, resettlement and development works for Xutai Village\* (許台村), Jinxinzhuan Village\* (金辛莊鄉) and Cuokou Village\* (埕口村) pursuant to the Development Memorandum in relation to Xutai, Jinxinzhuan and Cuokou Villages\* (關於許台、金辛莊、埕口村街開發意向書) entered into between the Target Company and the People's Government of Shuyang Town of the Xianghe County\* (香河縣淑陽鎮人民政府); and
3. the Industrial Lands comprising two parcels of industrial land which will be transferred by the Target Company to the Vendors prior to the Completion.

Each of the Project Lands is currently held for future development and planned to be developed into a residential complex with residential properties, shopping mall and recreational facilities with a total GFA of approximately 224,694 square metres.

As at the date of the Equity Transfer Agreement, the land use rights over Project Land A have been mortgaged by the Target Company (the “**Project Land Mortgage**”) as security for the repayment of certain indebtedness of the Target Company. It is a Condition Precedent that such mortgage will be discharged and released prior to Completion.

### **Conditions Precedent**

Completion of the Transaction shall be conditional upon the satisfaction of the following Conditions Precedent:

1. the Purchaser shall have conducted a due diligence review over the legal status, business operation, assets and liabilities of the Target Company within 7 days following the payment of the Deposit into a Joint Account, and the Purchaser is satisfied with the results of such due diligence review;
2. the Vendors shall have provided an equity pledge (the “**Equity Pledge**”), within 2 days following the completion of the due diligence review to the satisfaction of the Purchaser, over the Sale Equity Interest in favour of the Purchaser as security for the Vendors’ performance of their obligations under the Equity Transfer Agreement, and such Equity Pledge shall have been registered with the relevant PRC government authorities;
3. the Vendors shall have released or discharged or procured the release or discharge of the Project Land Mortgage within 10 business days from the date on which the Deposit is deemed to have been released to the Vendors; and
4. the Target Company shall have transferred the Industrial Lands to the Vendors (the “**Reorganisation Land Transfer**”) within 40 business days from the date on which the Deposit is deemed to have been released to the Vendors.

If (i) the Vendors and/or the Target Company fails to fulfil any of their Conditions Precedent within 60 days from the stipulated time; or (ii) the Purchaser is not satisfied with the due diligence results, the Purchaser shall have the right to terminate the Equity Transfer Agreement; and the Vendors are required to refund in full all amounts paid by the Purchaser including the Deposit.

As at the date of the Equity Transfer Agreement, the Company has received the written approval dated 29 March 2017 provided by Rong De Investments Limited to the Company in respect of the Transaction.

## Consideration

The Consideration payable by the Purchaser for the Sale Equity Interest shall be RMB1,812,214,000 (equivalent to approximately HK\$2,046,533,270), which shall be settled in the following manner:

1. a refundable Deposit of RMB400,000,000 (equivalent to approximately HK\$451,720,000) shall be paid by the Purchaser in cash into a Joint Account within 10 business days from the date of the Equity Transfer Agreement. The Deposit shall be released to the Target Company for the settlement of its indebtedness following the registration of the Equity Pledge with the relevant PRC government authorities. Upon the release of the Deposit to an account designated by the Company, the refundable Deposit shall be deemed to have been released to the Vendors;
2. the First Completion Amount of RMB1,375,969,720 (equivalent to approximately HK\$1,553,882,605) shall be paid by the Purchaser in cash into the Joint Account on the First Completion Date. The First Completion Amount shall be released to the Vendors upon completion of the governmental registration process in relation to the transfer of 98% of the equity interest in the Target Company to the Purchaser;
3. the Second Completion Amount of RMB36,244,280 (equivalent to approximately HK\$40,930,665) shall be paid by the Purchaser in cash into the Joint Account on the Second Completion Date. The Second Completion Amount shall be released to the Vendors upon completion of the government registration process in relation to the transfer of 2% of the equity interest in the Target Company to the Purchaser.

The Consideration for the Sale Equity Interest was determined following arm's length negotiation between the Purchaser and the Vendors with reference to:

- (a) the estimated market value of the Project Land based on the comparable sale transactions as available in the relevant market;
- (b) the contract value of the Development Rights;
- (c) the indebtedness of the Target Company as at the date of the Equity Transfer Agreement.

## Completion

The First Completion shall take place on the First Completion Date following (1) the release and discharge of the Project Land Mortgages; and (2) the completion of the Reorganisation Land Transfer, whereupon the parties will proceed to register the transfer of 98% equity interest in the Target Company to the Purchaser with the relevant government authorities.

Upon the completion of the government registration process in respect of the First Completion, the Target Company will become an indirect subsidiary of the Company. The Vendors have undertaken that upon the First Completion, the Vendors shall not (1) participate in the management or operation of the Target Company; and (2) be entitled to any dividends.

The Second Completion shall take place on the Second Completion Date, whereupon the parties will proceed to register the transfer of 2% equity interest in the Target Company to the Purchaser with the relevant government authorities.

Upon the completion of the government registration process in respect of the Second Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company.

The Equity Pledge will be released and discharged prior to each Completion.

## INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a private enterprise established in the PRC with limited liability, and is principally engaged in the business of property development in the PRC. As at the date of the Equity Transfer Agreement, the equity interest in the Target Company was owned as to 50% by Mr. Tong Dexin\* (佟德新); and 50% by Mr. Tong Demin\* (佟德珉).

## SUMMARY OF FINANCIAL RESULTS OF THE TARGET COMPANY

Set out below is the unaudited financial information of the Target Company for the each of the two years ended 31 December 2016:

	<b>For the year ended 31 December 2015</b>	<b>For the year ended 31 December 2016</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	—	—
(Loss) before tax	(882)	(1,378)
(Loss) after tax	(882)	(1,378)

	<b>As at</b> <b>31 December 2015</b> <i>RMB'000</i> <i>(unaudited)</i>	<b>As at</b> <b>31 December 2016</b> <i>RMB'000</i> <i>(unaudited)</i>
Total assets	163,355	280,785
Total liabilities	157,232	276,041
Net assets	6,123	4,744

The financial information of the Target Company as summarised above has been prepared in accordance with Generally Accepted Accounting Principles of the PRC.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION**

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

The Group has always been keen to identify opportunities relating to investment and development of lands in the PRC in order to seek satisfactory return, and the Transaction represents the Group's effort to increase its land bank for its operation. By entering into the Equity Transfer Agreement, the Group will, through its interest in the Target Company, own the Project Lands and the Development Rights. The Project Lands are currently planned for residential developments. The Transaction will further strengthen the Group's business development in Hebei Province.

The Directors believe that the terms of the Equity Transfer Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios (as defined under the Listing Rules) for the Transaction exceed 25% but less than 100%, the Transaction constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transaction; and (2) the written shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at the general meeting to approve the Transaction.

So far as the Company is aware having made all reasonable enquiries, no Shareholder is required to abstain from voting at the general meeting of the Company for the approval of the Transaction. The Company has obtained a written approval from Rong De Investments Limited, which holds 3,779,299,289 Shares, representing approximately 58.83% of the issued share capital of the Company as at the date of this announcement, in lieu of an approval from the Shareholders at the general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

A circular which contains, among other things, further details of the Transaction and information required under the Listing Rules will be despatched to the Shareholders for their information. As the Company will require additional time to prepare the circular, and in particular, the valuation report in respect of the Project Lands to be contained therein, it is expected that the circular will be despatched to the Shareholders on or before 15 May 2017.

## **DEFINITIONS**

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

“Board”	means the board of Directors
“Company”	means 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
“Completion”	means the completion of the transfer by the Vendors to the Purchaser of the Sale Equity Interest, comprising the First Completion and the Second Completion, pursuant to the terms of the Equity Transfer Agreement
“Conditions Precedent”	means the conditions precedent set out in the section headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	means the total consideration of RMB1,812,214,000 (equivalent to approximately HK\$2,046,533,270) payable by the Purchaser to the Vendors pursuant to the Equity Transfer Agreement
“Deposit”	means the deposit of RMB400,000,000 payable by the Purchaser pursuant to the Equity Transfer Agreement, which forms part of the Consideration



“Development Rights”	means the contractual rights to conduct demolition and renovation works, and zone planning, resettlement and development works of an accessories market and three villages pursuant to an agreement and a development memorandum entered into between the Target Company and the relevant PRC government authorities
“Directors”	means the director(s) of the Company
“Equity Transfer Agreement”	means the equity transfer agreement dated 29 March 2017 and entered into between the Purchaser, the Vendors and the Target Company in relation to the transfer of the Sale Equity Interest, representing all equity interest in the Target Company
“First Completion”	means the completion of the transfer by the Vendors to the Purchaser of 98% equity interest in the Target Company pursuant to the Equity Transfer Agreement
“First Completion Amount”	means RMB1,375,969,720 (equivalent to approximately HK\$1,553,882,605), which forms part of the Consideration
“First Completion Date”	means the date on which the parties are required under the Equity Transfer Agreement to submit to the relevant government authorities an application for registration in respect of the First Completion, being the date falling within two days following the fulfilment of the Conditions Precedent relating to (1) the release and discharge of the Project Land Mortgage; and (2) the completion of the Reorganisation Land Transfer
“GFA”	means gross floor area
“Group”	means the Company and each of its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Industrial Lands”	means two parcels of industrial land owned by the Target Company as at the date of the Equity Transfer Agreement, which will be transferred to the Vendors under the Reorganisation Land Transfer prior to the First Completion

“Joint Account”	means a bank account to be maintained under the name of the Purchaser and operated by the representatives of the Purchaser and the Target Company
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	means the People’s Republic of China, for the purposes of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project Lands”	means two parcels of residential land located at (1) the north of Planned S2 Road* (規劃S2路) and the west of Yongtai Road* (永泰路), Langfang City (廊坊市), Hebei Province, the PRC, with a site area of 30,971.2 square metres; and (2) the north of Planned S2 Road* (規劃S2路) and the east of Planned E4 Road* (規劃E4路), Langfang City (廊坊市), Hebei Province, the PRC, with a site area of 58,906.54 square metres, respectively
“Purchaser”	means Xianghe County Yijing Property Development Company Limited* (香河縣逸景房地產開發有限公司), a wholly foreign owned enterprise established in the PRC, and an indirect wholly-owned subsidiary of the Company
“RMB”	means Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	means 100% of the equity interest in the Target Company
“Second Completion”	means the completion of the transfer by the Vendors to the Purchaser of 2% equity interest in the Target Company pursuant to the Equity Transfer Agreement
“Second Completion Amount”	means RMB36,244,280 (equivalent to approximately HK\$40,930,665), which forms part of the Consideration
“Second Completion Date”	means the date on which the parties are required under the Equity Transfer Agreement to submit to the relevant government authorities an application for registration in respect of the Second Completion, being the date falling within 2 days from the first anniversary of the Equity Transfer Agreement
“Share(s)”	means the ordinary share(s) of HK\$0.10 each in the capital of the Company

“Shareholder(s)”	means holder(s) of the Share(s)
“Target Company”	means Xianghe Jingang Real Estate Development Company Limited* (香河金港房地產開發有限公司), a private enterprise established in the PRC
“Transaction”	the acquisition of the Sale Equity Interest by the Purchaser from the Vendors and the transactions contemplated pursuant to and under the Equity Transfer Agreement
“Vendors”	means Mr. Tong Dexin* (佟德新) and Mr. Tong Demin* (佟德珉)
“%”	means per cent

*\* for identification purpose only.*

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1.1293 per RMB1.00. 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, 29 March 2017

*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.*