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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)

**DISCLOSURE UNDER RULES 13.17
AND 13.18 OF THE LISTING RULES**

MARGIN LOAN

The Board announces that after trading hours on 25 October 2018, the Company's subsidiary, Splendid Reach Limited, as borrower has entered into a margin loan confirmation with CCB International Securities Limited (建銀國際證券有限公司), as lender, under which the Lender has agreed to make available to the Borrower a margin loan facility in the principal amount of up to HK\$750,000,000. A summary of the principal terms and conditions of the Margin Loan Confirmation is set out below.

In consideration of the Lender granting to the Borrower the Margin Loan, the Security Documents were also entered into on 25 October 2018.

LISTING RULES IMPLICATIONS

The creation of the Rong De Account Charge requires disclosure under Rule 13.17 of the Listing Rules. Please refer to the paragraph headed "Disclosure under Rule 13.17 of the Listing Rules" in this announcement for further details.

The Margin Loan Confirmation contains certain specific performance obligations on Rong De, a controlling shareholder of the Company, which require disclosure under Rule 13.18 of the Listing Rules. Please refer to the paragraph headed "Disclosure under Rule 13.18 of the Listing Rules" in this announcement for further details.

* For identification purpose only

This announcement is made by the Company under Rules 13.17 and 13.18 of the Listing Rules.

The Board announces that after trading hours on 25 October 2018, the Borrower has entered into the Margin Loan Confirmation with the Lender, under which the Lender has agreed to make available to the Borrower a margin loan facility in the principal amount of up to HK\$750,000,000. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Lender is a party independent of the Company and its connected persons.

In consideration of the Lender granting to the Borrower the Margin Loan, the Security Documents were also entered into on 25 October 2018.

Margin Loan Confirmation

A summary of the principal terms and conditions of the Margin Loan Confirmation is set out below:

Date: 25 October 2018

Parties: (i) Splendid Reach Limited, as borrower
(ii) CCB International Securities Limited, as lender

Term of Margin Loan: A term of not more than twelve months (the “**Term**”), commencing from (and including) the First Drawdown Date (as defined in the Margin Loan Confirmation).

Principal Amount of the Margin Loan: The principal amount of the Margin Loan shall be up to HK\$750,000,000 (for the first five Business Days of the Term) and HK\$550,000,000 (from and including the sixth Business Day of the Term and thereafter).

Purpose of the Margin Loan and Splendid Margin Account: Subject to the terms of the Margin Loan Account Client Agreement and the Margin Loan Confirmation:

(i) partially funding the acquisition of an aggregate of 655,360,022 Silver Grant Shares (the “**Silver Grant Acquisition Shares**”) from Silver Grant Group Limited and CGNPC International Limited (the “**Silver Grant Acquisition**”); and/or

(ii) acquiring, on and/or off exchange, shares in companies whose shares are listed or will be listed on the Stock Exchange (other than the Silver Grant Acquisition Shares)(the “**Other Acquisition**”).

Condition Precedent and Condition Subsequent: The main conditions precedent and conditions subsequent are as follows:

Prior to the First Drawdown Date:

- (i) the Borrower shall deposit no less than 25,880,000 Silver Grant Shares (the “**Initial Silver Grant Shares**”) into the Splendid Margin Account;
- (ii) the Borrower shall procure the deposit by Rong De of no less than 100,000,000 Shares (the “**Charged Zhuguang Shares (1st Batch)**”) into the Rong De Margin Account;
- (iii) the Borrower shall deliver the Splendid Account Charge;
- (iv) the Borrower shall procure the delivery by Rong De of the Rong De Account Charge;
- (v) the Borrower shall procure the delivery by the Guarantors of the Continuing Guarantee;
- (vi) the Borrower shall procure the delivery by the Guarantors and the execution of the confirmations of the warning notice to the Continuing Guarantee; and
- (vii) the Adjusted Debt to Asset Ratio (as defined in the Margin Loan Confirmation) of the Company shall be less than 75%.

On or before the fifth Business Day of the Term:

- (viii) the Borrower shall repay part of the Margin Loan so that the outstanding principal amount of the Margin Loan is not more than HK\$550,000,000.

On or before the sixtieth day of the Term:

- (ix) the Borrower shall procure the further deposit by Rong De of no less than 150,000,000 Shares (the “**Charged Zhuguang Shares (2nd Batch)**”) into the Rong De Margin Account.

Drawdown: The Borrower can make multiple drawdowns during the Term, but the first drawdown must be made no later than three months after the date of the Margin Loan Confirmation, otherwise the availability of the Margin Loan shall lapse.

The Lender shall have no obligations to advance any drawdowns under the Margin Loan unless the Borrower has fully paid to the Lender the arrangement fee, costs and expenses (as listed in the Margin Loan Confirmation).

The Borrower shall deposit or cause to be deposited into the Splendid Margin Account forthwith all the Silver Grant Acquisition Shares that it acquires under the Silver Grant Acquisition and all the shares that it acquires under the Other Acquisition, whereas settlement shall be on a delivery versus payment basis.

Interest of the Margin Loan: Subject to the “Default Interest” provision in the Margin Loan Confirmation, interest of the Margin Loan shall accrue during the Term at a simple interest rate of 7.75% per annum on the relevant outstanding principal amount of the Margin Loan. Such interest shall accrue on a day-to-day basis and shall be payable in arrears by the Borrower on each Interest Payment Date (as defined in the Margin Loan Confirmation).

Applicable Margin Percentage: The applicable margin percentage for the Margin Loan:

- (i) For the Silver Grant Shares: 50% for the first six months of the Term and 35% from and including the seventh month of the Term and thereafter; or as notified in writing by the Lender to the Borrower from time to time.
- (ii) For the Shares: 50% for the first six months of the Term and 35% from and including the seventh month of the Term and thereafter; or as notified in writing by the Lender to the Borrower from time to time.
- (iii) For other shares: as notified in writing by the Lender to the Borrower from time to time.

Undertakings:

So long as any portion of the Margin Loan is outstanding:

- (i) the Borrower shall procure Rong De to maintain its deposit of the Charged Zhuguang Shares (1st Batch) and Charged Zhuguang Shares (2nd Batch) in the Rong De Margin Account, and shall procure that Rong De not to charge, mortgage, pledge, or otherwise permit any encumbrance to be created over the Charged Zhuguang Shares (1st Batch) and Charged Zhuguang Shares (2nd Batch) (other than the encumbrance created pursuant to the Rong De Account Charge or otherwise agreed by the Lender);
- (ii) the Borrower shall not charge, mortgage, pledge, or otherwise permit any encumbrance to be created over the Initial Silver Grant Shares, the Silver Grant Acquisition Shares, and the other shares that it acquires under the Other Acquisition (other than the encumbrance created pursuant to the Splendid Account Charge or otherwise agreed by the Lender);
- (iii) the Borrower shall deposit or cause to be deposited into the Splendid Margin Account forthwith all of the Silver Grant Acquisition Shares that it acquires under the Silver Grant Acquisition and all of the other shares that it acquires under the Other Acquisition;
- (iv) the Adjusted Debt to Asset Ratio of the Company shall be less than 75%; and
- (v) the Borrower shall maintain a Loan to Portfolio Margin Value Ratio (as defined below) of less than 1.00. If the Loan to Portfolio Margin Value Ratio rises to 1.00 or above, the Borrower shall deposit or cause to be deposited forthwith additional listed share, note, bond, debenture, option, right, unit, instrument or other securities in any form issued by any company listed on any qualified stock exchange or cash or other assets (each as acceptable to and approved by the Lender in its absolute discretion) (collectively, the “**Additional Security**”) into the Splendid Margin Account in order to ensure that the Loan to Portfolio Margin Value Ratio shall at all times be less than 1.00;

For the avoidance of doubt, if trading of the shares which have been deposited into the Splendid Margin Account and/or the Rong De Margin Account and are subject to the Splendid Account Charge and/or the Rong De Account Charge or may otherwise be charged in favour of the Lender are suspended by the Stock Exchange, the value of such shares shall for the purpose of calculating the Portfolio Margin Value (as defined in the Margin Loan Confirmation) shall be deemed to be zero, and the Borrower shall deposit or cause to be deposited forthwith Additional Security into the Splendid Margin Account in order to ensure that the Loan to Portfolio Margin Value Ratio shall at all times be less than 1.00.

“**Loan to Portfolio Margin Value Ratio**” means the following ratio calculated in accordance with the formula at any relevant time:

$$\frac{\text{(outstanding principal amount of the Margin Loan - aggregate cash in the Splendid Margin Account (if any))}}{\text{Portfolio Margin Value}}$$

Security Documents

In consideration of the Lender granting to the Borrower the Margin Loan, the Security Documents were also entered into on 25 October 2018.

Disclosure under Rule 13.17 of the Listing Rules

Under the Rong De Account Charge, Rong De has charged, by way of fixed and floating charge, the Charged Assets (as defined in the Rong De Account Charge), which includes the Charged Zhuguang Shares (1st Batch) and the Charged Zhuguang Shares (2nd Batch), in favour of the Lender. The charge of the Charged Zhuguang Shares (1st Batch) and the Charged Zhuguang Shares (2nd Batch) requires disclosure under Rule 13.17 of the Listing Rules.

Disclosure under Rule 13.18 of the Listing Rules

Under the Margin Loan Confirmation, the Borrower shall procure Rong De to:

- (i) deposit the Charged Zhuguang Shares (1st Batch) into the Rong De Margin Account prior to the First Drawdown Date;
- (ii) deliver the Rong De Account Charge prior to the First Drawdown Date;
- (iii) deposit the Charged Zhuguang Shares (2nd Batch) into the Rong De Margin Account on or before the 60th day of the Term;

- (iv) maintain its deposit of the Charged Zhuguang Shares (1st Batch) and Charged Zhuguang Shares (2nd Batch) in the Rong De Margin Account, and shall procure that Rong De not to charge, mortgage, pledge, or otherwise permit any encumbrance to be created over the Charged Zhuguang Shares (1st Batch) and Charged Zhuguang Shares (2nd Batch) (other than the encumbrance created pursuant to the Rong De Account Charge or otherwise agreed by the Lender);
- (v) not apply for registration as a non-Hong Kong company pursuant to Part 16 of the Companies Ordinance without having obtained the prior written consent of the Lender;
- (vi) in the event that Rong De has obtained the prior written consent to apply for registration as a non-Hong Kong Company as stipulated in sub-paragraph above, Rong De shall procure that the prescribed particular of the Rong De Margin Account together with the Rong De Account Charge be delivered to the Companies Registry of Hong Kong for the registration of the Rong De Account Charge and promptly deliver the certificate of such registration of the Rong De Account Charge to the Lender;
- (vii) promptly after execution of the Rong De Account Charge, instruct its registered agent to enter particulars as required by the BVI Act, as amended, of the security created pursuant to the Rong De Account Charge in the Rong De's Register of Charges ("**Rong De Register of Charges**");
- (viii) enter particulars as required by the BVI Act of the security created pursuant to the Rong De Account Charge in the Rong De Register of Charges and, immediately after entry of such particulars have been made, provide the Lender with a certified true copy of the updated Rong De Register of Charges;
- (ix) effect registration, or assist the Lender in effecting registration, of the Rong De Account Charge with the Registrar of Corporate Affairs pursuant to the BVI Act; and
- (x) immediately on receipt, deliver or procure to be delivered to the Lender, the certificate of registration of charge issued by the Registrar of Corporate Affairs evidencing that the requirements of Part VIII of the BVI Act as to registration have been complied with and the filed stamped copy of the application containing the relevant particulars of charge.

All the above specific performance obligations of Rong De under the Margin Loan Confirmation require disclosure under Rule 13.18 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Splendid Reach Limited, a special purpose vehicle and wholly-owned subsidiary of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong
“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
“Continuing Guarantee”	a continuing guarantee entered into on 25 October 2018 by the Guarantors in favour of the Lender to guarantee the settlement of all liabilities and obligations of the Borrower due and payable to the Lender
“Directors”	the directors of the Company
“Guarantors”	the Company, and certain Directors, namely Messrs. Chu Hing Tsung (alias Zhu Qing Yi), Liao Tengjia and Chu Muk Chi (alias Zhu La Yi)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	CCB International Securities Limited (建銀國際證券有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Margin Loan”	the margin loan facility to be provided by the Lender to the Borrower in the principal amount of up to HK\$750,000,000 under the Margin Loan Confirmation

“Margin Loan Account Client Agreement”	the Lender’s account opening form, account application form, margin securities trading account terms and conditions signed by the Borrower
“Margin Loan Confirmation”	the margin loan confirmation entered into between the Lender and the Borrower on 25 October 2018, under which the Lender has agreed to make available to the Borrower the Margin Loan
“Rong De”	Rong De Investments Limited, a controlling shareholder of the Company
“Rong De Account Charge”	a charge over the Rong De Margin Account over (including but not limited to) the Charged Zhuguang Shares (1st Batch), the Charged Zhuguang Shares (2nd Batch), and any other shares and cash deposited in the Rong De Margin Account, entered into on 25 October 2018 by Rong De as chargor in favor of the Lender as chargee
“Rong De Margin Account”	Rong De’s margin securities trading account with the Lender
“Security Documents”	the Continuing Guarantee, the Rong De Account Charge and the Splendid Account Charge
“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Silver Grant Shares”	ordinary shares in the issued share capital of Silver Grant International Industries Limited, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 171)
“Splendid Account Charge”	a charge over the Splendid Margin Account over (including but not limited to) the Initial Silver Grant Shares, the Silver Grant Acquisition Shares and any other shares and cash deposited in the Splendid Margin Account, entered into on 25 October 2018 by the Borrower as chargor in favour of the Lender as chargee
“Splendid Margin Account”	the Borrower’s margin securities trading account with the Lender

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

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

Hong Kong, 25 October 2018

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.