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MADISON WINE®

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)

DISCLOSEABLE TRANSACTION – SUBSCRIPTION OF CNC SHARES

THE SUBSCRIPTION

The Company wishes to announce that on 20 July 2017 (after trading hours), Pure Horizon, an indirect wholly-owned subsidiary of the Company, accepted the Placing Letter dated 19 July 2017 issued by Eternal Pearl, being one of the Placing Agents, pursuant to which Pure Horizon agreed to subscribe for the Subscription Shares at a subscription price of HK\$1.82 per CNC Share.

IMPLICATIONS UNDER THE GEM LISTING RULES

To the best of the information, knowledge and belief of the Directors, China New City 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.

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Consideration

The aggregate consideration of the Subscription Shares was HK\$10,010,000 (excluding transaction costs), which will be payable in cash and financed by the Group's internal resources.

This subscription price of HK\$1.82 per CNC Share represents:

- (i) a discount of approximately 7.61% to the closing price of HK\$1.97 per CNC share as quoted on the Stock Exchange as at the date of this announcement;
- (ii) a discount of approximately 5.11% to the average closing price of approximately HK\$1.918 per CNC 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 discount of approximately 8.17% to the average closing price of approximately HK\$1.982 per CNC 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, China New City and its ultimate beneficial owners, are Independent Third Parties. Further details of the Placing, including the subscription price of HK\$1.82 per CNC Share, are disclosed in the announcements of China New City dated 5 July 2017 and 7 July 2017.

Subscription Shares

The Subscription Shares represent approximately 13.03% of the enlarged issued share capital of China New City on the assumption that the Placing Shares are fully subscribed.

THE PLACING LETTER

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

Acceptance Date: 20 July 2017

Parties: Pure Horizon, as subscriber

Eternal Pearl, as one of the Placing Agents acting on behalf of China New City

Shares to be placed: the Subscription Shares

Total consideration:	HK\$10,010,000 (exclusive of transaction costs), at the subscription price of HK\$1.82 per CNC Share, payable to China New City under the Placing Agreement
Brokerage:	HK\$50,050 (being 0.5% of the total consideration), payable to Eternal Pearl
Subscription money:	an aggregate of HK\$10,060,820.77, being the total consideration and the transaction costs

Completion

Pursuant to the Placing Agreement, the completion of Placing is expected to take place on 26 July 2017 or such other date as the Placing Agents may agree.

INFORMATION OF CHINA NEW CITY

China New City 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: 1321). The principal activity of China New City is investment holding, and through its subsidiaries, commercial property investment for leasing, commercial property development for sale and leasing and commercial property management in PRC.

The following information is extracted from the annual report of China New City for the year ended 31 December 2016:

	<i>For the year ended 31 December 2016 (RMB\$'000)</i>	<i>For the year ended 31 December 2015 (RMB\$'000)</i>
Revenue	858,371	503,986
Profit before taxation	265,707	1,075,435
Profit after taxation	137,065	751,170

The audited consolidated total asset value and net asset value of China New City as at 31 December 2016 were approximately RMB\$11,288,945,000 and RMB\$5,342,059,000 respectively.

Immediately before the completion of the Subscription, the Company does not hold any CNC Shares.

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, and providing corporate finance advisory services in Hong Kong.

The Group acquired the CNC Shares for investment purpose. Having considered the recent trading price of China New City, and the Directors consider that the Subscription is an attractive investment and can generate considerable returns for the Company. The Directors (including the independent non-executive Directors) consider the terms of the Placing Letter (including the subscription price) 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

To the best of the information, knowledge and belief of the Directors, China New City 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
“China New City”	China New City Commercial Development Limited (中國新城市商業發展有限公司), 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: 1321)
“CNC Share(s)”	share(s) of HK\$0.10 each in the share capital of China New City
“China New City Group”	China New City and its subsidiaries

“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
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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
“Placing”	the proposed placing of a maximum of 260,000,000 CNC Shares pursuant to the terms of the Placing Agreement
“Placing Agents”	collectively, Eternal Pearl Securities Limited and Haitong International Securities Company Limited
“Placing Agreement”	the conditional placing agreement dated 5 July 2017 entered into between China New City and Eternal Pearl (as supplemented by a supplemental placing agreement dated 7 July 2017 entered into among China New City and the Placing Agents)

“Placing Letter”	the placing letter dated 19 July 2017 issued by Eternal Pearl as one of the placing agents on behalf of China New City in relation to the Subscription
“Placing Shares”	a maximum of 260,000,000 CNC shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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 5,500,000 CNC Shares, out of the Placing Shares
“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, 20 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 for at least 7 days from the date of its posting and on the website of the Company at www.madison-wine.com.