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**Chun Sing Engineering Holdings Limited**  
**震昇工程控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2277)**

**DISCLOSEABLE TRANSACTION**  
**PURCHASE OF SECOND TRANCHE NOTES**

**THE PURCHASE**

The Board announces that, on 23 September 2016 (after trading hours), the Purchaser executed the Deed of Adherence, pursuant to which the Purchaser agreed to be joint as a party to the Note Purchase Agreement. Pursuant to the Note Purchase Agreement, the Purchaser conditionally agreed to purchase the Second Tranche Notes in the principal amount of US\$12 million (equivalent to approximately HK\$94 million).

As part and parcel of the issue of the Second Tranche Notes, subject to the Second Closing, the Issuer shall issue Second Tranche Warrants of up to US\$1.8 million (equivalent to approximately HK\$14.04 million) to the Purchaser on the Second Tranche Warrant Closing Date at nil consideration. The Second Tranche Warrants will entitle the Purchaser to subscribe for 7,021,755 Second Tranche Warrant Shares, representing, approximately 0.15% of the entire issued share capital of the Issuer, at an initial Strike Price of HK\$1.9995 per Second Tranche Warrant Share.

**IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios as defined under the Listing Rules in relation to the Purchase are less than 25% but more than 5%, the Purchase constitutes a discloseable transaction on the part of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As all the applicable percentage ratios as defined under the Listing Rules in relation to the issue of the Second Tranche Warrants to the Purchaser are all less than 5%, the transaction contemplated under the issue of the Second Tranche Warrants to the Purchaser on the part of the Company is fully exempt from all the requirements under Chapter 14 of the Listing Rules.

The Board announces that, on 23 September 2016 (after trading hours), the Purchaser executed the Deed of Adherence, pursuant to which the Purchaser agreed to be joint as a party to the Note Purchase Agreement. Pursuant to the Note Purchase Agreement, the Purchaser conditionally agreed to purchase the Second Tranche Notes in the principal amount of US\$12 million (equivalent to approximately HK\$94 million).

## **THE PURCHASE**

### **Note Purchase Agreement**

**Date:** 3 August 2016 (as supplemented by the Deed of Adherence dated 23 September 2016)

**Parties:**

- (1) the Issuer;
- (2) the Issuer Controlling Shareholder;
- (3) the Issuer Ultimate Shareholders;
- (4) other Investors (save and except the Purchaser);  
and
- (5) the Purchaser, which is joint as a party to the Note Purchase Agreement by virtue of the execution of the Deed of Adherence.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Purchaser, all other parties to the Note Purchase Agreement and their respective ultimate beneficial owner(s) are Independent Third Parties.

## **The Second Tranche Notes**

The principal terms of the Second Tranche Notes (including the principal amount to be purchased by the Purchaser) are determined based on arm's length negotiation with the Issuer and are summarised as below:

|   |   |
|---|---|
| <b>Issuer:</b>  | Zhuguang Holdings Group Company Limited   |
| <b>Principal amount:</b>                                  | up to US\$220 million (equivalent to approximately HK\$1,716 million)   |
| <b>Principal amount to be purchased by the Purchaser:</b> | US\$12 million (equivalent to approximately HK\$94 million) will be paid on the Second Closing Date, and the Group will fund the purchase price by using the Group's internal resources   |
| <b>Interest:</b>  | 11% per annum, payable quarterly  |
| <b>Maturity Date:</b>                                     | the day falling 36 months after the issue date of the Second Tranche Notes  |
| <b>Security:</b>  | (i) secured by share charges which charging over (a) certain Issuer Shares and (b) the shares of the subsidiaries of the Issuer; and (ii) guaranteed by (a) the corporate guarantees executed by the Issuer Controlling Shareholder and the Issuer and its subsidiaries and (b) the personal guarantees executed by each of the Issuer Ultimate Shareholders (collectively, the "Security")   |
| <b>Ranking:</b>   | the Second Tranche Notes constitute direct, unconditional, secured, guaranteed, unsubordinated and general obligations of the Issuer and rank equally without any preference amongst the Senior Notes, and the payment obligations of the Issuer under the Second Tranche Notes will rank at least <i>pari passu</i> with all other present and future direct, unconditional, unsubordinated and secured obligations issued, created or assumed by the Issuer |
| <b>Transferability:</b>                                   | the Second Tranche Notes are freely transferable to any person, provided that no transfers shall be made to a connected person of the Issuer  |

|                              |   |
|------------------------------|---|
| <b>Voluntary Redemption:</b> | the Second Tranche Notes may be redeemed in whole or in part by the Issuer at any time after six (6) months from the date of issue of the Second Tranche Notes and from time to time prior to the Maturity Date   |
| <b>Conditions precedent:</b> | <p>the creation and issue of the Second Tranche Notes by the Issuer are conditional upon the satisfaction of various conditions precedent on or before the Second Closing Date, which include, amongst other conditions:</p> <ul style="list-style-type: none"> <li>(i) the First Closing having taken place upon the terms and subject to the conditions of the Note Purchase Agreement; and</li> <li>(ii) the Issuer Controlling Shareholder shall have transferred certain additional Issuer Shares into the specific cash securities trading account of the Issuer Controlling Shareholder established and operated in accordance with the ancillary documents to the Note Purchase Agreement to the effect that such shall have a final balance of at least 1,262,000,000 Issuer Shares</li> </ul> <p>the First Closing is, among other things, conditional upon the special general meeting of the Issuer to be convened to consider, and if thought fit, to approve the grant of the Issuer a specific mandate to allot and issue new Issuer Shares upon the exercise of the Subscription Rights</p> <p>in the event that any of the conditions precedent are not fulfilled or waived on or before 29 September 2016, save as otherwise provided in the Note Purchase Agreement, the Purchaser (without prejudice to the rights of the other investor(s) of the Second Tranche Notes) may elect not to proceed to the Second Closing</p> |
| <b>Closing:</b>              | no later than three (3) Business Days after the fulfilment or waiver (as the case may be) of the conditions precedent as set out above  |
| <b>Listing:</b>              | no application will be made for a listing of the Second Tranche Notes on the Stock Exchange or any stock exchange   |

## **The Second Tranche Warrants**

As part and parcel of the issue of the Second Tranche Notes, subject to the Second Closing, the Issuer will issue Second Tranche Warrants of up to US\$1.8 million (equivalent to approximately HK\$14.04 million) to the Purchaser on the Second Tranche Warrant Closing Date at nil consideration.

The principal terms of the Second Tranche Warrants (including the Strike Price) are determined based on arm's length negotiation with the Issuer and are summarised as follows:

**Exercise period:** the period commencing on the date of the issue of the Second Tranche Warrants and ending at 5:00 p.m. (Hong Kong time) on the Termination Date

**Termination Date:** the earliest of (i) the date on which all Subscription Rights in respect of such Second Tranche Warrants have been exercised in full, (ii) the De-listing Early Redemption Date, and (iii) the date falling 36 months from the issue date of such Second Tranche Warrant

**Strike Price:** the initial Strike Price is HK\$1.9995 (subject to adjustment) per Second Tranche Warrant Share, being 150% of the average closing price of the Issuer Shares for the 20 consecutive trading days prior to the date of the Note Purchase Agreement

the Purchaser is entitled to subscribe for the Second Tranche Warrant Shares of up to an aggregate amount of US\$1.8 million (equivalent to approximately HK\$14.04 million) at the Strike Price. The Second Tranche Warrants will entitle the Purchaser to subscribe for 7,021,755 Second Tranche Warrant Shares, representing, approximately 0.15% of the entire issued share capital of the Issuer, at an initial Strike Price of HK\$1.9995 per Second Tranche Warrant Share

**Ranking:** the Second Tranche Warrant Shares, when allotted and issued, will rank *pari passu* with the existing issued Issuer Shares as at the date of allotment

- Listing:** the Issuer shall apply to the Stock Exchange for the listing of, and permission to deal in, the Second Tranche Warrant Shares. No application for the listing of the Second Tranche Warrants has been or will be made
- Conditions precedent:** the issue of the Second Tranche Warrants by the Issuer is subject to the fulfilment of each of the following conditions (none of which may be waived) on or before 14 October 2016, which include, amongst other conditions:
- (i) the Second Closing having taken place upon the terms and subject to the conditions of the Note Purchase Agreement;
  - (ii) the shareholders of the Issuer having granted the Issuer specific mandate for the allotment and issue of the Second Tranche Warrant Shares upon the exercise of the Subscription Rights and such mandate remains valid, fully effective and has not been revoked; and
  - (iii) the Issuer shall have delivered to the Investors a certified true copy of the approval of the Stock Exchange for the listing of, and permission to deal in, the Second Tranche Warrant Shares
- Transfer:** the Second Tranche Warrants are freely transferable to any person, provided that no transfers shall be made to a connected person of the Issuer

## **REASONS FOR AND BENEFITS OF THE PURCHASE**

The Second Tranche Notes are secured by the Security and the rate of return of the Purchase is generally more favourable and higher than the interest rates of fixed deposits offered by well-recognised financial institutions in Hong Kong. Having considered the financial performance and repayment capability of the Issuer and the terms of Note Purchase Agreement which are conducted on an arm's length basis, the Directors believe that the Purchase represents a good investment opportunity for the Group to diversify the Group's investment portfolio and generate stable income for the Group.

The Directors are of the view that the terms of the Note Purchase Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## INFORMATION ON THE GROUP

The Group is principally engaged in the foundation and substructure construction business in Hong Kong. As set out in the Company's annual report for the year ended 31 March 2016 and the voluntary announcement dated 26 August 2016, it is the Company's strategy to diversify its business operations. With the support of China Huarong International Holdings Limited by the provision of the loans in a total principal amount of US\$300 million (equivalent to approximately HK\$2,340 million), the Company intends to expand its business operations to money lending, finance lease and other future investment opportunities which may arise from time to time.

## INFORMATION ON THE ISSUER

The Issuer is principally engaged in property development and sales, property investment and property rental and project management in the People's Republic of China.

Based on the unaudited consolidated financial statements of the Issuer which have been prepared in accordance with the Hong Kong Financial Reporting Standards, the consolidated net assets of the Issuer as at 30 June 2016 were approximately HK\$3,882.8 million. The key financial data of the Issuer as extracted from its financial reports are set out as follows:

|                   | <b>For the year ended</b> |                 |
|-------------------|---------------------------|-----------------|
|                   | <b>31 December</b>        |                 |
|                   | <b>2015</b>               | <b>2014</b>     |
|                   | <i>HK\$'000</i>           | <i>HK\$'000</i> |
| Revenue           | 3,293,318                 | 2,919,522       |
| Profit before tax | 1,282,565                 | 994,841         |
| Profit after tax  | 508,474                   | 195,953         |

## IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios as defined under the Listing Rules in relation to the Purchase are less than 25% but more than 5%, the Purchase constitutes a discloseable transaction on the part of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As all the applicable percentage ratios as defined under the Listing Rules in relation to the issue of the Second Tranche Warrants to the Purchaser are all less than 5%, the transaction contemplated under the issue of the Second Tranche Warrants to the Purchaser on the part of the Company is fully exempt from all the requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors should note that completion of the Purchase is subject to fulfillment of the conditions precedent under the Note Purchase Agreement and may or may not proceed, as such, shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

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

|                                    |   |
|------------------------------------|---|
| “Board”                            | the board of Directors  |
| “Business Days”                    | a day on which commercial banks in Hong Kong are generally open for business other than Saturday and Sunday or a public holiday, or a day on which commercial banks do not open for business owing to a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal being in force in Hong Kong |
| “connected person”                 | has the meaning ascribed to it under the Listing Rules  |
| “Company”                          | Chun Sing Engineering Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange  |
| “De-listing Early Redemption Date” | the date on which all the outstanding Senior Notes are redeemed from the holders thereof pursuant to the terms and conditions of the Senior Notes upon the occurrence of any of the event of default  |
| “Deed of Adherence”                | the deed of adherence dated 23 September 2016 and executed by the Purchaser   |
| “Director(s)”                      | the director(s) of the Company  |
| “First Closing”                    | the consummation of the issue and purchase of the First Tranche Notes   |
| “First Tranche Notes”              | the Senior Notes of an aggregate principal amount of US\$190 million (equivalent to approximately HK\$1,482 million) to be issued by the Issuer to the investors of the First Tranche Notes   |



|                                  |  |
|----------------------------------|--|
| “Group”                          | the Company and its subsidiaries   |
| “Independent Third Party(ies)”   | independent third party(ies) which is/are not connected person(s) of the Company and is/are independent of the Company and its connected persons   |
| “Investors”                      | investors of the Senior Notes  |
| “Issuer”                         | 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  |
| “Issuer Controlling Shareholder” | Rong De Investments Limited, a company incorporated in British Virgin Islands, being the controlling shareholder (within the meaning of the Listing Rules) of the Issuer   |
| “Issuer Shares”                  | share(s) of the Issuer   |
| “Issuer Ultimate Shareholders”   | Mr. Liao Tengjia, Mr. Chu Hing Tsung and Mr. Chu Muk Chi, each being an executive director of the Issuer and the shareholder of the Issuer Controlling Shareholder   |
| “Listing Rules”                  | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Maturity Date”                  | the day falling 36 months from the date of the First Closing, on which the outstanding principal amount payable under the Senior Notes become due and payable  |
| “Note Purchase Agreement”        | the note purchase agreement dated 3 August 2016 (as supplemented by the Deed of Adherence dated 23 September 2016) entered into by, among others, the Issuer and the Investors in relation to the purchase of the Senior Notes |
| “Purchaser”                      | Wise United Holdings Limited, an indirect wholly-owned subsidiary of the Company, which executed the Deed of Adherence   |
| “Purchase”                       | the purchase of the Second Tranche Notes in the principal amount of US\$12 million (equivalent to approximately HK\$93.6 million) by the Purchaser   |

|                                       |   |
|---------------------------------------|---|
| “Second Closing”                      | the consummation of the issue and purchase of the Second Tranche Notes  |
| “Second Closing Date”                 | the date on which the Second Closing occurs, which shall be the date falling within three (3) Business Days after the fulfillment of the conditions to the Second Closing   |
| “Second Tranche Notes”                | the Senior Notes of an aggregate principal amount of up to US\$220 million (equivalent to approximately HK\$1,716 million) to be issued by the Issuer to the investors of the Second Tranche Notes  |
| “Second Tranche Warrants”             | the warrants to be issued by the Issuer to the investors of the Second Tranche Notes, representing exercise moneys of up to US\$33 million (equivalent to approximately HK\$257.4 million) on the Second Tranche Warrant Closing Date                         |
| “Second Tranche Warrant Closing”      | the consummation of the issue and purchase of the Second Tranche Warrants   |
| “Second Tranche Warrant Closing Date” | the date on which the Second Tranche Warrant Closing occurs, which, shall be the later of (i) the Second Closing Date; and (ii) a date falling within three (3) Business Days after the fulfilment of the conditions to the Second Tranche Warrant Closing    |
| “Second Tranche Warrant Shares”       | the Issuer Share(s) which may be subscribed for by the holder(s) of the Second Tranche Warrants pursuant to the exercise of the Subscription Rights   |
| “Senior Notes”                        | the senior secured guaranteed notes to be issued by the Issuer in the aggregate principal amount of US\$500 million (equivalent to approximately HK\$3,900 million), comprising the First Tranche Notes, the Second Tranche Notes and the Third Tranche Notes |
| “Strike Price”                        | the price payable to subscribe for one Second Tranche Warrant Share upon exercise of the Subscription Rights conferred by a Second Tranche Warrant, which is subject to adjustments   |
| “Stock Exchange”                      | The Stock Exchange of Hong Kong Limited   |

|                       |   |
|-----------------------|---|
| “Subscription Rights” | the subscription rights that are attached to the Second Tranche Warrants to subscribe for the Second Tranche Warrant Shares   |
| “Termination Date”    | the earliest of (i) the date on which all Subscription Rights in respects of such Second Tranche Warrants have been exercised in full, (ii) De-listing Early Redemption Date, and (iii) the date falling 36 months from the issue date of such Second Tranche Warrant |
| “Third Tranche Notes” | the Senior Notes of an aggregate principal amount of up to US\$90 million (equivalent to approximately HK\$702 million) to be issued by the Issuer to the investors of the Third Tranche Notes  |
| “HK\$”                | Hong Kong dollars, the lawful currency of Hong Kong   |
| “US\$”                | United States dollars, the lawful currency of the United States of America  |
| “%”                   | per cent.   |

*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 at all.*

By order of the Board  
**Chun Sing Engineering Holdings Limited**  
**Qin Ling**  
*Chairman*

Hong Kong, 23 September 2016

*As at the date of this announcement, the executive Directors are Mr. Qin Ling, Mr. Yeung Chun Wai Anthony, Mr. Xu Xiaowu, Mr. Kwan Wai Ming and Mr. Tian Ren Can; and the independent non-executive Directors are Mr. Chan Kee Huen Michael, Mr. Zhang Xiaoman and Mr. Tse Chi Wai.*