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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)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF 100% INTEREST IN THE TARGET**

THE DISPOSAL

The Board is pleased to announce that on 22 June 2017, after trading hours, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Share at the consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,135,400,000).

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 22 June 2017, after trading hours, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Share at the consideration of RMB1,000,000,000 (equivalent to approximately HK\$1,135,400,000), upon and subject to the terms and conditions of the SP Agreement.

** For identification purpose only*

Set out below are the major terms of the SP Agreement:

THE DISPOSAL

Date

22 June 2017

Parties

- (a) Vendor: Zhuguang Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company.
- (b) Purchaser: an individual who is an Independent Third Party to the best of the Directors' knowledge, information and belief having made all reasonable enquiries

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party.

Assets to be disposed of

The Sale Share, representing the entire issued share capital of the Target.

Condition Precedent

Completion shall be conditional upon all necessary consents and approvals (including but not limited to the requirements stipulated under all laws, regulations and the Listing Rules) required to be obtained on the part of the Vendor and the Purchaser in respect of the sale and purchase of the Sale Share having been obtained.

If the condition set out above has not been satisfied on or before the Long Stop Date, the SP Agreement shall cease and terminate (save for certain miscellaneous provisions), and no party shall have any obligations and liabilities towards each other save for any prior breaches of the terms of the SP Agreement.

Consideration

The total consideration payable by the Purchaser for the acquisition of the Sale Share is RMB1,000,000,000 (equivalent to approximately HK\$1,135,400,000), which shall be satisfied by the Purchaser in the following manner:

- (1) as part payment of the Consideration, upon Completion, the Purchaser shall assume all the Vendor's obligations and duties in relation to the Vendor's Net Outstanding Debt, including but not limited to repaying all the Vendor's Net Outstanding Debt to the subsidiaries of the Target; and

- (2) upon Completion, the Purchaser shall pay to the Vendor (or other person as designated by the Vendor) the remaining balance of the Consideration in cash, after deducting the Vendor's Net Outstanding Debt.

Basis of the Consideration

The consideration for the Sale Share was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, the valuation of the Properties of approximately RMB547,030,000 (equivalent to approximately HK\$621,098,000) as at 31 December 2016 conducted by an independent professional valuer and the expected growth potential of the Properties.

Completion

Subject to fulfilment of the Condition Precedent, Completion shall take place on the Completion Date.

Immediately after Completion, each member of the Target Group will cease to be a wholly-owned subsidiary of the Company and the Company will cease to have any interest in the Target Group.

INFORMATION ABOUT THE TARGET GROUP

The Target is a company incorporated in the BVI on 2 September 2010 which is owned as to 100% by the Vendor as at the date of this announcement. The Target is an investment holding company and its principal assets are its 100% interests in each of Speedy Full, Diamond Crown and Graceful Link.

Speedy Full is a company incorporated on 21 July 1997 in Hong Kong and is principally engaged in property investment in the PRC. As at the date of this announcement, the principal assets of Speedy Full are Property A, Property B, Property C and Property D. Property A, Property B, Property C and Property D are guest rooms situated at the 31st, 32nd, 33rd and 35th floors of the Hotel respectively, each with a total gross floor area of approximately 1,491 sq.m..

Diamond Crown is a company incorporated on 23 January 1998 in Hong Kong and is principally engaged in property investment in the PRC. As at the date of this announcement, the principal assets of Diamond Crown are Property E, Property F, Property G and Property H. Property E, Property F, Property G and Property H are guest rooms situated at the 36th, 37th, 38th and 39th floors of the Hotel, with total gross floor areas of approximately 1,491 sq.m., 1,494 sq.m., 1,494 sq.m. and 1,495 sq.m. respectively.

Graceful Link is a company incorporated on 23 January 1998 in Hong Kong and is principally engaged in property investment in the PRC. As at the date of this announcement, the principal assets of Graceful Link are Property I, Property J, Property K, Property L and Property M. Property I, Property J, Property K, Property L and Property M are guest rooms situated at the 40th, 41st, 42nd, 43rd and 45th floors of the Hotel, with total gross floor areas of approximately 1,495 sq.m., 1,389 sq.m., 1,254 sq.m., 1,055 sq.m. and 1,055 sq.m. respectively.

The Hotel, which is located at Tianhe Road, Tianhe District, Guangzhou, the PRC, is a high-end business hotel, located in one of Guangzhou's most prosperous business district. The Hotel is a 50-storey building comprising of certain floors of retail properties, office units and guest rooms. As at the date of this announcement, the Group owns certain guest rooms in the Hotel. The Properties are guest rooms situated at the Hotel and are currently leased out by the Group to Independent Third Parties.

The unaudited consolidated total asset value and the net asset value of the Target Group as at 31 May 2017 were approximately HK\$794,130,000 and approximately HK\$653,418,000 respectively. The unaudited financial information of the Target Group for the two years ended 31 December 2015 and 2016 are as follows:

	Year ended 31 December 2015 <i>approximately</i> <i>HK\$ '000</i>	Year ended 31 December 2016 <i>approximately</i> <i>HK\$ '000</i>
Net profit before taxation	42,104	45,014
Net profit after taxation	35,181	36,909

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in property development, property investment, project management and other property development related services in the PRC.

The Group expects to recognise an unaudited accounting gain of approximately HK\$380,000,000 from the Disposal, being the difference between (i) the consideration for the Sale Share and (ii) the aggregate of the estimated unaudited total net asset value of the Target Group as recorded in the Group's accounts at Completion and the estimated expenses and tax to be incurred for the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the Company's auditor.

The Directors expect that the net proceeds from the Disposal, after deducting the expenses directly attributable thereto and on the assumption that the Vendor's Net Outstanding Debt at Completion being approximately HK\$163,876,000, will be approximately HK\$971,325,000, which will be used as general working capital of the Group. The Directors consider that the Disposal represents an opportunity for the Group to realise its investment in the Target Group, which holds the Properties.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	means a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“BVI”	British Virgin Islands
“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
“Completion”	completion of the Disposal

“Completion Date”	the date of Completion, which means a day within five Business Days after the condition precedent under the paragraph headed “Condition Precedent” shall have been fulfilled, or such other date as the Vendor and the Purchaser may agree in writing
“Condition Precedent”	condition precedent to the Completion as set out in the paragraph headed “Condition Precedent” of this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB1,000,000,000 (equivalent to HK\$1,135,400,000), being the consideration for the Disposal
“Diamond Crown”	Diamond Crown Limited, a company incorporated in Hong Kong with limited liability and owned as to 100% by the Target
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser
“Graceful Link”	Graceful Link Limited, a company incorporated in Hong Kong with limited liability and owned as to 100% by the Target
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel”	the Royal Mediterranean Hotel, located at 518 Tianhe Road, Tianhe District, Guangzhou, the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	5:00 p.m on 31 December 2017 (or such date as the Vendor and the Purchaser may agree in writing)
“PRC”	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

- “Property A” the property situated at 31/F (3101), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,491 sq. m.
- “Property B” the property situated at 32/F (3201), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,491 sq. m.
- “Property C” the property situated at 33/F (3301), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,491 sq. m.
- “Property D” the property situated at 35/F (3401), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,491 sq. m.
- “Property E” the property situated at 36/F (3501), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,491 sq. m.
- “Property F” the property situated at 37/F (3601), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,494 sq. m.
- “Property G” the property situated at 38/F (3701), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,494 sq. m.
- “Property H” the property situated at 39/F (3801), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,495 sq. m.
- “Property I” the property situated at 40/F (3901), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,495 sq. m.
- “Property J” the property situated at 41/F (4001), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,389 sq. m.
- “Property K” the property situated at 42/F (4101), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,254 sq. m.

“Property L”	the property situated at 43/F (4201), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,055 sq. m.
“Property M”	the property situated at 45/F (4301), Royal Mediterranean Hotel, No.518 Tianhe Road, Tianhe District, Guangzhou, the PRC, with a total gross floor area of approximately 1,055 sq. m.
“Properties”	Property A, Property B, Property C, Property D, Property E, Property F, Property G, Property H, Property I, Property J, Property K, Property L and Property M
“Purchaser”	an individual who is an Independent Third Party to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	the entire issued share capital of the Target
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“SP Agreement”	the agreement dated 22 June 2017 entered into between the Vendor and the Purchaser in relation to the Disposal
“Speedy Full”	Speedy Full Limited, a company incorporated in Hong Kong with limited liability and owned as to 100% by the Target
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Gains Wide Holdings Limited, a company incorporated in the BVI with limited liability and owned as to 100% by the Vendor
“Target Group”	The Target, Speedy Full, Diamond Crown and Graceful Link
“Vendor”	Zhuguang Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company

“Vendor’s Net Outstanding Debt” being the net amount which is owed by the Vendor to the subsidiaries of the Target upon Completion, which should have been set off against all the debts owed by the subsidiaries of the Target to the Vendor at Completion (if any)

“%” per cent

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.1354. 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.

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

Hong Kong, 22 June 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.