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If you have sold all your shares in Chuang's Consortium International Limited, you should at once hand this circular and the accompanying 2020 Annual Report and proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

**PROPOSALS INVOLVING (I) RE-ELECTION OF RETIRING DIRECTORS
AND
(II) GRANT OF GENERAL MANDATE TO REPURCHASE SHARES**

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please take special note of note 5 to the notice of annual general meeting for the measures to be taken at the Annual General Meeting of the Company to reduce the risk of Covid-19 spreading. You are strongly encouraged to appoint the Chairman of the Annual General Meeting as your proxy to vote according to your indicated voting instructions as an alternative to attending the Annual General Meeting in person.

Subject to the development of Covid-19, the Company may implement further changes and precautionary measures and may issue further announcement(s) on such measures as appropriate.



Chuang's Consortium International Limited

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Directors:

Mr. Albert Chuang Ka Pun, J.P.
(Chairman and Managing Director)
Mr. Richard Hung Ting Ho (Vice Chairman)
Mr. Chong Ka Fung (Deputy Managing Director)
Miss Ann Li Mee Sum
Mrs. Candy Kotewall Chuang Ka Wai
Mr. Geoffrey Chuang Ka Kam
Mr. Chan Chun Man
Mr. Abraham Shek Lai Him, G.B.S., J.P.*
Mr. Fong Shing Kwong*
Mr. Yau Chi Ming*
Mr. David Chu Yu Lin, S.B.S., J.P.*
Mr. Tony Tse Wai Chuen, B.B.S.*

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office in Hong Kong:

25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

* Independent non-executive directors

30 July 2020

To the shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING (I) RE-ELECTION OF RETIRING DIRECTORS
AND
(II) GRANT OF GENERAL MANDATE TO REPURCHASE SHARES**

1. INTRODUCTION

It is proposed that at the annual general meeting (the “Annual General Meeting”) of Chuang's Consortium International Limited (the “Company”, together with its subsidiaries, the “Group”) to be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Friday, 18 September 2020 at 12:00 noon, resolutions will be proposed (i) to re-elect the retiring directors as directors of the Company (the “Director(s)”) and (ii) to grant to the board of Directors (the “Board”) of the Company a general mandate to repurchase shares of HK\$0.25 each (the “Shares”) of the Company. This circular gives the information reasonably necessary to enable shareholders of the Company (the “Shareholder(s)”) to make an informed decision on whether to vote for or against the above resolutions. The Board has confirmed that having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the proposed resolutions under Rule 2.17 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Bye-law nos. 86(2), 87(2) and 87(3) of the Bye-laws of the Company (the “Bye-laws”) and Appendix 14 of the Listing Rules, five Directors, Mr. Richard Hung Ting Ho, Miss Ann Li Mee Sum, Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Tony Tse Wai Chuen (collectively, the “Retiring Directors”) will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

The Board has assessed the suitability of the Retiring Directors with reference to the selection criteria including, *inter alia*, diversity in all aspects (including but not limited to gender, age, cultural and educational background, professional experience and skills) as set out in the nomination policy of the Company and the benefits of having a diverse Board as set out in the board diversity policy of the Company through the nomination committee of the Company (the “Nomination Committee”). The Board has endorsed the recommendation from the Nomination Committee and recommends the Retiring Directors to stand for re-election at the Annual General Meeting.

The Board has also assessed the independence of each of Mr. Abraham Shek Lai Him (“Mr. Abraham Shek”), Mr. Fong Shing Kwong (“Mr. Fong”) and Mr. Tony Tse Wai Chuen (“Mr. Tony Tse”) with reference to the independence criteria as set out in rule 3.13 of the Listing Rules. Each of Mr. Abraham Shek, Mr. Fong and Mr. Tony Tse has provided the confirmation of independence to the Board and the Board is satisfied that each of them remains independent.

Mr. Abraham Shek and Mr. Fong have acted as independent non-executive Directors for more than nine years. Throughout their directorships with the Company, both of Mr. Abraham Shek and Mr. Fong have participated in Board meetings to give impartial advice and exercise independent judgement, served on various committees of the Board but have never engaged in any executive management. Taking into consideration of the independent nature of their roles and duties in the past years, the Board considers both of Mr. Abraham Shek and Mr. Fong to be independent under the Listing Rules although they have served the Company for more than nine years. The Board also believes that the continuous appointment of Mr. Abraham Shek and Mr. Fong as independent non-executive Directors will help to maintain the stability of the Board as both of Mr. Abraham Shek and Mr. Fong have, over time, gained valuable insights into the business strategy and policies of the Group.

Mr. Abraham Shek currently holds more than six directorships in other listed companies in Hong Kong. Taking into account of the relevant expertise of Mr. Abraham Shek, his good track records in attending the Company’s meetings and providing feedbacks to the Company’s affairs from time to time; and he has provided a confirmation to the Company that he would ensure to devote sufficient time to the Board and the committees of the Company in which he is a member. The Board believes Mr. Abraham Shek would still be able to devote sufficient time to the Board.

Set out below are the biographical details of the five Retiring Directors proposed to be re-elected:

Mr. Richard Hung Ting Ho (“Mr. Richard Hung”) (aged 66), the vice chairman, has over 41 years of experience in corporate development and general management. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate member of the Hong Kong Institute of Chartered Secretaries. Mr. Richard Hung joined the Board as an executive Director on 9 September 2016 and was appointed as a joint managing Director since 6 October 2017. He was further appointed as the vice chairman on 15 October 2019. He is also a director of various subsidiaries of the Company. He also holds directorships in certain private companies beneficially owned by Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”) (the honorary chairman and controlling shareholder of the Company). During the last three years, Mr. Richard Hung had been a non-executive director of CNT Group Limited (stock code: 701), and the chairman and an executive director of Magnus Concordia Group Limited (“MCGL”, formerly known as Midas International Holdings Limited) (stock code: 1172), both are listed on the Stock Exchange. Save as disclosed herein, Mr. Richard Hung did not hold any other directorship in any other listed company in Hong Kong or overseas over the last three years.

Miss Ann Li Mee Sum (“Miss Ann Li”) (aged 59), an executive director, has over 34 years of experience in finance, corporate finance and business management. She is the deputy chairman, an executive director, of Chuang’s China Investments Limited (stock code: 298) (“Chuang’s China”, together with its subsidiaries, the “Chuang’s China Group”) which is a subsidiary of the Company (its shares are listed on the Stock Exchange) and a member of the corporate governance committee of Chuang’s China. Miss Ann Li holds a Master degree in Business Administration and is a fellow member of the Chartered Institute of Management Accountants. She joined the Group in 1999 and is also a director of various subsidiaries of Chuang’s China. Saved as disclosed herein, she did not hold any other directorship in any other listed company in Hong Kong or overseas over the last three years.

In compliance with rule 13.51(2)(1) of the Listing Rules, Miss Ann Li disclosed that before she joined the Chuang’s China Group, she had been a director of The New China Hong Kong Capital Limited (“New China”) which was a private company incorporated in Hong Kong. The nature of business of New China was investment holding. She resigned as a director of New China on 8 September 1998. According to the knowledge of Miss Ann Li, New China commenced the voluntary liquidation on 25 January 1999 but she is not aware of the amounts involved or the outcome in relation to the voluntary liquidation of New China.

Mr. Abraham Shek¹ G.B.S., J.P. (aged 75), was appointed as an independent non-executive Director in 2004 and subsequently appointed as the chairman of each of the audit committee, the nomination committee and the remuneration committee of the Company in March 2013. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court of The Hong Kong University of Science & Technology, the Court and the Council of The University of Hong Kong, a non-executive director of the Mandatory Provident Fund Schemes Authority of Hong Kong and a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption. He holds a bachelor degree of arts. He is the honorary chairman and an independent non-executive director of Chuang’s China (stock code: 298). He is also an independent non-executive director of Paliburg Holdings Limited (stock code: 617), Lifestyle International Holdings Limited

¹ also known as Abraham Razack

(stock code: 1212), NWS Holdings Limited (stock code: 659), Country Garden Holdings Company Limited (stock code: 2007), SJM Holdings Limited (stock code: 880), ITC Properties Group Limited (stock code: 199), China Resources Cement Holdings Limited (stock code: 1313), Lai Fung Holdings Limited (stock code: 1125), Cosmopolitan International Holdings Limited (stock code: 120), Goldin Financial Holdings Limited (stock code: 530), Everbright Grand China Assets Limited (stock code: 3699), CSI Properties Limited (stock code: 497) and Far East Consortium International Limited (stock code: 35), all are listed on the Stock Exchange. Mr. Abraham Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (stock code: 2778), and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (stock code: 1881), both trusts are listed on the Stock Exchange. During the last three years, he had been an independent non-executive director of MCGL (stock code: 1172), Hop Hing Group Holdings Limited (stock code: 47) and MTR Corporation Limited (stock code: 66), the shares of which are listed on the Stock Exchange. Save as disclosed herein, he did not hold any other directorship in any other listed company in Hong Kong or overseas over the last three years.

Mr. Fong (aged 72), was appointed as an independent non-executive Director in 2008. Mr. Fong is a member of the audit committee, the nomination committee and the remuneration committee of the Company. He has over 42 years of experience in the hospitality industry and has extensive experience in property development, asset and facility management and investment business in the People's Republic of China. Mr. Fong did not hold any other directorship in any other listed company in Hong Kong or overseas over the last three years.

Mr. Tony Tse B.B.S. (aged 65), was appointed as an independent non-executive Director in 2016. Mr. Tony Tse has over 44 years of experience in property investment and development in both public and private sectors. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region. He is a fellow member of the Hong Kong Institute of Surveyors. He is a member of the Standing Committee on Disciplined Services Salaries and Conditions of Service, the chairman of the Property Management Services Authority, the vice-chairman of Independent Police Complaints Council, a non-official member of the Harbourfront Commission and a member of the Court of Lingnan University. He is a member of the National Committee of Chinese People's Political Consultative Conference and a member of the 9th committee of China Association for Science and Technology. Mr. Tony Tse did not hold any other directorship in any other listed company in Hong Kong or overseas over the last three years.

Each of Mr. Richard Hung and Miss Ann Li has no service contract nor any specified length or proposed length of service with the Company. Each of them is entitled to a Director's fee of HK\$30,000 per annum as determined by the Board with reference to the related payment made by the Company in previous years. Mr. Richard Hung has an employment contract with a subsidiary of the Company which can be terminated by either party giving to the other party 3 months' written notice without payment of compensation (other than statutory compensation). The annual remuneration (including salary, retirement scheme contribution and other benefits) for Mr. Richard Hung under the employment contract is HK\$2,600,000. Miss Ann Li has an employment contract with Chuang's China which can be terminated by either party giving to the other party 3 months' written notice without payment of compensation (other than statutory compensation). The annual remuneration (including director's fee payable by Chuang's China and the salary, retirement scheme contribution and

other benefits under the employment contract) for Miss Ann Li is HK\$2,782,000. The respective amount as aforesaid is determined by the boards of the Company and Chuang's China with reference to their respective duties and experience as well as the prevailing market conditions.

Each of Mr. Abraham Shek, Mr. Fong and Mr. Tony Tse has a service contract with the Company for a term of 3 years subject to re-election. The Director's fee entitled by each of Mr. Abraham Shek, Mr. Fong and Mr. Tony Tse is HK\$150,000 per annum, subject to adjustment as appropriate to be determined by the Board. The Directors' fees were determined by reference to the Director's duties and experience as well as the related payments made by the Company in previous years. Mr. Abraham Shek (also being an independent non-executive director and the honorary chairman of Chuang's China) entitles to a fee of HK\$400,000 per annum which was determined by Chuang's China.

All the Retiring Directors mentioned above are subject to retirement by rotation and re-election at least once every 3 years pursuant to Appendix 14 of the Listing Rules and the Bye-laws.

Except as mentioned above, all the Retiring Directors subject to re-election have no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance, no relationship with any other Directors, senior management, substantial or controlling Shareholders and no further information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter that needs to be brought to the attention of the Shareholders.

3. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Board be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares of the Company. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the passing of the resolution.

An explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out below.

As at 16 July 2020 ("Latest Practicable Date"), there were in issue an aggregate of 1,672,553,104 Shares. Exercising in full of the mandate, if so approved, on the basis that no further Shares shall be issued and repurchased prior to the date of the Annual General Meeting, could accordingly result in up to 167,255,310 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or any applicable law or (iii) the revocation or variation of authority given under the ordinary resolution of the Shareholders in general meeting of the Company.

Reasons for the repurchases

The Board considers that the mandate will provide the Company with the flexibility to make Shares repurchases when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value per Share and/or earnings per Share. As compared with the financial position of the Company as at 31 March 2020 (being the date of the latest published audited accounts of the Company), the Board considers that there may be adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. However, the Board does not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Board are from time to time appropriate for the Company.

Funding of the repurchases

The Company is empowered by its Memorandum of Association of the Company (the “Memorandum of Association”) and the Bye-laws to repurchase its Shares and in repurchasing Shares, may only apply funds legally available for such purpose in accordance with its Memorandum of Association and the Bye-laws and the laws of Bermuda. Bermuda law provides that the amount of capital paid in connection with the share repurchases may only be paid out of either the capital paid up on the shares to be repurchased, the funds of the company otherwise available for distribution or the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of the funds of the Company otherwise available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company. In accordance with the Listing Rules, the listing of all Shares which are repurchased by the Company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase and the Company would apply for listing of any further issue of Shares in the normal way.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of repurchase, the exercise of the general mandate to repurchase Shares whether in whole or in part will not result in less than 25 per cent. of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules.

Directors, their close associates and core connected persons

None of the Directors nor, to the best of the knowledge of the Board having made all reasonable enquiries, any of their close associates has any present intention, in the event that the proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries nor has he/she undertaken not to sell any of the Shares held by him/her to the Company or its subsidiaries in the event that the Company is authorized to make repurchases of Shares.

Undertaking of the Board

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Bermuda and in accordance with the regulations set out in the Memorandum of Association and the Bye-laws.

Effect of takeovers code

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Codes on Takeovers and Mergers ("Takeovers Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Alan Chuang and Mrs. Alice Siu Chuang Siu Suen ("Mrs. Siu"), through companies beneficially owned by each of them, and a family trust (of which Mr. Alan Chuang and Mrs. Siu are (inter alia) discretionary objects) were interested in aggregate in 1,051,616,421 Shares, representing approximately 62.87 per cent. of the issued share capital of the Company. In the event that the Board were to exercise in full of the power to repurchase Shares which is to be granted pursuant to the proposed resolution, the aggregate shareholding of the said Shareholders (being a closely allied group of Shareholders) would increase to approximately 69.86 per cent. of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

Shares repurchase made by the Company

The Company had not made any purchase of Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

During each of the twelve months from July 2019 up to and including the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

Month	Shares Traded Price (HK\$)	
	Highest	Lowest
July 2019	1.77	1.66
August 2019	1.66	1.55
September 2019	1.65	1.52
October 2019	1.65	1.50
November 2019	1.55	1.47
December 2019	1.50	1.43
January 2020	1.51	1.31
February 2020	1.40	1.27
March 2020	1.40	1.04
April 2020	1.18	1.07
May 2020	1.16	0.99
June 2020	1.15	1.00
July 2020 (up to and including the Latest Practicable Date)	1.12	0.99

4. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 misleading.

5. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed in the annual report of the Company for the year ended 31 March 2020 despatched together with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the said proxy form and return it to the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting if you so desire.

6. VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Bye-law no. 66 of the Bye-laws and Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

7. RECOMMENDATION

The Board believes that (i) the re-election of the Retiring Directors and (ii) the grant of general mandate for the Board to repurchase Shares are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions set out in the notice of the Annual General Meeting.

Yours faithfully,
For and on behalf of
Chuang's Consortium International Limited
Albert Chuang Ka Pun
Chairman and Managing Director