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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)



Chuang's China Investments Limited
(莊士中國投資有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

VERY SUBSTANTIAL DISPOSAL VERY SUBSTANTIAL DISPOSAL

JOINT ANNOUNCEMENT IN RELATION TO THE PROPOSED DISPOSALS OF (I) THE SALE SHARES AND THE SALE LOAN; AND (II) THE PRC SALE SHARES AND RESUMPTION OF TRADING

**Financial adviser to Chuang's Consortium International Limited and
Chuang's China Investments Limited**



金融有限公司
OCTAL Capital Limited

THE SP AGREEMENT A

The Chuang's China Directors and Chuang's Consortium Directors are pleased to announce that on 9 February 2021 (after trading hours), the Vendor (a direct wholly-owned subsidiary of Chuang's China), the Purchaser, Chuang's China (as the Vendor's Guarantor) and the Purchaser's Guarantor entered into the SP Agreement A, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares and the Sale Loan.

The Consideration to be received by the Vendor from the Purchaser is estimated to be not more than approximately RMB1,564,141,479 (equivalent to approximately HK\$1,877.0 million) (subject to adjustments), which shall be the aggregate of (i) the agreed value of the Phase 3 Project of RMB1,248,350,000 (equivalent to approximately HK\$1,498.0 million); (ii) the agreed value of Inventories of RMB85,489,830 (equivalent to approximately HK\$102.6 million); (iii) the Construction Costs Reimbursement; (iv) the Deferred Tax Amount; and (v) Double Wealthy Completion NAV.

THE SP AGREEMENT B

At the same time, the Chuang's China Directors and Chuang's Consortium Directors are pleased to announce that on 9 February 2021 (after trading hours), the PRC Vendor (an indirect wholly-owned subsidiary of Chuang's China) and the PRC Purchaser Group entered into the SP Agreement B, pursuant to which the PRC Purchaser Group has conditionally agreed to acquire, and the PRC Vendor has conditionally agreed to sell, the PRC Sale Shares.

The PRC Consideration to be received by the PRC Vendor from the PRC Purchaser Group is estimated to be not more than approximately RMB10.5 million (equivalent to approximately HK\$12.6 million) (subject to adjustments), which shall be the aggregate of (i) the agreed value of the Crystal Clubhouse of RMB9,573,705 (equivalent to approximately HK\$11.5 million); and (ii) Kai Xiang Completion NAV.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, the Vendor and the PRC Vendor are wholly-owned subsidiaries of the Chuang's China Group and Chuang's China is an indirect non-wholly-owned subsidiary of, and owned as to approximately 60.71% by, the Chuang's Consortium Group.

Chuang's China

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the disposals is above 75% for Chuang's China, the disposals in aggregate, constitute a very substantial disposal of Chuang's China and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Chuang's China Directors having made all reasonable enquiries, none of the Chuang's China Shareholders has a material interest in the disposals and therefore, no Chuang's China Shareholders will be required to abstain from voting on the resolution(s) to be proposed at the Chuang's China SGM to approve the disposals contemplated under the SP Agreement A and the SP Agreement B.

Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the Chuang's China SGM to approve the SP Agreement A and the transactions contemplated thereunder. As at the date of this joint announcement, Profit Stability owns approximately 60.71% interest in Chuang's China.

A circular containing, amongst other things, further information on the disposals, a valuation report of the Phase 3 Project, the Inventories and the Crystal Clubhouse, other information as required under the Listing Rules and a notice of Chuang's China SGM will be despatched to the Chuang's China Shareholders on or before 31 March 2021 in order to allow sufficient time for Chuang's China to prepare the necessary information to be included in the circular.

Chuang's Consortium

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the disposals is above 75% for Chuang's Consortium, the disposals in aggregate, constitute a very substantial disposal of Chuang's Consortium and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Chuang's Consortium Directors having made all reasonable enquiries, none of the Chuang's Consortium Shareholders has a material interest in the disposals. Accordingly, no Chuang's Consortium Shareholders will be required to abstain from voting on the resolution(s) to be proposed at the Chuang's Consortium SGM to approve the disposals contemplated under the SP Agreement A and the SP Agreement B.

EHL, the controlling shareholder of Chuang's Consortium, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the Chuang's Consortium SGM to approve the SP Agreement A and the transactions contemplated thereunder. As at the date of this joint announcement, EHL owns approximately 53.54% of interest in Chuang's Consortium. EHL is beneficially owned as to 60% by Mr. Alan Chuang Shaw Swee, the honorary chairman of Chuang's Consortium, beneficially owned as to 10% by each of Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung and Mr. Geoffrey Chuang Ka Kam, directors of Chuang's China and Chuang's Consortium, and beneficially owned as to 10% by Mrs. Candy Kotewall Chuang Ka Wai, a director of Chuang's Consortium.

A circular containing, amongst other things, further information on the disposals, a valuation report of the Phase 3 Project, the Inventories and the Crystal Clubhouse, other information as required under the Listing Rules and a notice of Chuang's Consortium SGM will be despatched to the Chuang's Consortium Shareholders on or before 31 March 2021 in order to allow sufficient time for Chuang's Consortium to prepare the necessary information to be included in the circular.

GENERAL

Completion of the SP Agreement A and the SP Agreement B is subject to the satisfaction of the conditions precedent and terms thereof and therefore, may or may not take place. Shareholders and potential investors of Chuang's China and Chuang's Consortium are advised to exercise caution when dealing in the shares of Chuang's China and Chuang's Consortium respectively.

RESUMPTION OF TRADING

Trading in the shares of Chuang's China was halted with effect from 9:00 a.m. on Wednesday, 10 February 2021 at the request of Chuang's China, pending the publication of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of Chuang's China on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 16 February 2021.

Trading in the shares of Chuang's Consortium was halted with effect from 9:00 a.m. on Wednesday, 10 February 2021 at the request of Chuang's Consortium, pending the publication of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of Chuang's Consortium on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 16 February 2021.

INTRODUCTION

The Chuang's China Directors and Chuang's Consortium Directors are pleased to announce that on 9 February 2021 (after trading hours), the Vendor (a direct wholly-owned subsidiary of Chuang's China), the Purchaser, Chuang's China (as the Vendor's Guarantor) and the Purchaser's Guarantor entered into the SP Agreement A, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Shares (being the entire issued share capital of Double Wealthy) and the Sale Loan.

At the same time, the Chuang's China Directors and Chuang's Consortium Directors are pleased to announce that on 9 February 2021 (after trading hours), the PRC Vendor (an indirect wholly-owned subsidiary of Chuang's China) and the PRC Purchaser Group entered into the SP Agreement B, pursuant to which the PRC Purchaser Group has conditionally agreed to acquire, and the PRC Vendor has conditionally agreed to sell, the PRC Sale Shares (being the entire issued share capital of Kai Xiang).

THE SP AGREEMENT A

1. Date

9 February 2021 (after trading hours)

2. Parties

The Vendor: Chuang's China Realty Limited

The Vendor's Guarantor: Chuang's China

The Purchaser: FS Dongguan No. 6 Ltd

The Purchaser's Guarantor: First Sponsor Group Limited

Chuang's China and the Purchaser's Guarantor were joined as parties to the SP Agreement A to guarantee the performance of the Vendor and the Purchaser respectively under the SP Agreement A.

3. Assets to be disposed of

Pursuant to the SP Agreement A, the assets to be disposed of by the Vendor to the Purchaser comprise (i) the Sale Shares; and (ii) the Sale Loan.

The Vendor has conditionally agreed to sell the Sale Shares and the Sale Loan to the Purchaser free from encumbrances but together with all rights attached, accrued or accruing thereto as at the date of Completion and together with all dividends and distributions declared, made or paid or agreed to be made or paid thereon or in respect thereof on or after the date of Completion.

4. Consideration

The Consideration to be received by the Vendor from the Purchaser is estimated to be not more than approximately RMB1,564,141,479 (equivalent to approximately HK\$1,877.0 million) (subject to adjustments), which shall be the aggregate of (i) the agreed value of the Phase 3 Project of RMB1,248,350,000 (equivalent to approximately HK\$1,498.0 million); (ii) the agreed value of the Inventories of RMB85,489,830 (equivalent to approximately HK\$102.6 million); (iii) the Construction Costs Reimbursement; (iv) the Deferred Tax Amount; and (v) Double Wealthy Completion NAV. According to the consolidated financial information of Double Wealthy Group as at 30 September 2020 and estimated adjustments made up to Completion, the estimated maximum amount of Double Wealthy Completion NAV will not be higher than approximately RMB105,541,231 (equivalent to approximately HK\$126.7 million), which will mainly represent the bank balances of the Panyu ProjectCo as at Completion. The exact amount of the Consideration will be determined as at the date of Completion.

The Consideration will be satisfied in cash in Hong Kong by the Purchaser to the Vendor in the following manners:

- (a) upon signing of the SP Agreement A, the Deposit equivalent to RMB100 million (equivalent to approximately HK\$120.0 million);
- (b) approximately RMB1,339,273,479 (equivalent to approximately HK\$1,607.2 million) (subject to adjustments), being the Consideration less the Deposit, the Deferred Consideration and the Deferred Tax Amount, shall be paid on the date of Completion, upon which the entire Sale Loan will be fully assigned;
- (c) RMB99,868,000 (equivalent to approximately HK\$119.8 million), being the Deferred Consideration, shall be paid on the Business Day falling immediately after the expiry of 12 months from the date of Completion. During the 12-month following Completion, the Vendor shall fully pay the Seller's Tax Liability and the Purchaser shall have the rights to set-off such outstanding unpaid tax from the Deferred Consideration for making payment to the relevant PRC tax authority; and
- (d) the Deferred Tax Amount to be settled as mentioned in "5. Deferred Tax Amount" below.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser after taking into account: (i) the prevailing selling prices of residential properties similar to the Phase 3 Project and the Inventories ; (ii) the tax deductible vouchers of the Panyu ProjectCo based on its original land cost; (iii) the Construction Costs Reimbursement, being the agreed actual construction costs incurred

and paid by the Panyu ProjectCo on the Phase 3 Project prior to Completion; (iv) in respect of the Deferred Tax Amount, the tax losses of the Panyu ProjectCo; and (v) Double Wealthy Completion NAV.

5. Deferred Tax Amount

The Vendor represents, warrants and undertakes to the Purchaser that the tax losses of the Panyu ProjectCo as at the Completion will be at least RMB115 million (equivalent to approximately HK\$138.0 million). On the basis that these tax losses shall be available for utilization by the Panyu ProjectCo for 5 years in accordance with the PRC tax law, a tax credit value capped at RMB25 million (equivalent to approximately HK\$30.0 million), being the Deferred Tax Amount, shall be payable to the Vendor as follows:

- (i) if any part of the tax losses is utilized to set off against any taxable income, such amount of the utilized tax losses multiplied by 25% shall be paid by the Purchaser to the Vendor within ten Business Days of utilization as partial payment of the Deferred Tax Amount;
- (ii) if any part of the remaining tax losses is not utilized, the Deferred Tax Amount less the amount paid under (i) above shall be paid by the Purchaser to the Vendor within four years from the date of Completion after considering the timeframe for the disposal of the Inventories and Phase 3 Project development; and
- (iii) if within seven years after the last payment to the Vendor is made under (ii) above, it is assessed or determined by the relevant tax authority in the PRC that the tax losses are less than the amount on the basis of which the Deferred Tax Amount was determined and paid to the Vendor thereunder, the Vendor shall within ten Business Days pay to the Purchaser an amount that equals the shortfall multiplied by 25%.

6. Assets retained by the Vendor

The Vendor will retain, among others, the following: (i) Retained Villa and Retained Assets which will be transferred to a designated company of the Vendor prior to Completion; (ii) the Retained Carparks will either be transferred to a designated company of the Vendor upon Completion or to be sold to third parties after Completion; and (iii) the Sold Villa will be transferred to the end buyer when the end buyer completes the sale and purchase on or before 31 December 2021.

7. Conditions precedent

Completion is conditional upon the following conditions being satisfied (and/or waived):

- (a) the transactions as contemplated under the SP Agreement A having been approved by Chuang's China Shareholders and Chuang's Consortium Shareholders in accordance with the Listing Rules; and
- (b) there being no Material Adverse Effect up to the date of Completion.

The Purchaser may waive the condition precedent referred to in paragraph (b) above at any time before the Longstop Date by notice in writing to the Vendor. Save as aforesaid, none of the other conditions precedent above is capable of being waived.

If the conditions precedent of the SP Agreement A are not fulfilled on or before the Longstop Date, the rights and obligations of the parties under the SP Agreement A shall lapse and be of no further effect, and the Deposit (together with any interest accrued) will be refunded to the Purchaser.

Profit Stability Investments Limited (“**Profit Stability**”), a direct wholly-owned subsidiary of Chuang’s Consortium, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the Chuang’s China SGM to approve the SP Agreement A and the transactions contemplated thereunder. As at the date of this joint announcement, Profit Stability owns approximately 60.71% interest in Chuang’s China.

Evergain Holdings Limited (“**EHL**”), the controlling shareholder of Chuang’s Consortium, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the Chuang’s Consortium SGM to approve the SP Agreement A and the transactions contemplated thereunder. As at the date of this joint announcement, EHL owns approximately 53.54% interest in Chuang’s Consortium.

8. Other terms of SP Agreement A

Prior to Completion, the Vendor shall obtain tax assessment in the PRC regarding the Seller’s Tax Liability. In the event the Vendor is not satisfied with the assessment of the Seller’s Tax Liability by the relevant tax authorities and decide not to accept such assessed amount, the Vendor shall notify the Purchaser of the Vendor’s decision to terminate the SP Agreement A (“**Vendor’s Notice**”). The Vendor’s right of termination shall lapse if the Purchaser informs the Vendor of the Purchaser’s decision to be responsible for the payment of an amount of the Seller’s Tax Liability in excess of RMB200 million (“**Purchaser’s Notice**”). In the event the Purchaser does not issue the Purchaser’s Notice within 7 Business Days upon receipt of the Vendor’s Notice, the rights and obligations of the parties under the SP Agreement A shall lapse and be of no further effect, and the Deposit (together with any interest accrued) will be refunded to the Purchaser.

9. Completion

Completion shall take place in Hong Kong on a day no later than the tenth Business Day after the latest of (i) the date of the satisfaction and/or waiver of the conditions precedent; and (ii) the date in accordance with the SP Agreement A for the Vendor informing the Purchaser of the satisfaction of the Seller’s Tax Liability or the waiver by the Vendor; or (iii) the date of the Purchaser’s Notice; provided that the date of Completion shall not be later than 18 October 2021, unless the Longstop Date is extended by the Purchaser or unless otherwise extended by mutual agreement between the Vendor and the Purchaser in writing.

THE SP AGREEMENT B

1. Date

9 February 2021 (after trading hours)

2. Parties

The PRC Vendor: Guangzhou Heng Yang Investment Services Limited[#]
(廣州恒陽投資諮詢服務有限公司)

The PRC Purchaser 1: First Sponsor (Guangdong) Group Limited[#]
(首鑄(廣東)集團有限公司)

The PRC Purchaser 2: Shoucheng (Dongguan) Real Estate Co., Ltd.[#]
(首誠(東莞)房地產有限公司)

3. Asset to be disposed of

Pursuant to the SP Agreement B, the asset to be disposed of by the PRC Vendor to the PRC Purchaser 1 and the PRC Purchaser 2 represents 95% and 5% of the PRC Sale Shares respectively.

The PRC Vendor has conditionally agreed to sell the PRC Sale Shares to the PRC Purchaser Group free from encumbrances but together with all rights attached, accrued or accruing thereto as at the date of completion and together with all dividends and distributions declared, made or paid or agreed to be made or paid thereon or in respect thereof on or after the date of completion.

4. Consideration

The PRC Consideration to be received by the PRC Vendor from the PRC Purchaser Group is estimated to be not more than approximately RMB10.5 million (equivalent to approximately HK\$12.6 million) (subject to adjustments), which shall be the aggregate of (i) the agreed value of the Crystal Clubhouse of RMB9,573,705 (equivalent to approximately HK\$11.5 million); and (ii) Kai Xiang Completion NAV. According to the financial information of Kai Xiang as at 30 September 2020 and estimated adjustments made up to completion, the estimated maximum amount of Kai Xiang Completion NAV will not be higher than approximately RMB926,295 (equivalent to approximately HK\$1.1 million), which will mainly represent the bank balances of Kai Xiang as at completion of SP Agreement B. The exact amount of the PRC Consideration will be determined as at the date of completion.

The PRC Consideration will be satisfied in cash in the PRC by the PRC Purchaser Group to the PRC Vendor on the date of Completion.

The PRC Consideration was arrived at after arm's length negotiations between the PRC Vendor and the PRC Purchaser Group with reference to (i) the market value of the Crystal Clubhouse after taking into account market prices of similar properties in nearby area; and (ii) Kai Xiang Completion NAV.

5. Conditions precedent

Completion of the SP Agreement B is conditional upon the following conditions being satisfied:

- (a) the transactions as contemplated under the SP Agreement B having been approved by Chuang's China Shareholders and Chuang's Consortium Shareholders in accordance with the Listing Rules; and
- (b) Completion of the SP Agreement A.

None of the conditions precedent above is capable of being waived. If the conditions precedent of the SP Agreement B are not fulfilled on or before the Longstop Date, the rights and obligations of the parties under the SP Agreement B shall lapse and be of no further effect.

As the only core asset owned by Kai Xiang is the Crystal Clubhouse at Phase 1 of the Project, it is the intention of the parties that if the disposal of the SP Agreement A is not proceeded to completion, the SP Agreement B would also not be completed. Accordingly, in the event the SP Agreement A is terminated in accordance with its terms, the SP Agreement B will be terminated simultaneously.

6. Completion

Upon the satisfaction of the conditions precedent stated above and the PRC Consideration is received by the PRC Vendor, the PRC Vendor and the PRC Purchaser Group will apply for the change of business license of Kai Xiang. Completion of the SP Agreement B will take place on or before the fifth Business Day following the completion of the change of the business license of Kai Xiang.

INFORMATION ON DOUBLE WEALTHY GROUP, THE PROJECT AND KAI XIANG

Information on Double Wealthy Group and the Project

Double Wealthy is incorporated in Hong Kong and is directly wholly-owned by the Vendor. The Panyu ProjectCo, a wholly-owned subsidiary of Double Wealthy, is the owner of the land use rights of the Project in Panyu District at Guangzhou, the PRC, which is an integrated residential and commercial property development. Panyu ProjectCo has completed the development of Phase 1 and Phase 2 of the Project (comprising 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial properties, clubhouses and 1,497 car parking spaces) with aggregate GFA of approximately 260,800 sq. m.. Save for the Inventories, the Retained Villa and the Retained Carparks, all the properties of Phase 1 and Phase 2 have been sold.

Phase 3 Project has a site area of about 95,771 sq. m., its total GFA is 175,011 sq. m. and saleable GFA is about 162,958.64 sq. m.. Panyu ProjectCo has commenced the development of the Phase 3 Project, and has completed the foundation works and basement for residential

buildings (total GFA of about 79,813 sq. m.) together with kindergarten and public utilities (total GFA of about 5,775 sq. m.). Superstructure works of the kindergarten have also been completed.

At Completion, the principal assets of Double Wealthy Group are (i) the Phase 3 Project and (ii) the Inventories, comprising the 15 unsold villas with total GFA of about 4,764 sq. m., the 368 unsold car parking spaces and a commercial unit with total GFA of about 821 sq. m.. The Inventories are currently vacant.

A summary of the unaudited consolidated financial information of Double Wealthy Group for the two years ended 31 March 2020 and the six months ended 30 September 2020 is set out below:

	For the years ended		For the six months ended
	31 March 2019	31 March 2020	30 September 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues	73,330	38,100	4,273
Profit/(loss) before taxation	23,071	(46,041)	(22,469)
Loss after taxation	(2,972)	(52,226)	(23,735)

The consolidated net asset value of Double Wealthy Group (excluding the amount due to the Vendor of approximately HK\$89.8 million) as at 30 September 2020 was approximately HK\$465.0 million. The preliminary valuation of the Phase 3 Project as appraised by an independent valuer as at 31 January 2021 is RMB1,419.4 million (equivalent to approximately HK\$1,703.3 million). The preliminary valuation was conducted on the basis of open market value of properties transactions, but the valuation has not taken into account the potential land appreciation tax. As the transactions contemplated under the SP Agreement A comprise the sale of Sale Shares instead of sale of properties, the relevant impact of potential land appreciation tax based on original land cost of the Panyu ProjectCo has been considered in arriving at the agreed value of the Phase 3 Project of RMB1,248,350,000 (equivalent to approximately HK\$1,498.0 million). The Chuang's China Directors considered that the discount of about 12.1% of the agreed value of the Phase 3 Project to the preliminary valuation is reasonable in view of the substantial land appreciation tax rate applicable in the PRC, on the basis that with reference to the prevailing selling prices of properties in the locality, the Panyu ProjectCo will be subject to land appreciation tax rate of about 60% in view of its low original carrying cost of Phase 3 Project.

The preliminary valuation of the Inventories as appraised by the independent valuer as at 31 January 2021 is RMB159.1 million (equivalent to approximately HK\$190.9 million). The agreed value of Inventories of RMB85,489,830 (equivalent to approximately HK\$102.6 million) was arrived at based on the net cash receivables after deducting the relevant PRC taxes applicable to the sale of the Inventories of about 28% and the bulk discount of about 25% for the one-off sale of the Inventories which are slow-moving stocks. The Chuang's

China Directors considered that the difference between the preliminary valuation and the agreed value of the Inventories is reasonable and represented the taxes payable for sale of such Inventories in the PRC at bulk discount.

Information of Kai Xiang

Kai Xiang is incorporated in the PRC and is a direct wholly-owned subsidiary of the PRC Vendor. Kai Xiang is principally engaged in property management and investment and its assets comprise the Crystal Clubhouse. The Crystal Clubhouse is located within Phase 1 of the Project having a GFA of approximately 809 sq. m. and is currently leased to an independent third party at a monthly rental of RMB27,600 (equivalent to approximately HK\$33,120) with tenancy expiring in March 2027.

A summary of the unaudited financial information of Kai Xiang for the two years ended 31 March 2020 and the six months ended 30 September 2020 is set out below:

	For the years ended		For the six months ended
	31 March	31 March	30 September
	2019	2020	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	—	227	188
(Loss)/profit before taxation	(562)	(1,212)	170
(Loss)/profit after taxation	(943)	(876)	170

The net asset value of Kai Xiang as at 30 September 2020 was approximately HK\$9.8 million. The preliminary valuation of the Crystal Clubhouse as appraised by the independent valuer as at 31 January 2021 is RMB9.6 million (equivalent to approximately HK\$11.5 million), which is approximate the agreed value of the Crystal Clubhouse under the SP Agreement B.

INFORMATION ON THE VENDOR, THE PRC VENDOR, THE CHUANG'S CHINA GROUP AND THE CHUANG'S CONSORTIUM GROUP

The Vendor is a company incorporated in Bermuda with limited liability and is a direct wholly-owned subsidiary of Chuang's China. The Vendor is principally engaged in investment holding.

The PRC Vendor is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of Chuang's China. The PRC Vendor is principally engaged in investment holding.

The Chuang's China Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises (including art pieces), and securities investment and trading. As at the date of this joint announcement, Chuang's China is a non-wholly-owned subsidiary of, and owned as to approximately 60.71% by, the Chuang's Consortium Group.

The Chuang's Consortium Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales and trading of goods and merchandises, securities investment and trading and money lending business.

INFORMATION ON THE PURCHASER, THE PURCHASER'S GUARANTOR AND THE PRC PURCHASER GROUP

The Purchaser is incorporated in the British Virgin Islands with limited liability. The Purchaser's Guarantor is incorporated in the Cayman Islands with limited liability and its shares are listed on the Singapore Exchange Securities Trading Limited. As at the date of this joint announcement, the Purchaser is a wholly-owned subsidiary of the Purchaser's Guarantor.

The PRC Purchaser Group is incorporated in the PRC with limited liability. As at the date of this joint announcement, the PRC Purchaser 1 is a wholly-owned subsidiary of the Purchaser's Guarantor and the PRC Purchaser 2 is wholly-owned by Mr. Shu Zhen. Mr. Shu Zhen is the chief executive officer of the Guangdong operations of the Purchaser's Guarantor group.

To the best of each of the Chuang's China Directors' and the Chuang's Consortium Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser, the Purchaser's Guarantor, the PRC Purchaser Group and their ultimate beneficial owners are third parties independent of Chuang's China and Chuang's Consortium and their respective connected persons (as defined in the Listing Rules); (ii) the Purchaser and the PRC Purchaser Group are principally engaged in investment holding; and (iii) the Purchaser's Guarantor is principally engaged in investment holding and the Purchaser's Guarantor group is principally engaged in property development and sales, property investment, hotel ownership and operations and provision of property financing services.

REASONS FOR AND BENEFITS OF THE DISPOSALS

Chuang's China

The Chuang's China Group, through Double Wealthy Group, owns an integrated residential and commercial community and its development is implemented by phases. Development of Phase 1 and 2, having a total GFA of approximately 260,800 sq. m., has been completed. It comprises 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial properties, clubhouses and 1,497 car parking spaces. As at the date of this joint announcement, substantially all of the residential flats of Phase 1 and Phase 2 have been sold. The remaining properties of Phase 1 and Phase 2 are the Inventories, the Crystal Clubhouse, the Retained Villa and the Retained Carparks.

Phase 3 Project comprises a site of about 95,771 sq. m. and its saleable GFA is about 162,958.64 sq. m.. The Chuang's China Group has commenced the development of Phase 3 Project by stages, and about 85,588 sq. m. are under construction.

As set out in the interim report for the period ended 30 September 2020, the Chuang's China Group will explore options for disposal of Double Wealthy Group in order to accelerate capital return on investment in the Project. Based on the total estimated amount of the

Consideration and the PRC Consideration of approximately RMB1,574.6 million (equivalent to approximately HK\$1,889.6 million), the Chuang's China Group is expected to record an estimated net gain from the disposals of approximately HK\$1,078.7 million as detailed in "Financial effects of the disposals" below, and the net cash proceeds for the disposals are estimated to be approximately RMB1,328.6 million (equivalent to approximately HK\$1,594.3 million).

In light of the uncertainties in the global economy in face of lock-down measures to combat COVID-19, the Chuang's China Directors consider that the disposals represent a valuable opportunity for the Chuang's China Group to accelerate the return of this investment in the Project at a considerable profit and also to generate substantial cash inflow upon Completion. Based on the above, the Chuang's China Directors are of the view that the terms of the SP Agreement A and the SP Agreement B are on normal commercial terms, fair and reasonable and the disposals are in the interests of Chuang's China and the Chuang's China Shareholders as a whole.

Chuang's Consortium

Chuang's China is a 60.71% subsidiary of the Chuang's Consortium Group. Having considered the factors mentioned above, in particular, the disposals will (i) unlock the stored value in the Project and accelerate capital return on investment in the Project; (ii) substantially enhance the working capital and financial position of the Chuang's China Group; and (iii) generate a net gain to the Chuang's China Group, the Chuang's Consortium Directors concur with the view of the Chuang's China Directors that the disposals are in the interests of Chuang's China and the Chuang's China Shareholders as a whole.

On the basis of the above, the Chuang's Consortium Directors are of the view that the terms of the SP Agreement A and the SP Agreement B are on normal commercial terms, fair and reasonable and the disposals are in the interests of Chuang's Consortium and the Chuang's Consortium Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSALS

Earnings

Chuang's China

Based on the total estimated amount of the Consideration and the PRC Consideration of approximately RMB1,574.6 million (equivalent to approximately HK\$1,889.6 million) (subject to adjustments) and the aggregate consolidated net asset value of Double Wealthy Group (excluding the amount due to the Vendor) and Kai Xiang as at 30 September 2020 of approximately HK\$474.8 million (and taken into account the transactions from 30 September 2020 up to the date of this joint announcement), the Chuang's China Group is expected to record an estimated net gain from the disposals of approximately HK\$1,078.7 million. Such net gain has been taken into account the effect of the Retained Assets, the Retained Villa and the Retained Carparks by the Chuang's China Group, the estimated expenses in relation to the disposals (including stamp duty, applicable taxes in the PRC, staff pension of Double Wealthy Group and Kai Xiang, and professional fees) of approximately HK\$156.4 million, the estimated income from the realization of exchange

reserves of approximately HK\$46.9 million, and the estimated income from the reversal of deferred taxation liabilities of approximately HK\$67.0 million. However, the actual amount of net gain from the disposals can only be determined at Completion.

Chuang's Consortium

As for Chuang's Consortium, since Chuang's China is a 60.71% subsidiary of the Chuang's Consortium Group, any profit/loss of the Chuang's China Group as mentioned above will be taken up as to 60.71% by the Chuang's Consortium Group. On the basis that the Chuang's China Group is expected to record an estimated net gain from the disposals of approximately HK\$1,078.7 million, the Chuang's Consortium Group is expected to record an estimated net gain from the disposals of approximately HK\$652.4 million (after deducting non-controlling interests of approximately 39.29% and the estimated expenses of approximately HK\$2.5 million to be incurred by Chuang's Consortium for the disposals).

General

Shareholders should note that the financial impact set out above is for illustrative purpose only, which will have to be ascertained at the time of preparation of Chuang's China's and Chuang's Consortium's consolidated financial statements with reference to, among other things, the actual costs and expenses associated with the disposals, and is subject to audit.

Assets and liabilities

Upon Completion, Double Wealthy Group and Kai Xiang will cease to be subsidiaries of Chuang's China and Chuang's Consortium and the financial results and the assets and liabilities of Double Wealthy Group (except for those arising from the Retained Assets, the Retained Villa, the Retained Carparks and the Sold Villa) and Kai Xiang will cease to be consolidated into the consolidated financial statements of the Chuang's China Group and the Chuang's Consortium Group.

USE OF PROCEEDS

Based on the total estimated amount of the Consideration and the PRC Consideration of approximately RMB1,574.6 million (equivalent to approximately HK\$1,889.6 million) (subject to adjustments), the net cash proceeds for the disposals are estimated to be approximately RMB1,328.6 million (equivalent to approximately HK\$1,594.3 million). As disclosed in the interim report of Chuang's China for the six months ended 30 September 2020, the Chuang's China Group will continue to identify opportunities not only in Hong Kong but also with focus on cities along the Guangdong-Hong Kong-Macao Greater Bay Area and Belt and Road Initiative. The proceeds from the disposals of the Double Wealthy Group and Kai Xiang will replenish the working capital of the Chuang's China Group for potential investments as and when opportunities arise, which in turn will allow the Chuang's China Group to expand its sources of revenue, enhance its profitability, and maximize return for its shareholders.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, the Vendor and the PRC Vendor are wholly-owned subsidiaries of the Chuang's China Group and Chuang's China is an indirect non-wholly-owned subsidiary of, and owned as to approximately 60.71% by, the Chuang's Consortium Group.

Chuang's China

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the disposals is above 75% for Chuang's China, the disposals in aggregate, constitute a very substantial disposal of Chuang's China and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Chuang's China Directors having made all reasonable enquiries, none of the Chuang's China Shareholders has a material interest in the disposals and therefore, no Chuang's China Shareholders will be required to abstain from voting on the resolution(s) to be proposed at the Chuang's China SGM to approve the disposals contemplated under the SP Agreement A and the SP Agreement B.

Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the Chuang's China SGM to approve the SP Agreement A and the transactions contemplated thereunder. As at the date of this joint announcement, Profit Stability owns approximately 60.71% interest in Chuang's China.

A circular containing, amongst other things, further information on the disposals, a valuation report of the Phase 3 Project, the Inventories and the Crystal Clubhouse, other information as required under the Listing Rules and a notice of Chuang's China SGM will be despatched to the Chuang's China Shareholders on or before 31 March 2021 in order to allow sufficient time for Chuang's China to prepare the necessary information to be included in the circular.

Chuang's Consortium

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the disposals is above 75% for Chuang's Consortium, the disposals in aggregate, constitute a very substantial disposal of Chuang's Consortium and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Chuang's Consortium Directors having made all reasonable enquiries, none of the Chuang's Consortium Shareholders has a material interest in the disposals. Accordingly, no Chuang's Consortium Shareholders will be required to abstain from voting on the resolution(s) to be proposed at the Chuang's Consortium SGM to approve the disposals contemplated under the SP Agreement A and the SP Agreement B.

EHL, the controlling shareholder of Chuang's Consortium, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the Chuang's Consortium SGM to approve the SP Agreement A and the transactions contemplated thereunder. As at the date of this joint announcement, EHL owns approximately 53.54% of interest in Chuang's Consortium. EHL is beneficially owned as to 60% by Mr. Alan Chuang Shaw Swee, the honorary chairman of Chuang's Consortium, beneficially owned as to 10% by each of Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung and Mr. Geoffrey Chuang Ka Kam, directors of Chuang's China and Chuang's Consortium, and beneficially owned as to 10% by Mrs. Candy Kotewall Chuang Ka Wai, a director of Chuang's Consortium.

A circular containing, amongst other things, further information on the disposals, a valuation report of the Phase 3 Project, the Inventories and the Crystal Clubhouse, other information as required under the Listing Rules and a notice of Chuang's Consortium SGM will be despatched to the Chuang's Consortium Shareholders on or before 31 March 2021 in order to allow sufficient time for Chuang's Consortium to prepare the necessary information to be included in the circular.

GENERAL

Completion of the SP Agreement A and the SP Agreement B is subject to the satisfaction of the conditions precedent and terms thereof and therefore, may or may not take place. Shareholders and potential investors of Chuang's China and Chuang's Consortium are advised to exercise caution when dealing in the shares of Chuang's China and Chuang's Consortium respectively.

RESUMPTION OF TRADING

Trading in the shares of Chuang's China was halted with effect from 9:00 a.m. on Wednesday, 10 February 2021 at the request of Chuang's China, pending the publication of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of Chuang's China on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 16 February 2021.

Trading in the shares of Chuang's Consortium was halted with effect from 9:00 a.m. on Wednesday, 10 February 2021 at the request of Chuang's Consortium, pending the publication of this joint announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of Chuang's Consortium on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 16 February 2021.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Business Day”	a day (other than a Saturday, a Sunday or a public holiday in the PRC, Hong Kong or Singapore or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in the PRC, Hong Kong and Singapore are open for general banking business in the PRC, Hong Kong and Singapore throughout their normal business hours
“Chuang’s China” or “Vendor’s Guarantor”	Chuang’s China Investments Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 298). As at the date of this joint announcement, Chuang’s China is owned as to 60.71% by the Chuang’s Consortium Group
“Chuang’s China Directors”	directors of Chuang’s China
“Chuang’s China Group”	Chuang’s China and its subsidiaries
“Chuang’s China SGM”	the special general meeting of Chuang’s China to be convened for the Chuang’s China Shareholders for the purpose of considering, and, if thought fit, to approve, among other matters, the SP Agreement A and the SP Agreement B and the transactions contemplated thereunder
“Chuang’s China Shareholder(s)”	shareholder(s) of Chuang’s China
“Chuang’s Consortium”	Chuang’s Consortium International Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 367)
“Chuang’s Consortium Directors”	directors of Chuang’s Consortium
“Chuang’s Consortium Group”	Chuang’s Consortium and its subsidiaries, including the Chuang’s China Group
“Chuang’s Consortium SGM”	the special general meeting of Chuang’s Consortium to be convened for the Chuang’s Consortium Shareholders for the purpose of considering, and, if thought fit, to approve, among other matters, the SP Agreement A and the SP Agreement B and the transactions contemplated thereunder

“Chuang’s Consortium Shareholder(s)”	shareholder(s) of Chuang’s Consortium
“Completion”	completion of the SP Agreement A
“Consideration”	the total consideration for the disposal of the Sale Shares and the Sale Loan payable by the Purchaser to the Vendor in relation to the SP Agreement A
“Construction Costs Reimbursement”	the agreed construction costs of Phase 3 Project incurred and paid by the Panyu ProjectCo before Completion, and are payable by the Purchaser to the Vendor as reimbursement pursuant to the terms and conditions of the SP Agreement A, and is estimated to be not more than approximately RMB99,760,418 (equivalent to approximately HK\$119.7 million) as at Completion
“Crystal Clubhouse”	the clubhouse, being the core asset owned by Kai Xiang, located at Phase 1 of the Project having GFA of approximately 809 sq. m. and one car parking space
“Deferred Consideration”	RMB99,868,000 (equivalent to approximately HK\$119.8 million), which represents 8% of the agreed value of the Phase 3 Project under the SP Agreement A
“Deferred Tax Amount”	the capped amount of RMB25 million (equivalent to approximately HK\$30.0 million) payable by the Purchaser to the Vendor
“Deposit”	deposit paid by the Purchaser under the SP Agreement A
“Double Wealthy”	Double Wealthy Company Limited, a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Vendor
“Double Wealthy Completion NAV”	the aggregate of all other assets of Double Wealthy Group (excluding the Phase 3 Project, the Inventories, the Construction Costs Reimbursement, the Retained Assets, the Retained Villa, the Retained Carparks and the Sold Villa) less the aggregate of all liabilities and provisions (excluding the Sale Loan and the deferred taxation liabilities) of Double Wealthy Group on the date of Completion, subject to other adjustment principles as set out in the SP Agreement A
“Double Wealthy Group”	Double Wealthy and the Panyu ProjectCo
“GFA”	gross floor area

“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
“Inventories”	comprising (i) the 15 unsold villas of the Project with total GFA of about 4,764 sq. m.; (ii) the 368 unsold car parking spaces of the Project; and (iii) a commercial unit with total GFA of about 821 sq. m. of the Project
“Kai Xiang”	Guangzhou Kai Xiang Properties Management Company Limited [#] (廣州市凱翔物業管理有限公司), a company incorporated in the PRC with limited liability and is a direct wholly-owned subsidiary of the PRC Vendor
“Kai Xiang Completion NAV”	the aggregate of all other assets of Kai Xiang (excluding the Crystal Clubhouse) less the aggregate of all liabilities and provisions (excluding the deferred taxation liabilities, if any) of Kai Xiang on the date of Completion
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	(i) 31 July 2021 or (ii) in the event that the satisfaction of the conditions precedent cannot be reasonably practicably be satisfied by 31 July 2021 due to delays caused by COVID-19 or in the event that the assessment of Seller’s Tax Liability is not obtained by 31 July 2021, 30 September 2021; or (iii) in the event that the tax assessment of Seller’s Tax Liability is not obtained by 30 September 2021, such other date as may be extended by the Purchaser; or (iv) such other date as agreed between the Purchaser and the Vendor in writing under the SP Agreement A
“Material Adverse Effect”	any material adverse effect on the business, operations, assets (including the Phase 3 Project and the Inventories (subject to fair wear and tear)), financial conditions or operating results, of Double Wealthy Group as a whole or breach of warranties and any provisions of SP Agreement A, which results in a decrease in value of the Double Wealthy Group exceeding RMB300 million (equivalent to approximately HK\$360.0 million), other than those resulting primarily from general market condition and/or general economic environment (including COVID-19) and/or any material changes in applicable laws and/or applicable measures and/or directives in place in the PRC after the date of the SP Agreement A

“Panyu ProjectCo”	Guangzhou Panyu Chuang’s Real Estate Development Company Limited [#] (廣州市番禺區莊士房地產開發有限公司), a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of Double Wealthy
“Phase 3 Project”	comprising Phase 3 of Chuang’s Le Papillon (莊士映蝶藍灣) located at No. 126, Liangang Road, Shilou Town, Panyu District, Guangzhou, the PRC, having an aggregate site area of approximately 95,771 sq. m. and total GFA for future development of approximately 175,011 sq. m. and saleable GFA of approximately 162,958.64 sq. m.. Construction works have commenced for about 85,588 sq. m.
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Consideration”	the consideration for the disposal of the PRC Sale Shares payable by the PRC Purchaser Group to the PRC Vendor in relation to the SP Agreement B
“PRC Purchaser 1”	First Sponsor (Guangdong) Group Limited [#] (首鑄(廣東)集團有限公司), a company incorporated in the PRC with limited liability and is an indirectly wholly-owned subsidiary of the Purchaser’s Guarantor
“PRC Purchaser 2”	Shoucheng (Dongguan) Real Estate Co., Ltd. [#] (首誠(東莞)房地產有限公司), a company incorporated in the PRC with limited liability and is wholly-owned by Mr. Shu Zhen, an independent third party
“PRC Purchaser Group”	the PRC Purchaser 1 and the PRC Purchaser 2
“PRC Sale Shares”	entire issued share capital of Kai Xiang
“PRC Vendor”	Guangzhou Heng Yang Investment Services Limited [#] (廣州恒陽投資諮詢服務有限公司), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of Chuang’s China
“Project”	the property development project, known as “Chuang’s Le Papillon (莊士映蝶藍灣)”, located at No. 126, Liangang Road, Shilou Town, Panyu District, Guangzhou, the PRC, comprising (i) Phase 1 and Phase 2, all of which are already developed by the Panyu ProjectCo; and (ii) the Phase 3 Project

“Purchaser”	FS Dongguan No. 6 Ltd, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Purchaser’s Guarantor
“Purchaser’s Guarantor”	First Sponsor Group Limited, a limited liability company incorporated in the Cayman Islands and its shares are listed on the Singapore Exchange Securities Trading Limited (stock code: ADN)
“Retained Assets”	other assets comprising (i) six motor vehicles; and (ii) those moveable office equipment (including computers and servers), all currently owned by the Panyu ProjectCo
“Retained Carparks”	comprising 10 unsold carparks of Phase 1 and Phase 2 of the Project
“Retained Villa”	comprising (i) one fully furnished villa with GFA of about 318 sq. m. located in Phase 2 of the Project; and (ii) four car parking spaces in Phase 2 of the Project
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the entire amount of the unsecured interest-free loan owing by Double Wealthy to the Vendor immediately prior to the Completion of the SP Agreement A, and it is amounted to approximately HK\$89.8 million as at 30 September 2020
“Sale Shares”	entire issued share capital of Double Wealthy
“Seller’s Tax Liability”	the amount of the tax liability in the PRC of the Vendor arising from or relating to the transactions contemplated under the SP Agreement A, which shall not exceed RMB200 million
“Sold Villa”	one villa with GFA of about 318 sq. m. located in Phase 2 of the Project which is sold to an independent third party under a sale and purchase agreement and the relevant sale and purchase agreement is not yet completed as at the date of this joint announcement
“SP Agreement A”	the conditional sale and purchase agreement dated 9 February 2021 entered into amongst the Vendor, the Purchaser, Chuang’s China and the Purchaser’s Guarantor in relation to the proposed disposal of the Sale Shares and the Sale Loan

“SP Agreement B”	the conditional sale and purchase agreement dated 9 February 2021 entered into amongst the PRC Vendor and the PRC Purchaser Group in relation to the proposed disposal of the PRC Sale Shares
“sq. m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Chuang’s China Realty Limited, a company incorporated in Bermuda with limited liability and is a direct wholly-owned subsidiary of Chuang’s China
“%”	per cent.

By order of the board of
Chuang’s Consortium International Limited
Albert Chuang Ka Pun
Chairman and Managing Director

By order of the board of
Chuang’s China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 11 February 2021

As at the date of this joint announcement, Mr. Albert Chuang Ka Pun, Mr. Richard Hung Ting Ho, Mr. Chong Ka Fung, Miss Ann Li Mee Sum, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Geoffrey Chuang Ka Kam and Mr. Chan Chun Man are the executive directors of Chuang’s Consortium, and Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong, Mr. Yau Chi Ming, Mr. David Chu Yu Lin and Mr. Tony Tse Wai Chuen are the independent non-executive directors of Chuang’s Consortium.

As at the date of this joint announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Chong Ka Fung, Mr. Sunny Pang Chun Kit, Mr. Geoffrey Chuang Ka Kam and Mr. Neville Charles Kotewall are the executive directors of Chuang’s China, and Mr. Dominic Lai is the non-executive director of Chuang’s China, and Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong are the independent non-executive directors of Chuang’s China.

For the purpose of illustration only and unless otherwise stated, the translation of RMB into HK\$ in this joint announcement is based on the approximate exchange rate of RMB1.0 = HK\$1.2. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

English translation only