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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)

## **JOINT ANNOUNCEMENT IN RELATION TO**

**(1) MAJOR TRANSACTION:  
PROPOSED DISPOSAL OF THE  
SALE SHARES AND  
ASSIGNMENT  
OF THE SALE LOANS;  
AND**

**(2) MAJOR TRANSACTION:  
PROPOSED SUBSCRIPTION OF  
THE CONSIDERATION SHARES**

**(1) MAJOR AND CONNECTED  
TRANSACTION: PROPOSED  
ACQUISITION OF  
THE SALE SHARES AND  
THE SALE LOANS  
INVOLVING ISSUE OF THE  
CONSIDERATION SHARES;  
AND**

**(2) PROPOSED CONDITIONAL  
CHUANG'S CHINA SPECIAL  
CASH DISTRIBUTION**

**Financial Adviser to Chuang's China Investments Limited**

**BALLAS**  
CAPITAL

## **SALE AND PURCHASE AGREEMENT**

The Chuang's Consortium Board and the Chuang's China Board are pleased to announce that on 29 June 2021 (after trading hours), the Vendors (indirect wholly-owned subsidiaries of Chuang's Consortium), the Purchaser (a direct wholly-owned subsidiary of Chuang's China), Chuang's Consortium and Chuang's China entered into the Sale and Purchase Agreement, pursuant to which the Vendors have conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to acquire and accept the assignment of, the Sale Shares (being the entire issued share capital of the Target Companies) and the Sale Loans.

The Consideration for the Sale Shares and the Sale Loans is estimated to be not more than HK\$586,000,000, which was determined after arm's length negotiations between the Vendors and the Purchaser, and is arrived at based on the aggregate of (i) the Agreed Property Valuation of Project-HK and Project-Kowloon; and (ii) the Completion NAV of the Target Companies. The principal assets of the Target Companies are Project-HK and Project-Kowloon.

The Consideration shall be satisfied entirely by way of allotment and issue of Consideration Shares by Chuang's China to Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium, at the issue price of HK\$0.55 per Consideration Share. With reference to the Consideration of not more than HK\$586,000,000, it is expected that not more than 1,065,454,545 Consideration Shares will be issued. Upon Completion of the Proposed Transaction, the Chuang's Consortium Group's holdings in Chuang's China will be increased from about 60.71% to a maximum of about 72.97%.

## **PROPOSED CONDITIONAL CHUANG'S CHINA SPECIAL CASH DISTRIBUTION**

The Chuang's China Board declares that conditional upon the Completion of the Proposed Transaction, Chuang's China will distribute the Proposed Conditional Chuang's China Special Cash Distribution of 8.5 HK cents per Chuang's China Share to Chuang's China Shareholders whose names appear on the register of members of Chuang's China on the record date for determining the entitlement to such cash distribution. For avoidance of doubt, the Consideration Shares will not be entitled to the Proposed Conditional Chuang's China Special Cash Distribution.

**The Proposed Conditional Chuang's China Special Cash Distribution may only become payable upon the Completion of the Proposed Transaction.**

## **LISTING RULES IMPLICATIONS**

As at the date of this joint announcement, Chuang's Consortium is interested in approximately 60.71% of the issued share capital of Chuang's China (through Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium).

## **Chuang's China**

As one or more applicable percentage ratios (as defined in the Listing Rules) regarding the Proposed Transaction are more than 25% but less than 100% for Chuang's China, the Proposed Transaction constitutes a major transaction of Chuang's China which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Furthermore, by virtue of Chuang's Consortium's aforesaid equity interests in Chuang's China, Chuang's Consortium is a connected person to Chuang's China and accordingly, the Proposed Transaction also constitutes a non-exempt connected transaction of Chuang's China which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the Chuang's China SGM, any Chuang's China Shareholders with a material interest in the Proposed Transaction are required to abstain from voting on the resolutions approving the same. As such, each of (i) Profit Stability, (ii) Ms. Candy Chuang, who is interested in Chuang's Consortium Shares through her interests in EHL, and (iii) Mr. Lee, who is interested in approximately 4.98% of the issued share capital of Chuang's Consortium through the interest of his spouse, Madam Chuang Shau Har, and himself, and their respective associates is required to abstain from voting on the resolutions approving the same at the Chuang's China SGM. As at the date of this joint announcement, among these persons who are required to abstain from voting at the Chuang's China SGM, each of Profit Stability, Ms. Candy Chuang and Mr. Lee holds approximately 60.71%, 0.05% and 0.04% of the issued share capital of Chuang's China, respectively.

To the best of knowledge, information and belief of the Chuang's China Board, having made all reasonable enquiries, apart from Profit Stability, Ms. Candy Chuang and Mr. Lee, no other Chuang's China Shareholders are materially interested in the Proposed Transaction who are required to abstain from voting on the resolutions to be proposed for approving the same at the Chuang's China SGM as aforesaid.

A circular containing, amongst other things, (i) further information on the Proposed Transaction; (ii) the recommendation of the Chuang's China Independent Board Committee in relation to the Proposed Transaction; (iii) the advice from the independent financial adviser to the Chuang's China Independent Board Committee and the Chuang's China Independent Shareholders on the Proposed Transaction; (iv) the valuation report of Project-HK and Project-Kowloon; (v) a notice of Chuang's China SGM; and (vi) other information as required under the Listing Rules will be despatched to the Chuang's China Shareholders on or before 20 August 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 one or more applicable percentage ratios (as defined in the Listing Rules) regarding the disposal of the Target Companies under the Proposed Transaction are more than 25% but less than 75% for Chuang's Consortium, it constitutes a major transaction of Chuang's Consortium which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As one or more applicable percentage ratios (as defined in the Listing Rules) regarding the subscription and allotment of the Consideration Shares under the Proposed Transaction are more than 25% but less than 100% for Chuang's Consortium, it constitutes a major transaction of Chuang's Consortium which is subject to the reporting, 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 Board, having made all reasonable enquiries, none of the Chuang's Consortium Shareholders has a material interest in the Proposed Transaction. Accordingly, no Chuang's Consortium Shareholders will be required to abstain from voting if Chuang's Consortium were to convene a general meeting for approving the Proposed Transaction. Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, shareholders' written approval has been obtained from EHL, which, as at the date of this joint announcement, held 899,253,332 Chuang's Consortium Shares, representing approximately 53.77% of the entire issued share capital of Chuang's Consortium, approving the Proposed Transaction. EHL is owned as to 60% by Mr. Alan Chuang, the honorary chairman of Chuang's Consortium, and 10% each by Mr. Albert Chuang Ka Pun, Ms. Candy Chuang, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam. Each of Mr. Albert Chuang Ka Pun, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam are executive directors of both Chuang's Consortium and Chuang's China, whereas Ms. Candy Chuang is an executive director of Chuang's Consortium. As at the date of this joint announcement, (i) other than through her interest in EHL, Ms. Candy Chuang was interested in approximately 0.05% of the issued share capital of Chuang's China; and (ii) no other shareholders of EHL has any direct interests in Chuang's China. Ms. Candy Chuang's interests in Chuang's China are immaterial as compared to EHL's interests in Chuang's Consortium and EHL's interests in the Proposed Transaction aligns with the interest of the other Chuang's Consortium Shareholders. Accordingly, EHL does not have a material interest in the Proposed Transaction and will not be required to abstain from voting. In addition, Mr. Lee, who is interested in approximately 4.98% of the issued share capital of Chuang's Consortium through the interest of his spouse, Madam Chuang Shau Har, and himself and, other than through the aforementioned interests in Chuang's Consortium, is interested in approximately 0.04% of the issued share capital of Chuang's China. Mr. Lee's interests in Chuang's China are immaterial as compared to the interests of his spouse and himself in Chuang's Consortium and Mr. Lee's and his spouse's interests in the Proposed Transaction aligns with the interest of the other Chuang's Consortium Shareholders. Accordingly, Mr. Lee and his spouse do not have a material interest in the Proposed Transaction and will not be required to abstain from voting. As such, Chuang's Consortium is not required to convene a special general meeting for this purpose.

A circular containing, amongst other things, (i) further information on the Proposed Transaction; (ii) the valuation report of Project-HK and Project-Kowloon; and (iii) other information as required under the Listing Rules will be despatched to the Chuang's Consortium Shareholders on or before 20 August 2021 in order to coincide with the despatch of the circular of Chuang's China.

## **GENERAL**

**Completion of the Proposed Transaction is subject to the fulfilment of certain conditions precedent, and, therefore, may or may not take place.**

**The Proposed Conditional Chuang's China Special Cash Distribution may only become payable upon the Completion of the Proposed Transaction.**

**Shareholders and potential investors of each of Chuang's Consortium and Chuang's China should exercise caution when dealing in the securities of Chuang's Consortium and Chuang's China.**

## **INTRODUCTION**

The Chuang's Consortium Board and the Chuang's China Board are pleased to announce that on 29 June 2021 (after trading hours), the Vendors (indirect wholly-owned subsidiaries of Chuang's Consortium), the Purchaser (a direct wholly-owned subsidiary of Chuang's China), Chuang's Consortium and Chuang's China entered into the Sale and Purchase Agreement, pursuant to which the Vendors have conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to acquire and accept the assignment of, the Sale Shares (being the entire issued share capital of the Target Companies) and the Sale Loans.

## **SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are as follow:

### **Date**

29 June 2021 (after trading hours)

### **Parties**

Vendors:	Energy Hero Limited and Fanus Limited, both are indirect wholly-owned subsidiaries of Chuang's Consortium
Purchaser:	Chuang's China Realty Limited, a direct wholly-owned subsidiary of Chuang's China
Vendors' Guarantor:	Chuang's Consortium
Purchaser's Guarantor:	Chuang's China

Chuang's Consortium and Chuang's China are parties to the Sale and Purchase Agreement guaranteeing the performance of the Vendors and the Purchaser respectively under the Sale and Purchase Agreement.

## **Subject Matter**

Pursuant to the Sale and Purchase Agreement, the Vendors have conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to acquire and accept the assignment of, the Sale Shares and the Sale Loans 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.

## **Consideration**

The Consideration for the Sale Shares and the Sale Loans is estimated to be not more than HK\$586,000,000, which was determined after arm's length negotiations between the Vendors and the Purchaser, and is arrived at based on the aggregate of (i) the Agreed Property Valuation of Project-HK and Project-Kowloon; and (ii) the Completion NAV of the Target Companies. The exact amount of the Consideration will be determined as at the date of Completion.

The Agreed Property Valuation for Project-HK was HK\$579 million and that for Project-Kowloon was HK\$426 million. The Agreed Property Valuation was determined after arm's length negotiations between the Vendors and the Purchaser by reference to, among others, market values of comparable properties and the respective preliminary market valuation from independent valuer instructed by Chuang's Consortium and Chuang's China respectively. The preliminary market valuation as at 31 May 2021 as appraised by an independent valuer appointed by Chuang's Consortium based on market approach was HK\$579 million for Project-HK and HK\$426 million for Project-Kowloon, which is the same as the Agreed Property Valuation. The preliminary market valuation as at 31 May 2021 as appraised by an independent valuer appointed by Chuang's China based on market approach was HK\$585 million for Project-HK and HK\$435 million for Project-Kowloon, representing a respective premium of about 1.0% for Project-HK and 2.1% for Project-Kowloon to the Agreed Property Valuation.

In computation of the Completion NAV, the Vendors and the Purchaser agreed that as the transactions contemplated under the Sale and Purchase Agreement comprise the sale of Sale Shares instead of sale of properties, the stamp duty refundable relating to Project-HK shall not be included as an asset to be acquired by the Purchaser. The nature of the stamp duty is the historical buyer's stamp duty paid by the Central Treasure Group upon acquisition of Project-HK, and the Central Treasure Group has already applied to the Inland Revenue Department for the refund which is expected to be settled by the end of 2021. Upon receipt of such stamp duty refund after Completion, the Purchaser will procure the Central Treasure Group to return the amount received to Vendor 1.

The Consideration shall be satisfied entirely by way of allotment and issue of Consideration Shares by Chuang's China to Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium, at the issue price of HK\$0.55 per Consideration Share. With reference to the Consideration of not more than HK\$586,000,000, it is expected that not more than 1,065,454,545 Consideration Shares will be issued.



## Conditions precedent

Completion is conditional upon:

- (i) the Chuang's Consortium Shareholders approving the Proposed Transaction;
- (ii) the Chuang's China Independent Shareholders approving the Proposed Transaction;
- (iii) the Listing Committee having granted approval for the listing of, and permission to deal in, the Consideration Shares;
- (iv) the Chuang's China Shares remaining listed and traded on the Stock Exchange at all times prior to and on Completion, save for any trading halt or suspension not exceeding seven consecutive Business Days in connection with the clearance by the Stock Exchange of the announcement to be issued in respect of, inter alia, the Proposed Transaction;
- (v) no indication being received on or before the date of Completion from the Stock Exchange to the effect that the listing of the Chuang's China Shares may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of Completion or in connection with the terms of the Sale and Purchase Agreement or for any reason;
- (vi) the Central Treasure Group and Easy Success having good title to Project-HK and Project-Kowloon respectively;
- (vii) all statutory, governmental and regulatory obligations having been complied with and all regulatory, statutory and governmental consents and waivers necessary to give effect to the Completion having been obtained by the Vendors and the Purchaser; and
- (viii) the financing banks giving the necessary consents and waivers (if applicable) for the continuation of the bank borrowings to the Target Companies notwithstanding the Proposed Transaction and the release of Chuang's Consortium as the guarantor for the bank borrowings.

As at the date of this joint announcement, written approval has been obtained from EHL, which held approximately 53.77% of the entire issued share capital of Chuang's Consortium, approving the Proposed Transaction. Accordingly, condition (i) has been satisfied as at the date of this joint announcement. For details of the shareholders' written approval, please refer to the section headed "Listing Rules Implications".

Pursuant to condition (viii), if any of the financing banks shall not agree to release Chuang's Consortium from its obligation under the guarantee of the bank borrowings to the Target Companies upon Completion, Chuang's China shall execute an indemnity in favor of Chuang's Consortium to indemnify it against all losses which it may suffer or incur after Completion by reason of Chuang's Consortium becoming liable for providing such guarantee. Thus the Purchaser may in its absolute discretion to waive the condition (viii).

The remaining conditions cannot be waived by the Vendors and the Purchaser. If the conditions precedent of the Sale and Purchase Agreement is not fulfilled on or before the Long Stop Date, the rights and obligations of the parties under the Sale and Purchase Agreement shall lapse and be of no further effect.

## **Completion**

Completion shall take place on (i) the third Business Day (a) after the fulfillment or waiver (if applicable) of the conditions precedent under the Sale and Purchase Agreement or (b) after record date of the Proposed Conditional Chuang's China Special Cash Distribution, whichever is later; or (ii) such other day as may be agreed in writing between the Vendors and the Purchaser.

Upon Completion, the Central Treasure Group and Easy Success will become indirect wholly-owned subsidiaries of Chuang's China and will no longer be wholly-owned by Chuang's Consortium, but will remain as indirect non-wholly-owned subsidiaries of Chuang's Consortium through Chuang's Consortium's shareholding in Chuang's China.

## **Consideration Shares**

A maximum of 1,065,454,545 Consideration Shares will be allotted and issued, representing approximately 45.4% of the existing issued share capital of Chuang's China as of the date of this joint announcement and approximately 31.2% of the issued share capital of Chuang's China as enlarged by the allotment and issue of the Consideration Shares (assuming there is no other change in the issued share capital of Chuang's China from the date of this joint announcement to the date of Completion).

The issue price of HK\$0.55 per Consideration Share represents:

- (i) a premium of approximately 17.0% to the closing price of HK\$0.470 per Chuang's China Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 18.5% to the average closing price of HK\$0.464 per Chuang's China Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day;
- (iii) a premium of approximately 19.3% to the average closing price of HK\$0.461 per Chuang's China Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day;



- (iv) a premium of approximately 19.8% to the average closing price of HK\$0.459 per Chuang's China Share as quoted on the Stock Exchange for the last thirty consecutive trading days prior to and including the Last Trading Day;
- (v) a premium of approximately 34.1% to the 52-week average closing price of HK\$0.410 per Chuang's China Share as quoted on the Stock Exchange; and
- (vi) a discount of approximately 70.7% to the latest net asset value per Chuang's China Share as at 31 March 2021, being HK\$1.88 per Chuang's China Share.

The issue price of HK\$0.55 per Consideration Share was arrived at after arm's length negotiation between the Vendors and the Purchaser with reference to, among others, the prevailing market prices of the Chuang's China Shares, the last recorded closing prices that traded above HK\$0.55 per Chuang's China Shares being in June 2018, and the current market conditions. Accordingly, the Chuang's China Directors (excluding the members of the Chuang's China Independent Board Committee who shall provide their views after taking into account the advice of an independent financial adviser) consider that despite the fact that the issue price represented a discount of approximately 70.7% to the latest net asset value per Chuang's China Share, the issue price of HK\$0.55 is at premium ranging from 17.0% to 34.1% to the average closing prices as stated hereinabove and that the allotment and issue of the Consideration Shares at such issue price is fair and reasonable and in the interests of Chuang's China and the Chuang's China Shareholders as a whole.

The Consideration Shares will be allotted and issued by Chuang's China under the Specific Mandate proposed to be sought from the Chuang's China Independent Shareholders.

An application will be made by Chuang's China to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued and fully paid, will rank *pari passu* in all respects with each other and with the Chuang's China Shares in issue at the time of allotment and issue of the Consideration Shares, except that they shall not be entitled to receive the Proposed Conditional Chuang's China Special Cash Distribution and any dividend, distribution or entitlement declared, paid or made by reference to a record date prior to the date of allotment and issue of the Consideration Shares.

## EFFECTS OF THE PROPOSED TRANSACTION ON THE SHAREHOLDING STRUCTURE OF CHUANG'S CHINA

The following table illustrates the shareholding structure of Chuang's China (i) as at the date of this joint announcement; and (ii) immediately after the allotment and issue of the maximum number of Consideration Shares (assuming there is no other change in the issued share capital of Chuang's China from the date of this joint announcement to the date of Completion):

	As at the date of this joint announcement		Immediately after the allotment and issue of the maximum number of Consideration Shares	
	<i>No. of Chuang's China Shares</i>	<i>Approximate %</i>	<i>No. of Chuang's China Shares</i>	<i>Approximate %</i>
<b>Shareholders</b>				
Chuang's Consortium ( <i>Note 1</i> )	1,426,074,923	60.71	2,491,529,468	72.97
Mr. Sunny Pang Chun Kit ( <i>Note 2</i> )	930,000	0.04	930,000	0.03
Ms. Candy Chuang ( <i>Note 3</i> )	1,255,004	0.05	1,255,004	0.04
Mr. Lee ( <i>Note 4</i> )	<u>870,879</u>	<u>0.04</u>	<u>870,879</u>	<u>0.03</u>
<b>Subtotal</b>	1,429,130,806	60.84	2,494,585,351	73.07
Public shareholders	<u>919,704,510</u>	<u>39.16</u>	<u>919,704,510</u>	<u>26.93</u>
<b>Total</b>	<u><u>2,348,835,316</u></u>	<u><u>100.00</u></u>	<u><u>3,414,289,861</u></u>	<u><u>100.00</u></u>

*Note 1: Chuang's Consortium's interest in Chuang's China is and will be held through Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium.*

*Note 2: Mr. Sunny Pang Chun Kit is an executive director of Chuang's China.*

*Note 3: Ms. Candy Chuang is an executive director of Chuang's Consortium.*

*Note 4: Mr. Lee is a director of certain subsidiaries of Chuang's Consortium and Chuang's China.*

## INFORMATION OF THE VENDORS AND CHUANG'S CONSORTIUM

Energy Hero Limited is incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of Chuang's Consortium. Its principal activity is investment holding.

Fanus Limited is incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of Chuang's Consortium. Its principal activity is investment holding.

Chuang's Consortium is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 367).

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.

As at the date of this joint announcement, the Chuang's Consortium Group holds approximately 60.71% of the total issued share capital of Chuang's China.

## **INFORMATION OF THE PURCHASER AND CHUANG'S CHINA**

Chuang's China Realty Limited is incorporated in Bermuda with limited liability and is a direct wholly-owned subsidiary of Chuang's China. Its principal activity is investment holding.

Chuang's China is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). Chuang's China is an indirect non-wholly-owned subsidiary of, and owned as to approximately 60.71% by, the Chuang's Consortium Group as at the date of this joint announcement.

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.

## **INFORMATION OF THE TARGET COMPANIES, PROJECT-HK AND PROJECT-KOWLOON**

### **Central Treasure and Project-HK**

Central Treasure is a company incorporated in the British Virgin Islands with limited liability and is direct wholly-owned by Vendor 1. The Central Treasure Group is principally engaged in property investment and development and its principal asset is Project-HK, being the property development project located at Nos. 16–20 Gage Street in Central. The Chuang's Consortium Group has kicked off the acquisition of the individual units of Nos. 16–20 Gage Street on a piecemeal basis through private treaties with separate sellers over period of time. With years of effort, the Chuang's Consortium Group has finally acquired full ownership of No. 20 Gage Street, and upto about 94.4% and 87.5% ownership of No. 16 and No. 18 Gage Street respectively through private treaties in 2019. With the application for the compulsory acquisition of the remaining 3 units of Nos. 16–18 Gage Street in March 2019, which was approved by the Lands Tribunal of Hong Kong in May 2020, the auction was carried out in mid-July 2020. The compulsory acquisition was subsequently completed in August 2020. The Chuang's Consortium Group has therefore unified the ownership of Nos. 16–20 Gage Street and successfully consolidated this project. The total acquisition cost incurred by the Chuang's Consortium Group (excluding the stamp duty refundable of about HK\$36.9 million) is about HK\$560.4 million.

Project-HK has a total site area of 3,591 sq. ft., upon which two 6-storey buildings were erected. Demolition works of these two buildings have commenced and are expected to be completed in the third quarter of 2021. The redevelopment scheme and building plans for Project-HK have been approved by the Buildings Department of Hong Kong. It is currently

planned that a residential/commercial building with GFA of about 35,396 sq. ft. will be developed. If the Purchaser so determine after Completion, foundation work will commence right away.

Set out below is the financial summary of Central Treasure Group after adjustments for intra-group transactions with the Chuang's Consortium Group:

	<b>For the financial years ended 31 March</b>	
	<b>2020</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues	6,499	1,667
Loss before taxation	(744)	(2,419)
Loss after taxation	(744)	(2,419)

The consolidated net asset value of the Central Treasure Group (not taking into account the shareholder's loan and other amounts due to the Chuang's Consortium Group with the aggregate amount of approximately HK\$585.4 million, and excluding the stamp duty refundable of approximately HK\$36.9 million) as at 31 March 2021 was approximately HK\$392.8 million. The aggregate book value of bank borrowings of the Central Treasure Group was approximately HK\$170.7 million as at 31 March 2021.

As at 31 March 2021, Project-HK was stated at cost of about HK\$565.0 million in the consolidated financial statements of the Central Treasure Group. The preliminary market valuation as at 31 May 2021 as appraised by an independent valuer appointed by Chuang's Consortium based on market approach was HK\$579 million for Project-HK. The preliminary market valuation as at 31 May 2021 as appraised by an independent valuer appointed by Chuang's China based on market approach was HK\$585 million for Project-HK, representing a premium of about 1.0% to the Agreed Property Valuation.

### **Easy Success and Project-Kowloon**

Easy Success is a company incorporated in Hong Kong with limited liability and is direct wholly-owned by Vendor 2. Easy Success is principally engaged in property investment and its principal asset is Project-Kowloon, named as Posco Building. Project-Kowloon was acquired by the Chuang's Consortium Group in July 2017 with total cost of about HK\$330.0 million.

Project-Kowloon is an industrial/office building located near the Cheung Sha Wan Mass Transit Railway Station with a convenient transportation network. It is located within 1.5 km to the Nam Cheong's landmark shopping mall known as the V-Walk. It has a site area of about 3,920 sq. ft. upon which a 13-storey building was erected providing a total GFA of about 47,258 sq. ft.. Project-Kowloon is currently about 90% leased to independent third parties, with the longest tenure expiring in February 2024. All of the tenancy agreements contain a break clause enabling Easy Success as the landlord to serve a 3-month notice to terminate these tenancies in the event of redevelopment of the property by Easy Success. Building plans to redevelop Project-Kowloon into a residential/commercial property with a total GFA of about 35,280 sq. ft. have been approved by the Buildings Department of Hong Kong.

Set out below is the financial summary of Easy Success after adjustment for intra-group transactions with the Chuang's Consortium Group:

	<b>For the financial years ended 31 March</b>	
	<b>2020</b>	<b>2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues	8,171	8,675
Loss before taxation ( <i>note</i> )	(23,542)	(5,104)
Loss after taxation ( <i>note</i> )	(23,542)	(5,104)

*Note: These amounts included the fair value loss on revaluation of Project-Kowloon of HK\$20 million and HK\$4 million for the financial years ended 31 March 2020 and 2021 respectively.*

The net asset value of Easy Success (not taking into account the shareholder's loan and other amounts due to the Chuang's Consortium Group with the aggregate amount of approximately HK\$129.7 million) as at 31 March 2021 was approximately HK\$174.2 million. The book value of bank borrowings of Easy Success was approximately HK\$251.8 million as at 31 March 2021.

As at 31 March 2021, Project-Kowloon was stated at fair value of HK\$426.0 million in the financial statements of Easy Success. The preliminary market valuation as at 31 May 2021 as appraised by an independent valuer appointed by Chuang's Consortium based on market approach was HK\$426 million for Project-Kowloon. The preliminary market valuation as at 31 May 2021 as appraised by an independent valuer appointed by Chuang's China based on market approach was HK\$435 million for Project-Kowloon, representing a premium of about 2.1% to the Agreed Property Valuation.

## **REASONS FOR AND BENEFITS OF THE PROPOSED TRANSACTION**

### **Chuang's China**

Property development is one of the business focuses of the Chuang's China Group. In early years, the Chuang's China Group's land bank were mainly in the PRC. Since 2015, the Chuang's China Group has commenced on property development project in Hong Kong. The Esplanade located in Tuen Mun was the first project developed by the Chuang's China Group in Hong Kong, with about 117,089 sq. ft. for residential use and about 25,813 sq. ft. for commercial use. Aggregate sales amount of about HK\$1,647.5 million has been recognized as revenue for the year ended 31 March 2021, generating gross profit of about HK\$609.1 million that represented a gross profit margin of about 37%. The two-storey commercial podium of The Esplanade is held by the Chuang's China Group for rental purpose. The Chuang's China Group has actively participated in various means for land bank replenishment in Hong Kong, including public tender and private treaty. Under the intensely competitive market in Hong Kong, and as limit by the scalability and financial resources of the Chuang's China Group, it was until 2019 when the property site in Ap Lei Chau, having site area of about 4,320 sq. ft. and developable GFA of about 40,000 sq. ft., was acquired by the Chuang's China Group. Upon vacant possession of the property, demolition works commenced and were completed in March 2021. Foundation work is currently in progress.

As the Ap Lei Chau project is currently the sole development project in Hong Kong for the Chuang's China Group, it is keen to replenish its land bank such that its future business income stream from property development can be sustained. In past few months, the Chuang's China Group has involved in various public tender projects of the Urban Renewal Authority but was unsuccessful. The Chuang's China Board considers that the Proposed Transaction is in line with the aforesaid business strategy and the principal business of Chuang's China and represents an attractive opportunity for the Chuang's China Group to replenish its portfolio for the property development land bank in Hong Kong by acquiring a high quality portfolio of assets, being Project-HK and Project-Kowloon, which is located in a prime location at Central and a convenient location near the Cheung Sha Wan Mass Transit Railway Station, respectively. The Proposed Transaction would also allow the Chuang's China Group to further expand its property development portfolio without the need to go through a competitive auction process.

The Proposed Transaction would also involve lower execution risk as the redevelopment schemes and building plans for both Project-HK and Project-Kowloon have been approved by Buildings Department of Hong Kong. Furthermore, Project-Kowloon is currently leased to various tenants providing recurring rental income to the Chuang's China Group before it proceeds on implementing the redevelopment plan by serving three months termination notice to all tenants. Therefore, the Chuang's China Group maintains flexibility in terms of the timing of carrying out such redevelopment (if any) and, meanwhile, continues to earn rental income from Project-Kowloon.

The Chuang's China Group would satisfy the Consideration for the Proposed Transaction by issuing the Consideration Shares instead of deploying cash resources, thereby saving cash resources for financing its general working capital and allowing it to continue to seek land bank opportunities.

In determining the proposed settlement of the Consideration by issue of the Consideration Shares, the Chuang's China Board has considered and evaluated alternative settlement methods. In particular, the Chuang's China Board considers that settling the Consideration by cash and/or by bank borrowings would reduce Chuang's China Group's cash resources and/or increase its debt level which in turn will hinder its flexibility and ability in replenishing its land bank when opportunity arises. The Chuang's China Board has also considered other equity fund raising options by way of shares placement or rights issue but is of the view that such fund raising alternatives are less favourable than the proposed settlement method of issuing the Consideration Shares given that the issue price for both shares placement and rights issue are usually at a discount to the prevailing trading price of the Chuang's China Shares whereas the issue price of the Consideration Shares is at a considerable premium to the current market price of the Chuang's China Shares. While a rights issue will enable participating shareholders to maintain its shareholding interests and therefore avoid dilution, the Chuang's China Board considers that it is not preferable to conduct a cash call exercise to the existing Chuang's China Shareholders under the current unfavourable economic conditions.

Having taken into account the above factors and in particular the fact that the Proposed Transaction significantly enhances the portfolio of property land bank for the Chuang's China Group and at the same time preserving cash resources for further business opportunities and working capital, the Chuang's China Directors (excluding the members of



the Chuang's China Independent Board Committee who shall provide their views after taking into account the advice of the independent financial adviser) consider that the Proposed Transaction is in line with the business strategies of the Chuang's China Group and is fair and reasonable and in the interests of Chuang's China and Chuang's China Shareholders as a whole.

### **Chuang's Consortium**

For Chuang's Consortium, the Proposed Transaction in effect will reduce its holdings in the Target Companies from 100% (wholly-owned subsidiaries) to about 72.97% (non-wholly-owned subsidiaries) and increase its holdings in Chuang's China, a listed subsidiary, from about 60.71% to a maximum of about 72.97%. This forms part of Chuang's Consortium's strategy to continuously review its group structure with a view to further create value for Chuang's Consortium Shareholders. Furthermore, the Proposed Transaction will also support the continuous growth of the Chuang's China Group, which is also beneficial to the long term development of the Chuang's Consortium Group.

Having taken into account the above factors, the directors of Chuang's Consortium (including the independent non-executive directors) consider that the Proposed Transaction is fair and reasonable and in the interests of Chuang's Consortium and Chuang's Consortium Shareholders as a whole.

It is expected that the disposal of the Target Companies under the Proposed Transaction will not have material effect on the consolidated income statement of the Chuang's Consortium Group. However, the exact amount of such financial effect can only be determined at Completion.

### **PROPOSED CONDITIONAL CHUANG'S CHINA SPECIAL CASH DISTRIBUTION**

As at 31 March 2021, the Chuang's China Group has cash and bank balances of approximately HK\$679.0 million, and bonds investments of approximately HK\$1,220.0 million whereas total bank borrowings are approximately HK\$1,816.3 million. In May 2021, upon completion of the disposal of the property project in Panyu District, Guangzhou, the PRC, the Chuang's China Group has additional cash of about HK\$1,471.9 million after payment of transaction tax. On a proforma basis, the aggregate cash and bank balances net of bank borrowings is approximately HK\$334.6 million and bonds investments are approximately HK\$1,220.0 million.

The Chuang's China Board acknowledges that it is of importance not only to preserving cash resources for future business expansion but also enabling the share of profits with Chuang's China Shareholders. In view of the fact that the Proposed Transaction is in substance acquiring two property development projects in Hong Kong with market value of about HK\$1,005 million, but without the need to settle the acquisition in cash, it allows flexibility for the Chuang's China Board to consider providing a return to Chuang's China Shareholders by way of a special cash distribution.

Accordingly, the Chuang's China Board declares that conditional upon the Completion of the Proposed Transaction, Chuang's China will distribute the Proposed Conditional Chuang's China Special Cash Distribution of 8.5 HK cents per Chuang's China Share to Chuang's China Shareholders whose names appear on the register of members of Chuang's China on the record date for determining the entitlement to such cash distribution. The total special cash distribution amounts to approximately HK\$200 million and based on the closing price of HK\$0.47 per Chuang's China Share as quoted on the Stock Exchange on the date of this joint announcement, the proposed special cash distribution of 8.5 HK cents per Chuang's China Share represents a substantial yield of about 18.1%. For avoidance of doubt, the Consideration Shares will not be entitled to the Proposed Conditional Chuang's China Special Cash Distribution.

### **Condition precedent**

The payment of the Proposed Conditional Chuang's China Special Cash Distribution is conditional upon the Completion of the Proposed Transaction.

If the conditions precedent under the Sale and Purchase Agreement are not fulfilled (or waived) on or before the Long Stop Date, the Proposed Transaction will not proceed. In this case, Chuang's China shall endeavour to participate in land bank acquisition in Hong Kong through other means such as public tenders by government or Urban Renewal Authority or private treaty transactions, all of which will require cash resources as means of settlement. As such, the Proposed Conditional Chuang's China Special Cash Distribution will therefore not be viable and will not be proceeded.

### **Further announcement(s)**

Chuang's China will make further announcement(s) regarding further details of the Proposed Conditional Chuang's China Special Cash Distribution to the effect that:

- (i) if the Proposed Transaction and Specific Mandate is approved by Chuang's China Independent Shareholders, the book close dates, the record date and payment date of the Proposed Conditional Chuang's China Special Cash Distribution as determined by the Chuang's China Board; or
- (ii) if the Proposed Transaction and Specific Mandate is not approved by Chuang's China Independent Shareholders, the Proposed Conditional Chuang's China Special Cash Distribution will not be proceeded.

**The Proposed Conditional Chuang's China Special Cash Distribution may only become payable upon the Completion of the Proposed Transaction.**

## **LISTING RULES IMPLICATIONS**

As at the date of this joint announcement, Chuang's Consortium is interested in approximately 60.71% of the issued share capital of Chuang's China (through Profit Stability, a direct wholly-owned subsidiary of Chuang's Consortium).

### **Chuang's China**

As one or more applicable percentage ratios (as defined in the Listing Rules) regarding the Proposed Transaction are more than 25% but less than 100% for Chuang's China, the Proposed Transaction constitutes a major transaction of Chuang's China which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Furthermore, by virtue of Chuang's Consortium's aforesaid equity interests in Chuang's China, Chuang's Consortium is a connected person to Chuang's China and accordingly, the Proposed Transaction also constitutes a non-exempt connected transaction of Chuang's China which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

At the Chuang's China SGM, any Chuang's China Shareholders with a material interest in the Proposed Transaction are required to abstain from voting on the resolutions approving the same. As such, each of (i) Profit Stability, (ii) Ms. Candy Chuang, who is interested in Chuang's Consortium Shares through her interests in EHL, and (iii) Mr. Lee, who is interested in approximately 4.98% of the issued share capital of Chuang's Consortium through the interest of his spouse, Madam Chuang Shau Har, and himself, and their respective associates is required to abstain from voting on the resolutions approving the same at the Chuang's China SGM. As at the date of this joint announcement, among these persons who are required to abstain from voting at the Chuang's China SGM, each of Profit Stability, Ms. Candy Chuang and Mr. Lee holds approximately 60.71%, 0.05% and 0.04% of the issued share capital of Chuang's China, respectively.

To the best of knowledge, information and belief of the Chuang's China Board, having made all reasonable enquiries, apart from Profit Stability, Ms. Candy Chuang and Mr. Lee, no other Chuang's China Shareholders are materially interested in the Proposed Transaction who are required to abstain from voting on the resolutions to be proposed for approving the same at the Chuang's China SGM as aforesaid.

A circular containing, amongst other things, (i) further information on the Proposed Transaction; (ii) the recommendation of the Chuang's China Independent Board Committee in relation to the Proposed Transaction; (iii) the advice from the independent financial adviser to the Chuang's China Independent Board Committee and the Chuang's China Independent Shareholders on the Proposed Transaction; (iv) the valuation report of Project-HK and Project-Kowloon; (v) a notice of Chuang's China SGM; and (vi) other information as required under the Listing Rules will be despatched to the Chuang's China Shareholders on or before 20 August 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 one or more applicable percentage ratios (as defined in the Listing Rules) regarding the disposal of the Target Companies under the Proposed Transaction are more than 25% but less than 75% for Chuang's Consortium, it constitutes a major transaction of Chuang's Consortium which is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As one or more applicable percentage ratios (as defined in the Listing Rules) regarding the subscription and allotment of the Consideration Shares under the Proposed Transaction are more than 25% but less than 100% for Chuang's Consortium, it constitutes a major transaction of Chuang's Consortium which is subject to the reporting, 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 Board, having made all reasonable enquiries, none of the Chuang's Consortium Shareholders has a material interest in the Proposed Transaction. Accordingly, no Chuang's Consortium Shareholders will be required to abstain from voting if Chuang's Consortium were to convene a general meeting for approving the Proposed Transaction. Pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, shareholders' written approval has been obtained from EHL, which, as at the date of this joint announcement, held 899,253,332 Chuang's Consortium Shares, representing approximately 53.77% of the entire issued share capital of Chuang's Consortium, approving the Proposed Transaction. EHL is owned as to 60% by Mr. Alan Chuang, the honorary chairman of Chuang's Consortium, and 10% each by Mr. Albert Chuang Ka Pun, Ms. Candy Chuang, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam. Each of Mr. Albert Chuang Ka Pun, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam are executive directors of both Chuang's Consortium and Chuang's China, whereas Ms. Candy Chuang is an executive director of Chuang's Consortium. As at the date of this joint announcement, (i) other than through her interest in EHL, Ms. Candy Chuang was interested in approximately 0.05% of the issued share capital of Chuang's China; and (ii) no other shareholders of EHL has any direct interests in Chuang's China. Ms. Candy Chuang's interests in Chuang's China are immaterial as compared to EHL's interests in Chuang's Consortium and EHL's interests in the Proposed Transaction aligns with the interest of the other Chuang's Consortium Shareholders. Accordingly, EHL does not have a material interest in the Proposed Transaction and will not be required to abstain from voting. In addition, Mr. Lee, who is interested in approximately 4.98% of the issued share capital of Chuang's Consortium through the interest of his spouse, Madam Chuang Shau Har, and himself and, other than through the aforementioned interests in Chuang's Consortium, is interested in approximately 0.04% of the issued share capital of Chuang's China. Mr. Lee's interests in Chuang's China are immaterial as compared to the interests of his spouse and himself in Chuang's Consortium and Mr. Lee's and his spouse's interests in the Proposed Transaction aligns with the interest of the other Chuang's Consortium Shareholders. Accordingly, Mr. Lee and his spouse do not have a material interest in the Proposed Transaction and will not be required to abstain from voting. As such, Chuang's Consortium is not required to convene a special general meeting for this purpose.

A circular containing, amongst other things, (i) further information on the Proposed Transaction; (ii) the valuation report of Project-HK and Project-Kowloon; and (iii) other information as required under the Listing Rules will be despatched to the Chuang's Consortium Shareholders on or before 20 August 2021 in order to coincide with the despatch of the circular of Chuang's China.

## **CHUANG'S CHINA INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Mr. Abraham Shek Lai Him is an independent non-executive director of both Chuang's Consortium and Chuang's China. Accordingly, Mr. Abraham Shek Lai Him has been excluded from the Chuang's China Independent Board Committee.

Accordingly, the Chuang's China Independent Board Committee comprising Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong, being independent non-executive directors of Chuang's China, has been established to advise the Chuang's China Independent Shareholders in relation to the Proposed Transaction.

An independent financial adviser will be appointed to advise the Chuang's China Independent Board Committee and the Chuang's China Independent Shareholders in relation to the Proposed Transaction.

## **GENERAL**

**Completion of the Proposed Transaction is subject to the fulfilment of certain conditions precedent, and, therefore, may or may not take place.**

**The Proposed Conditional Chuang's China Special Cash Distribution may only become payable upon the Completion of the Proposed Transaction.**

**Shareholders and potential investors of each of Chuang's Consortium and Chuang's China should exercise caution when dealing in the securities of Chuang's Consortium and Chuang's China.**

## **DEFINITIONS**

“Agreed Property Valuation”	the agreed property value for Project-HK of HK\$579 million and for Project-Kowloon of HK\$426 million
“Business Day”	a day (other than a Saturday, a Sunday or a public holiday in Hong Kong 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 Hong Kong are open for general banking business in Hong Kong throughout their normal business hours

“Central Treasure”	Central Treasure Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Vendor 1 as at the date of this joint announcement
“Central Treasure Group”	Central Treasure and its subsidiaries
“Chuang’s China” or “Purchaser’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 approximately 60.71% by the Chuang’s Consortium Group
“Chuang’s China Board”	the board of directors of Chuang’s China
“Chuang’s China Directors”	the directors of Chuang’s China
“Chuang’s China Group”	Chuang’s China and its subsidiaries
“Chuang’s China Independent Board Committee”	an independent board committee comprising Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong to advise the Chuang’s China Independent Shareholders in relation to the Proposed Transaction
“Chuang’s China Independent Shareholders(s)”	Chuang’s China Shareholder(s) other than Profit Stability, Ms. Candy Chuang, and Mr. Lee, and their respective associates
“Chuang’s China SGM”	the special general meeting of Chuang’s China to be convened and held for the purpose of considering, and, if thought fit, to approve, among others, the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate, by the Chuang’s China Independent Shareholders
“Chuang’s China Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of Chuang’s China
“Chuang’s China Shareholder(s)”	shareholder(s) of Chuang’s China
“Chuang’s Consortium” or “Vendors’ Guarantor”	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 Board”	the board of directors of Chuang’s Consortium



“Chuang’s Consortium Group”	Chuang’s Consortium and its subsidiaries, including the Chuang’s China Group
“Chuang’s Consortium Share(s)”	ordinary share(s) of HK\$0.25 each in the issued share capital of Chuang’s Consortium
“Chuang’s Consortium Shareholder(s)”	shareholder(s) of Chuang’s Consortium
“Completion”	completion of the Proposed Transaction in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion NAV”	<p>comprising the sum of:</p> <ul style="list-style-type: none"> <li>(i) the aggregate of all assets (excluding Project-HK and a receivable relating to stamp duty refund of approximately HK\$36.9 million) less the aggregate of all liabilities and provisions (excluding the Sale Loan (Central Treasure)) of the Central Treasure Group on the date of Completion; and</li> <li>(ii) the aggregate of all assets (excluding Project-Kowloon) less the aggregate of all liabilities and provisions (excluding the Sale Loan (Easy Success)) of Easy Success on the date of Completion</li> </ul>
“Consideration”	the consideration of not more than HK\$586,000,000, payable by Chuang’s China for the Sale Shares and Sale Loans
“Consideration Shares”	a maximum number of 1,065,454,545 Chuang’s China Shares to be allotted and issued by Chuang’s China at the issue price of HK\$0.55 to Profit Stability, a direct wholly-owned subsidiary of Chuang’s Consortium, upon Completion pursuant to the terms of the Sale and Purchase Agreement
“Easy Success”	Easy Success Enterprises Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Vendor 2 as at the date of this joint announcement
“EHL”	Evergain Holdings Limited, which, as at the date of this joint announcement, held 899,253,332 Chuang’s Consortium Shares, representing approximately 53.77% of the entire issued share capital of Chuang’s Consortium
“GFA”	gross floor area

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	29 June 2021, being the last trading day of the Chuang’s China Shares before the signing of the Sale and Purchase Agreement
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2021 (or such other day as may be agreed in writing between the Vendors and the Purchaser)
“Mr. Alan Chuang”	Mr. Alan Chuang Shaw Swee, the controlling shareholder of Chuang’s Consortium
“Mr. Lee”	Mr. Lee Sai Wai, a brother-in-law of Mr. Alan Chuang and a director of certain subsidiaries of Chuang’s Consortium and Chuang’s China
“Ms. Candy Chuang”	Mrs. Candy Kotewall Chuang Ka Wai, a daughter of Mr. Alan Chuang and an executive director of Chuang’s Consortium
“PRC”	the People’s Republic of China
“Profit Stability”	Profit Stability Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of Chuang’s Consortium
“Project-HK”	the property development project located at Nos. 16, 18 and 20 Gage Street, Hong Kong
“Project-Kowloon”	Posco Building, located at No. 165 Un Chau Street, Kowloon, Hong Kong
“Proposed Conditional Chuang’s China Special Cash Distribution”	the cash distribution of 8.5 HK cents per Chuang’s China Share declared by the Chuang’s China Board, the payment of which is conditional upon the Completion of the Proposed Transaction
“Proposed Transaction”	the transactions contemplated under the Sale and Purchase Agreement, including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate

“Purchaser”	Chuang’s China Realty Limited, a company incorporated in Bermuda with limited liability and a direct wholly-owned subsidiary of Chuang’s China
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 29 June 2021 entered into amongst the Vendors, the Purchaser, Chuang’s Consortium and Chuang’s China in relation to the sale and purchase of the Sale Shares and Sale Loans
“Sale Loans”	comprising the Sale Loan (Central Treasure) and Sale Loan (Easy Success)
“Sale Loan (Central Treasure)”	the entire amount of the loan or indebtedness owing by the Central Treasure Group to Vendor 1 on the date of Completion
“Sale Loan (Easy Success)”	the entire amount of the loan or indebtedness owing by Easy Success to Vendor 2 on the date of Completion
“Sale Shares”	1 share of Central Treasure and 2 shares of Easy Success, representing the entire issued share capital of the Target Companies
“Specific Mandate”	a specific mandate to be sought at the Chuang’s China SGM for the allotment and issue of the Consideration Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Target Companies”	Central Treasure and Easy Success
“Vendors”	Vendor 1 and Vendor 2
“Vendor 1”	Energy Hero Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Chuang’s Consortium
“Vendor 2”	Fanus Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of Chuang’s Consortium
“sq. ft.”	square feet
“%”	per cent

By order of the board of  
**Chuang’s Consortium International Limited**  
**Richard Hung Ting Ho**  
*Vice Chairman*

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

Hong Kong, 29 June 2021

*As at the date of this joint announcement, Mr. Albert Chuang Ka Pun, Mr. Richard Hung Ting Ho, Mr. Edwin Chuang 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. Edwin Chuang 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.*