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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)

INSIDE INFORMATION

This announcement is made by Chuang's Consortium International Limited (the "**Company**") pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The principal activities of the Company and its subsidiaries (collectively as the "**Group**") are property development, investment and trading, hotel operation and management, development and operation of cemetery, manufacturing, sales of goods and merchandises, securities investment and trading and money lending business. As disclosed in the annual report of the Company for the year ended 31 March 2022, as part of the principal activities, the Group has investments in high yield bonds recorded in "Financial assets at fair value through profit or loss" (the "**Bond Investment**") with the amount of about HK\$989.2 million (in which about HK\$561.0 million were held by the wholly-owned subsidiaries of the Group, and about HK\$428.2 million were held by the wholly-owned subsidiaries of Chuang's China Investments Limited, a 61.15% listed subsidiary of the Group).

For the six months ended 30 September 2022, the performance of the Bond Investment was continuously adversely affected by unfavourable and high volatility of the high yield bond market. During this period, the Group has trimmed down the portfolio size in Bond Investment and expects to record a realized gain of about HK\$317.7 million on disposal and redemption (including the redemption of existing bonds through the exchange of the new bonds of the same issuers) of Bond Investment as well as bond interest and related income of about HK\$44.3 million. However, such gains are expected to be offsetted by an unrealized fair value loss on Bond Investment of about HK\$577.0 million as a result of mark to market prices as at 30 September 2022 of the Bond Investment held as at that date. The net effect of the above is a loss of about HK\$191.3 million (after deducting non-controlling interests of about HK\$23.7 million). Shareholders of the Company and potential investors should, however, note that the unrealized fair value loss on Bond Investment are accounting loss with no immediate cash flow impact to the Group. The Group will continue to monitor the performance of its respective investment portfolios from time to time.

Shareholders of the Company and potential investors should also note that as disclosed in the announcement of the Company on 5 August 2022 (the “**Announcement**”), the Group has during the six months ended 30 September 2022 completed the disposal of the property in Changan, the People’s Republic of China at a consideration of about RMB133 million (equivalent to approximately HK\$154 million as stated in the Announcement). The disposal in cash has further strengthened the financial position of the Group.

The Company is in the process of preparing the interim results of the Group for the six months ended 30 September 2022. The information contained in this announcement is only based on the preliminary assessment by the board of directors of the Company (the “**Board**”) on the Bond Investment according to the information currently available which have not been finalized as at the date of this announcement and have not been reviewed by the Company’s auditor.

The information contained in this announcement is only based on the information currently available to the Board, and is provided for shareholders’ and potential investors’ reference only. Further announcement about the estimated interim results of the Group for the six months ended 30 September 2022 will be made. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5 October 2022

As at the date of this 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 the Company, 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 the Company.