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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)

**VERY SUBSTANTIAL DISPOSAL:
PROPOSED DISPOSAL OF
THE SALE SHARES AND THE SALE LOANS**

Financial Adviser

BALLAS
C A P I T A L

SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 20 December 2021 (after trading hours), the Vendors and the Purchaser 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 purchase and take assignment of, the Sale Shares (representing the Flying Dragon Share and the Sav Hospitality Shares) and the Sale Loans (representing the Flying Dragon Loan and the Sav Hospitality Loan).

The Consideration for the Sale Shares and the Sale Loans is estimated to be not more than HK\$1,651,000,000 (subject to adjustments), which shall be arrived at based on the aggregate of (i) the Agreed Property Valuation of the Property of HK\$1,651,000,000; and (ii) the Completion Net Asset Value of the Target Companies.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules 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 Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal and therefore, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

EHL, the controlling shareholder of the Company, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the date of this announcement, EHL owns approximately 54.10% of the total issued Shares. EHL is beneficially owned as to 60% by Mr. Alan Chuang Shaw Swee, the honorary chairman of the Company, and 10% by each of Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam, each a Director.

A circular containing, amongst other things, (i) further details of the Sale and Purchase Agreement; (ii) a property valuation report on the Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) a notice of the SGM to approve the Disposal, will be despatched to the Shareholders on or before 31 January 2022 in order to allow sufficient time for the Company to prepare the necessary information to be included in the circular.

GENERAL

Completion of the Sale and Purchase Agreement is subject to the fulfilment of certain conditions precedent and terms thereof, and therefore, may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

INTRODUCTION

The Board is pleased to announce that on 20 December 2021 (after trading hours), the Vendors and the Purchaser 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 purchase and take assignment of, the Sale Shares (representing the Flying Dragon Share and the Sav Hospitality Shares) and the Sale Loans (representing the Flying Dragon Loan and the Sav Hospitality Loan).

SALE AND PURCHASE AGREEMENT

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

Date

20 December 2021 (after trading hours)

Parties

- (1) The Company and Fanus (as Vendors)
- (2) VIA IV (BVI) Holdco 7 Ltd (as Purchaser)

The Company also guarantees to the Purchaser the performance of Fanus' obligations in accordance with the Sale and Purchase Agreement.

Subject Matter

The Vendors have conditionally agreed to sell the Sale Shares (representing the Flying Dragon Share and the Sav Hospitality Shares) and assign the Sale Loans (representing the Flying Dragon Loan and the Sav Hospitality Loan) to the Purchaser free from encumbrances but together with all rights attached, accrued or accruing thereto as at the Completion Date 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 Completion Date.

Further details of the Target Companies (comprising Flying Dragon Group and Sav Hospitality) are set out in the section headed "Information on the Target Companies, the Property and the Hotel" below.

Consideration

The Consideration for the Sale Shares and the Sale Loans is estimated to be not more than HK\$1,651,000,000 (subject to adjustments), which shall be arrived at based on the aggregate of (i) the Agreed Property Valuation of the Property of HK\$1,651,000,000; and (ii) the Completion Net Asset Value of the Target Companies. Based on the financial information of the Target Companies as at 30 September 2021 and to the best of the Directors' knowledge, information and belief, the estimated maximum amount of the Completion Net Asset Value of the Target Companies will be a negative figure with absolute amount not higher than approximately HK\$10 million. As such, the exact amount of the Consideration can only be determined as at Completion.

The Consideration was arrived at after arm's length negotiations between the Vendors and the Purchaser after taking into account: (i) the Agreed Property Valuation; and (ii) the Completion Net Asset Value of the Target Companies. The Agreed Property Valuation of the Property was HK\$1,651,000,000, which was determined after arm's length negotiations between the Vendors and the Purchaser by reference to, among others, market values of comparable properties. The preliminary market valuation of the Property as at 30 November 2021 as appraised by an independent valuer appointed by the Company based on market

approach was HK\$1,621,000,000. The Agreed Property Valuation of the Property represented a premium of about 1.9% to the preliminary market valuation of the Property as aforesaid.

The Consideration shall be satisfied in cash in Hong Kong by the Purchaser to the Vendors as follows:

- (i) a deposit in the amount of HK\$198,120,000 (the “**Deposit**”) has been paid to the Vendors’ solicitors upon execution of the Sale and Purchase Agreement, which shall represent part payment of the Consideration upon Completion; and
- (ii) at Completion, the Purchaser shall (a) pay directly to a licensed bank in Hong Kong to repay the Bank Loan in full so as to release and discharge the securities on the Property (the “**Redemption Amount**”); and (b) pay to the Company the balance of the Consideration (after deducting the Deposit and Redemption Amount).

Conditions Precedent

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

- (a) the Vendors being able to show and give title to the Property in accordance with the applicable laws in Hong Kong pursuant to the provisions of the Sale and Purchase Agreement and there being no order received by any of the Target Companies in respect of the resumption of the Property (or any part(s) thereof) by any government authorities in Hong Kong on the Completion Date;
- (b) the Hotel License and the offensive trade license remaining valid, effective and subsisting on the Completion Date;
- (c) no Material Adverse Change having occurred before or on the Completion Date;
- (d) the fundamental warranties given by the Vendors under the Sale and Purchase Agreement remaining true, accurate and not misleading in all respects before and on the Completion Date; and
- (e) the transaction contemplated by the Sale and Purchase Agreement having been approved by the Shareholders at the SGM in accordance with the Listing Rules.

The Purchaser may at any time before the Longstop Date waive in writing any of the conditions (a) to (d) set out above. Save as aforesaid, none of the other conditions precedent above is capable of being waived.

If any of the conditions (which has not previously been waived by the Purchaser) has not been fulfilled on or before the Longstop Date, or if all conditions have been satisfied or waived (as the case may be) on or before the Longstop Date but any of them become(s) unsatisfied during the period pending Completion (which is/are not then waived by the Purchaser), the Sale and Purchase Agreement shall be automatically terminated on the Longstop Date or (as the case may be) the relevant date on which any condition(s) become(s) unsatisfied subsequent to the Longstop Date. Under such a circumstance, all rights and obligations of the parties under the Sale and Purchase Agreement shall lapse and be of no further effect, and the Deposit (without interest) will be refunded to the Purchaser.

EHL, the controlling shareholder of the Company, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the date of this announcement, EHL owns approximately 54.10% of the total issued Shares.

Completion

Completion shall take place in Hong Kong on the later of (a) the 10th Business Day following satisfaction or waiver of all conditions precedent; and (b) 18 February 2022; or on such other date as the Vendors and the Purchaser may agree in writing.

Following Completion, the Company will cease to have any interests in the Target Companies and the financial results and assets and liabilities of the Target Companies (except for the Excluded Assets) will no longer be consolidated into the consolidated financial statements of the Group. Upon Completion, the Property will be delivered on an as-is basis to the Purchaser subject to the then existing tenancies, and the Group will no longer be interested in or operating the Hotel, which will then be operated by the Purchaser. Furthermore, the Purchaser agrees that within one month from the Completion Date, it will procure (i) to change the existing name of Sav Hospitality; and (ii) to change the existing name of the Property, to the effect that any reference of “sáv” or any other associated brand names is removed.

INFORMATION ON THE TARGET COMPANIES, THE PROPERTY AND THE HOTEL

Flying Dragon

Flying Dragon is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Flying Dragon is principally engaged in investment holding.

Mega Well

Mega Well is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Flying Dragon as at the date of this announcement. Mega Well is principally engaged in property investment and is the owner of the Property.

Sav Hospitality

Sav Hospitality is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company as at the date of this announcement. Sav Hospitality is principally engaged in hotel operation and management. It owns the Hotel License and is operating and managing the Hotel.

The Property and The Hotel

The Property is located at the heart of Hunghom with close proximity to three Mass Transit Railway Stations including Whampoa Station, Ho Man Tin Station and Hunghom Station. It is a 24-storey building erected over a site area of approximately 10,204 sq. ft., having a total gross floor area of approximately 122,108 sq. ft. It comprises shopping units on the ground and first floors and the Hotel known as Hotel sáv comprising 388 rooms on the upper floors.

As regards the shopping units with total gross floor area of approximately 10,045 sq. ft. on the ground and first floors, they are currently leased to various independent third parties (except for one unit with gross floor area of approximately 4,745 sq. ft. on the first floor in which the Target Companies are taking legal actions to terminate the tenancy) at an aggregate monthly rental of approximately HK\$498,000 (inclusive of management fees but exclusive of government rates), with the last tenancy expiring in May 2024.

As regards the Hotel operation, the COVID-19 pandemic has continued to affect Hong Kong's tourism industry severely by travel ban and quarantine requirements during the past two years. As a result, occupancy of the Hotel has been adversely impacted by a lack of tourists and business travelers. Accordingly, in order to expand its customer base and stabilize its revenue stream, the Target Companies have during such critical time taken steps to promote its Co-Living concept to attract more university students and long term tenants of different purposes, as well as dynamic packages for the local staycation customers and long staying/monthly room rental segment. The Target Companies also keep on deploying cost reduction measures while maintaining efficiency and service standard so as to mitigate the impact on the Hotel. As such, the performance of the Hotel is gradually recovering from the impact of COVID-19, and the average occupancy rate for the six months ended 30 September 2021 is about 61%.

Set out below is a combined financial summary of the Target Companies as extracted from the annual reports for the two financial years ended 31 March 2021 and the interim report for the six months ended 30 September 2021 of the Company:

	For the financial year ended 31 March		For the six months ended 30 September
	2020	2021	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenues	50,695	26,485	19,857
Loss before taxation <i>(note)</i>	(125,945)	(96,235)	(26,249)
Loss after taxation <i>(note)</i>	(125,945)	(101,235)	(26,249)
(LBITDA)/EBITDA <i>(note)</i>	(29,298)	(17,313)	12,088

Note: These amounts included the fair value (loss)/gain on revaluation of the commercial portion of the Property recorded as investment properties with amounts of approximately HK\$(41.3) million, HK\$(19.9) million and HK\$7.0 million for the years ended 31 March 2020 and 2021, and the six months ended 30 September 2021 respectively.

The combined net asset value of the Target Companies (not taking into account a bank loan of approximately HK\$859 million, and the shareholders' loans and other amounts due to the Group with the aggregate amount of approximately HK\$53 million) as at 30 September 2021 was approximately HK\$1,263 million. Currently the Property is mortgaged to a licensed bank in Hong Kong for the Bank Loan granted to Mega Well. Pursuant to the terms of the Sale and Purchase Agreement, part of the Consideration will be directly utilized to repay the Bank Loan in full at Completion so as to release and discharge the securities on the Property.

As at 30 September 2021, the Property was stated at about HK\$1,238 million in aggregate in the combined financial statements of the Target Companies, comprising the "Property, plant and equipment" and "Right-of-use assets" stated at depreciated cost with aggregate amount of approximately HK\$950 million, and the "Investment properties" stated at fair value of approximately HK\$288 million respectively. The preliminary market valuation of the Property as appraised by an independent valuer appointed by the Company based on market approach as at 30 November 2021 was HK\$1,621,000,000. The Agreed Property Valuation of the Property represents a premium of about 1.9% to the preliminary market valuation of the Property as at 30 November 2021.

INFORMATION ON THE VENDORS AND THE GROUP

The Vendors are Fanus and the Company.

Fanus, a company incorporated in the British Virgin Islands, is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Fanus is principally engaged in investment holding.

The Company is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 367). The 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, VIA IV (BVI) Holdco 7 Ltd, is an investment holding company incorporated in the British Virgin Islands.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries:

- (i) the Purchaser is ultimately beneficially owned as to 90% by AEW Value Investors Asia IV, L.P. (a closed-end private equity fund established in Luxembourg) ("**AEW Fund**") and 10% by Crystal Investment Limited (a company incorporated in Bermuda with limited liability) ("**Crystal Investment**");
- (ii) the general partner of AEW Fund is AEW VIA IV GP Partners S.à r.l. ("**AEW GP**"), and there are more than 20 limited partners in the AEW Fund. The limited partners of the AEW Fund comprise primarily pension funds. Apart from 2 international pension funds which each holds 12.16% of partnership interest in the AEW Fund, none of the remaining limited partners holds more than 9% of partnership interest in the AEW Fund. All limited partners are passive financial investors and are not involved in the management and operations of the AEW Fund;
- (iii) AEW GP is ultimately beneficially owned by AEW Capital Management, L.P., a Delaware limited partnership ("**AEW Capital**");
- (iv) the licensed investment manager of AEW Fund is AEW Asia Pte. Ltd., a company incorporated under the laws of Singapore ("**AEW Asia**");
- (v) Crystal Investment is a 10% minority shareholder in the Purchaser and only has limited management rights in the Purchaser;
- (vi) each of the Purchaser, AEW Fund, AEW GP, AEW Capital and AEW Asia, and Crystal Investment and its ultimate beneficial owners is a third party independent of the Company and its connected persons; and
- (vii) each of the Purchaser and its ultimate beneficial owners is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, its directors and legal representatives and any ultimate beneficial owner(s) of the Purchaser; and (b) the Company, any connected person at the Company's level, and/or any connected person of Flying Dragon, Mega Well and Sav Hospitality.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the estimated Consideration of HK\$1,651,000,000 and the combined net asset value of the Target Companies as at 30 September 2021, it is expected that the Group would record an estimated net gain from the Disposal of approximately HK\$360.1 million. Such net gain has taken into account the effect of the Excluded Assets and the estimated expenses in relation to the Disposal (including stamp duty, commission, staff compensation and professional fees) of approximately HK\$27.9 million. However, the actual net gain from the Disposal can only be determined at Completion based on the Completion Net Asset Value of the Target Companies and shall be subject to audit by the Company's auditors.

Following Completion, the Company will cease to have any interests in the Target Companies and the financial results and assets and liabilities of the Target Companies (except for the Excluded Assets) will no longer be consolidated into the consolidated financial statements of the Group.

USE OF PROCEEDS

Based on the estimated Consideration of HK\$1,651,000,000, the net cash proceeds for the Disposal (after the repayment of the Bank Loan in full) are estimated to be approximately HK\$764 million. The net cash proceeds from the Disposal will replenish the working capital of the Group, improve its liquidity and strengthen the overall financial position for potential investments and business development as and when opportunities arise. Nevertheless, as at the date of this announcement, save for the Sale and Purchase Agreement and the transactions contemplated thereunder, the Company has not entered into any agreement, arrangement or undertaking, and has no intention to (i) acquire any new business or assets; and (ii) dispose, terminate and/or downsize of its existing businesses and material operating assets.

REASONS AND BENEFITS OF THE DISPOSAL

Although the market in Hong Kong has slightly recovered after the implementation of the COVID-19 vaccination program and the electronic consumption vouchers scheme by the HKSAR government, businesses and economies of the world, especially for tourism and hospitality sectors, are still reeling from the prolonged adverse effects of the COVID-19 pandemic. Under this macro back-drop, an adverse effect in both occupancy and average room rates of the Hotel will inevitably be continued in the near future. As disclosed in the previous annual reports of the Company, the Group will explore option for disposal of the Property to accelerate return on this investment, and to better position the Group to seek opportunities to replenish its land bank in Hong Kong, especially for the luxury and mass residential market. Taking into consideration the estimated net gain from the Disposal as set out in the section headed "Financial Effect of the Disposal" above, the Board considers

that the Disposal provides a valuable opportunity for the Group to unlock the value of its investment in the Property at a profit with a substantial cash inflow to the Group. Furthermore, the Disposal will also enable the Group to reduce its bank borrowings, improve its liquidity and strengthen its overall financial position so as to facilitate its future development should opportunities arise.

In light of the above, the Directors consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules 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 Board, having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal and therefore, no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

EHL, the controlling shareholder of the Company, has irrevocably undertaken that it will vote in favour of the resolution(s) to be proposed at the SGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. As at the date of this announcement, EHL owns approximately 54.10% of the total issued Shares. EHL is beneficially owned as to 60% by Mr. Alan Chuang Shaw Swee, the honorary chairman of the Company, and 10% by each of Mr. Albert Chuang Ka Pun, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam, each a Director.

A circular containing, amongst other things, (i) further details of the Sale and Purchase Agreement; (ii) a property valuation report on the Property; (iii) other information as required to be disclosed under the Listing Rules; and (iv) a notice of the SGM to approve the Disposal, will be despatched to the Shareholders on or before 31 January 2022 in order to allow sufficient time for the Company to prepare the necessary information to be included in the circular.

GENERAL

Completion of the Sale and Purchase Agreement is subject to the fulfilment of certain conditions precedent and terms thereof, and therefore, may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

DEFINITIONS

“Agreed Property Valuation”	the agreed property value of the Property of HK\$1,651,000,000 under the Sale and Purchase Agreement
“Bank Loan”	the total outstanding amount of the principal of loan and facility owed by Mega Well to a licensed bank in Hong Kong as at the Completion Date and any interest accrued thereon
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which no “black rainstorm warning” or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted in Hong Kong at 9:00 a.m. on that day and on which licensed banks are open in Hong Kong to the general public for business
“Chattels”	the furniture, fixtures, fittings, chattels, goods, inventories, equipments and electrical appliances present in, on or appertaining to the Property at the Completion Date which are for the operation and business of the Hotel
“Company”	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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of which Completion is to take place in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Net Asset Value”	an amount equal to (a) the combined total assets of the Flying Dragon Group and Sav Hospitality as at Completion (other than the Property, the Chattels, the Excluded Assets, certain receivables to be recovered by the Vendors subsequent to Completion and deferred taxation assets (if any)); minus (b) the combined total liabilities of the Flying Dragon Group and Sav Hospitality as at Completion (other than the Sale Loans, the Bank Loan and deferred taxation liabilities (if any))
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendors for the Sale Shares and the Sale Loans under the Sale and Purchase Agreement

“Directors”	directors of the Company
“Disposal”	the proposed disposal of the Sale Shares and the Sale Loans by the Vendors to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“EHL”	Evergain Holdings Limited, which, as at the date of this announcement, held 904,837,332 Shares, representing approximately 54.10% of the total issued Shares
“Excluded Assets”	collectively, (i) a motor vehicle; (ii) the existing registered intellectual property and the trademarks relating to the operation of the Hotel and brand names of “sáv”; and (iii) investment in Sav Cebu, which are all beneficially owned by the Target Companies as at the date of this announcement, and will be retained by the Group with transfer to designated wholly-owned subsidiaries of the Company before or after Completion (as the case may be)
“Fanus”	Fanus Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Flying Dragon”	Flying Dragon Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Flying Dragon Group”	Flying Dragon and Mega Well
“Flying Dragon Loan”	the shareholder’s loan owing by Flying Dragon Group to Fanus as at Completion
“Flying Dragon Share”	the 1 issued ordinary share of and in Flying Dragon to be sold by Fanus to the Purchaser pursuant to the Sale and Purchase Agreement, representing the entire equity interest in Flying Dragon
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hotel”	the hotel being currently operated at the Property and commonly known as “逸 • 酒店 Hotel sáv”
“Hotel License”	the hotel license in respect of the Hotel

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	20 April 2022 (or such later date as may be agreed in writing between the Vendors and the Purchaser)
“Material Adverse Change”	any matter, event or circumstance which resulted in (a) the Target Companies taken as a whole suffering loss in aggregate equal to or greater than HK\$165 million; and/or (b) a decrease in the aggregate net asset value of the Target Companies taken as a whole exceeding HK\$165 million, but excluding (i) any decrease in the value of the assets of any of the Target Companies and/or the Property due to depreciation and/or other revaluation losses; and/or (ii) any material adverse changes in general market condition and/or general economic environment (including COVID-19) in the property and/or hospitality market in Hong Kong; and/or (iii) any material changes in laws which is applicable to any Target Companies and/or the Property and/or the Hotel after the date of the Sale and Purchase Agreement, except that the matters in (ii) and (iii) having the impact on the Target Companies taken as a whole is materially disproportionate to the effect on other similar companies
“Mega Well”	Mega Well Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Flying Dragon as at the date of this announcement
“PRC”	the People’s Republic of China
“Property”	all those pieces or parcels of ground registered in the Land Registry with the messuages, erections and buildings thereon known as Hotel sáv, No. 83 Wuhu Street, Kowloon, Hong Kong
“Purchaser”	VIA IV (BVI) Holdco 7 Ltd, a company incorporated in the British Virgin Islands
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 20 December 2021 entered into amongst the Vendors and the Purchaser in relation to the Disposal
“Sale Loans”	collectively, the Flying Dragon Loan and the Sav Hospitality Loan, and “Sale Loan” means any of them
“Sale Shares”	collectively, the Flying Dragon Share and the Sav Hospitality Shares

“Sav Cebu”	SAV Hotels and Resort Management Corporation, a company incorporated in Philippines with limited liability, a direct wholly-owned subsidiary of Sav Hospitality and dormant as at the date of this announcement
“Sav Hospitality”	Sav Hospitality Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company as at the date of this announcement
“Sav Hospitality Loan”	the shareholder’s loan owing by Sav Hospitality to the Company as at Completion
“Sav Hospitality Shares”	the 1,000,000 issued ordinary shares of and in Sav Hospitality to be sold by the Company to the Purchaser pursuant to the Sale and Purchase Agreement, representing the entire equity interest in Sav Hospitality
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, to approve, among other matters, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	Flying Dragon Group and Sav Hospitality
“Vendors”	collectively, the Company and Fanus, and “Vendor” means any of them
“sq. ft.”	square feet
“%”	per cent.

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

Hong Kong, 20 December 2021

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.