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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 2021 and the interim report of the Company for the six months ended 30 September 2021 (the "**2022 Interim Report**"), 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\$3,334.8 million as at 31 March 2021 (in which about HK\$2,114.8 million were held by the wholly-owned subsidiaries of the Group, and about HK\$1,220.0 million were held by the wholly-owned subsidiaries of Chuang's China Investments Limited ("**Chuang's China**"), a 61.15% listed subsidiary of the Group), and about HK\$2,654.9 million as at 30 September 2021 (in which about HK\$1,662.2 million were held by the wholly-owned subsidiaries of the Group, and about HK\$992.7 million were held by the wholly-owned subsidiaries of Chuang's China).

For the year ended 31 March 2022, the performance of the Bond Investment was adversely affected by unfavourable and high volatility of the high yield bond market. During this year, in respect of the Bond Investment, the Group expects to record bond interest and related income of about HK\$180 million, realized loss on disposal and redemption of Bond Investment of about HK\$36 million, and unrealized fair value loss on Bond Investment of about HK\$1,748 million as a result of mark to market prices of the Bond Investment as at 31 March 2022. The net effect of the above is a loss of about HK\$1,361 million (after deducting non-controlling interests of about HK\$243 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.

Shareholders of the Company and potential investors should also note that as disclosed in the 2022 Interim Report and the announcement of the Company dated 8 March 2022, the Group had during the year ended 31 March 2022 completed the disposals of (i) the property project in Panyu, the People's Republic of China at a consideration of about RMB1.57 billion (equivalent to approximately HK\$1.90 billion as recorded in the 2022 Interim Report); (ii) the property project in Vietnam at a consideration of about US\$25.6 million (equivalent to approximately HK\$198.9 million as recorded in the 2022 Interim Report); and (iii) a hotel in Hong Kong at a consideration of about HK\$1.65 billion. All these disposals in cash have greatly strengthened the Group's financial position and have generated substantial net gain to the Group for the year ended 31 March 2022.

The Company is in the process of preparing the final results of the Group for the year ended 31 March 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 final results of the Group for the year ended 31 March 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, 4 April 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.