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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE PROVISION OF FINANCIAL ASSISTANCE TO
A JOINT VENTURE COMPANY**

ENTERING INTO THE AGREEMENT FOR THE PROVISION OF FINANCIAL ASSISTANCE

In order to provide the JV Company with further funding to extend mortgage loans to the qualifying end buyers of the JV Project, on 5 October 2023, Lambda and Kingsford entered into the Agreement regarding, inter alia, the provision of an additional revolving loan facility for a maximum amount up to HK\$300 million to the JV Company. The JV Company is owned as to 40% by Lambda and 60% by Kingsford. The facility provided under the Agreement from Lambda and Kingsford to the JV Company will be made in proportion to their respective effective shareholding interests in the JV Company and is interest-free, unsecured and without a fixed term of repayment. Thus the commitment of Lambda under the Agreement will be up to a maximum of HK\$120 million.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of financial assistance under the Agreement (and also when aggregated with the Previous Assistance) exceeds 5% (but is less than 25%), the provision of financial assistance under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

ENTERING INTO THE AGREEMENT FOR THE PROVISION OF FINANCIAL ASSISTANCE

Lambda, an indirect wholly-owned subsidiary of the Company, and Kingsford, an indirect wholly-owned subsidiary of Sino, entered into the Previous Agreement on 12 May 2021 regarding, inter alia, the provision of revolving loan facility for an aggregate maximum amount of HK\$200 million to the JV Company. The JV Company, which is owned as to 40% by Lambda and 60% by Kingsford, is established on 21 April 2021 with the sole purpose for the provision of mortgage loans to the qualifying end buyers of the residential units developed pursuant to the JV Project. The facility provided under the Previous Agreement from Lambda and Kingsford to the JV Company is made in proportion to their respective effective shareholding interests in the JV Company and is interest-free, unsecured and without a fixed term of repayment. Thus the commitment of Lambda under the Previous Agreement is up to a maximum of HK\$80 million.

Up to the date of this announcement, loan amount of approximately HK\$167.5 million have been drawn by the JV Company under the Previous Agreement for lending to the qualifying end buyers of the JV Project. In order to provide the JV Company with further funding to extend mortgage loans to the qualifying end buyers of the JV Project, on 5 October 2023, Lambda and Kingsford entered into the Agreement regarding, inter alia, the provision of an additional revolving loan facility for a maximum amount up to HK\$300 million to the JV Company. The facility provided under the Agreement from Lambda and Kingsford to the JV Company will be made in proportion to their respective effective shareholding interests in the JV Company and is interest-free, unsecured and without a fixed term of repayment. Thus the commitment of Lambda under the Agreement will be up to a maximum of HK\$120 million.

Thus, with the undrawn amount of about HK\$32.5 million under the Previous Agreement and the additional facility under the Agreement, the JV Company will have funding with an aggregate amount of about HK\$332.5 million for further provision of mortgage loans to the qualifying end buyers of the JV Project.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT FOR THE PROVISION OF FINANCIAL ASSISTANCE

The Group is principally engaged in property development and investment in Hong Kong. Through the joint venture with a wholly-owned subsidiary of Sino, the Group participated in the JV Project, ONE SOHO, tendered by the Urban Renewal Authority in December 2017. The site is well located in the heart of the Mongkok district, neighbouring Langham Place. A residential/commercial building comprising 322 residential units, clubhouse facilities, commercial podium and carparking spaces is developed, in which the commercial portion is retained by the Urban Renewal Authority. Occupation permit had been obtained in March 2023, and certificate of compliance of the residential units was obtained on 20 July 2023. Pre-sale consent of the 322 residential units of ONE SOHO was obtained in April 2021, in which 183 residential units have been sold with an aggregate consideration of about HK\$1.3 billion and have been handed-over to the end buyers up to the date of this announcement. Mortgage loans have been offered to the qualifying end buyers to encourage market interest and help end buyers to complete the purchase the units.

Since the development of the residential units of the JV Project is completed, the Company and Sino would like to continue to market and sell the remaining unsold 139 residential units. In order to encourage market interest and help end buyers to purchase the residential units, especially under the current market situation, and similar with the arrangement of the first batch of the pre-sale, mortgage loans will be offered by the JV Company to the qualifying end buyers. Previous Assistance had been arranged by Lambda and Kingsford with the JV Company under the Previous Agreement with the revolving loan facility amount of HK\$200 million, in which about HK\$167.5 million have been drawn down up to the date of this announcement. As such, in order to facilitate the sale of the remaining 139 residential units of the JV Project, Lambda and Kingsford entered into the Agreement to provide further financial assistance to the JV Company for lending to the qualifying end buyers.

The Directors consider that the provision of mortgage loans will facilitate the sale of the unsold residential units of the JV Project and the interest income earned by the JV Company from the qualifying end buyers can also increase the overall returns to the Group out of the JV Project. The mortgage loans will only be lent to the qualifying end buyers after credit assessment with the provision of relevant securities by the borrowers. This has minimized the credit risk from the recoverability of the mortgage loans.

The Directors are satisfied that each of Lambda and Kingsford will be lending to the JV Company in proportion to their respective effective shareholding interests in the JV Company and the JV Project, and on the same terms. Based on the above factors, the Directors consider that the Agreement represents normal commercial terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole. The Group will finance loans made pursuant to the Agreement from internal resources.

INFORMATION ON THE GROUP, THE JV COMPANY, LAMBDA AND KINGSFORD

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.

The JV Company is a company incorporated in Hong Kong with limited liability and is owned indirectly as to 40% by the Group and 60% by Sino. It has been set up for the sole purpose of providing mortgage loans to the qualifying end buyers of the residential units developed pursuant to the JV Project.

Lambda is an investment holding company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company.

Kingsford is an investment holding company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Sino. Sino is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 83). Its principal businesses are property development and investment.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Kingsford, Sino and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of Previous Assistance under the Previous Agreement is less than 5% at the time of entering into the Previous Agreement, the provision of Previous Assistance under the Previous Agreement does not constitute a discloseable transaction of the Company under the Listing Rules at that time.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of financial assistance under the Agreement (and also when aggregated with the Previous Assistance) exceeds 5% (but is less than 25%), the provision of financial assistance under the Agreement constitutes a discloseable transaction of the Company under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

“Agreement”	the agreement dated 5 October 2023 entered into between Lambda and Kingsford
“Board”	the board of Directors
“Company”	Chuang’s Consortium International Limited (Sock Code: 367), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	having the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“JV Company”	One Soho Finance Company Limited, a company incorporated in Hong Kong with limited liability and is owned as to 40% by Lambda and 60% by Kingsford
“JV Project”	the joint venture project, ONE SOHO, comprising 322 residential units located at Mongkok, Kowloon and developed by another joint venture company which is indirectly owned as to 40% by the Company and 60% by Sino
“Kingsford”	Kingsford Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Sino

“Lambda”	Lambda Tele-equipment Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Previous Agreement”	the agreement dated 12 May 2021 entered into between Lambda and Kingsford
“Previous Assistance”	the previous revolving loan facility amount of HK\$200 million provided by Lambda and Kingsford to the JV Company under the Previous Agreement
“Sino”	Sino Land Company Limited (Stock Code: 83), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 5 October 2023

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.