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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)

MAJOR TRANSACTION DISPOSAL OF PROPERTY

The Directors announced that on 31 March 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser in relation to the disposal of the Property.

As one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 25% and below 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, further information regarding the Disposal and a valuation of the Property will be despatched to the Shareholders in accordance with the Listing Rules.

INTRODUCTION

The Directors announced that on 31 March 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser in relation to the disposal of the Property.

For identification purpose only

THE AGREEMENT

- Date: 31 March 2010.
- The Vendor: Chuang's Finance & Investments Limited, a wholly-owned subsidiary of the Company.
- The Purchaser: Rise Swank Investments Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and the ultimate beneficial owner of the Purchaser are Independent Third Parties.
- Property: House D, No. 37 Island Road, Deep Water Bay, Hong Kong.
- Consideration and payment terms: The consideration for the Property is HK\$462.8 million, which was agreed between the parties based on arm's length negotiation. The Directors consider that the consideration is fair and reasonable after taking into consideration the market prices of similar properties in nearby areas.
- The Purchaser has paid to the Vendor an initial deposit of HK\$20 million upon signing of the Agreement and shall pay a further deposit of HK\$26.28 million on or before 21 April 2010.
- The remaining balance of the consideration in the amount of HK\$416.52 million shall be paid by the Purchaser to the Vendor on the date of completion of the Disposal.
- Condition and completion: Completion of the sale and purchase of the Property is subject to and conditional upon the due compliance of all requirements which the Vendor and/or the Company are required to comply with under the Listing Rules.
- It is currently expected that completion of the Disposal will take place on 6 August 2010, upon which vacant possession shall be delivered by the Vendor.

INFORMATION ON THE PROPERTY

The Property is a house developed by the Group which has a total area of about 11,466 sq. ft. (comprising house area, covered car parking area, garden area and a private swimming pool). The occupation permit of the Property was issued on 20 April 2009 and the Property is held by the Group as an investment property. The Property did not generate any revenue for the Group for the two years ended 31 March 2009 and the Property is currently vacant.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the current market presents a good opportunity for the Company to realise its investment in the Property. The net proceeds from the Disposal of approximately HK\$454 million will be applied towards repayment of the bank loan and for use as general working capital of the Group. Accordingly, the Disposal will enable the Group to reduce its borrowings and increase its working capital, and will improve the liquidity and strengthen the overall financial position of the Group.

The book value of the Property as at 30 September 2009 amounted to approximately HK\$221 million. The Company will arrange for valuation of the Property by an independent professional valuer and the valuation of which will be included in a circular to be despatched to the Shareholders in accordance with the Listing Rules. The gain (including revaluation gain, if any) expected to accrue to the Group upon completion of the Disposal is approximately HK\$233 million after taking into account the estimated expenses in relation to the Disposal.

The Directors consider that the terms of the Disposal are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 25% and below 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Pursuant to the Listing Rules, shareholders' approval is required for the Disposal. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have any material interest in the Disposal. As no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Disposal, pursuant to Rule 14.44 of the Listing Rules, in lieu of holding a general meeting, shareholders' written approval has been obtained on 31 March 2010 from EHL, HAL and HKI, being a closely allied group of Shareholders holding 615,411,271, 68,470,552 and 178,022,395 shares in the Company, respectively as at the date of this announcement, representing a total of approximately 56.4% of the shares of the Company.

EHL is a company wholly-owned by Mr. Chuang, a Director and the Chairman of the Company. HAL is a company wholly-owned by Mrs. Siu, a Director and the Vice Chairman of the Company, and a sister of Mr. Chuang. The shares in the Company held by HKI are held on trust of which Mr. Chuang and Mrs. Siu are discretionary objects.

A circular containing, among other things, further information regarding the Disposal and a valuation of the Property will be despatched to the Shareholders in accordance with the Listing Rules.

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The principal business activities of the Group are property development and investment, investments in manufacturing businesses and share investments, and that of the Purchaser is investment holding.

DEFINITIONS

“Agreement”	The provisional sale and purchase agreement dated 31 March 2010 and entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Company”	Chuang’s Consortium International Limited, a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Disposal”	disposal of the Property by the Vendor to the Purchaser
“EHL”	Evergain Holdings Limited, a company wholly-owned by Mr. Chuang
“Group”	the Company and its subsidiaries
“HAL”	Hilltop Assets Limited, a company wholly-owned by Mrs. Siu
“HK\$”	The Hong Kong dollars, the lawful currency of Hong Kong
“HKI”	H.K. International Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	means persons who are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of and not connected with the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chuang”	Mr. Alan Chuang Shaw Swee
“Mrs. Siu”	Mrs. Alice Siu Chuang Siu Suen
“Property”	House D, No. 37 Island Road, Deep Water Bay, Hong Kong

“Purchaser”	Rise Swank Investments Limited
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Chuang’s Finance & Investments Limited, a wholly-owned subsidiary of the Company

By Order of the Board of
Chuang’s Consortium International Limited
Ko Sheung Chi
Managing Director

Hong Kong, 31 March 2010

As at the date of this announcement, Mr. Alan Chuang Shaw Swee, Mrs. Alice Siu Chuang Siu Suen, Mr. Ko Sheung Chi, Mr. Albert Chuang Ka Pun, Mr. Lui Lop Kay and Mr. Wong Chung Wai are Executive Directors and Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong are Independent Non-executive Directors of the Company.