

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Chuang's Consortium International Limited, you should at once hand this circular and the accompanying 2015 Annual Report and proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



## Chuang's Consortium International Limited

(莊士機構國際有限公司)

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 367)

*Directors:*

Mr. Alan Chuang Shaw Swee (*Chairman*)  
Mr. Ko Sheung Chi (*Managing Director*)  
Mr. Albert Chuang Ka Pun  
Miss Candy Chuang Ka Wai  
Mr. Chong Ka Fung  
Mr. Lui Lop Kay  
Mr. Wong Chung Wai  
Mr. Chan Chun Man  
Mr. Abraham Shek Lai Him, G.B.S., J.P.\*  
Mr. Fong Shing Kwong\*  
Mr. Yau Chi Ming\*  
Mr. David Chu Yu Lin, S.B.S., J.P.\*

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Office in Hong Kong:*

25th Floor, Alexandra House  
18 Chater Road, Central  
Hong Kong

\* *Independent non-executive directors*

30th July, 2015

*To the shareholders,*

Dear Sir or Madam,

### **PROPOSALS INVOLVING RE-ELECTION OF RETIRING DIRECTORS AND GRANT OF GENERAL MANDATE TO REPURCHASE SHARES**

#### **1. INTRODUCTION**

It is proposed that at the annual general meeting (the "Annual General Meeting") of Chuang's Consortium International Limited (the "Company", together with its subsidiaries, the "Group") to be held on Monday, 31st August, 2015 at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong, inter alia, resolutions will be proposed (i) to

re-elect the retiring directors as directors of the Company (the “Director(s)”) and (ii) to grant to the board of directors (the “Board”) of the Company a general mandate to repurchase shares of HK\$0.25 each (the “Shares”) of the Company. This circular gives the information reasonably necessary to enable shareholders of the Company (the “Shareholder(s)”) to make an informed decision on whether to vote for or against the above resolutions. The Board has confirmed that having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the proposed resolutions under Rule 2.17 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## **2. PROPOSED DIRECTORS FOR RE-ELECTION**

In accordance with Bye-law nos. 86(2) and 87(2) of the Bye-laws of the Company and Appendix 14 of the Listing Rules, four Directors, Mr. Albert Chuang Ka Pun, Miss Candy Chuang Ka Wai, Mr. Lui Lop Kay and Mr. Chan Chun Man will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Set out below are biographical details of the four Directors proposed to be re-elected:

**Mr. Albert Chuang Ka Pun** (“Mr. Albert Chuang”) (aged 35), an executive Director, has over 11 years of experience in property business and general management. He is also a member of the corporate governance committee of the Company and the managing director of Chuang’s China Investments Limited (“Chuang’s China”) which is a subsidiary of the Company and is listed on the Stock Exchange. He holds a bachelor degree of arts with major in economics. He is a committee member (the Hong Kong Special Administrative Region) of the Tianjin Municipal Committee of the Chinese People’s Political Consultative Conference and the Eleventh All-China Youth Federation. Mr. Albert Chuang is the son of Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”), the controlling Shareholder and the chairman of the Company, and the brother of Miss Candy Chuang Ka Wai (“Miss Candy Chuang”) and Mr. Chong Ka Fung, all are executive Directors of the Company. He joined the Group in September 2005. He is also a director of various subsidiaries of the Company being responsible for the overall management of these subsidiaries. He also holds directorships in certain private companies beneficially owned by Mr. Alan Chuang. As at 21st July, 2015 (the “Latest Practicable Date”), he held 1,299,676 Shares in the Company.

**Miss Candy Chuang** (aged 33), an executive Director, has 11 years of experience in general management, marketing and property business. She is also a member of the corporate governance committee of the Company. She is an executive director of Midas International Holdings Limited (“Midas”) which is a subsidiary of the Company and is listed on the Stock Exchange and the chairman of Treasure Auctioneer International Limited. She is a member of The Chinese People’s Political Consultative Conference, Xiamen Committee, Beijing Youth Federation, Fujian Youth Federation, Xiamen Overseas Friendship Association, The Y. Elites Association Limited and Hong Kong United Youth Association, the honorary president of the Hong Kong CPPCC of Fukien Province Members Association, the vice chairman of the General Association of Xiamen (H.K.) Ltd. and a member of the board of councillors of Public Art Hong Kong. Miss Candy Chuang is the daughter of Mr. Alan Chuang, the sister of Mr. Albert Chuang and Mr. Chong Ka Fung, all are executive Directors of the Company. Miss Candy Chuang joined the Group in 2005 and is a director of various subsidiaries of the Company being responsible for

the overall management of these subsidiaries. She also holds directorships in certain private companies beneficially owned by Mr. Alan Chuang. As at the Latest Practicable Date, Miss Candy Chuang held 1,177,375 shares in Chuang's China.

**Mr. Lui Lop Kay** ("Mr. Lui") (aged 59), an executive Director, has over 33 years of experience in real estate in Hong Kong and the Asia Pacific region. He holds a bachelor degree of science in estate management and is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. He joined the Group in 1996 and is a director of various subsidiaries of the Company being responsible for the overall management of these subsidiaries. Mr. Lui did not hold any directorship in other listed companies in Hong Kong or overseas over the last three years. As at the Latest Practicable Date, Mr. Lui held 119,602 Shares in the Company and 12,838 shares in Chuang's China.

**Mr. Chan Chun Man** ("Mr. Chan") (aged 39), an executive Director, has over 16 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy and a master degree in business administration. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of each of the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom. He is also a Chartered Financial Analyst of CFA Institute. Mr. Chan joined the Group in 2003, and is the financial controller of the Group and is a director of a subsidiary of the Company being responsible for the management of the subsidiary. Mr. Chan did not hold any directorship in any other listed companies in Hong Kong or overseas over the last three years. As at the Latest Practicable Date, Mr. Chan did not have any interests in the Shares of the Company.

Each of Mr. Albert Chuang, Miss Candy Chuang, Mr. Lui and Mr. Chan has no service contract nor any specified length or proposed length of service with the Company. Mr. Albert Chuang entitles HK\$20,000 per annum being the Director's fee. Each of Miss Candy Chuang, Mr. Lui and Mr. Chan has an employment contract with a subsidiary of the Company. The annual remuneration for Miss Candy Chuang is HK\$1,238,000, for Mr. Lui is HK\$1,762,000 and for Mr. Chan is HK\$1,538,000. The respective amounts include the Director's fee, salary, the retirement scheme contribution and other benefits and were determined by the Board by reference to their duties and experience as well as the prevailing market conditions.

All the Directors mentioned above are subject to retirement by rotation and re-election at least once every 3 years pursuant to Appendix 14 of the Listing Rules and the Bye-laws of the Company.

Except as mentioned above, all Directors subject to re-election have no interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance, no relationship with any other Directors, senior management, substantial or controlling Shareholders and no further information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules, and there is no matter that needs to be brought to the attention of the Shareholders.

### **3. GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, *inter alia*, an ordinary resolution will be proposed that the Board be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares of the Company. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the passing of the resolution.

An explanatory statement to provide the Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out below.

As at the Latest Practicable Date, there were in issue an aggregate of 1,733,729,517 Shares. Exercising in full of the mandate, if so approved, on the basis that no further Shares shall be issued and repurchased prior to the date of the Annual General Meeting, could accordingly result in up to 173,372,951 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by the Bye-laws of the Company or any applicable law or (iii) the revocation or variation of authority given under the ordinary resolution of the Shareholders in general meeting of the Company.

#### **Reasons for Repurchases**

The Board has no present intention to repurchase any Shares but considers that the mandate will provide the Company with the flexibility to make such repurchases when appropriate and is beneficial to the Company. Such repurchases may enhance the net asset value per Share and/or earnings per Share. As compared with the financial position of the Company as at 31st March, 2015 (being the date of the latest published audited accounts of the Company), the Board considers that there may be adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. However, the Board does not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its gearing levels which in the opinion of the Board are from time to time appropriate for the Company.

#### **Funding of Repurchases**

The Company is empowered by its Memorandum of Association of the Company (the "Memorandum of Association") and Bye-laws to repurchase its Shares and in repurchasing Shares, may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda. Bermuda law provides that the amount of capital paid in connection with the share repurchases may only be paid out of either the capital paid up on the shares to be repurchased, the funds of the company otherwise available for distribution or the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of the funds of the Company otherwise available for dividend or distribution or out of the share premium or contributed surplus

accounts of the Company. In accordance with the Listing Rules, the listing of all Shares which are repurchased by the Company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase and the Company would apply for listing of any further issue of Shares in the normal way.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of repurchase, the exercise of the general mandate to repurchase Shares whether in whole or in part will not result in less than 25 per cent. of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules.

#### **Directors, their close associates and core connected persons**

None of the Directors nor, to the best of the knowledge of the Board having made all reasonable enquiries, any of their close associates has any present intention, in the event that the proposal is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries nor has he/she undertaken not to sell any of the Shares held by him/her to the Company or its subsidiaries in the event that the Company is authorized to make repurchases of Shares.

#### **Undertaking of the Board**

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Bermuda and in accordance with the regulations set out in the Memorandum of Association and Bye-laws.

#### **Effect of takeovers code**

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Codes on Takeovers and Mergers ("Takeovers Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Alan Chuang through a company beneficially owned by him and a family trust (of which he is (inter alia) an discretionary object) was interested in aggregate in 924,237,404 Shares, representing approximately 53.31 per cent. of the issued share capital of the Company. In the event that the Board were to exercise in full of the power to repurchase Shares which is to be granted pursuant to the proposed resolution, the shareholding of the said Director and his family trust would increase to approximately 59.23 per cent. of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

## Shares repurchase made by the Company

The Company has not purchased any of its securities (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

During each of the twelve months from July 2014 up to and including the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:

Month	Shares	
	Highest	Lowest
July 2014	1.05	0.95
August 2014	1.04	1.00
September 2014	1.05	0.94
October 2014	0.99	0.92
November 2014	0.98	0.94
December 2014	0.98	0.93
January 2015	0.97	0.91
February 2015	1.03	0.95
March 2015	1.00	0.95
April 2015	1.18	0.96
May 2015	1.24	1.09
June 2015	1.25	1.07
July 2015 (up to and including the Latest Practicable Date)	1.14	0.88

## 4. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

## 5. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed in the annual report of the Company for the year ended 31st March, 2015 despatched together with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the said proxy form and return it to the Company's share registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting if you so desire.

## **6. VOTING AT THE ANNUAL GENERAL MEETING**

Pursuant to Bye-law no. 66 of the Company and Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands.

## **7. RECOMMENDATION**

The Board believes that the re-election of the retiring Directors and the grant of general mandate for the Board to repurchase Shares are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions set out in the notice of the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Chuang's Consortium International Limited**  
**Ko Sheung Chi**  
*Managing Director*