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

If you have sold or transferred all your shares in **Chuang's Consortium International Limited**, you should at once hand this circular to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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
IN RELATION TO THE DISPOSAL OF
60.82% EQUITY INTERESTS IN
MIDAS INTERNATIONAL HOLDINGS LIMITED**

Financial adviser to the Company



SOMERLEY CAPITAL LIMITED

A letter from the board of directors of Chuang's Consortium International Limited is set out on pages 4 to 12 of this circular.

5 January 2018

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context otherwise requires:

“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday, public holidays in Hong Kong or the PRC and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“BVI”	the British Virgin Islands
“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 (stock code: 367)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Date”	the date on which Completion takes place
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares under the Sale and Purchase Agreement
“Gold Throne”	Gold Throne Finance Limited, a company incorporated in the BVI and a wholly-owned subsidiary of the Company and the previous controlling shareholder of Midas before Completion
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Integrity Fund”	Integrity Fund Limited Partnership, an exempted limited partnership registered in the Cayman Islands and an investment fund
“Joint Announcement”	the joint announcement issued by the Company, Midas and the Purchaser dated 15 December 2017 in relation to, among other things, the Sale and Purchase Agreement and the Offer
“Kapok Wish”	Kapok Wish Investment Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the general partner of Integrity Fund

DEFINITIONS

“Last Trading Day”	15 December 2017, being the last trading day on which the Midas Shares were traded on the Stock Exchange on the date of issue and publication of the Joint Announcement
“Latest Practicable Date”	3 January 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midas”	Midas International Holdings Limited, a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1172)
“Midas Group”	Midas and its subsidiaries
“Midas Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of Midas
“MOU”	the memorandum of understanding (as amended and supplemented by the Supplemental MOU) dated 1 September 2017 and entered into by Gold Throne and Integrity Fund regarding the Disposal
“New Element”	New Element Investments Limited, an exempted company incorporated in the Cayman Islands with limited liability and the immediate holding company of the Purchaser and a wholly-owned subsidiary of Integrity Fund
“Offer”	the mandatory unconditional general cash offer to be made by Southwest Securities (HK) Capital Limited for and on behalf of the Purchaser to acquire all of the Offer Shares in accordance with the terms and conditions set out in the Joint Announcement
“Offer Share(s)”	any and all of the issued Midas Share(s) not already owned or agreed to be acquired by the Purchaser and parties acting in concert with it
“PRC”	the People’s Republic of China which, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Qingda Developments Limited, a BVI business company incorporated in the BVI and an indirect wholly-owned subsidiary of Integrity Fund

DEFINITIONS

“Remaining Group”	the Group other than the Midas Group as contemplated under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement dated 15 December 2017 entered into amongst the Purchaser, Gold Throne, Integrity Fund and the Company for the acquisition of the Sale Shares by the Purchaser
“Sale Shares”	2,013,573,887 Midas Shares beneficially owned by Gold Throne prior to Completion and sold to the Purchaser pursuant to the Sale and Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SFund International”	SFund International Investment Fund Management Limited (廣州基金國際股權投資基金管理有限公司), a company incorporated in Hong Kong with limited liability
“Share(s)”	ordinary share(s) of HK\$0.25 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental MOU”	the supplemental memorandum of understanding dated 1 November 2017 entered into by Gold Throne and Integrity Fund regarding the Disposal, details of which are set out in the joint announcement of the Company and Midas dated 1 November 2017
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“MYR”	Malaysian Ringgit, the lawful currency of Malaysia
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.



Chuang's Consortium International Limited

(莊士機構國際有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 367)

Executive Directors:

Mr. Alan Chuang Shaw Swee (*Chairman*)
Mr. Albert Chuang Ka Pun (*Vice Chairman*)
Mr. Chong Ka Fung (*Joint Managing Director*)
Mr. Richard Hung Ting Ho (*Joint Managing Director*)
Mrs. Candy Kotewall Chuang Ka Wai
Mr. Wong Chung Wai
Mr. Chan Chun Man

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal office in Hong Kong:

25th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

Independent Non-Executive Directors:

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.*
Mr. Tony Tse Wai Chuen, *B.B.S.*

5 January 2018

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF
60.82% EQUITY INTERESTS IN
MIDAS INTERNATIONAL HOLDINGS LIMITED**

INTRODUCTION

The Purchaser, the Company and Midas jointly announced that on 15 December 2017 (after trading hours of the Stock Exchange), Gold Throne as seller and the Purchaser as purchaser entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and Gold Throne has conditionally agreed to sell and procure the sale of the Sale Shares.

LETTER FROM THE BOARD

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is above 25% but less than 75%, the Disposal constitutes a major transaction for the Company 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 Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal. Accordingly, no Shareholders would be 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 the date of the Sale and Purchase Agreement from a closely allied group of Shareholders approving the Disposal. As such, the Company is not required to convene a special general meeting for this purpose.

The purpose of this circular is to give you further information on the Disposal and other information as required under the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date

15 December 2017

Parties

- (i) the Purchaser, as the purchaser;
- (ii) Gold Throne, as the vendor;
- (iii) Integrity Fund, as the purchaser's guarantor to guarantee the performance of the Purchaser under the Sale and Purchase Agreement; and
- (iv) the Company, as the vendor's guarantor to guarantee the performance of Gold Throne under the Sale and Purchase Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Purchaser and Integrity Fund and their ultimate beneficial owners are third parties independent of and not connected with the Company, Midas and their respective connected persons. The ultimate beneficial owners of the general partner of Integrity Fund are Guangzhou Industry Investment Fund Management Co., Ltd* (廣州產業投資基金管理有限公司), a PRC state-owned enterprise, Ms. Li Li and Ms. Chen Liying. The ultimate beneficial owners of the limited partners of Integrity Fund are Mr. Zeng Dazhang and Mr. Wang Xiqiang. Information on the Purchaser, Integrity Fund and their ultimate beneficial owners are set out in the section headed "Information on the Purchaser" below.

* For identification purposes only

LETTER FROM THE BOARD

Sale Shares and the consideration

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and Gold Throne has conditionally agreed to sell and procure the sale of the Sale Shares, being 2,013,573,887 Midas Shares, free from all encumbrances and together with all rights attaching to them as at the Completion Date and thereafter, including all rights to any dividend or other distribution declared, made or paid, the record date of which is on or after the Completion Date. For the avoidance of doubt, Gold Throne shall not be entitled to any right attaching to, or distribution declared, made or paid to, any of the Sale Shares, where the record date of such right or distribution (whether or not in the form of cash) is on or after the Completion Date. The Sale Shares represent approximately 60.82% of the entire issued share capital of Midas as at the Latest Practicable Date.

The consideration for the Sale Shares is HK\$789,320,963.70, equivalent to approximately HK\$0.392 per Sale Share, which was determined following arm's length negotiations between the Purchaser and Gold Throne after taking into account, among other things, (i) the consolidated net asset value of the Midas Group; (ii) the prevailing market price of the Midas Shares; and (iii) the fact that the Purchaser can obtain a controlling interest in Midas after Completion. The consideration was paid in cash by the Purchaser in the following manner:

- (i) an aggregate sum of HK\$80 million was deposited by Integrity Fund with the legal adviser of Gold Throne (the "Escrow Agent") as earnest money pursuant to the terms of the MOU and the Supplemental MOU. The Purchaser had on the date of the Sale and Purchase Agreement procured Integrity Fund to instruct the Escrow Agent to release such earnest money to Gold Throne as deposit for the Sale Shares; and
- (ii) the remaining balance of HK\$709,320,963.70 was paid by the Purchaser to Gold Throne upon Completion on 19 December 2017.

Comparisons of value

The consideration for the Sale Shares which is equivalent to HK\$0.392 per Sale Share represents:

- (i) a discount of approximately 4.4% to the closing price of HK\$0.410 per Midas Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 1.8% over the closing price of HK\$0.385 per Midas Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 4.8% over the average of the closing prices of the Midas Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of HK\$0.374 per Midas Share;
- (iv) a premium of approximately 5.7% over the average of the closing prices of the Midas Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of HK\$0.371 per Midas Share;

LETTER FROM THE BOARD

- (v) a premium of approximately 5.1% over the average of the closing prices of the Midas Shares as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day of HK\$0.373 per Midas Share;
- (vi) a premium of approximately 102.1% over the audited consolidated net asset value attributable to shareholders per Midas Share as at 31 March 2017 of approximately HK\$0.194 per Midas Share based on 3,310,812,417 Midas Shares in issue as at the Latest Practicable Date; and
- (vii) a premium of approximately 109.6% over the unaudited consolidated net asset value attributable to shareholders per Midas Share as at 30 September 2017 of approximately HK\$0.187 per Midas Share based on 3,310,812,417 Midas Shares in issue as at the Latest Practicable Date.

Conditions precedent

Completion is conditional upon the following conditions precedent being fulfilled or waived (as the case may be):

- (i) the warranties given by Gold Throne under the Sale and Purchase Agreement remaining true, accurate and complete in all material respects and not misleading in any material aspects as at the date of the Sale and Purchase Agreement and as at Completion and Gold Throne and/or the Company not having breached any terms of the Sale and Purchase Agreement and their undertakings provided thereunder in any material respects;
- (ii) the Midas Shares remaining listed and traded on the Stock Exchange (save for the temporary trading halt as a result of the transactions contemplated under the Sale and Purchase Agreement or trading halt being not more than 5 consecutive trading days) from the date of the Sale and Purchase Agreement to the Completion Date and neither the Stock Exchange nor the SFC having indicated that the trading of the Midas Shares on the Stock Exchange will possibly be withdrawn after Completion or that it will object to the continued listing of the Midas Shares on the Stock Exchange due to the Completion or any terms of the Sale and Purchase Agreement (and/or any other matters) on or before the Completion Date;
- (iii) at the Completion Date, no person (other than the parties to the Sale and Purchase Agreement and their respective associates) having obtained a binding order from any regulatory authority or instituting a legal action to restrict or prohibit any party from completing the Sale and Purchase Agreement or seeking to claim damages pursuant to the Sale and Purchase Agreement and the Sale and Purchase Agreement and the transactions contemplated thereunder having been in compliance with applicable laws and regulations;
- (iv) all permits, consents, approvals or authorisations (including but not limited to the SFC and/or the Stock Exchange and/or the requirements under the Takeovers Code and the approval for issuance of the Joint Announcement) necessary for the

LETTER FROM THE BOARD

consummation of the transactions contemplated under the Sale and Purchase Agreement having been obtained by Gold Throne, the Company and the Midas Group from the Midas Group's creditors and shareholders and/or governmental authority or regulatory body (including the relevant bodies in Hong Kong, the PRC, the Cayman Islands, Bermuda and the BVI) and remaining in full force and effect as at the Completion Date; and

- (v) there having been no occurrence of any event which would have a material adverse effects on the Midas Group since the date of the Sale and Purchase Agreement.

All the conditions precedent are incapable of being waived (except conditions (i) and (v) above which can be waived by the Purchaser). All the conditions precedent were fulfilled and the Disposal was completed on 19 December 2017.

Other terms

- (i) Pursuant to the Sale and Purchase Agreement, Gold Throne and the Company have guaranteed and undertaken to the Purchaser that the Midas Group's consolidated net asset value as at the Completion Date (i.e. 19 December 2017) (the "**Completion NAV Amount**") shall not be less than HK\$618,000,000 (the "**Agreed NAV Amount**"). If the Completion NAV Amount is less than the Agreed NAV Amount, Gold Throne shall compensate the Purchaser by paying an amount equal to the shortfall between the Agreed NAV Amount and the Completion NAV Amount, multiplied by the shareholding percentage of the Purchaser in Midas immediately following the close of the Offer.

As at the Latest Practicable Date, pursuant to the terms of the Sale and Purchase Agreement, the Completion NAV Amount is yet to be determined. However, on the basis of current information available and to the best of the knowledge of the Directors, the Completion NAV Amount will not have any material difference from the Agreed NAV Amount.

- (ii) Pursuant to the sale and purchase agreement entered into between Midas and Chuang's China Investments Limited ("**Chuang's China**") on 21 January 2017, Chuang's China shall transfer the entire equity interest in Ever Union Limited to Midas within three years after completion (the "**Ever Union Completion**"). Ever Union Limited will hold certain properties in Changsha, the PRC (the "**Properties**"). As at the Latest Practicable Date, the Ever Union Completion is yet to take place. Gold Throne has undertaken to the Purchaser that, in the event the appraised value of the Properties as at the Ever Union Completion is higher than their aggregate values as stated in the Sale and Purchase Agreement, Gold Throne shall compensate the Purchaser by paying an amount in cash equal to such difference multiplied by the shareholding percentage of the Purchaser in Midas immediately following the close of the Offer.

Completion

Completion shall take place on or before the fifth Business Day after the date of the Joint Announcement when all conditions precedent are being fulfilled or waived (as the case may be) or any other date as agreed by the parties in writing.

LETTER FROM THE BOARD

The Disposal was completed on 19 December 2017 and a joint announcement in respect of the Completion was issued by the Company, Midas and the Purchaser on 19 December 2017.

Upon Completion, the Midas Group ceased to be subsidiaries of the Group.

INFORMATION ON MIDAS

Midas was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 1172). Midas is an indirect non-wholly-owned subsidiary of and owned as to approximately 60.82% by the Group as at the date of the Sale and Purchase Agreement.

The Midas Group is principally engaged in manufacturing and trading of printed products, property business, securities investment and trading business and information technology business.

The following table sets out a summary of certain financial information of the Midas Group for the two financial years ended 31 March 2016 and 2017 and for the six months ended 30 September 2017:

	Year ended 31 March 2016 <i>HK\$'000</i> (audited)	Year ended 31 March 2017 <i>HK\$'000</i> (audited)	Six months ended 30 September 2017 <i>HK\$'000</i> (unaudited)
Revenues and net gain	233,681	197,630	116,535
Gross profit	55,047	64,342	34,820
Profit before taxation	95,254	8,545	3,257
Profit for the year/period from continuing operations	95,254	8,431	3,151
(Loss)/profit for the year/period from discontinued operation	(2,649)	41,976	—
Profit for the year/period	92,605	50,407	3,151
	As at 31 March 2016 <i>HK\$'000</i> (audited)	As at 31 March 2017 <i>HK\$'000</i> (audited)	As at 30 September 2017 <i>HK\$'000</i> (unaudited)
Total assets	920,085	819,679	932,974
Total liabilities	219,802	177,421	315,339
Net assets	700,283	642,258	617,635

LETTER FROM THE BOARD

INFORMATION ON GOLD THRONE

Gold Throne, a company incorporated in the BVI with limited liability, is a wholly-owned subsidiary of the Company. Its principal activity is investment holding. As at the date of the Sale and Purchase Agreement, it held 2,013,573,887 Midas Shares (representing approximately 60.82% of all the issued Midas Shares).

INFORMATION ON THE PURCHASER

The Purchaser is incorporated in the BVI on 3 July 2017 with limited liability and is indirectly wholly-owned by Integrity Fund through New Element. Kapok Wish is established on 5 May 2017 and is the general partner of Integrity Fund which has the rights and powers to manage and administer the affairs of Integrity Fund and those of the Purchaser. Xinsheng International Holding Limited and Grand Generation Belief Virtue Investment Limited are the limited partners of Integrity Fund. Xinsheng International Holding Limited was incorporated in the BVI and is wholly-owned by Mr. Zeng Dazhang. Grand Generation Belief Virtue Investment Limited was incorporated in the BVI and is wholly-owned by Mr. Wang Xiqiang.

Kapok Wish is owned as to 40% by Shining Orient Investment Limited (“**Shining Orient**”), 30% by Ally Cosmo Group Limited (“**Ally Cosmo**”) and 30% by Juye Investments Limited (“**Juye Investments**”). Ally Cosmo and Juye Investments are wholly-owned by Ms. Li Li and Ms. Chen Liying, respectively. Shining Orient is owned as to 100% by Pioneer Fund Limited Partnership, whose general partner is Higher Cycle Investment Limited (“**Higher Cycle**”). Higher Cycle is wholly-owned by SFund International.

SFund International is indirectly wholly-owned by Guangzhou Industry Investment Fund Management Co., Ltd* (廣州產業投資基金管理有限公司), a PRC state-owned enterprise.

FINANCIAL EFFECTS OF THE DISPOSAL TO THE GROUP

Earnings

Based on (i) the unaudited consolidated net asset value of the Midas Group attributable to the Group as at 30 September 2017; and (ii) the consideration for the Sale Shares, it is estimated that the Company will record a net gain of approximately HK\$360 million (subject to audit) as a result of the Disposal. Such net gain has also taken into account the estimated expenses (including stamp duty, professional fees and commission) in relation to the Disposal and the realisation of exchange reserve. However, the actual gain of the Disposal to be recognised by the Group will be subject to the then financial position of the Midas Group upon Completion.

Assets and liabilities

Given that the Disposal is expected to generate an estimated net gain of approximately HK\$360 million (subject to audit) to the Group, the consolidated net asset value attributable to equity holders of the Company is expected to increase by approximately HK\$360 million (subject to audit) upon Completion. On the above basis and based on the unaudited

* For identification purposes only

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consolidated financial statements of the Group as at 30 September 2017 after taking into account the effect of inter-company eliminations, the consolidated total assets of the Group is expected to decrease by approximately HK\$24 million (subject to audit), the consolidated total liabilities of the Group is expected to decrease by approximately HK\$167 million (subject to audit) and the non-controlling interests of the Group is expected to decrease by approximately HK\$217 million (subject to audit) upon Completion. However, the actual impact of the Disposal to be recognised by the Group will be subject to the then financial position of the Midas Group upon Completion.

General

Shareholders and potential investors of the Company should note that the actual financial effects of the Disposal to the Group may be different from those of the above and can only be determined based on the then financial position of the Midas Group upon Completion (subject to audit).

USE OF PROCEEDS

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, amounted to approximately HK\$765 million. The Company intends to apply the proceeds from the Disposal as to approximately HK\$100 million for the purposes of general working capital and as to the remaining approximately HK\$665 million for the development of existing businesses of the Group, including, *inter alia*, land acquisitions and property/hotel investments. However, as at the Latest Practicable Date, the Group has not yet identified any specific investment opportunity.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Upon Completion, 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 home finishing products, watch components and merchandises, securities investment and trading, money lending business and information technology business.

The Board is of the opinion that the Disposal would enable the Group to (i) simplify its group structure; (ii) generate a net gain of approximately HK\$360 million; and (iii) realise net cash proceeds of approximately HK\$765 million which could increase its working capital, improve its liquidity and strengthen its overall financial position and to facilitate its future development should suitable opportunities arise including, *inter alia*, land acquisitions and property/hotel investments.

Having taken into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are fair and reasonable and on normal commercial terms and the Disposal is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is above 25% but less than 75%, the Disposal constitutes a major transaction for the Company 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 Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the Disposal. Accordingly, no Shareholders would be 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 the date of the Sale and Purchase Agreement from Evergain Holdings Limited ("**EHL**"), Hilltop Assets Limited ("**HAL**") and H.K. International Limited ("**HKIL**"), being a closely allied group of Shareholders which, as at the date of the Sale and Purchase Agreement, held 742,285,332, 76,003,017 and 207,608,072 Shares respectively, representing a total of approximately 61.2% of the entire issued share capital of the Company, approving the Disposal. EHL is a company wholly-owned by Mr. Alan Chuang Shaw Swee ("**Mr. Chuang**"), the chairman and an executive Director of the Company. HAL is a company wholly-owned by Mrs. Siu Chuang Siu Suen ("**Mrs. Siu**"), a sister of Mr. Chuang. The Shares held by HKIL are held on trust for a discretionary trust of which Mr. Chuang and Mrs. Siu are discretionary objects. As such, the Company is not required to convene a special general meeting for this purpose.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular.

By order of the Board of
Chuang's Consortium International Limited
Albert Chuang Ka Pun
Vice Chairman

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The consolidated financial statements of the Group, together with the accompanying notes, for each of the three years ended 31 March 2015, 2016 and 2017 and for the six months ended 30 September 2017 are disclosed in the annual reports of the Company for the financial years ended 31 March 2015 (pages 87 to 173), 31 March 2016 (pages 84 to 177) and 31 March 2017 (pages 110 to 205) and the interim report of the Company for the six months ended 30 September 2017 (pages 36 to 64), respectively, and are incorporated by reference into this circular.

The said annual reports and the interim report of the Company are available on the Company's website at www.chuang-consortium.com and website of the Stock Exchange at www.hkexnews.hk through the links below:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0729/LTN20150729201.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0728/LTN20160728524.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0727/LTN20170727495.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/1214/LTN20171214329.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2017, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately HK\$6,311.5 million, comprising bank borrowings of approximately HK\$6,261.1 million of which approximately HK\$5,584.1 million was secured by fixed charges on certain assets of the Group, including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for/under development, properties for sale, trade debtors and financial assets at fair value through profit or loss with an aggregate carrying value of approximately HK\$10,334.5 million, and unsecured borrowings from non-controlling shareholders of approximately HK\$50.4 million.

As at 30 November 2017, the Company provided a guarantee of approximately HK\$165.6 million for the banking facilities granted to a joint venture, and the Group provided guarantee of approximately HK\$342.1 million to banks for mortgage loans made by the banks to the purchasers of properties sold by the Group in the PRC.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, at the close of business on 30 November 2017, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that there was no material adverse changes in the financial or trading position or prospects of the Group since 31 March 2017 (being the date to which the latest published audited consolidated financial statements of the Group had been made up) up to the Latest Practicable Date.

4. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Group including the internally generated funds, the currently available facilities and the effects of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

As for the property investment and development, and hotel business, the Remaining Group will continue to take steps (including implementation of upgrading works, reshuffling of tenant mix to attract higher quality tenants, improvement of quality of management services, etc.) to further enhance rental yield and return of its investment and hotel properties in Hong Kong, the United Kingdom, Malaysia, Taiwan and the PRC, and to unlock the stored value of the Remaining Group's development projects in Hong Kong, the PRC, Vietnam and Mongolia by speeding up their development and sales in accordance with local market conditions.

As for the cemetery business in the PRC, with the increase in demand of prestigious grave plots and niches due to the growth of aged population in the PRC, coupled with the improvement in infrastructure in nearby area, the Remaining Group is confident that this investment will be rewarding in the long-term.

As for the securities investment and trading business, the Remaining Group will continue to invest in high yield bonds, which is a great tool to generate steady income stream, and will monitor the performance of the portfolio from time to time.

As can be seen from the analysis shown in the sections headed "Financial effects of the Disposal to the Group" and "Reasons for and benefits of the Disposal" in the letter from the Board, the net asset value and the financial position of the Remaining Group would be enhanced following completion of the Disposal, which is beneficial to the long-term development of the Remaining Group. Furthermore, the completion of the Disposal would also facilitate the Remaining Group to look for new business opportunities, including, *inter alia*, land acquisitions and property/hotel investments, should opportunities arise.

1. 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 or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (“**Model Code**”) to be notified to the Company and the Stock Exchange, were as follows:

(a) Interest in the Company

Name	Nature of interest	Number of Shares	Percentage of shareholding
Mr. Chuang	<i>Note 1</i>	963,281,404	57.43
Mr. Albert Chuang Ka Pun (“ Mr. Albert Chuang ”)	Beneficial owner	1,299,678	0.08

(b) Interest in Chuang’s China Investments Limited (“**Chuang’s China**”)

Name	Nature of interest	Number of shares	Percentage of shareholding
Mr. Chuang	<i>Notes 2 & 4</i>	1,426,074,923	60.71
Mrs. Candy Kotewall Chuang Ka Wai (“ Ms. Candy Chuang ”)	Beneficial owner	1,255,004	0.05

(c) *Interest in Treasure Auctioneer International Limited (“Treasure”)*

Name	Nature of interest	Number of shares	Percentage of shareholding
Mr. Chuang	Notes 3 & 4	800,000	80.00

Notes:

- Such interests comprised 755,673,332 Shares owned by EHL, a company beneficially owned by Mr. Chuang, and the remaining interests arose as a result of Mr. Chuang being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 Shares. Mr. Chuang, Mr. Albert Chuang, Mr. Chong Ka Fung and Ms. Candy Chuang are directors of EHL.
- Such interests are held by Profit Stability Investments Limited (“PSL”), a wholly-owned subsidiary of the Company.
- Such interests comprised 550,000 shares in Treasure owned by a corporation beneficially owned by Mr. Chuang and 250,000 shares in Treasure beneficially owned by a wholly-owned subsidiary of Chuang’s China. Chuang’s China is a subsidiary of the Company.
- Mr. Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

Interests of substantial Shareholders in the Company and interests of substantial shareholders in other members of the Group

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who

were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group or had any option in respect of such capital:

(a) *Long positions in the Shares*

Name	Nature of interest	Number of Shares	Percentage of shareholding
EHL	Beneficial owner, <i>Note 1</i>	755,673,332	45.06
Mrs. Chong Ho Pik Yu	<i>Note 2</i>	755,673,332	45.06
Madam Chuang Shau Har	<i>Note 3</i>	208,353,709	12.42
Mr. Lee Sai Wai	<i>Note 4</i>	208,353,709	12.42

Notes:

1. EHL is beneficially owned by Mr. Chuang.
2. Such interests arose by attribution through her spouse, Mr. Chuang.
3. Interests in 207,608,072 Shares arose as a result of Madam Chuang Shau Har being the trustee and a discretionary object of a discretionary trust which owned such Shares. The remaining interests in 745,637 Shares arose by attribution through her spouse, Mr. Lee Sai Wai.
4. Interests in 207,608,072 Shares arose by attribution through his spouse, Madam Chuang Shau Har, whose interests have been mentioned in Note 3 above. The remaining interests in 745,637 Shares are beneficially owned by Mr. Lee Sai Wai.

(b) Long positions in other members of the Group

Name of non-wholly-owned subsidiary of the Company	Name of substantial shareholder	Approximate percentage held by the substantial shareholder in the subsidiary of the Company
Sintex Nylon And Cotton Products (Pte) Limited	Mr. Cheung Loon Hoi	11.8
Gold Capital Profits Limited	Mr. Fan Xiao Han	14.6
Noble Century Investment Limited	Mr. Fan Xiao Han	10
Hunan Han Ye Real Estate Development Company Limited* (湖南漢業房地產開發有限公司)	Miss Zhou Chang Chun	10
Dragon Rich Investments Limited	Lawdion Investments Limited	15
Xiamen Mingjia Binhai Resort Company Limited* (廈門銘家濱海度假村有限公司)	Xiamen Tourism Group Limited* (廈門旅遊集團有限公司)	30
Profitable Industries Limited	China Utilities Limited	12.5

* For identification purposes only

Save as disclosed above, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the issued voting shares of any member of the Group or had any option in respect of such capital.

Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement entered into by any member of the Group which was significant in relation to the business of the Group as a whole.

Interests in assets

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been, since 31 March 2017, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Service contracts

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

Interests in other competing business

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Chuang, Mr. Albert Chuang, Mr. Chong Ka Fung and Ms. Candy Chuang hold equity interests and directorships in certain private companies which are engaged in the businesses of luxurious residential property investment in Hong Kong and securities investment and trading. Mr. Richard Hung Ting Ho is a non-executive director of CNT Group Limited, a company whose issued shares are listed on the Stock Exchange, the principal activities of which include property investment in Hong Kong and the PRC.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

3. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

4. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) had been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the underwriting agreement dated 17 March 2016 (the “**Underwriting Agreement**”) entered into between Chuang’s China and Kingston Securities Limited in relation to the issue of 810,571,772 new shares of Chuang’s China by way of rights issue to the shareholders of Chuang’s China (the “**Rights Issue**”) for subscription on the terms set out in the Underwriting Agreement and the prospectus document of Chuang’s China dated 7 April 2016;
- (b) the irrevocable undertaking dated 17 March 2016 granted by PSL, a wholly-owned subsidiary of the Company, in favour of Chuang’s China under which PSL agreed, amongst other things, to accept and subscribe for in full of its entitlement under the Rights Issue, details of which were set out in the announcement of the Company dated 17 March 2016;

- (c) the agreement dated 24 March 2016 entered into between Chuang's Credit Limited (“**CCL**”), an indirect wholly-owned subsidiary of the Company, and Ever Turbo Investment Limited (“**ETIL**”) for the provision of financial assistance by CCL to ETIL in the amount of HK\$157 million for the purpose of financing ETIL to complete the acquisition of a property from the Group, details of which were set out in the announcement of the Company dated 24 March 2016;
- (d) the agreement dated 9 June 2016 entered into between Romantic Ltd (“**Romantic**”), an indirect wholly-owned subsidiary of the Company, the Company, Chen Family Assets Management Company Limited (“**CFAML**”) and Mr. Chen Hong Tian for the disposal by Romantic to CFAML of the entire issued share capital of, and the shareholder's loan owing by, Chateau 15 Investments Limited for a consideration of HK\$2,100 million (subject to adjustments), details of which were set out in the announcement and the circular of the Company dated 15 June 2016 and 20 July 2016 respectively;
- (e) the sale and purchase agreement dated 25 August 2016 entered into between Chuang's China Realty Limited (“**CCRL**”, a wholly-owned subsidiary of Chuang's China), Chuang's China, View Glory Enterprises Limited (“**View Glory**”) and Angel View International Limited for the disposal by CCRL to View Glory of the entire issued share capital of, and the shareholder's loan owing by, Chuang's Development (Dong Guan) Limited for a consideration of approximately RMB1,330.4 million (subject to adjustment), details of which were set out in the announcement and the circular of the Company dated 28 August 2016 and 26 September 2016 respectively;
- (f) the sale and purchase agreement dated 4 November 2016 entered into between Noble Title Limited, an indirect wholly-owned subsidiary of Chuang's China, and Standard Life Assurance Limited for the acquisition of a commercial property at London, United Kingdom for a consideration of approximately GBP79.0 million, details of which were set out in the announcement and the circular of the Company dated 6 November 2016 and 9 December 2016 respectively;
- (g) the sale and purchase agreements dated 5 January 2017 (the “**SP Agreement**”) entered into between Guangzhou Chuang's Investment Services Limited* (廣州莊士投資諮詢服務有限公司), currently an indirect wholly-owned subsidiary of Midas and an indirect wholly-owned subsidiary of Chuang's China as at the date of the SP Agreement, and Shenzhen Hui Cong Investment Limited* (深圳市滙聰投資有限公司) in relation to the disposal of an approximately 3.1% shareholding interest in Shenzhen Harmony Investment Funds Company Limited* (深圳市同心投資基金股份公司) for a consideration of RMB64.5 million, details of which were set out in the announcement of Chuang's China dated 5 January 2017;

* For identification purposes only

- (h) the sale and purchase agreement dated 21 January 2017 entered into between Chuang's China and Midas in relation to the disposal by Midas to Chuang's China of the entire issued share capital of, and the shareholder's loan owing by, Fortune Wealth Consortium Limited, and the acquisition by Midas from Chuang's China of the entire issued share capital of, and the shareholders' loans owing by, Chuang's Development (Chengdu) Limited, Sino Success Limited and Ever Union Limited, details of which were set out in the joint announcement and the circulars of Chuang's China and Midas dated 22 January 2017 and 8 March 2017 respectively;
- (i) the agreement dated 12 April 2017 entered into between Easy Success Enterprises Limited, an indirect wholly-owned subsidiary of the Company, and Wing Tsan Cheong Investment Company Limited for the acquisition of Posco Building, Sham Shui Po, Kowloon for a consideration of HK\$301.2 million, details of which were set out in the announcement of the Company dated 12 April 2017;
- (j) the guarantee dated 30 June 2017 entered into by the Company and the joint venture partner, each as a guarantor in favour of the bank, to severally guarantee 50% of the repayment obligations of Ample Excellent Limited (a joint venture company formed for the purpose of developing and investing in a property project in Hong Kong) pursuant to the facility agreement entered into between the bank and the joint venture company, details of which were set out in the announcement of the Company dated 30 June 2017;
- (k) the sale and purchase agreement dated 6 July 2017 entered into between Midas and the Company for the acquisition by Midas from the Company of (i) the entire issued share capital of Hero Boom International Limited ("**Hero Boom**"); and (ii) the shareholder's loan owed by Hero Boom to its shareholder or the entire amount owed to Hero Boom by its shareholder, for a consideration of approximately HK\$253.5 million (subject to adjustments), details of which were set out in the joint announcement of the Company and Midas dated 6 July 2017 and the circular of Midas dated 4 August 2017;
- (l) the sale and purchase agreement dated 7 December 2017 entered into between Chuang's China and the Company for the acquisition by Chuang's China from the Company of the entire issued share capital of, and the shareholder's loan owing by, Winfred Investment Limited for a consideration of not more than MYR175 million (subject to adjustments), details of which were set out in the joint announcement of the Company and Chuang's China dated 7 December 2017; and
- (m) the Sale and Purchase Agreement.

5. GENERAL

- (a) The secretary of the Company is Ms. Lee Wai Ching who is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business in Hong Kong is situated at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong.
- (c) The Company's branch share registrar and transfer office in Hong Kong is Tricor Standard Limited, located at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) In the event of any inconsistency, the English text of this circular shall prevail over its Chinese text.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong during normal business hours (Saturdays and public holidays excepted) up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the two years ended 31 March 2017 and the interim report of the Company for the six months ended 30 September 2017;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (d) this circular.