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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)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

SUMMARY

On 22 December 2009, the Company and the Joint Venture Party established the JVC. On the same date, the JVC entered into the Agreement with the Vendor for the acquisition of the Property.

As one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 5% and below 25%, the formation of the joint venture by establishing the JVC constitutes a discloseable transaction of the Company and is subject to announcement requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On 22 December 2009, the Company and the Joint Venture Party established the JVC. On the same date, the JVC entered into the Agreement with the Vendor for the acquisition of the Property.

INFORMATION ON THE JVC

Purpose: The JVC was established for the purpose of acquiring and developing the Property.

Shareholding: The JVC is owned as to 50% by a wholly-owned subsidiary of the Company and 50% by a wholly-owned subsidiary of the Joint Venture Party.

[#] For identification purpose only

Management: Each of the Group and the Joint Venture Party will be entitled to appoint equal number of representatives on the board of directors of the JVC.

Profit sharing: Profit sharing ratio between the Group and the Joint Venture Party will be 50%:50%.

Financing: The financing for the acquisition of the Property by the JVC will be made by the shareholders of the JVC on a pro-rata basis in accordance with the respective shareholdings of each shareholder in the JVC.

The Group's commitment for the formation of the JVC amounts to HK\$162.50 million and is intended to be financed from internal resources of the Group. The JVC will be regarded as a joint venture company of the Group.

THE AGREEMENT

Date: 22 December 2009

Parties: (1) JVC
(2) The Vendor

Subject matter: Pursuant to the Agreement, the JVC has agreed to acquire the Property from the Vendor.

The Property: The Property comprises an old residential building located at No.30 Po Shan Road, Hong Kong with a site area of about 10,000 sq.ft.. The Property is vacant and building plans have been approved for the redevelopment of the Property for residential purpose with a total gross floor area of about 36,000 sq.ft..

Consideration: The consideration for the acquisition of the Property by the JVC is HK\$325 million and was arrived at after arms-length negotiation between the parties to the Agreement taking into account market prices of similar properties in the nearby area.

On the date of signing the Agreement, a deposit of HK\$5 million was paid by the JVC to the Vendor. On 5 January 2010, a further deposit of HK\$27.50 million will be paid. The balance of the consideration of HK\$292.50 million will be paid on completion which is expected to be on or before 31 March 2010.

REASONS AND BENEFITS FOR THE FORMATION OF THE JOINT VENTURE

The purpose of the formation of the joint venture by establishing the JVC is to acquire and develop the Property through the JVC, which is in line with the principal business of the Group. Furthermore, the acquisition of the Property by the JVC will also enhance the land bank of the Group, which will be beneficial to the long term development of the Group.

Accordingly, the Directors consider the terms of the formation of the JVC are fair and reasonable and in the interest of the shareholders of the Company, and that the formation of the JVC for acquisition of properties is in the ordinary course of business of the Group.

GENERAL

The Group is principally engaged in property development and investment, investment in manufacturing businesses and share investments.

As far as the Company is aware after making reasonable enquiries, the Joint Venture Party, through its subsidiaries, is principally engaged in property development and investment.

To the best of the knowledge, information and belief of the Company, having made all reasonable enquiries, the Joint Venture Party, the Vendor and the ultimate beneficial owner of the Vendor are Independent Third Parties and are not connected with the Company.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 5% and below 25%, the formation of the joint venture by establishing the JVC constitutes a discloseable transaction of the Company and is subject to announcement requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Agreement”	the agreement dated 22 December 2009 between the JVC and the Vendor for the acquisition of the Property;
“Board”	the board of Directors;
“Company”	Chuang’s Consortium International Limited (stock code: 367), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are independent of and not connected with (as defined under the Listing Rules) the Company and not acting in concert with the Company;
“Joint Venture Party”	K. Wah International Holdings Limited (stock code: 173), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange;
“JVC”	Ample Excellent Limited, a company incorporated in Hong Kong and owned as to 50% by a wholly-owned subsidiary of the Company and 50% by a wholly-owned subsidiary of the Joint Venture Party;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Property”	the property located at No. 30, Po Shan Road, Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Gaiman Limited, a company incorporated in Hong Kong;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“sq.ft.”	square foot/feet;
“%”	per cent.

By order of the board of directors of
Chuang’s Consortium International Limited
Ko Sheung Chi
Managing Director

Hong Kong, 22 December 2009

As at the date of this announcement, the Board comprises six executive directors, being 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, and three independent non-executive directors, being Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong.