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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)



Chuang's China Investments Limited
(莊士中國投資有限公司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

DISCLOSEABLE TRANSACTION

VOLUNTARY ANNOUNCEMENT

**IN RELATION TO THE ACQUISITION OF
THE NEW ZHENRO NOTES PURSUANT TO
THE ZHENRO NOTES EXCHANGE**

The Chuang's China Board and the Chuang's Consortium Board announce that the Chuang's China Purchaser and the Chuang's Consortium Purchaser have acquired the New Zhenro Notes in the principal amount of US\$2.0 million (equivalent to approximately HK\$15.6 million) and US\$3.0 million (equivalent to approximately HK\$23.5 million) respectively at their par value through the exchange of the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes in the same principal amount on 29 March 2022. No cash consideration was paid by the Chuang's China Purchaser and the Chuang's Consortium Purchaser under the Zhenro Notes Exchange.

For Chuang's China, as all the relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange (when aggregated with the Previous Chuang's China Zhenro Notes Acquisitions) are below 5%, the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange does not constitute a discloseable transaction for Chuang's China under the Listing Rules.

For Chuang's Consortium, as the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange (when aggregated with the Previous Chuang's Consortium Zhenro Notes Acquisitions) exceeds 5% (but is less than 25%), the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange constitutes a discloseable transaction for Chuang's Consortium under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

The Chuang's China Board and the Chuang's Consortium Board announce that the Chuang's China Purchaser and the Chuang's Consortium Purchaser have acquired the New Zhenro Notes in the principal amount of US\$2.0 million (equivalent to approximately HK\$15.6 million) and US\$3.0 million (equivalent to approximately HK\$23.5 million) respectively at their par value through the exchange of the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes in the same principal amount on 29 March 2022. No cash consideration was paid by the Chuang's China Purchaser and the Chuang's Consortium Purchaser under the Zhenro Notes Exchange.

INFORMATION ON THE NEW ZHENRO NOTES

The principal terms of the New Zhenro Notes are summarized below:

Issuer:	Zhenro Properties Group Limited
Issue size:	US\$728,623,000
Issue date:	29 March 2022
Coupon:	8.00% per annum, payable in arrears on 28 September 2022 and 6 March 2023
Maturity date:	6 March 2023
Redemption price at maturity date:	It will be redeemed at a price of 102% of the principal amount
Optional redemption:	At any time and from time to time prior to the maturity date, the Issuer may at its option, by giving not less than 30 days' nor more than 60 days' notice, redeem, in whole or in part, the notes at 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date)
Listing:	The Stock Exchange of Hong Kong Limited

THE ACQUISITION OF THE NEW ZHENRO NOTES PURSUANT TO THE ZHENRO NOTES EXCHANGE

Under the Zhenro Notes Exchange, the Chuang's China Purchaser and the Chuang's Consortium Purchaser will receive (a) the New Zhenro Notes to be issued at the same principal amount of the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes respectively; (b) the unpaid and accrued interest in cash on the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes up to but excluding the date of completion of the Zhenro Notes Exchange respectively; and (c) a consent fee in cash in the amount of US\$10 for each US\$1,000 in the principal amount (equivalent to 1% of the principal amount) of the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes respectively.

In addition to the New Zhenro Notes acquired pursuant to the Zhenro Notes Exchange, the Chuang's China Group also held the Previous Chuang's China Zhenro Notes with maturity date in May 2023 in an aggregate principal amount of US\$3.0 million (equivalent to approximately HK\$23.5 million). The Previous Chuang's China Zhenro Notes were acquired by the Chuang's China Group at an aggregate consideration of approximately US\$3.3 million (equivalent to approximately HK\$25.4 million at book cost). After the Zhenro Notes Exchange, the Chuang's China Group holds an aggregate principal amount of US\$5.0 million (equivalent to approximately HK\$39.1 million) of notes issued by the Issuer.

In addition to the New Zhenro Notes acquired pursuant to the Zhenro Notes Exchange, the Chuang's Consortium Group also held the Previous Chuang's Consortium Zhenro Notes with maturity date in May 2023 in an aggregate principal amount of US\$6.0 million (equivalent to approximately HK\$46.9 million). The Previous Chuang's Consortium Zhenro Notes were acquired by the Chuang's Consortium Group at an aggregate consideration of approximately US\$6.5 million (equivalent to approximately HK\$50.6 million at book cost). After the Zhenro Notes Exchange, the Chuang's Consortium Group holds an aggregate principal amount of US\$11.0 million (equivalent to approximately HK\$86.0 million) of notes issued by the Issuer.

INFORMATION ON THE ISSUER

According to the public information available to the Chuang's China Board and the Chuang's Consortium Board, the Issuer is an investment holding company listed on the Main Board of the Stock Exchange and its subsidiaries are principally engaged in property development, property leasing and commercial property management.

As at the date of this joint announcement, to the best of the knowledge, information and belief of the Chuang's China Board and the Chuang's Consortium Board, having made all reasonable enquiries, the Issuer and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION ON CHUANG'S CHINA, CHUANG'S CHINA GROUP AND THE CHUANG'S CHINA PURCHASER

Chuang's China is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). Chuang's China is an indirect non-wholly-owned subsidiary of, and owned as to approximately 61.15% by, the Chuang's Consortium Group as at the date of this joint announcement.

The Chuang's China Group is principally engaged in property development, investment and trading, hotel operation and management, development and operation of cemetery, sales of goods and merchandises (including art pieces), and securities investment and trading.

The Chuang's China Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Chuang's China. The principal activities of the Chuang's China Purchaser are securities investment and trading.

INFORMATION ON CHUANG'S CONSORTIUM, CHUANG'S CONSORTIUM GROUP AND THE CHUANG'S CONSORTIUM PURCHASER

Chuang's Consortium is incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 367).

The Chuang's Consortium 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 Chuang's Consortium Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of Chuang's Consortium. The principal activities of the Chuang's Consortium Purchaser are securities investment and trading, and provision of nominee and secretarial services.

As at the date of this joint announcement, the Chuang's Consortium Group holds approximately 61.15% of the total issued share capital of Chuang's China.

REASONS FOR AND BENEFITS OF THE ZHENRO NOTES EXCHANGE

The Chuang's China Board and the Chuang's Consortium Board have considered the following factors regarding the Zhenro Notes Exchange:

- (i) the New Zhenro Notes issued pursuant to the Zhenro Notes Exchange will mature on 6 March 2023, which represents an extension of maturity of less than one year for both the Chuang's China Zhenro Notes (the maturity date being on 3 August 2022 with about seven months' extension) and the Chuang's Consortium Zhenro Notes (the maturity date being on 13 April 2022 with about eleven months' extension);
- (ii) the New Zhenro Notes bear interest at 8% per annum and will be redeemed at maturity at 102% of the principal amount and these compare favourably to the Chuang's China Zhenro Notes (bearing interest at 8.7% per annum and will be redeemed at maturity at par) and the Chuang's Consortium Zhenro Notes (bearing interest at 5.98% per annum and will be redeemed at maturity at par);
- (iii) the unpaid and accrued interest of the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes up to but excluding the date of completion of the Zhenro Notes Exchange (being 29 March 2022) will be received in full in cash by the Chuang's China Purchaser and the Chuang's Consortium Purchaser respectively;
- (iv) a consent fee of 1% of the principal amount of the Chuang's China Zhenro Notes and the Chuang's Consortium Zhenro Notes will be received in cash by the Chuang's China Purchaser and the Chuang's Consortium Purchaser respectively; and
- (v) as stated in the public announcement of the Issuer dated 21 February 2022, the Issuer is working on generating sufficient cash flow to meet its financial commitments, and as part of these efforts, the Issuer conducted the Zhenro Notes Exchange.

After taking into account the above, the Chuang's China Board and the Chuang's Consortium Board are of the opinion that the terms of the Zhenro Notes Exchange are fair and reasonable and on normal commercial terms, and the Zhenro Notes Exchange is in the interests of Chuang's China and Chuang's Consortium and their respective shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

For Chuang's China, as all the relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange (when aggregated with the Previous Chuang's China Zhenro Notes Acquisitions) are below 5%, the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange does not constitute a discloseable transaction for Chuang's China under the Listing Rules.

For Chuang's Consortium, as the highest relevant applicable percentage ratio (as defined in the Listing Rules) in respect of the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange (when aggregated with the Previous Chuang's Consortium Zhenro Notes Acquisitions) exceeds 5% (but is less than 25%), the acquisition of the New Zhenro Notes pursuant to the Zhenro Notes Exchange constitutes a discloseable transaction for Chuang's Consortium under the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

DEFINITIONS

“Chuang's China”	Chuang's China Investments Limited (莊士中國投資有限公司), a company incorporated in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange (stock code: 298). As at the date of this joint announcement, Chuang's China is owned as to approximately 61.15% by the Chuang's Consortium Group
“Chuang's China Board”	the board of directors of Chuang's China
“Chuang's China Group”	Chuang's China and its subsidiaries
“Chuang's China Purchaser”	Rich Joint Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Chuang's China
“Chuang's China Zhenro Notes”	8.70% senior notes due August 2022 in the principal amount of US\$2.0 million (equivalent to approximately HK\$15.6 million) issued by the Issuer and held by the Chuang's China Purchaser
“Chuang's Consortium”	Chuang's Consortium International Limited (莊士機構國際有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 367)

“Chuang’s Consortium Board”	the board of directors of Chuang’s Consortium
“Chuang’s Consortium Group”	Chuang’s Consortium and its subsidiaries, including the Chuang’s China Group
“Chuang’s Consortium Purchaser”	General Nominees Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Chuang’s Consortium
“Chuang’s Consortium Zhenro Notes”	5.98% senior notes due April 2022 in the principal amount of US\$3.0 million (equivalent to approximately HK\$23.5 million) issued by the Issuer and held by the Chuang’s Consortium Purchaser
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of Chuang’s China or Chuang’s Consortium within the meaning ascribed thereto under the Listing Rules
“Issuer”	Zhenro Properties Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6158)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Zhenro Notes”	8.00% senior notes due 6 March 2023 issued by the Issuer pursuant to the Zhenro Notes Exchange
“PRC”	The People’s Republic of China
“Previous Chuang’s China Zhenro Notes”	9.15% senior notes due May 2023 in the principal amount of US\$3.0 million (equivalent to approximately HK\$23.5 million) issued by the Issuer and held by the Chuang’s China Purchaser
“Previous Chuang’s China Zhenro Notes Acquisitions”	the subscriptions and acquisitions (as the case may be) of the Previous Chuang’s China Zhenro Notes by the Chuang’s China Purchaser

“Previous Chuang’s Consortium Zhenro Notes”	9.15% senior notes due May 2023 in the principal amount of US\$3.0 million (equivalent to approximately HK\$23.5 million) issued by the Issuer and held by the Chuang’s Consortium Purchaser and the Previous Chuang’s China Zhenro Notes
“Previous Chuang’s Consortium Zhenro Notes Acquisitions”	the subscriptions and acquisitions (as the case may be) of the Previous Chuang’s Consortium Zhenro Notes by the Chuang’s Consortium Purchaser and the Previous Chuang’s China Zhenro Notes Acquisitions
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“Zhenro Notes Exchange”	the exchange of the Chuang’s China Zhenro Notes held by the Chuang’s China Purchaser and the Chuang’s Consortium Zhenro Notes held by the Chuang’s Consortium Purchaser into the New Zhenro Notes in accordance with the terms (as the case may be) as announced by the Issuer on 21 February 2022 and 4 March 2022
“%”	per cent

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

By order of the board of
Chuang’s China Investments Limited
Albert Chuang Ka Pun
Chairman

Hong Kong, 29 March 2022

As at the date of this joint 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 Chuang’s Consortium, 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 Chuang’s Consortium.

As at the date of this joint announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Edwin Chuang Ka Fung, Mr. Geoffrey Chuang Ka Kam and Mr. Neville Charles Kotewall are the executive directors of Chuang’s China, and Mr. Dominic Lai is the non-executive director of Chuang’s China, and Mr. Abraham Shek Lai Him, Mr. Andrew Fan Chun Wah, Dr. Eddy Li Sau Hung and Dr. Ng Kit Chong are the independent non-executive directors of Chuang’s China.

Unless otherwise stated, for the purpose of illustration only, amounts denominated in US\$ in this joint announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.82. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.