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Chuang's China Investments Limited

(莊士中國投資有限公司)

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 298)

## VOLUNTARY ANNOUNCEMENT

This announcement is made by Chuang's China Investments Limited (the “**Company**”) on a voluntary basis.

References are made to the announcements made by the Company dated 9 November 2018, 26 June 2019, 10 July 2019, 30 December 2019 and 24 June 2021 and the annual reports of the Company for the years ended 31 March 2017, 2018, 2019, 2020, 2021 and 2022 (collectively, the “**Annual Reports**”), in relation to various oppositions by the two minority shareholders (Mr. Fan and his spouse Madam Zhou) (the “**Minority Shareholders**”) of an indirect non-wholly-owned subsidiary of the Company (namely, 湖南漢業房地產開發有限公司 (Hunan Han Ye Real Estate Development Company Limited\*)) (the “**PRC Subsidiary**”). The PRC Subsidiary is held through a Hong Kong incorporated holding company which is then held by a BVI incorporated holding company (the “**Intermediary Companies**”). Madam Zhou is a shareholder of the PRC Subsidiary and Mr. Fan is a shareholder of the Intermediary Companies. Reference is also made to the announcement made by the Company dated 27 May 2022 (the “**Announcement**”) in relation to defamatory acts and harassment acts carried out and committed by Madam Zhou against the Company and Mr. Alan Chuang Shaw Swee (“**Mr. Alan Chuang**”) and others.

As disclosed in the Announcement and/or the Annual Reports, the Group owns an effective interest of 69% in the PRC Subsidiary, being a property development project company in Changsha, the People's Republic of China. The Group's total investment costs was about HK\$26.6 million as at 31 March 2022. The business licence of the PRC Subsidiary has expired since 2012, and therefore its normal operation was halted. Despite the Group making keen efforts to reactivate the business licence, the Minority Shareholders had opposed to reactivate the business licence. To no avail, the Group proceeded to obtain a ruling by the court for the grant of the winding up of the PRC Subsidiary. Despite appeal(s) being made by Madam Zhou for such court ruling, the Group further obtained the conclusive court ruling in 2021 for the winding up of the PRC Subsidiary. The voluntary liquidation is carried out by the liquidation team comprising liquidators appointed by the court, representative of the Group as well as Madam Zhou.

As disclosed in the Announcement, on 11 May 2022, the Company received a verbal request from Madam Zhou requesting the Group to buy out their entire interests in the PRC Subsidiary and the Intermediary Companies. The Company refused her request on the ground that the PRC Subsidiary is under liquidation by court order and that she (being a member of the liquidation team) is well aware of the status of the liquidation, thus there is no commercial justification for the Company to acquire their shareholding interests. She then requested the Group to extend a loan to the Intermediary Companies for the purpose of repaying the shareholder's loan advanced by Mr. Fan to the Intermediary Companies. Again, such request is not reasonable because the sole investment of the Intermediary Companies is the PRC Subsidiary which is undergoing liquidation, and that the Intermediary Companies would only have cash resources to repay shareholders' loan advanced by both the Group and Mr. Fan if there is any distribution from the PRC Subsidiary. The request by Madam Zhou is lack of commercial justification and was therefore rejected by the Group.

Subsequently, the Company noted that certain defamatory acts were taken out by Madam Zhou against the Company and Mr. Alan Chuang and others by displaying a banner and/or a placard with defamatory wording nearby Alexandra House in Central. The Board had received legal advice for the appropriate legal action to be taken concerning the abovementioned acts of Madam Zhou. The Board wishes to update its shareholders and potential investors that on 3 March 2023, the Company has obtained an injunction order from the High Court of the Hong Kong Special Administrative Region against Madam Zhou restraining her from, inter alia, (i) publishing materials containing derogatory remark of the Company, Mr. Alan Chuang and/or Chuang's Group and (ii) entering or staying in any area of the Alexandra House and its adjacent public roads in the central district of the Hong Kong Island except on transport or in transit (the "**Injunction**"). Subsequent to 3 March 2023, notwithstanding the Injunction is made against and served on Madam Zhou, Madam Zhou continues her, inter alia, defamatory acts and repeatedly breached the Injunction (the "**Continuous Breaches**").

The Board strongly condemns those acts and Continuous Breaches. The Company is seeking further legal advice for the appropriate legal action(s) to be taken in respect of the Continuous Breaches of Madam Zhou.

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

Hong Kong, 22 March 2023

*As at the date of this announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Edwin Chuang Ka Fung and Mr. Geoffrey Chuang Ka Kam are the executive directors of the Company, and Mr. Dominic Lai is the non-executive director of the Company, 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 the Company.*

\* *English translation only*