Chuang's China Investments Limited

(莊士中國投資有限公司)#

(incorporated in Bermuda with limited liability)

(Stock Code: 298)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31ST MARCH, 2007

RESULTS

The Board of Directors (the "Board") of Chuang's China Investments Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2007 and the consolidated balance sheet as at 31st March, 2007 as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the year ended 31st March, 2007

	Note	2007 HK$'000	2006 HK$'000
Turnover	2	**230,292**	77,228
Cost of sales		**(153,649)**	(50,592)
Gross profit		**76,643**	26,636
Other income		**9,517**	20,431
Distribution costs		**(15,674)**	(5,640)
Administrative expenses		**(85,093)**	(61,389)
Other operating expenses		**(12,980)**	(2,987)
Loss on disposal of an associated company		**(93,574)**	–
Change in fair value of investment properties		**47,487**	50,000
Operating (loss)/profit	3	**(73,674)**	27,051
Finance costs		**(15,604)**	(11,653)
Share of results of associated companies		**8,393**	18,771
(Loss)/profit before taxation		**(80,885)**	34,169
Taxation credit/(charge)	4	**10,474**	(16)
(Loss)/profit for the year		**(70,411)**	34,153
Attributable to:			
Equity holders		**(61,949)**	36,023
Minority interests		**(8,462)**	(1,870)
		(70,411)	34,153
Dividend		**12,805**	12,805
		HK cents	Restated *HK cents*
(Loss)/earnings per share	5	**(4.86)**	3.34

\# *For identification purpose only*

CONSOLIDATED BALANCE SHEET

As at 31st March, 2007

	Note	**2007**	2006
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**28,636**	34,785
Investment properties		**567,800**	502,400
Land use rights		**882,319**	947,377
Properties for/under development		**23,284**	20,365
Associated companies		**2,651**	213,378
Available-for-sale financial assets		**46,920**	21,896
		1,551,610	1,740,201
Current assets			
Properties for sale		**176,858**	190,102
Inventories		**7,902**	5,736
Debtors and prepayments	*6*	**156,615**	31,558
Cash and bank balances		**354,161**	147,692
		695,536	375,088
Current liabilities			
Creditors and accruals	*7*	**110,920**	59,133
Current portion of long-term borrowings		**2,000**	8,000
Taxation		**35,010**	15,674
		147,930	82,807
Net current assets		**547,606**	292,281
Total assets less current liabilities		**2,099,216**	2,032,482
Equity			
Share capital		**64,027**	51,222
Reserves		**1,392,166**	1,350,109
Proposed final dividend		**12,805**	12,805
Shareholders' funds		**1,468,998**	1,414,136
Minority interests		**65,495**	72,693
Total equity		**1,534,493**	1,486,829
Non-current liabilities			
Long-term borrowings		**335,508**	273,345
Deferred taxation liabilities		**191,503**	235,366
Other non-current liabilities		**37,712**	36,942
		564,723	545,653
		2,099,216	2,032,482

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets at fair values, and in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

The preparation of financial statements in conformity with Hong Kong Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies of the Group.

In 2006, the Group adopted the following new amendments and interpretations that are effective for the accounting periods beginning on 1st January, 2006 and relevant to the operation of the Group:

HKAS 39 (Amendment)	The Fair Value Options
HKAS 39 and HKFRS 4 (Amendment)	Financial Instruments: Recognition and Measurement and Insurance Contracts – Financial Guarantee Contracts
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease

The adoption of above amendments and interpretations does not have any significant effect on the accounting policies of the Group.

The following standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1st January, 2007 or later periods but which the Group has not early adopted:

HKFRS 7	Financial Instruments: Disclosures
HKFRS 8	Operating Segments
HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The Group is assessing of the impact of these standards, amendments and interpretations but is not yet in a position to state whether they would have a significant impact on its results of operations and financial position.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in property investment and development, sale of goods and services, and others (representing information technology services and security trading). In accordance with Hong Kong Financial Reporting Standards and the operating activities of the Group, the primary segment reporting is business segments and the secondary segment reporting is geographical segments. Analysis of the turnover, operating (loss)/profit, assets, capital expenditure, depreciation and amortisation by business and geographical segments is as follows:

Business segments

	Property investment and development *HK$'000*	**Sale of goods and services** *HK$'000*	**Others and corporate** *HK$'000*	**2007** *HK$'000*
Turnover	**182,112**	**38,546**	**9,634**	**230,292**
Other income	**840**	**3,154**	**5,523**	**9,517**
Segment results	**40,915**	**1,336**	**(115,925)**	**(73,674)**
Finance costs				**(15,604)**
Share of results of associated companies	**–**	**6,600**	**1,793**	**8,393**
Loss before taxation				**(80,885)**
Taxation credit				**10,474**
Loss for the year				**(70,411)**
Segment assets	**1,816,432**	**13,089**	**850**	**1,830,371**
Associated companies	**–**	**–**	**2,651**	**2,651**
Unallocated assets				**414,124**
Total assets				**2,247,146**
Segment liabilities	**478,705**	**4,199**	**605**	**483,509**
Unallocated liabilities				**229,144**
Total liabilities				**712,653**
Capital expenditure	**20,012**	**432**	**2,909**	**23,353**
Depreciation	**2,094**	**733**	**8,294**	**11,121**
Amortisation of land use rights	**16,765**	**–**	**–**	**16,765**

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Others and corporate *HK$'000*	2006 *HK$'000*
Turnover	34,286	38,194	4,748	77,228
Other income	18,708	1,468	255	20,431
Segment results	49,562	2,930	(25,441)	27,051
Finance costs				(11,653)
Share of results of associated companies	–	19,179	(408)	18,771
Profit before taxation				34,169
Taxation charge				(16)
Profit for the year				34,153
Segment assets	1,697,167	17,137	611	1,714,915
Associated companies	–	212,553	825	213,378
Unallocated assets				186,996
Total assets				2,115,289
Segment liabilities	368,231	6,156	515	374,902
Unallocated liabilities				253,558
Total liabilities				628,460
Capital expenditure	12,203	595	1,250	14,048
Depreciation	1,596	696	8,307	10,599
Amortisation of land use rights	16,743	–	–	16,743

Geographical segments

	Turnover *HK$'000*	**Total assets** *HK$'000*	**Capital expenditure** *HK$'000*
2007			
Hong Kong	**61,293**	**885,355**	**3,260**
The Mainland China	**167,309**	**1,361,462**	**20,093**
Other countries	**1,690**	**329**	**–**
	230,292	**2,247,146**	**23,353**
2006			
Hong Kong	54,348	871,787	1,027
The Mainland China	21,287	1,243,148	13,021
Other countries	1,593	354	–
	77,228	2,115,289	14,048

3. OPERATING (LOSS)/PROFIT

	2007	2006
	HK$'000	*HK$'000*
Operating (loss)/profit is stated after crediting:		
Deferred profit realised on disposal of an associated company *(note)*	**4,566**	–
Deferred profit realised on disposal of properties *(note)*	**–**	6,025
Write back of provisions for construction costs and tax liabilities undertakings *(note)*	**–**	12,395
and after charging:		
Amortisation of land use rights	**16,765**	16,743
Cost of properties and inventories sold	**150,835**	48,558
Depreciation	**11,121**	10,599
Impairment of trade and other debtors	**3,232**	1,000
Staff costs, including Directors' emoluments:		
Wages and salaries	**24,263**	19,112
Retirement benefit costs	**790**	701

Note: In December 2001, the Group disposed of certain properties to an associated company and accordingly, a portion of the profit from such disposal has been deferred. In addition, the Group had provided undertakings to the associated company for the construction costs and tax liabilities in relation to these properties. Certain of these properties were disposed of by the associated company to third parties in 2005 and the associated company was disposed of by the Group during the year, therefore the related deferred profit has been recognised and the related provisions for the undertakings had been written back by the Group.

4. TAXATION CREDIT/(CHARGE)

	2007	2006
	HK$'000	*HK$'000*
Current		
Overseas	**(33,389)**	(16)
Deferred	**43,863**	–
	10,474	(16)

No provision for Hong Kong profits tax has been made as the Group does not have any estimated assessable profits for the year (2006: Nil). Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Share of taxation of associated companies for the year amounting to HK$2,804,000 (2006: HK$4,968,000) is included in the profit and loss account as share of results of associated companies.

5. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the loss attributable to equity holders of HK$61,949,000 (2006: profit of HK$36,023,000) and 1,273,867,459 (2006: 1,077,300,778, after adjusting for the rights issue in April 2006) shares in issue during the year.

The dilutive (loss)/earnings per share are equal to the basic (loss)/earnings per share since there are no diluted potential shares in issue during the year.

6. DEBTORS AND PREPAYMENTS

Rental and management fee are receivable in advance. Credit terms of sales of goods mainly ranged from 30 days to 90 days. The aging analysis of the trade debtors of the Group is as follows:

	2007	2006
	HK$'000	*HK$'000*
Below 30 days	**2,946**	3,254
31 to 60 days	**759**	1,542
61 to 90 days	**486**	1,607
Over 90 days	**1,010**	4,637
	5,201	11,040

7. CREDITORS AND ACCRUALS

The aging analysis of the trade creditors of the Group is as follows:

	2007	2006
	HK$'000	*HK$'000*
Below 30 days	**1,874**	2,612
31 to 60 days	**331**	849
61 to 90 days	**518**	698
Over 90 days	**–**	77
	2,723	4,236

8. FINANCIAL GUARANTEES

As at 31st March, 2007, two subsidiaries have provided guarantees amounting to HK$69.4 million (2006: HK$12.6 million) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

9. CAPITAL COMMITMENTS

As at 31st March, 2007, the Group has capital expenditure commitments contracted but not provided for amounting to HK$34,640,000 (2006: HK$25,087,000).

10. PLEDGE OF ASSETS

As at 31st March, 2007, the Group has pledged the shares and assets of certain subsidiaries, including investment properties, land use rights, properties for/under development and properties for sale, with an aggregate net book value of HK$748,423,000 (2006: HK$681,667,000), to secure general banking facilities granted to those subsidiaries.

11. SUBSEQUENT EVENT

On 11th May, 2007, the Company entered into a conditional transfer agreement with Midas International Holdings Limited ("Midas") to dispose of the entire equity interest in, and shareholder's loan to Success Gain Investment Limited, a wholly owned subsidiary whose sole asset is the holding of a piece of industrial land in Dongguan, the Mainland China, in exchange for the entire equity interest in, and shareholder's loan to Chuang's Development (Chengdu) Limited and RMB13 million in cash from Midas. Details of the transaction are contained in the circular to shareholders of the Company dated 4th June, 2007.

DIVIDEND

The Board proposes to declare a final dividend of 1.0 HK cent per share (2006: 1.0 HK cent per share) payable on or before 12th September, 2007 to shareholders whose names appear on the Company's register of members on 30th August, 2007. No interim dividend has been declared in respect of the current financial year (2006: Nil). Total dividend for the year amounted to 1.0 HK cent per share (2006: 1.0 HK cent per share).

FINANCIAL REVIEW

The Group's turnover for the year ended 31st March, 2007 was HK$230.3 million (2006: HK$77.2 million), representing a two-fold increase over that of last year. The increase was directly related to sale of properties in the People's Republic of China ("PRC") and which represented over 70% of the Group's total turnover.

As a result of the increase in turnover, gross profit for the year increased to HK$76.6 million (2006: HK$26.6 million), representing a gross profit margin of about 33.3%. The revaluation of the Group's investment properties has led to a gain in fair value of HK$47.5 million. Distribution costs, administrative expenses and other operating expenses have increased to cope with the Group's expansion of its property development business in the PRC. A non-recurring accounting loss of HK$93.6 million was booked on completion of the Group's disposal of its entire equity interests in Midas International Holdings Limited ("Midas"). Thus the Group has an operating loss of HK$73.7 million during the year (2006: profit of HK$27.1 million). Finance costs increased by HK$4.0 million as borrowings increased for our PRC property development. Taking all these into account, loss attributable to equity holders of the Company was HK$61.9 million (2006: profit of HK$36.0 million).

Had the one-off accounting loss of HK$93.6 million relating to disposal of Midas not being included, profit attributable to equity holders of the Company would have been HK$31.7 million.

BUSINESS REVIEW

Focus on PRC property development

Land bank for the Group's development in Guangzhou, Dongguan, Huizhou and Changsha, the PRC, was purchased some years ago. Over these years, the Group has held back its pace of property development in the PRC as we believe that over time, the value of these property projects would be maximised when the regional economies picked up and infrastructural network improved. This undeveloped land bank of the Group has shown significant build up of value to the present day as properties are sold at steadily-increasing prices across the board in the PRC.

From macro point of view, fundamental improvements have taken place over the past decade. The buoyant economy of the PRC is driving a steady upward trend in average income, giving rise to a massive emerging middle-class section of the population seeking to improve their standards of living. The enormous momentum generated by the recent completion of supporting infrastructure in the regions of the Group's projects has transformed the Group into an aggressive property player with a keen appetite for growth. To shape the future direction of the Group, we believe that the Group should grasp this unprecedented time to unlock the store value of its land bank.

To build our vision into reality, the Group has carried out a number of arrangements during the year. On the operation, new skills and expertise are recruited to expedite projects and cover disciplines from project management, sales and marketing to property management. Financially, a one-for-four rights issue was completed in April 2006 raising about HK$100 million in cash to fund the development projects in the PRC.

By bringing a sharper focus to bear on the Group's core business in property development in the PRC, a major turning point in strategic direction was achieved in February 2007. At the centre of the move was the sale of its 44.7% interests in Midas, thereby generating cash proceeds of HK$119.4 million to fund the pursuit of other opportunities in the PRC's property market. This represented the first such move designed to realise investment in non-core assets and to channel resources into achieving the Group's objective to become one of the key players in Mainland China's property market.

Land bank and replenishment

Paving the future roadmap on Mainland China's vast and rapidly-expanding property market, the Group remains constantly alert to land acquisition opportunities. During the year, the Group has actively reached out for land acquisitions in the PRC, and cities that we have covered include Beijing, Chengdu, Changsha, Nanning, Xiamen, Yantai. We have participated in various listings, biddings and auctions, and also hold discussions on private treaties basis. At the end of 2006, the Group successfully bided for a site in Changsha with developable gross floor area ("GFA") of about 500,000 sq. m..

The Group is aggressively developing its property projects in Guangzhou, Dongguan, Huizhou of Guangdong province and two projects in Changsha of Hunan province as follows:

	Financial year 2007 Completed GFA for sale *(sq. m.)*	**Financial year 2008 GFA under development** *(sq. m.)*	**Beyond 2008 GFA to be developed** *(sq. m.)*	**Total** *(sq. m.)*
Gold Coast, Phase II Chuang's New City, Dongguan, Guangdong	57,381			
Imperial Garden, Phase III Chuang's New City, Dongguan, Guangdong		143,000	387,000	530,000
Chuang's Le Papillon, Guangzhou, Guangdong		70,000	380,000	450,000
Chuang's New Town, Huizhou, Guangdong			144,000	144,000
Beverly Hills, Changsha, Hunan		70,000	1,530,000*	1,600,000
Xingsha Beverly Hills, Changsha, Hunan		150,000	350,000	500,000
Total		433,000	2,791,000	3,224,000

* *GFA to be developed includes 1.53 million sq. m. pending procedures for obtaining the land use rights.*

Property development

Chuang's Le Papillon, Guangzhou, Guangdong (85% owned)

Chuang's Le Papillon is located close to the station of Guangzhou Metro route number 4 which is in service at the end of 2006 and that allows efficient commuting from our project to Guangzhou city centre. With the opening of this new metro route, the property prices of the area are heading from strength to strength. Furthermore, the local government will implement major improvements on city planning and infrastructure to make way for the 2010 Asian Games complex located some 3 km from Chuang's Le Papillon. Strong momentum generated by such improvements will boost demand from home buyers and will give positive support to property prices. The Group is speeding up the construction of Chuang's Le Papillon with total GFA over 450,000 sq.m.. The first phase of 70,000 sq. m. GFA providing 11 residential blocks of over 500 apartments is now in progress, and is scheduled to be completed in the financial year ending 2009.

Chuang's New City, Dongguan, Guangdong (100% owned)

At Chuang's New City on the river coast in Dongguan, we witnessed large-scale infrastructure development by the local government, including relocation of shipyard, reclamation of land, expansion of efficient routes into the city centre, and opening of an attractive waterside promenade right across our development. In addition, Chuang's New City is located nearby a new coastal highway under construction from Guangzhou to Shekou, which in turn links to Hong Kong by way of the Hong Kong-Shenzhen Western Corridor. As infrastructure takes shape to serve this residential project, the Group swung into action to accelerate progress, as demand for accommodation soared at the 530,000 sq. m. complex of Chuang's New City. Construction of Phase III, known as Imperial Garden, has commenced. Construction of 8 residential blocks providing over 700 apartments with GFA of 90,000 sq. m. is in progress and is expected to be completed in the financial year ending 2009. On top of that, site formation work for another 53,000 sq. m. GFA will commence shortly.

Chuang's New Town, Huizhou, Guangdong (100% owned)

During the year, the Group disposed of a site of 98,600 sq. m. and the cash proceeds of about HK$92 million have been utilised on expansion of our property development business. After this disposal, Chuang's New Town has developable GFA of 144,000 sq. m. and is currently under the planning stage.

Beverly Hills, Changsha, Hunan (54% owned)

At Beverly Hills of Changsha, construction works on this complex with over 70,000 sq. m. GFA will be completed soon. We have maintained a commitment to high quality standard throughout this low density development comprising link houses, semi-detached houses and bungalows, as well as service apartments. The Group targets to deliver completed properties to buyers within the financial year ending 2008 and expects that this project will be one of the major contributors to the Group's results in the forthcoming year. The phase II development of 480 mu is under planning stage and approvals are expected to be materialised in the financial year ending 2008.

Xingsha Beverly Hills, Changsha, Hunan (100% owned)

The site of Xingsha Beverly Hills at Changsha is newly purchased by the Group at the end of 2006. Land cost has been fully paid. Master planning is finalised for the low density development comprising bungalows, link houses, and semi-detached houses providing 500,000 sq. m. GFA. Site formation work will commence shortly on phase I with GFA of 150,000 sq. m. and phase I is expected to be completed in the financial year ending 2009.

Development summary

To sum up our property development in the pipeline, the Group's total GFA under construction will be 433,000 sq. m. for the financial year ending 2008, and will increase to over 600,000 sq. m. for the financial year ending 2009.

Property sales

The Group has taken on a new lease of life, as infrastructure has been constructed around our projects, making our residential development complexes comfortably accessible, conveniently placed and highly desirable among growing numbers of home buyers. With this in mind, the Group's primary residential developments in the PRC are providing high-quality, yet eminently affordable accommodation with an emphasis on modern architectural design, high construction standards and comprehensive property management services.

For the financial year ended 2007, the Group has completed residential project of 57,381 sq. m. at the Gold Coast of Chuang's New City, Dongguan. With strong awareness on brand building, the Group has maintained a commitment to the highest standards of quality, including marketing campaign and show flats. Results on sales at Gold Coast are encouraging with all its typical flats fully sold out, and the duplex apartments launched during the year are well received, setting a record-breaking sales price of over RMB11,000 per sq. m. for our duplex show flat. Total property sales during the financial year ended 2007 amounted to HK$165.9 million, representing an eight-fold increase when compared to that of the last corresponding year.

At Beverly Hills of Changsha, soft marketing and pre-sale for link houses and semi-detached houses has commenced. An encouraging result is achieved with 68% of the link houses and 29% of the semi-detached houses being pre-sold. Taking this into account, properties sold as at the date of this report but not yet booked as turnover amounted to RMB196.1 million. Such amount is expected to be booked as turnover for the financial year ending 2008. Furthermore, in the financial year ending 2008, 370 carparking spaces in Gold Coast, Dongguan and 433,000 sq. m. of GFA under development in Guangzhou, Dongguan and Changsha as mentioned above will be available for sale and pre-sale, and total sales value of these properties are expected to exceed HK$2.2 billion according to current market prices.

Property management

The Group places strong emphasis on providing comprehensive property management services to meet customers' needs, which is one factor enhancing quality of living environment. Last year, a survey of residents was carried out at the Gold Coast in Dongguan which showed that 93% of the respondents viewed the "environment, landscaping and greenery" aspect as good, with similar percentages scored for "security" and "cleaning". Ratings across nine categories of the survey concerning property management and services produced an overall score of over 80%. Recently, the Gold Coast is honoured to be awarded "東莞市綠色社區" (Green Living Award) by 東莞市環境保護局 (the Environmental Protection Bureau of Dongguan).

To commensurate the operation of the club house of Gold Coast at Dongguan, the Group has established the Supreme Homes membership during the year which aims to promote a cozy community. Residents of our development will automatically become members of Supreme Homes, which enables them to enjoy facilities within the club houses of all our property development in the PRC. On top of that, the members are able to enjoy a variety of exceptional rewards and benefits.

Other investments

The Group owns the Chuang's Tower in Central with a total area of 60,587 sq. ft. of commercial and office space for investment purposes. Rental and other income during the year amounted to HK$15.2 million. The Group has obtained approval to convert the usage of Chuang's Tower from office to hotel usage. The Group believes that such approval will provide flexibility to enhance the value of this property and the Group is conducting feasibility studies on the benefits of such conversion.

The Group's other assets include Yuen Sang Hardware Company (1988) Limited which engaged in the manufacture and sale of metalware for exports, and 12.3% interests in a quoted investment in CNT Group Limited.

The aggregate book values of these other investments amounted to over HK$600 million as at 31st March, 2007. The Group will assess the sale of these other investments when suitable opportunities arise and expected that such sales will generate proceeds for additional working capital.

FINANCIAL POSITIONS

As at 31st March, 2007, the net assets value attributable to equity holders of the Company was HK$1,469.0 million. Net asset value per share amounted to HK$1.15, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

As at 31st March, 2007, the Group's cash and bank balances amounted to HK$354.2 million (2006: HK$147.7 million). Bank borrowings of the Group as at the same date amounted to HK$337.5 million (2006: HK$281.3 million).

The calculation of net debt to equity ratio was not applicable because the Group had surplus cash of about HK$16.7 million over bank borrowings (2006: net debt to equity ratio of 9.5%).

Approximately 75.2% of the Group's cash and bank balances were in Hong Kong dollar, United States dollar with the remaining 24.8% in Renminbi. Risk in exchange rate fluctuation would not be material.

About 80.6% of the Group's bank borrowings were in Hong Kong dollar and 19.4% in Renminbi. Approximately 0.6% of the Group's bank borrowings were repayable within one year, 12.3% repayable within 1 to 2 years, 22.2% repayable within 2 to 5 years and 64.9% repayable after 5 years.

PROSPECTS

With GDP growth in Mainland China forecast to continue at about 10%, the expectation is for income among urban residents to maintain an upward trend, making the prospect of home ownership attractive to even greater numbers of people. While concerns have been expressed over the need to prevent property investment from overheating the economy, the measures introduced to control property speculation in the PRC are not expected to impact on the Group's projects.

The last twelve months have seen our revitalised Group building on established vision on the PRC property market, as we pursue our mission to develop quality properties to provide affordable homes to domestic owners. Looking ahead, the Group will speed up the development of 3,224,000 sq. m. of GFA in the next four to five years to capitalise on the enormous potential in the PRC market. On the basis of current market prices of properties and the relatively low cost of our land bank which was acquired some years ago, we believe that there will be significant margin for our property development business. On top of that, the Group will plough back proceeds from property sales and disposal of non-core assets on new projects to bring in greater return to shareholders.

CLOSING OF REGISTER

The register of members of the Company will be closed from Monday, 27th August, 2007 to Thursday, 30th August, 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrars in Hong Kong, Progressive Registration Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Friday, 24th August, 2007.

STAFF

As at 31st March, 2007, the Group employed 264 staff. In addition, the subcontracting factories of the Group have 582 workers. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

DEALING IN THE COMPANY'S SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended 31st March, 2007 with the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

An audit committee has been established by the Company to review and supervise the Company's financial reporting process and internal controls and review the relationship with the auditors. The audit committee has held meetings in accordance with the relevant requirements and reviewed the results for the year ended 31st March, 2007. The current members of the audit committee are Dr. Hwang Jen, Mr. David Chu Yu Lin and Dr. Peter Po Fun Chan, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

PUBLICATION OF RESULT ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2007 containing all applicable information required by Paragraph 45 of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

GENERAL

As at the date of this announcement, Mr. Ko Sheung Chi, Mr. Lee Sai Wai, Miss Ann Li Mee Sum, Mr. Sunny Pang Chun Kit and Miss Candy Chuang Ka Wai are Executive Directors, Dr. Hwang Jen, Mr. David Chu Yu Lin, Dr. Peter Po Fun Chan and Mr. Chan Wai Dune are Independent Non-Executive Directors of the Company.

By Order of the Board of
Chuang's China Investments Limited
Ann Li Mee Sum
Managing Director

Hong Kong, 4th July, 2007