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 OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2007

RESULTS

The Board of Directors (the "Board") of Chuang's Consortium International 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*	**1,544,566**	798,314
Cost of sales		**(1,341,390)**	(627,380)
Gross profit		**203,176**	170,934
Other income		**94,792**	56,065
Distribution costs		**(26,729)**	(14,926)
Administrative expenses		**(159,869)**	(119,084)
Other operating expenses		**(37,213)**	(8,165)
Change in fair value of investment properties		**200,710**	194,936
Operating profit	*3*	**274,867**	279,760
Finance costs		**(66,475)**	(59,068)
Share of results of associated companies		**9,633**	18,740
Profit before taxation		**218,025**	239,432
Taxation	*4*	**(1,256)**	(28,741)
Profit for the year		**216,769**	210,691
Attributable to:			
Equity holders		**214,866**	198,572
Minority interests		**1,903**	12,119
		216,769	210,691
Dividends	*5*	**33,255**	22,170
		HK cents	*HK cents*
Earnings per share	*6*	**14.54**	13.44

\# *For identification purpose only*

CONSOLIDATED BALANCE SHEET

As at 31st March, 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Property, plant and equipment		**82,494**	87,696
Investment properties		**2,552,428**	2,875,225
Leasehold land and land use rights		**1,076,888**	968,793
Properties for/under development		**362,882**	35,832
Associated companies		**213,867**	212,665
Available-for-sale financial assets		**48,092**	21,896
Loans and receivables		**32,799**	35,430
Deferred taxation assets		**837**	6,164
		4,370,287	4,243,701
Current assets			
Properties for sale		**243,022**	280,233
Inventories		**84,625**	17,079
Debtors and prepayments	*7*	**224,539**	100,457
Tax recoverable		**296**	223
Other investments		**71,896**	63,663
Cash and cash equivalents		**967,989**	783,859
		1,592,367	1,245,514
Current liabilities			
Creditors and accruals	*8*	**250,572**	115,084
Derivative financial instruments		**25,000**	–
Current portion of long-term borrowings		**61,820**	62,244
Taxation		**45,499**	25,909
		382,891	203,237
Net current assets		**1,209,476**	1,042,277
Total assets less current liabilities		**5,579,763**	5,285,978
Equity			
Share capital		**369,502**	369,502
Reserves		**2,857,879**	2,637,780
Proposed final dividend		**14,780**	14,780
Shareholders' funds		**3,242,161**	3,022,062
Minority interests		**615,952**	623,443
Total equity		**3,858,113**	3,645,505
Non-current liabilities			
Long-term borrowings		**1,291,983**	1,174,158
Deferred taxation liabilities		**355,805**	393,022
Other non-current liabilities		**73,862**	73,293
		1,721,650	1,640,473
		5,579,763	5,285,978

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, other investments and derivative financial instruments 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 the 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 will apply the above standards, amendments and interpretations for its financial period commencing on or after 1st April, 2007, but they are not expected to have a significant impact on the financial position of the Group.

2. TURNOVER AND SEGMENT INFORMATION

The Group is principally engaged in property investment and development, sale of goods and services, and securities investment and 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 profit, assets, liabilities, 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*	Securities trading *HK$'000*	Others, corporate and elimination *HK$'000*	2007 *HK$'000*
Turnover	582,989	104,132	857,559	(114)	1,544,566
Other income	6,687	3,193	–	84,912	94,792
Segment results	268,552	825	9,069	(3,579)	274,867
Finance costs					(66,475)
Share of results of associated companies	(40)	7,880	–	1,793	9,633
Profit before taxation					218,025
Taxation					(1,256)
Profit for the year					216,769
Segment assets	4,479,768	81,636	71,899	850	4,634,153
Associated companies	(803)	212,019	–	2,651	213,867
Unallocated assets					1,114,634
Total assets					5,962,654
Segment liabilities	1,571,469	9,462	113,182	605	1,694,718
Unallocated liabilities					409,823
Total liabilities					2,104,541
Capital expenditure	212,269	1,003	–	4,862	218,134
Depreciation	4,009	2,092	–	10,559	16,660
Amortisation of leasehold land and land use rights	18,887	284	–	–	19,171

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Securities trading *HK$'000*	Others, corporate and elimination *HK$'000*	2006 *HK$'000*
Turnover	464,430	92,170	241,712	2	798,314
Other income	26,895	1,650	–	27,520	56,065
Segment results	313,755	1,344	10,340	(45,679)	279,760
Finance costs					(59,068)
Share of results of associated companies	(31)	19,179	–	(408)	18,740
Profit before taxation					239,432
Taxation					(28,741)
Profit for the year					210,691
Segment assets	4,249,948	73,622	63,666	611	4,387,847
Associated companies	(713)	212,553	–	825	212,665
Unallocated assets					888,703
Total assets					5,489,215
Segment liabilities	1,403,918	8,399	5	515	1,412,837
Unallocated liabilities					430,873
Total liabilities					1,843,710
Capital expenditure	15,684	715	–	2,485	18,884
Depreciation	3,158	1,993	–	10,547	15,698
Amortisation of leasehold land and land use rights	16,744	266	–	–	17,010

Geographical segments

	Turnover *HK$'000*	**Total assets** *HK$'000*	**Capital expenditure** *HK$'000*
2007			
Hong Kong	**1,298,125**	**4,245,498**	**195,789**
The Mainland China	**166,875**	**1,361,462**	**20,093**
Other countries	**79,566**	**355,694**	**2,252**
	1,544,566	**5,962,654**	**218,134**
2006			
Hong Kong	712,950	3,916,286	5,202
The Mainland China	18,084	1,243,148	13,021
Other countries	67,280	329,781	661
	798,314	5,489,215	18,884

3. OPERATING PROFIT

	2007	2006
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Dividend income from listed investments	**1,714**	1,085
Interest from loans and receivables	**2,489**	1,429
Deferred profit realised on disposal of properties *(note)*	**–**	6,025
Write back of provisions for construction costs and tax liabilities undertakings *(note)*	**–**	12,395
Gain on disposal of property, plant and equipment	**–**	354
Gain on disposal of investment properties	**27,372**	1,688
Net realised and unrealised gains on other investments	**32,364**	9,263
and after charging:		
Cost of properties and inventories sold	**489,659**	374,916
Amortisation of leasehold land and land use rights	**19,171**	17,010
Depreciation	**16,660**	15,698
Loss on disposal of property, plant and equipment	**399**	–
Loss on derivative financial instruments	**25,000**	–
Staff costs, including Directors' emoluments:		
Wages and salaries	**54,843**	47,061
Retirement benefit costs	**2,280**	2,063

Note: In December 2001, a subsidiary, Chuang's China Investments Limited ("Chuang's China"), disposed of certain properties to its then associated company, Midas International Holdings Limited ("Midas"), and accordingly, a portion of the profit from such disposal had been deferred. In addition, Chuang's China 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 therefore the related deferred profit had been recognised and the related provisions for the undertakings had been written back by Chuang's China.

4. TAXATION

	2007	2006
	HK$'000	*HK$'000*
Current		
Hong Kong	**–**	7,483
Overseas	**33,430**	(151)
Deferred	**(32,174)**	21,409
	1,256	28,741

No provision for Hong Kong profits tax has been made as the Group does not have any estimated assessable profits for the year (2006: 17.5%). 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 ended 31st March, 2007 amounting to HK$3,359,000 (2006: HK$4,981,000) is included in the profit and loss account as share of results of associated companies.

5. DIVIDENDS

	2007 *HK$'000*	2006 *HK$'000*
Special interim dividend paid of 0.5 HK cent (2006: Nil) per share	**7,390**	–
Interim dividend paid of 0.75 HK cent (2006: 0.5 HK cent) per share	**11,085**	7,390
Proposed final scrip dividend with a cash option of 1.0 HK cent (2006: cash dividend of 1.0 HK cent) per share	**14,780**	14,780
	33,255	22,170

The Board of Directors proposes to declare a final scrip dividend with a cash option of 1.0 HK cent (2006: cash dividend of 1.0 HK cent) per share amounting to HK$14,780,000 (2006: HK$14,780,000). This dividend will be accounted for as an appropriation of reserves in the year ending 31st March, 2008.

6. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$214,866,000 (2006: HK$198,572,000) and 1,478,006,155 (2006: 1,478,006,155) shares in issue during the year.

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

7. 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 trade debtors of the Group is as follows:

	2007 *HK$'000*	2006 *HK$'000*
Below 30 days	**10,098**	8,054
31 to 60 days	**7,889**	4,167
61 to 90 days	**1,691**	3,339
Over 90 days	**2,102**	6,119
	21,780	21,679

8. CREDITORS AND ACCRUALS

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

	2007 *HK$'000*	2006 *HK$'000*
Below 30 days	**3,573**	4,224
31 to 60 days	**729**	1,377
Over 60 days	**11,419**	11,495
	15,721	17,096

9. FINANCIAL GUARANTEE

As at 31st March, 2007, the Company has provided a guarantee of HK$54.0 million (2006: HK$54.0 million) for a banking facility granted to an associated company, and guarantees amounting to HK$69.4 million (2006: HK$12.6 million) were given by two subsidiaries to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

As at 31st March, 2006, the Company provided a guarantee for the mortgage bank loan of the investment property of Chuang's China amounting to HK$233,000,000. In return, Chuang's China had provided a counter-indemnity to the Company against all losses and liabilities which the Company may incur under the guarantee.

10. CAPITAL COMMITMENTS

As at 31st March, 2007, the Group has capital expenditure commitments contracted but not provided for amounting to HK$47,688,000 (2006: HK$28,079,000).

11. PLEDGE OF ASSETS

As at 31st March, 2007, the Group has pledged the shares and assets of certain subsidiaries, including investment properties, property, plant and equipment, leasehold land and land use rights, properties for/under development and properties for sale, with an aggregate net book value of HK$3,240,206,000 (2006: HK$3,074,938,000), to secure banking facilities granted to those subsidiaries.

As at the same date, the Group has pledged certain other investments and cash and cash equivalents amounting to HK$71,896,000 (2006: Nil) and HK$212,127,000 (2006: Nil) respectively as securities for certain securities trading.

12. SUBSEQUENT EVENTS

On 11th May, 2007, the Company entered into a subscription agreement with Midas, a 44.7% owned associated company of the Company, to subscribe for a convertible note issued by Midas in the principal amount of HK$49.5 million. The subscription was completed in June 2007. Details of the subscription are set out in the circular to the shareholders of the Company dated 4th June, 2007.

On 1st June, 2007, China Policy Limited ("China Policy"), a wholly-owned subsidiary of the Company, entered into an agreement with third parties to set up a new company for the purpose of undertaking a property development project in Vietnam. China Policy would contribute US$15 million (approximately HK$117 million), representing 70% of the issued capital of the new company. Details of the agreement are set out in the circular to the shareholders of the Company dated 21st June, 2007.

DIVIDENDS

The Directors have resolved to recommend for the shareholders' approval at the forthcoming annual general meeting the payment of a final dividend of 1.0 HK cent (2006: 1.0 HK cent) per share for the year ended 31st March, 2007. The final dividend, if approved, will be paid on or before 22nd October, 2007 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 30th August, 2007.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlements will be calculated by reference to the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including 30th August, 2007. A circular giving full details of the scrip dividend scheme and a form of election will be sent to the shareholders as soon as practicable.

A special interim dividend of 0.5 HK cent (2006: Nil) per share and an interim dividend of 0.75 HK cent (2006: 0.5 HK cent) per share have been paid in respect of the current financial year. Total dividends for the year, therefore, amounted to 2.25 HK cents (2006: 1.5 HK cents) per share, representing an increase of 50%.

FINANCIAL REVIEW

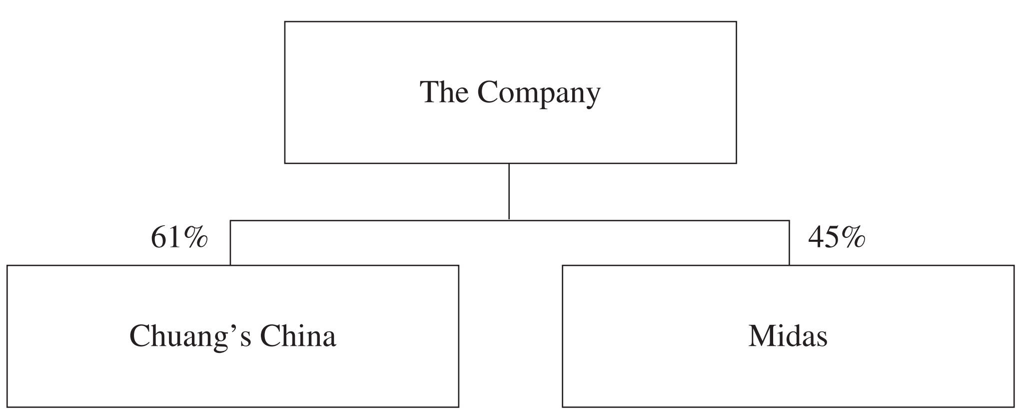
During the year under review, the Group's businesses have been benefited from the continuous growth in the economies of Hong Kong and the People's Republic of China (the "PRC").

Turnover of the Group increased from HK$798.3 million in last year to HK$1,544.6 million in this year, representing an increase of 93.5%. Turnover derived from property investment and development activities amounted to HK$583.0 million (2006: HK$464.4 million), representing an increase of 25.5% principally as a result of an increase in property sales in the PRC. Manufacturing and trading businesses recorded a turnover of HK$104.1 million (2006: HK$92.2 million), representing an increase of 12.9% when compared with that of last year. Turnover from securities trading activities increased significantly to HK$857.6 million (2006: HK$241.7 million) as the Group has increased its securities investment activities amid the improved market sentiment during the year.

Gross profit increased by 18.9% to HK$203.2 million (2006: HK$170.9 million), which was principally attributable to the increase in profits from sales of properties and marketable securities. Other income increased by 69.0% to HK$94.8 million. Reflecting the improvement in office and retail properties in Hong Kong, the Group recorded an upward revaluation of HK$200.7 million during the year. On the costs side, as a result of an increase in business activities, distribution costs and administrative expenses increased by HK$11.8 million and HK$40.8 million, respectively. Finance costs increased by 12.5% to HK$66.5 million and share of profits of associated companies decreased by 48.7% to HK$9.6 million. Taking all these into account, profit attributable to equity holders of the Company increased by 8.2% to HK$214.9 million (2006: HK$198.6 million).

NEW GROUP STRUCTURE

During the year, the Group has completed a group rationalisation exercise whereby the Company acquired from Chuang's China Investments Limited ("Chuang's China") its entire approximately 45% interest in Midas International Holdings Limited ("Midas") resulting in the Company holding a direct interest in Midas and Chuang's China ceasing to have any interest in Midas. The new group structure, which is shown below, will enable the respective shareholders and investors in the Company and Chuang's China to more clearly evaluate their investments in the companies and will also enable Chuang's China to generate additional resources for allocating to, and become more focused in, the PRC property market. The Group believes that this new group structure will enable the Group to conduct its businesses more effectively.



BUSINESS REVIEW

The principal activities of the Group comprise property development and investment in Hong Kong, Malaysia, Vietnam and the PRC, manufacturing businesses and investments.

In the past years, in respect of property business, the Group has been focusing mainly in Hong Kong. In the coming years, whilst Hong Kong will still be a principal area of focus, in particular, the niche luxurious residential property market in which the Group has considerable experience and expertise, the Group will be allocating more resources towards the PRC and emerging markets, in particular Vietnam, as the Group believes that projects identified in these markets are equally rewarding.

(A) Chuang's Properties Limited

All the Group's property activities in Hong Kong are conducted through this wholly-owned subsidiary.

(i) Investment properties

The Group owns Chuang's London Plaza in Tsim Sha Tsui, Chuang's Hung Hom Plaza in Hunghom, portion of Chuang's Enterprises Building in Wanchai and Chuang's Tower in Central (through Chuang's China) with a total gross floor area ("GFA") of approximately 374,000 sq.ft. of retail, office and carparking spaces for investment purposes. Occupancy rate of these properties remains at a high level and rental and other income from investment properties in Hong Kong during the year amounted to HK$85.6 million.

It has always been the Group's objective to consistently enhance the yield and thus the capital value of our investment properties. Steps taken by the Group during the year included the followings:

(a) carrying out improvement and renovation works so as to upgrade the quality of our properties;

(b) reshuffling tenant mix so as to attract higher quality tenants and tenants willing to pay a higher rental;

(c) upgrading the quality of our management service to be more user-friendly; and

(d) creating more advertising signages on our properties to generate additional rental.

Furthermore, approval has been obtained from relevant authorities to convert the usage of Chuang's Tower in Central from office to hotel usage. The Group believes that such approval will provide flexibility to the Group to enhance the value of the property and the Group is conducting feasibility studies on the benefits of such conversion. Approval has also been obtained from the relevant authorities to combine 2 units at 17/F and 18/F, Twin Brook, No. 43 Repulse Bay Road into a duplex with GFA of over 5,400 sq.ft.. In view of strong demand for high quality apartment with sea-view in that area, the marketability and capital value of this property will be significantly improved.

As stated in last year's annual report, the Group will take advantage of rising property prices to dispose of certain of our investment properties. In this respect, the Group has successfully disposed of Chuang's City Tower in Wanchai for HK$282 million, generating profit of approximately HK$60 million for the year ended 31st March, 2007. Subsequent to the balance sheet date, the Group also disposed of certain shopping units in The Harbourside in North Point for HK$15.4 million. The proceeds from these disposals have been and will be applied for land replenishment.

(ii) Properties under development

During the year, property sales of the Group in Hong Kong amounted to HK$36.0 million, mainly derived from disposal of remaining units of Reading Place in mid-level. Currently the Group is undertaking various development projects in Hong Kong.

In Deep Water Bay, the Group is redeveloping Park Villa into 4 bungalows with GFA of approximately 26,000 sq.ft.. Site formation and foundation works are in progress and the project is expected to be completed by the end of 2008. In view of strong demand in the luxurious residential property market, the Group expects that rental and thus capital value of this property will be significantly enhanced upon completion.

In January 2007, the Group completed the acquisition of No.15 Gough Hill Road, The Peak for HK$166 million. The permissible developable GFA of this property is 9,235 sq.ft.. The Group will redevelop this property into bungalows.

The Group participated a 30% interest in the redevelopment of Midas Plaza, No. 1 Tai Yau Street, San Po Kong, Kowloon into a 22-storey high-class industrial/office building with a GFA of 190,000 sq.ft.. Superstructure works have been completed and internal and external finishing works are in progress. The project is expected to be completed by the end of 2007. Negotiations are now taking place with our partner for taking up 30% share of the floor area for the Group's own use.

(B) Chuang's International Limited

All the Group's property activities in Malaysia and emerging markets are conducted through this wholly-owned subsidiary.

(i) Malaysia

The Group owns Central Plaza located in "Golden Triangle" of Kuala Lumpur, Malaysia for investment purpose. It has a total GFA of 380,000 sq.ft. of retail, office and carparking spaces, and rental income from this property during the year amounted to HK$11.6 million.

The Group is also undertaking the development of Taman Sri Amber in Seremban, Malaysia. It is a low density mixed development comprising 244 single-storey and double-storey terrace houses, 406 apartments and various shopping units with a total GFA of approximately 690,000 sq.ft.. Phase I of the project with a total GFA of 94,000 sq.ft. has been sold and development of the remaining GFA of 596,000 sq.ft. will commence soon.

Recently, the Malaysia Government has announced the abolishment of real property gain tax and the introduction of policies which aim to simplify and speed up certain approval procedures relating to property projects. The Group believes that these are logical move by the government to promote and boost investments in the property sector and the Group will identify new investment opportunities in Malaysia.

(ii) Vietnam

The economy of Vietnam has been growing tremendously with GDP growth in the past 5 years consistently over 7%. With the accession into the World Trade Organisation in early 2007, the growth pattern of the economy of Vietnam is expected to continue. Having a population of more than 85 million and over half of the population below the age of 35, there exists vast business opportunities in the property sector. Ho Chi Minh City and Hanoi are two important cities in Vietnam and their economies accounted for a substantial portion of the GDP of Vietnam. In view of the above, the amount of foreign direct investments into Vietnam and, in particular, into Ho Chi Minh City and Hanoi, have been growing continuously over the past few years. Having identified the business opportunity, the Group has immediately taken action to take advantage of such an opportunity.

(a) Saigon Beverly Hills

On 1st June, 2007, the Group entered into an agreement to participate a 70% interest in a property development project in Vietnam for US$15 million. The project, Saigon Beverly Hills, covers a site area of 273 hectares (2,730,000 sq.m.) and is located in Duc Hoa District, Long An Province, Vietnam, which is in close proximity to, and is approximately 30 kilometers from, the city centre of Ho Chi Minh City, Vietnam. The site is for residential and commercial usage and it is intended that a new township with modern architectural design having a total GFA of approximately 3,300,000 sq.m. will be developed. Master layout planning of the project is in progress and it is expected that the initial phase of this development will commence by the end of 2007.

Adjacent to the above site is a site of 220 hectares (2,200,000 sq.m.) and the Group is in the process of acquiring this adjacent site to make the development more sizable.

(b) Central Park

Recently the Group has signed a memorandum of understanding with a third party to form a joint venture to be owned as to 73% by the Group for undertaking a residential and commercial property development project in the city centre of Ho Chi Minh City, Vietnam. The site covers an area of 18 hectares (180,000 sq.m.) and the total developable GFA of the project is about 840,000 sq.m.. It is expected that the formal agreement for the execution of this project will be finalised soon.

(c) Project at Hanoi

The Group is conducting feasibility study on a property project in Hanoi, Vietnam and expects that a memorandum of understanding in respect of this project will be executed soon.

(C) Chuang's China

All the Group's property activities in the PRC are conducted through this approximately 61% owned listed subsidiary.

(i) Development strategy

Land bank for the Group's development in 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 in the PRC 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 in the PRC.

(ii) Land bank

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 successfully bided for a site in Changsha with developable GFA of about 500,000 sq.m.. At present, 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.

(iii) Property development

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

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 by Chuang's China)

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 by Chuang's China)

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 by Chuang's China)

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. 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 by Chuang's China)

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.

(iv) Properties sales

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. 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 RMB197.5 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.

(D) Midas

The Group owns a direct approximately 45% interest in Midas, a listed company in Hong Kong engaged principally in books and paper products printing. For the year ended 31st December, 2006, Midas reported turnover of HK$737.9 million and net profit attributable to shareholders of HK$17.6 million.

In view of competitive trading environment for its printing business, Midas will concentrate in and expand into higher margin products such as original designed products, products with electronic components and pop-up books. Such expansion requires new hand assembly lines and new factory premises. In this respect, Midas has recently acquired a piece of land located in Coastal Industry Zone, Dongguan with a site area of about 77,900 sq.m. for the purpose of constructing new factory premises. In order to provide funds to Midas for its expansion programme, the Group has in June

2007 subscribed for a four years convertible note in Midas for HK$49.5 million. Upon the exercise in full of the convertible note, the Group's interest in Midas will be increased from approximately 45% to approximately 54%.

Apart from the above expansion plan, Midas will look for new business opportunities so as to broaden its income stream.

FINANCIAL POSITIONS

As at 31st March, 2007, net assets attributable to equity holders of the Company was HK$3,242.2 million. Net asset value per share amounted to approximately HK$2.19, which is calculated based on the book cost of the Group's leasehold land and land use rights and properties for/under development in Hong Kong and the PRC, before taking into account the appreciated value.

As at 31st March, 2007, the Group's cash and cash equivalents and other investments amounted to HK$1,039.9 million (2006: HK$847.5 million). Bank borrowings of the Group as at the same date amounted to HK$1,353.8 million (2006: HK$1,236.4 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash and cash equivalents and other investments over total net assets attributable to equity holders of the Company, was approximately 9.7% (2006: 12.9%).

Approximately 91.6% of the Group's bank balances, cash and other investments were in Hong Kong dollar or United States dollar, with the balance 8.4% in Renminbi. Approximately 90.6% of the Group's bank borrowings were denominated in Hong Kong dollar with the balance of 9.4% being denominated in Malaysian Ringgit and Renminbi. Risk in exchange rate fluctuation would not be material.

Approximately 4.6% (2006: 5.0%) of the Group's bank borrowings was repayable within one year, 7.6% (2006: 23.7%) repayable within 1 to 2 years, 70.8% (2006: 66.6%) repayable within 2 to 5 years and the balance of 17.0% (2006: 4.7%) repayable over 5 years.

PROSPECTS

In Hong Kong, the economy continues to show healthy growth on the back of growth of the global and the PRC economies. Office and retail rentals are expected to remain firm whilst demand for quality housing, in particular in the luxurious residential sector, should remain strong. With the improvement in rental of our investment properties and the completion of the projects in Deep Water Bay and The Peak, the Group expects that the capital value of our property portfolio will be significantly enhanced.

In the PRC, the Group will speed up the development of our existing land bank 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 in the PRC. On top of that, the Group will plough back proceeds from property sales in the PRC on new projects to bring in greater return to shareholders.

With the repositioning of our Group's strategy to allocating more resources to, and becoming one of the key players in, the Vietnam property market, the Group believes that this will add a new dimension to the growth of our Group in the years to come.

CLOSING OF REGISTER

The register of members of the Company will be closed from Friday, 24th 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, Standard Registrars Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Thursday, 23rd August, 2007.

STAFF

As at 31st March, 2007, the Group employed 1,054 staff. 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 on the Stock Exchange (the "Listing Rules").

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. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Chan Wai Dune, 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 website of the Stock Exchange in due course.

GENERAL

As at the date of this announcement, Mr. Alan Chuang Shaw Swee, Mrs. Alice Siu Chuang Siu Suen, Mr. Ko Sheung Chi, Mr. Lui Lop Kay, Mr. Albert Chuang Ka Pun and Mr. Wong Chung Wai are Executive Directors, Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Chan Wai Dune are the Independent Non-Executive Directors of the Company.

By Order of the Board of
Chuang's Consortium International Limited
Ko Sheung Chi
Managing Director

Hong Kong, 13th July, 2007