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, 2008

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, 2008 and the consolidated balance sheet as at 31st March, 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2008

	Note	2008 HK$'000	2007 HK$'000
Revenues	2	**327,189**	230,292
Cost of sales		**(213,508)**	(153,649)
Gross profit		**113,681**	76,643
Other income		**48,379**	9,517
Selling and marketing expenses		**(15,246)**	(15,674)
Administrative expenses		**(77,320)**	(85,093)
Other operating expenses		**(8,302)**	(12,980)
Loss on disposal of an associated company		**–**	(93,574)
Change in fair value of investment properties		**104,435**	47,487
Operating profit/(loss)	3	**165,627**	(73,674)
Finance costs		**(18,840)**	(15,604)
Share of results of associated companies		**234**	8,393
Profit/(loss) before taxation		**147,021**	(80,885)
Taxation (charge)/credit	4	**(28,177)**	10,474
Profit/(loss) for the year		**118,844**	(70,411)
Attributable to:			
Equity holders		**110,244**	(61,949)
Minority interests		**8,600**	(8,462)
		118,844	(70,411)
Dividends	5	**22,508**	12,805
		HK cents	*HK cents*
Earnings/(loss) per share (basic and diluted)	6	**7.74**	(4.86)

For identification purpose only

CONSOLIDATED BALANCE SHEET
As at 31st March, 2008

	Note	2008 HK$'000	2007 HK$'000
Non-current assets			
Property, plant and equipment		**41,480**	28,636
Investment properties		**699,488**	567,800
Land use rights		**1,771**	882,319
Properties for/under development		**–**	23,284
Associated companies		**2,938**	2,651
Available-for-sale financial assets		**43,153**	46,920
Loans and receivables		**21,793**	–
		810,623	1,551,610
Current assets			
Properties for sale		**1,348,333**	176,858
Inventories		**7,260**	7,902
Debtors and prepayments	*7*	**123,751**	156,615
Cash and bank balances		**453,930**	354,161
		1,933,274	695,536
Current liabilities			
Creditors and accruals	*8*	**131,503**	110,920
Short-term borrowings		**144,638**	–
Current portion of long-term borrowings		**6,000**	2,000
Taxation		**56,663**	35,010
		338,804	147,930
Net current assets		**1,594,470**	547,606
Total assets less current liabilities		**2,405,093**	2,099,216
Equity			
Share capital		**75,027**	64,027
Reserves		**1,799,748**	1,392,166
Proposed final dividend		**15,005**	12,805
Shareholders' funds		**1,889,780**	1,468,998
Minority interests		**6,502**	65,495
Total equity		**1,896,282**	1,534,493
Non-current liabilities			
Long-term borrowings		**305,304**	335,508
Deferred taxation liabilities		**193,387**	191,503
Other non-current liabilities		**10,120**	37,712
		508,811	564,723
		2,405,093	2,099,216

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 ("HKFRS") 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.

(a) Standard, amendment and interpretations effective in 2007

In 2007, the Group adopted the following new standard, amendment and interpretations that are effective for the accounting periods beginning on 1st January, 2007 and relevant to the operations of the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
HKFRS 7	Financial Instruments: 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 has assessed the impact of the adoption of these new standard, amendment and interpretations and considered that there were neither significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 introduces new disclosures relating to financial instruments and capital. There is no impact on the classification and valuation of the Group's financial instruments.

(b) Standards and amendments that are not yet effective and have not been early adopted by the Group

The following standards and amendments have been published and are mandatory for the Group's accounting periods beginning on or after 1st January, 2008 or later periods, but the Group has not yet adopted them:

HKAS 1 (Revised)	Presentation of Financial Statements (effective from 1st January, 2009)
HKAS 23 (Revised)	Borrowing Costs (effective from 1st January, 2009)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective from 1st July, 2009)
HKFRS 2 (Amendment)	Share-based Payment: Vesting Conditions and Cancellations (effective from 1st January, 2009)
HKFRS 3 (Revised)	Business Combinations (effective from 1st July, 2009)
HKFRS 8	Operating Segments (effective from 1st January, 2009)

The Group has not yet adopted any of the above standards and amendments. The management is in the process of making an assessment of their impact and is not yet in a position to state what impact they would have on the Group's results of operations and financial position.

(c) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st January, 2008 or later periods but are not relevant for the Group's operations:

HK(IFRIC) – Int 12	Service Concession Arrangements (effective from 1st January, 2008)
HK(IFRIC) – Int 13	Customer Loyalty Programmes (effective from 1st July, 2008)
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1st January, 2008)

2. REVENUES 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 securities 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 revenues (representing turnover), operating profit/(loss), 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$'000*	**2008** *HK$'000*
Revenues	**279,763**	**32,821**	**14,605**	**327,189**
Other income	**44,101**	**2,110**	**2,168**	**48,379**
Segment results	**195,820**	**(2,152)**	**(28,041)**	**165,627**
Finance costs				**(18,840)**
Share of results of associated companies	**–**	**–**	**234**	**234**
Profit before taxation				**147,021**
Taxation charge				**(28,177)**
Profit for the year				**118,844**
Segment assets	**2,201,714**	**13,039**	**969**	**2,215,722**
Associated companies	**–**	**–**	**2,938**	**2,938**
Unallocated assets				**525,237**
Total assets				**2,743,897**
Segment liabilities	**132,253**	**6,182**	**849**	**139,284**
Unallocated liabilities				**708,331**
Total liabilities				**847,615**
Capital expenditure	**172,706**	**12**	**4,543**	**177,261**
Depreciation	**2,525**	**695**	**7,738**	**10,958**
Amortisation of land use rights				
– charged to income statement	**1,808**	**–**	**–**	**1,808**
– capitalised into properties under development for sale	**16,476**	**–**	**–**	**16,476**

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Others and corporate *HK$'000*	2007 *HK$'000*
Revenues	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	141,197	4,199	605	146,001
Unallocated liabilities				566,652
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				
– charged to income statement	16,765	–	–	16,765

Geographical segments

	Revenues *HK$'000*	Total assets *HK$'000*	Capital expenditure *HK$'000*
2008			
Hong Kong	**63,301**	**1,002,888**	**6,781**
Mainland China	**261,890**	**1,739,856**	**170,480**
Other countries	**1,998**	**1,153**	**–**
	327,189	**2,743,897**	**177,261**
2007			
Hong Kong	61,293	885,355	3,260
Mainland China	167,309	1,361,462	20,093
Other countries	1,690	329	–
	230,292	2,247,146	23,353

3. OPERATING PROFIT/(LOSS)

	2008	2007
	HK$'000	*HK$'000*
Operating profit/(loss) is stated after crediting:		
Excess of fair value of net assets acquired over cost of acquisition of minority interests in a subsidiary*	**20,976**	–
Write back of provisions for tax liabilities undertakings* *(note)*	**21,019**	–
Deferred profit realised on disposal of an associated company	**–**	4,566
and after charging:		
Amortisation of land use rights	**1,808**	16,765
Cost of properties sold	**177,390**	115,199
Cost of inventories sold	**31,702**	34,623
Depreciation	**10,958**	11,121
Exchange loss	**5,499**	2,573
Write off of trade and other debtors	**2,745**	3,232
Staff costs, including Directors' emoluments:		
Wages and salaries	**29,252**	24,263
Retirement benefit costs	**940**	790

* Included in other income

Note : In December 2001, the Group disposed of certain properties and provided undertakings to the purchaser, Midas International Holdings Limited, formerly an associated company, for the tax liabilities in relation to these properties. In 2007, these properties were disposed of by the purchaser to third parties and therefore related provisions for the undertakings had been written back by the Group.

4. TAXATION (CHARGE)/CREDIT

	2008	2007
	HK$'000	*HK$'000*
Current		
Mainland China corporate income tax	**(7,382)**	(12,580)
Mainland China land appreciation tax	**(19,660)**	(20,809)
Deferred	**(1,135)**	43,863
	(28,177)	10,474

No provision for Hong Kong profits tax has been made as the Group does not have any estimated assessable profits for the year (2007: 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$203,000 (2007: HK$2,804,000) is included in the income statement as share of results of associated companies.

5. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Interim dividend paid of 0.5 HK cent (2007: Nil) per share	**7,503**	–
Proposed final scrip dividend with a cash option of 1.0 HK cent (2007: cash dividend of 1.0 HK cent) per share	**15,005**	12,805
	22,508	12,805

On 4th July, 2007, the Board proposed a final dividend of 1.0 HK cent per share, totalling HK$12,805,000. Subsequent to a placement in August 2007 under which 220 million new shares were issued, the final dividends representing HK$15,005,000 were paid.

On 3rd July, 2008, the Board proposed a final scrip dividend with a cash option of 1.0 HK cent (2007: cash dividend of 1.0 HK cent) per share amounting to HK$15,005,000 (2007: HK$12,805,000). This dividend will be accounted for as an appropriation of reserves in the year ending 31st March, 2009.

6. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the profit attributable to equity holders of HK$110,244,000 (2007: loss of HK$61,949,000) and the weighted average number of 1,424,210,814 (2007: 1,273,867,459) shares in issue during the year.

The dilutive earnings/(loss) per share are equal to the basic earnings/(loss) 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 the trade debtors of the Group is as follows:

	2008	2007
	HK$'000	*HK$'000*
Below 30 days	**3,151**	2,946
31 to 60 days	**849**	759
61 to 90 days	**990**	486
Over 90 days	**1,813**	2,493
	6,803	6,684

8. CREDITORS AND ACCRUALS

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

	2008	2007
	HK$'000	*HK$'000*
Below 30 days	**1,691**	1,874
31 to 60 days	**736**	331
61 to 90 days	**1,098**	518
Over 90 days	**414**	–
	3,939	2,723

9. FINANCIAL GUARANTEES

As at 31st March, 2008, subsidiaries have provided guarantees amounting to HK$69.1 million (2007: HK$69.4 million) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

10. CAPITAL COMMITMENTS

As at 31st March, 2008, the Group has capital expenditure commitments contracted but not provided for amounting to HK$492,573,000 (2007: HK$34,640,000).

11. PLEDGE OF ASSETS

As at 31st March, 2008, the Group has pledged the shares and assets of certain subsidiaries, including bank deposits, investment properties, land use rights, properties for/under development and properties for sale, with an aggregate net book value of HK$809,816,000 (2007: HK$751,646,000), to secure general banking and financial guarantee facilities granted to those subsidiaries.

FINANCIAL REVIEW

The Group's revenues for the year ended 31st March, 2008 was HK$327.2 million (2007: HK$230.3 million), representing 42.1% increase over that of last year. The increase was principally related to sale of properties in the People's Republic of China (the "PRC") which represented 80% of the Group's total revenues.

As a result of the increase in revenues, gross profit for the year increased by 48.4% to HK$113.7 million (2007: HK$76.6 million), representing a gross profit margin of about 34.7%. Other income increased to HK$48.4 million. As a result of the strong office market in Hong Kong, the revaluation of the Group's investment properties has led to a gain in fair value of HK$104.4 million. On the costs side, selling and marketing expenses remained at the same level, administrative expenses decreased by 9.1% and other operating expenses decreased by 36.0%. Thus, the Group reported an operating profit of HK$165.6 million during the year (2007: loss of HK$73.7 million). Finance costs increased by 20.7% to HK$18.8 million as borrowings increased for our PRC property development. Taking all these into account, profit attributable to equity holders of the Company was HK$110.2 million (2007: loss of HK$61.9 million). Earnings per share were 7.74 HK cents (2007: loss per share of 4.86 HK cents).

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 (2007: 1.0 HK cent) per share for the year ended 31st March, 2008. The final dividend, if approved, will be paid on or before 22nd October, 2008 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 28th August, 2008.

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 28th August, 2008. 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.

An interim dividend of 0.5 HK cent (2007: Nil) per share has been paid in respect of the current financial year. Total dividends for the year amounted to 1.5 HK cents (2007:1.0 HK cent) per share, representing an increase of 50%.

BUSINESS REVIEW

Land acquisitions and disposal

During the year ended 31st March, 2008, the Group completed the acquisition of the 15% minority interests in the subsidiary which owns Chuang's Le Papillon in Guangzhou, and is now wholly owned by the Group. Furthermore, the Group has invested in two projects, one in Chengdu and the other in Xiamen. The aggregate consideration for these acquisitions amounted to about RMB277 million.

In January 2008, the Group entered into an agreement with 大亞灣經濟技術開發集團公司 (Daya Bay Economic & Technological Development Group), a state-owned enterprise, to dispose of the Group's interest in a site of 55,355 sq. m. at Huizhou for about RMB195 million with original completion date before the end of April 2008. Deposit of about RMB14 million has been received. As affected by the macro economic measures in the PRC, 大亞灣國資委 (Daya Bay State-owned Assets Supervision and Administration Commission) has proposed for deferring completion of the transaction. The Group is currently considering the proposal.

Summary of the Group's projects is as follows:

	Total developable GFA *(sq. m.)*
Chuang's Le Papillon, Guangzhou	450,000
Imperial Garden, Chuang's New City, Dongguan	530,000
Beverly Hills, Changsha	1,600,000*
Chuang's Palazzo Caesar, Changsha	500,000
Chuang's Le Printemps, Chengdu	130,000
Xiamen Mingjia Binhai, Xiamen	16,500
Total	3,226,500

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

Property Development

With the implementation of a series of macro economic control policies in the PRC, property markets have been affected by the tightening of liquidity. The Group has cautiously reviewed the development schedule as follows:

Chuang's Le Papillon, Guangzhou, Guangdong (100% owned)

Chuang's Le Papillon has total GFA of over 450,000 sq. m. and is located close to the station of Guangzhou Metro route number 4. Major improvements on city planning and infrastructures are being carried out in preparation for the 2010 Asian Games to be hosted in Guangzhou, and there will be athlete and games complex located some 3 km from Chuang's Le Papillon. Furthermore, the new Guangzhou-Shenzhen-Hong Kong Express Rail Link that is now under construction will shorten travelling time to less than 50 minutes from Guangzhou to West Kowloon of Hong Kong and will greatly stimulate demand from property buyers. All these improvements will strengthen the sustaining growth in the local property market.

The first phase of Chuang's Le Papillon comprising 60,000 sq. m. residential GFA and 10,000 sq. m. commercial and club house is under development. It will provide 11 residential blocks of over 400 apartments with typical flats ranging from 90 sq. m. to 185 sq. m. and executive duplex units of 343 sq. m.. Marketing will commence shortly and pre-sales will be launched in the third quarter of 2008.

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

Chuang's New City has 530,000 sq. m. GFA and is located 18 km from the new Humen Station (虎門站) of the Guangzhou-Shenzhen-Hong Kong Express Rail Link that is now under construction. Furthermore, our site is just 3 minutes away from the exit of the new coastal highway under construction serving Guangzhou to Shekou, and in turn linking to Hong Kong by way of the Hong Kong–Shenzhen Western Corridor. Situated along these exciting infrastructures, travelling from Chuang's New City to Guangzhou, Shenzhen or Hong Kong will be less than 40 minutes. To capture the advantages of the faster economic activities driven by these new infrastructures, the Group is reviewing the master plan of Chuang's New City and will incorporate a landmark complex providing luxurious hotel/service apartments and modern commercial mall.

Construction has commenced on Imperial Garden, the Phase III of Chuang's New City, with foundation works for total GFA of 146,000 sq. m. being completed. Superstructure works for 8 residential blocks with total GFA of 89,000 sq. m. are in full swing and will be completed in the financial year ending 2009. There will be over 600 apartments with typical flats ranging from 80 sq. m. to 160 sq. m., executive duplex units of about 280 sq. m. and unique simplex units of 445 sq. m.. In addition, superstructure works for another 6 residential blocks with GFA of 57,000 sq. m. will be ready for take off. Marketing of Phase III has commenced and pre-sales will be launched in the third quarter of 2008.

Beverly Hills, Changsha, Hunan (54% owned)

At Beverly Hills of Changsha, construction works for 70,000 sq. m. GFA are progressing satisfactorily. During the financial year ended 2008, the low density development comprising 164 link houses and semi-detached houses with about 46,000 sq. m. GFA has been completed. Development of 144 units of high rise apartments with 19,800 sq. m. GFA and 8 bungalows with 4,200 sq. m. GFA will be completed within the next few months. Phase II development of 480 mu is under planning stage. Sales are in progress with about 90% of link houses and 42% of semi-detached houses being sold. Pre-sales of high rise apartments have commenced with 26% sold. The Group will market the remaining 11 link houses, 38 semi-detached houses and 106 high rise apartments as well as the 8 bungalows in the financial year ending 2009.

To enhance the higher value of development projects, the Group has included a boutique hotel and residence for sale with about 180 keys in the development of Changsha. It occupies a site area of about 7,800 sq. m. and total GFA is about 10,600 sq. m.. Superstructure works for the hotel development will be finished around mid July. The Group will enter into management agreement with an international hotel management group for operation of this hotel, so as to enhance the quality of our hotel management service as well as to nurturing and training talents. To enhance the quality of our residential development, the concierge services and all the club facilities of the hotel will be enjoyed by the residents of Beverly Hills.

Chuang's Palazzo Caesar, Changsha, Hunan (100% owned)

The site of Chuang's Palazzo Caesar was delivered to the Group in April 2007. Master planning work for 500,000 sq. m. GFA is almost finalising. The development will comprise low density semi-detached houses, link houses, bungalows, as well as apartments and commercial facilities. Site formation works have commenced on Phase I of 55,000 sq. m. GFA.

Chuang's Le Printemps, Chengdu, Sichuan (51% owned)

The site, having an area of about 30,000 sq. m., is situated in the prime area within the second ring road, in the region of 武侯區 (Wu Hou Qu). The development will comprise residential and commercial GFA of about 130,000 sq. m. and basement area of about 80,000 sq. m.. Master planning is in progress and the main theme is to create a health conscious environment with a combination of residences and commercial facilities and open spaces.

Xiamen Mingjia Binhai, Xiamen, Fujian (51% owned)

The site, having an area of about 27,574 sq. m., is located in 思明區 (Siming Qu) of Xiamen, and is within walking distance to the nearby beach area. It will be developed into luxurious villas and resort with GFA of about 16,500 sq. m. providing full hotel services and facilities blended with abundant greenery landscaping. Master planning work for this villa and resort is progressing. On the site, the Group will develop 40 villas with a plot ratio of just 0.3, aiming to create a secluded elegant lifestyle. A deluxe boutique hotel with 100 keys will be built and water features including waterfalls, cascades and infinity pool concept will be incorporated. The Group is in discussions with an international hotel management group regarding management and operation of this hotel.

Property Sales

For the financial year ended 2008, total property sold and recognised as revenue was about HK$258.7 million, representing 56% increase when compared to that of the last corresponding year. The sales are principally relating to completed properties of Gold Coast in Dongguan and Beverly Hills in Changsha.

In the financial year ending 2009, the Group will market about 241,600 sq. m. GFA relating to projects in Dongguan, Guangzhou and Changsha, and 261 carparking spaces in Dongguan:

	Completed properties	**Properties under development**	**Total GFA**
	sq. m.	*sq. m.*	*sq. m.*
Gold Coast, Chuang's New City, Dongguan	1,950	–	1,950
Imperial Garden, Chuang's New City, Dongguan	–	146,000	146,000
Chuang's Le Papillon, Guangzhou	–	60,000	60,000
Beverly Hills, Changsha	33,650	–	33,650
	35,600	206,000	241,600

Up to the date of this report, the Group has contracted sales of about HK$86 million relating to Gold Coast and Beverly Hills which can be recognised as revenue upon handover of properties in the financial year ending 2009.

Property Management

The Group places strong emphasis on providing comprehensive property management services to meet customers' needs, which is one factor enhancing the quality of living environment. The Group believes that sustaining our quality and continuously upgrading our services will attract loyal customers.

The Company strives to provide premium property management services to property owners. Residents of our development will automatically become club members of the Group's Supreme Homes, which enables them to enjoy facilities within the club houses of all our property development in the PRC.

Other Investments

The Group owns Chuang's Tower in Central, Hong Kong with a total area of 60,587 sq. ft. of commercial and office space. Under the strong demand for office and commercial spaces in Central, Chuang's Tower maintained full occupancy with continuous rental improvement. Rental and other income during the year amounted to HK$20.0 million, representing a 31.6% increase over that of last year. As adjustments in the PRC property market present good opportunities for the Group to expand our land bank in the PRC, accordingly, the Group will take advantage of the strong office market in Hong Kong to dispose of Chuang's Tower and has appointed a leading international agent to market Chuang's Tower.

The Group's other non-core assets include Yuen Sang Hardware Company (1988) Limited which engaged in the manufacture and sale of metalware for exports, 12.5% interests in a quoted investment in CNT Group Limited and 25% interests in Treasure Auctioneer International Limited.

The aggregate book values of these other investments amounted to over HK$701 million as at 31st March, 2008. Apart from the marketing of Chuang's Tower as aforesaid, the Group will also assess the sale of these non-core assets when suitable opportunities arise and expected that such sales will generate substantial proceeds for additional working capital.

FINANCIAL POSITIONS

In August 2007, the Group raised net proceeds of approximately HK$310 million by placing 220 million new shares to independent investors. The share placement further solidified the Group's financial strength for its property development business and the net proceeds have been used to finance the property development projects in the PRC.

As at 31st March, 2008, the Group's cash and bank balances amounted to HK$453.9 million (2007: HK$354.2 million). Bank borrowings of the Group as at the same date amounted to HK$455.9 million (2007: HK$337.5 million).

The net debt to equity ratio of the Group (expressed as a percentage of bank borrowings net of cash and bank balances over total net assets value attributable to the equity holders of the Company) was 0.1% (2007: N/A).

Approximately 78.5% of the Group's cash and bank balances were in Hong Kong dollar, United States dollar with the remaining 21.5% in Renminbi. Risk in exchange rate fluctuation would not be material.

About 59.2% of the Group's bank borrowings were in Hong Kong dollar and 40.8% in Renminbi. Approximately 33.0% of the Group's bank borrowings were repayable within one year, 11.9% repayable within 1 to 2 years, 11.2% repayable within 2 to 5 years and 43.9% repayable after 5 years.

As at 31st March, 2008, the net assets value attributable to equity holders of the Company was HK$1,889.8 million. Net asset value per share amounted to HK$1.26, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

PROSPECTS

Looking forward, the Group remains cautiously optimistic about the property market in the PRC. Despite the challenges ahead, the Group believes that with sustaining economic growth, high savings, Renminbi appreciation and fast pace of urbanisation, the property market in the PRC is well supported by strong underlying demand from end users and investors. The real estate industry in the PRC will regain its stable development, after a short period of transitional adjustments and we remain bullish on the long-term prospects of the industry.

The Group continues to focus on development of high-end residential properties integrated with commercial and modern amenities and services. With the relatively low land cost of the Group's projects, there will be remarkable returns to shareholders in the coming years.

CLOSING OF REGISTER

The register of members of the Company will be closed from Friday, 22nd August, 2008 to Thursday, 28th August, 2008, 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, Tricor Progressive Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Thursday, 21st August, 2008.

STAFF

As at 31st March, 2008, the Group employed 336 staff. In addition, the subcontracting factories of the Group have 591 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, 2008 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, 2008. 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 RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2008 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. Lee Sai Wai, Miss Ann Li Mee Sum, Mr. Sunny Pang Chun Kit and Miss Candy Chuang Ka Wai are Executive Directors, Mr. Abraham Shek Lai Him, 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, 3rd July, 2008