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, 2008

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, 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	**716,272**	719,873
Cost of sales		**(472,627)**	(516,697)
Gross profit		**243,645**	203,176
Other income		**124,446**	96,004
Selling and marketing expenses		**(26,792)**	(26,729)
Administrative expenses		**(167,706)**	(159,869)
Other operating expenses		**(124,690)**	(38,425)
Change in fair value of investment properties		**554,837**	200,710
Operating profit	3	**603,740**	274,867
Finance costs		**(85,295)**	(66,475)
Share of results of associated companies	4	**75,064**	9,633
Profit before taxation		**593,509**	218,025
Taxation	5	**(62,909)**	(1,256)
Profit for the year		**530,600**	216,769
Attributable to:			
Equity holders		**468,889**	214,866
Minority interests		**61,711**	1,903
		530,600	216,769
Dividends	6	**51,985**	33,255
		HK cents	Restated *HK cents*
Earnings per share (basic and diluted)	7	**31.57**	14.47

\# *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		**93,228**	82,494
Investment properties		**3,085,052**	2,552,428
Leasehold land and land use rights		**25,688**	1,076,888
Properties for/under development		**680,684**	362,882
Associated companies		**269,982**	213,867
Loans and receivables		**78,017**	32,799
Available-for-sale financial assets		**55,220**	48,092
Derivative financial instruments		**1,558**	–
Deferred taxation assets		**807**	837
		4,290,236	4,370,287
Current assets			
Properties for sale		**1,367,463**	243,022
Inventories		**94,829**	84,625
Debtors and prepayments	*8*	**323,159**	224,539
Tax recoverable		**284**	296
Other investments		**16,117**	71,896
Cash and bank balances		**1,264,027**	967,989
		3,065,879	1,592,367
Current liabilities			
Creditors and accruals	*9*	**189,498**	250,572
Derivative financial instruments		**134,000**	25,000
Short-term borrowings		**197,108**	–
Current portion of long-term borrowings		**85,869**	61,820
Taxation payable		**67,502**	45,499
		673,977	382,891
Net current assets		**2,391,902**	1,209,476
Total assets less current liabilities		**6,682,138**	5,579,763
Equity			
Share capital		**371,322**	369,502
Reserves		**3,333,608**	2,857,879
Proposed final dividend		**29,706**	14,780
Shareholders' funds		**3,734,636**	3,242,161
Minority interests		**865,767**	615,952
Total equity		**4,600,403**	3,858,113
Non-current liabilities			
Long-term borrowings		**1,646,103**	1,291,983
Deferred taxation liabilities		**392,150**	355,805
Other non-current liabilities		**43,482**	73,862
		2,081,735	1,721,650
		6,682,138	5,579,763

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, derivative financial instruments and other investments 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 HKFRS 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.

(a) Standard, amendment and interpretations effective in 2007

For the financial year ended 31st March, 2008, the Group adopted the following new standard, amendment and interpretations that are effective for the Group's accounting periods beginning on 1st April, 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 capital and financial instruments. There is no significant impact on the classification and valuation of the Group's financial instruments.

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

The following standards and amendment have been published and are mandatory for the Group's accounting periods beginning on or after 1st April, 2008 but have not yet adopted by the Group:

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 amendment. The Group has made an assessment of the impact of the above standards and amendment. They are not expected to have significant financial impact 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 April, 2008 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. 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 HKFRS 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, segment results, assets, liabilities and other segment items 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*	**2008** *HK$'000*
Revenues	**563,589**	**126,139**	**26,814**	**(270)**	**716,272**
Other income	**55,130**	**2,151**	**–**	**67,165**	**124,446**
Segment results	**737,822**	**(502)**	**(86,618)**	**(46,962)**	**603,740**
Finance costs					**(85,295)**
Share of results of associated companies	**87,941**	**(13,111)**	**–**	**234**	**75,064**
Profit before taxation					**593,509**
Taxation					**(62,909)**
Profit for the year					**530,600**
Segment assets	**5,523,122**	**182,321**	**19,841**	**969**	**5,726,253**
Associated companies	**15,487**	**251,556**	**–**	**2,939**	**269,982**
Unallocated assets					**1,359,880**
Total assets					**7,356,115**
Segment liabilities	**210,308**	**11,249**	**134,130**	**849**	**356,536**
Unallocated liabilities					**2,399,176**
Total liabilities					**2,755,712**
Other segment items are as follows:					
Capital expenditure	**377,685**	**872**	**–**	**8,992**	**387,549**
Depreciation	**4,408**	**2,157**	**–**	**9,733**	**16,298**
Amortisation of leasehold land and land use rights					
– charged to income statement	**1,956**	**302**	**–**	**–**	**2,258**
– capitalised into properties	**25,559**	**–**	**–**	**–**	**25,559**

	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*
Revenues	582,989	104,132	32,866	(114)	719,873
Other income	6,687	3,193	1,212	84,912	96,004
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	217,666	9,462	113,182	605	340,915
Unallocated liabilities					1,763,626
Total liabilities					2,104,541
Other segment items are as follows:					
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 – charged to income statement	18,887	284	–	–	19,171

Geographical segments

	Revenues		**Total assets**		**Capital expenditure**	
	2008 ***HK$'000***	2007 *HK$'000*	**2008** ***HK$'000***	2007 *HK$'000*	**2008** ***HK$'000***	2007 *HK$'000*
Hong Kong	**366,680**	473,432	**5,005,436**	4,245,498	**165,631**	195,789
Mainland China	**259,614**	166,875	**1,739,856**	1,361,462	**197,953**	20,093
Other countries	**89,978**	79,566	**610,823**	355,694	**23,965**	2,252
	716,272	719,873	**7,356,115**	5,962,654	**387,549**	218,134

3. Operating profit

	2008	2007
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Dividends from listed investments	**3,582**	1,714
Interest from loans and receivables*	**2,820**	2,489
Deferred profit realised on disposal of properties* *(note)*	**4,566**	–
Write back of provisions for tax liabilities undertakings* *(note)*	**21,019**	–
Net realised gains on other investments	**23,232**	31,152
Net unrealised gains on other investments*	**–**	1,212
Deemed profit on partial disposal of a subsidiary*	**29,650**	–
Excess of fair value of net assets acquired over cost of acquisition of minority interests in a subsidiary*	**20,976**	–
and after charging:		
Cost of properties sold	**335,780**	405,953
Cost of inventories sold	**101,437**	81,563
Amortisation of leasehold land and land use rights	**2,258**	19,171
Depreciation	**16,298**	16,660
Net exchange loss**	**5,745**	1,121
Net unrealised loss on other investments**	**3,919**	–
Net fair value loss on derivative financial instruments**	**97,031**	25,000
Net loss on partial disposal of a subsidiary**	**12,672**	–
Staff costs, including Directors' emoluments:		
Wages and salaries	**65,603**	54,843
Retirement benefit costs	**2,624**	2,280

* Included in other income

** Included in other operating expenses

Note: In December 2001, Chuang's China Investments Limited ("Chuang's China"), a listed subsidiary of the Group, disposed of certain properties to its then associated company 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 tax liabilities in relation to these properties. In 2007, these properties were disposed of by the associated company to third parties and therefore the related deferred profit has been recognised and the related provisions for the undertakings have been written back by Chuang's China.

4. Share of results of associated companies

Share of results of associated companies includes write back of provision of HK$71,600,000 (2007: Nil).

5. Taxation

	2008	2007
	HK$'000	*HK$'000*
Current		
Hong Kong profits tax – under-provision in previous years	**289**	–
Overseas profits tax	**7,626**	12,621
Mainland China land appreciation tax	**19,660**	20,809
Deferred	**35,334**	(32,174)
	62,909	1,256

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit 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 ended 31st March, 2008 amounting to HK$2,016,000 (2007: HK$3,359,000) is included in the income statement as share of results of associated companies.

6. Dividends

	2008	2007
	HK$'000	*HK$'000*
Special interim cash dividend paid (2007: 0.5 HK cent) per share	**–**	7,390
Interim cash dividend paid of 1.5 HK cents (2007: 0.75 HK cent) per share	**22,279**	11,085
Proposed final scrip dividend with a cash option of 2.0 HK cents (2007: scrip dividend with a cash option of 1.0 HK cent) per share	**29,706**	14,780
	51,985	33,255

On 14th July, 2008, the Board proposed a final scrip dividend with a cash option of 2.0 HK cents (2007: scrip dividend with a cash option of 1.0 HK cent) per share amounting to HK$29,706,000 (2007: HK$14,780,000). This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2009 upon the approval of the shareholders.

7. Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$468,889,000 (2007: HK$214,866,000) and the weighted average number of 1,485,285,977 (2007: 1,485,285,977, as restated for new shares issued from 2007 final scrip dividend) shares in issue during the year.

The dilutive earnings per share equal to the basic earnings per share since there are no diluted potential shares in issue during the year and the convertible notes issued by an associated company are anti-dilutive.

8. 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	**14,702**	10,098
31 to 60 days	**6,530**	7,889
61 to 90 days	**2,728**	1,691
Over 90 days	**3,131**	2,102
	27,091	21,780

9. 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	**7,002**	3,573
31 to 60 days	**1,923**	729
Over 60 days	**7,551**	11,419
	16,476	15,721

10. Financial guarantees

As at 31st March, 2008, the Group has 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.

As at 31st March, 2007, the Company provided a guarantee of HK$54.0 million for a banking facility granted to an associated company.

11. Capital commitments

As at 31st March, 2008, the Group has capital expenditure commitments contracted but not provided for amounting to HK$604,612,000 (2007: HK$47,688,000).

12. Pledge of assets

As at 31st March, 2008, the Group has pledged the shares and assets of certain subsidiaries, including property, plant and equipment, investment properties, leasehold land and land use rights, properties for/under development, properties for sale and bank deposits, with an aggregate net book value of HK$3,817,292,000 (2007: HK$3,207,580,000), to secure general banking and financial guarantee facilities granted to those subsidiaries. The Group also has pledged certain other investments and bank deposits amounting to HK$7,724,000 (2007: HK$71,896,000) and HK$241,659,000 (2007: HK$212,127,000) respectively, for the commitment of the purchase of listed securities.

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").

Revenues of the Group during the year amounted to HK$716.3 million (2007: HK$719.9 million), representing a slight decrease from that of last year. Revenues of the Group comprise income from property investment and development business of HK$563.6 million (2007: HK$583.0 million), income from manufacturing and trading business of HK$126.1 million (2007: HK$104.1 million) and income from securities trading business of HK$26.8 million (2007: HK$32.9 million).

Gross profit increased to HK$243.6 million (2007: HK$203.2 million), which was principally attributable to the increase in profits from sales of properties in Hong Kong and the PRC. Other income increased to HK$124.4 million (2007: HK$96.0 million). Reflecting the significant improvement in office and retail property prices in Hong Kong and Malaysia, the Group recorded an upward revaluation surplus of HK$554.8 million (2007: HK$200.7 million). On the costs side, selling and marketing expenses remain stable at HK$26.8 million (2007: HK$26.7 million), administrative expenses increased to HK$167.7 million (2007: HK$159.9 million) and other operating expenses increased to HK$124.7 million (2007: HK$38.4 million). Finance costs increased to HK$85.3 million (2007: HK$66.5 million) and share of profits of associated companies increased to HK$75.1 million (2007: HK$9.6 million). Taking all these into account, profit attributable to equity holders of the Company increased by 1.2 times to HK$468.9 million (2007: HK$214.9 million). Earnings per share were 31.57 HK cents (2007: 14.47 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 2.0 HK cents (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 1.5 HK cents (2007: 1.25 HK cents) per share have been paid in respect of the current financial year. Total dividends for the year, therefore, amounted to 3.5 HK cents (2007: 2.25 HK cents) per share, representing an increase of approximately 55.6%. Total dividends for the year amounted to HK$52.0 million (2007: HK$33.3 million).

BUSINESS REVIEW

The Group is principally engaged, through its subsidiaries and associated companies, in property investment and development in Asia, with concentration in Hong Kong, the PRC, Vietnam, Malaysia and Taiwan, operation of cemeteries in the PRC, manufacturing businesses and securities investments.

(A) Chuang's Properties Limited (100% owned)

All the Group's properties 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 Investments Limited) with a total gross floor area ("GFA") of approximately 374,000 sq. ft. of retail, office and carparking spaces for investment purposes. As stated in last year's annual report, the Group has carried out improvement works to upgrade the quality of our investment properties, reshuffled the tenant mix to attract higher quality tenants, upgraded our management services to be more user-friendly and created additional signages on our investment properties during the year so as to enhance yield of return. As a result of our effort, occupancy rate of our investment properties remains high throughout the year and rental and other income from investment properties in Hong Kong during the year increased by about 11.4% from last year to HK$89.0 million.

Recently, the Group has obtained approvals from relevant authorities to convert the usage of Chuang's Hung Hom Plaza in Hunghom and Chuang's Tower in Central from office to hotel usage. The Group believes that such approvals provide flexibility to the Group to enhance the value of the properties.

During the year, the Group has disposed of the following non-core investment properties so as to generate profits and provide additional capital to the Group for future land investment:

(a) The Group has disposed of all commercial units in The Harbourside, North Point and Chuang's Heights, Shaukiwan for HK$25.9 million.

(b) The Group has obtained approval to combine two 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 the strong demand for high quality duplex apartment with sea-view in this area, the Group has successfully disposed of the property at HK$105 million (equivalent to about HK$19,500 per sq. ft.) generating a profit of about HK$42.5 million.

(ii) Properties Under Development

During the year, property sales in Hong Kong amounted to HK$71.0 million, mainly derived from sales of residential units of Reading Place in mid-level and The Notting Hill in Tung Shan Terrace. All remaining units in Reading Place have been sold during the year and the remaining 7 units with GFA of 4,695 sq. ft. in The Notting Hill will be sold in the next financial year. Currently, the Group is undertaking various development projects in Hong Kong, a summary of which is as follows:

(a) Midas Plaza, No. 1 Tai Yau Street, San Po Kong

The Group participated in a 30% interest in the redevelopment of Midas Plaza into a 22-storey high-class industrial/office building. Occupation permit of the property has been issued in December 2007. The Group's share of the development comprises six industrial/office floors (including two penthouse floors) with GFA of 59,813 sq. ft., one shopping unit with GFA of 2,924 sq. ft. and six carparking spaces. Up to the date of this report, four industrial/office floors (excluding the penthouse floors) with GFA of 42,899 sq. ft., the shopping unit and one carparking space have been sold for HK$143.8 million, generating a net profit of about HK$31.7 million, of which HK$16.3 million has been recorded in the current financial year and the remaining profit of HK$15.4 million will be recorded in the next financial year. The Group will adopt a progressive pricing strategy when disposing of the remaining penthouse floors and carparking spaces.

(b) Park Villa, No. 37 Island Road, Deep Water Bay

In Deep Water Bay, the redevelopment of Park Villa into 4 bungalows is progressing satisfactorily according to schedule. Superstructure works are in progress and the project is expected to be completed with occupation permit issued within financial year 2009. In view of strong demand in the luxurious residential property market in the area, the Group believes that rental yield and capital value of this property will be significantly enhanced upon completion. Marketing works for this development project have already been commenced.

(c) No. 15 Gough Hill Road, The Peak

In the Peak, the Group plans to redevelop the property into a bungalow with building area of about 19,000 sq. ft.. Building plans for the redevelopment have been approved and site investigation works have commenced. Given the prime location of this property and the low land cost that the Group has acquired this property, the Group believes that capital value of this property will be significantly enhanced upon completion.

(d) No. 111 Wuhu Street, Hunghom

During the year, the Group acquired the property for HK$118 million. The site is located adjacent to Chuang's Hung Hom Plaza and approvals have been obtained to redevelop the property into hotel/service apartments with 118 rooms having a total building area of about 47,000 sq. ft.. Recently, the Group has submitted revised building plans to the relevant authorities to increase the number of rooms to 140. Demolition works of the development will commence soon.

(B) Chuang's Properties International Limited (100% owned)

All the Group's property activities in Vietnam, Malaysia and Taiwan are conducted through this wholly-owned subsidiary.

(i) Vietnam

Recently, due to high inflation rate in Vietnam, there is speculation that Vietnamese Dong may depreciate and the growth of the economy of Vietnam may slow down. The Group believes that this will provide an opportunity for the Group to accumulate low cost land bank in Vietnam as the Group is confident on the long term potential of the property market in Vietnam. So far, commitment of the Group in property market in Vietnam amounts to about US$21 million and the Group expects that total investment of the Group towards this sector will not exceed US$50 million. A summary of the Group's development projects in Vietnam is as follows:

(a) Saigon Beverly Hills, Duc Hoa District, Long An Province

The Group has participated in a 70% interest in a project, Saigon Beverly Hills, for a commitment of US$15 million. Saigon Beverly Hills covers a site area of 273 hectares (2,730,000 sq. m.) and is located in Duc Hoa District of Long An Province, which is in close proximity to, and is about 30 kilometres from, the city centre of Ho Chi Minh City. 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 about 3,300,000 sq. m. will be developed. Mine sweeping works have been completed and site investigation works are in progress. Master layout plan of the project has recently been approved by the relevant authorities. The Group is currently embarking on detail design works of the project with a view to commence initial phase of this development soonest possible.

Adjacent to the above 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) Greenview Gardens, Thu Duc District, Ho Chi Minh City

The Group has acquired a 70% interest in a project, Greenview Gardens, for US$6.4 million. Land cost per sq. m. of developable area is about US$76. Greenview Gardens covers a site area of 2.03 hectares (20,300 sq. m.) and will be developed into a high-class residential complex with apartments, villas and club house facilities having a total GFA of 120,000 sq. m.. The site is currently vacant and construction works will soon commence.

(c) Bel Air, District 11, Ho Chi Minh City

The Group has signed a memorandum of understanding to participate in an 80% interest in a project, Bel Air, located in District 11 of Ho Chi Minh City. Bel Air covers a site area of 1.63 hectares (16,300 sq. m.) and can be developed into a commercial/residential complex with a total GFA of 130,000 sq. m.. Currently, the relevant authorities in Vietnam are assessing the land premium payable for the project. Once the assessment on land premium is finalised, the Group will determine whether to proceed with the project taking into account the current market conditions of Vietnam and the feasibility of the project.

(ii) Malaysia

(a) Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

The Group owns Central Plaza for investment purpose which is located in “Golden Triangle” of Kuala Lumpur and adjacent to “Pavilion”, a newly completed landmark in the city centre of Kuala Lumpur. The property has a total GFA of 380,000 sq. ft. of retail, office and carparking spaces. In order to enhance yield, the Group has carried out renovation and improvement works so as to upgrade the quality of the building. As a result of such upgrading works coupled with the prime location of the property, occupancy rate of the property increased to 94% and rental income during the year increased by 9.8% from last year to HK$12.8 million.

(b) Taman Sri Amber, Seremban

The Group is undertaking the development of Taman Sri Amber in Seremban, 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 about 690,000 sq. ft.. Phase I of the project comprising 66 single-storey terrace houses and 45 apartments with a total GFA of 94,000 sq. ft. has been completed and sold.

(iii) Taiwan

The Group is currently undertaking a development project in Taipei City, Taiwan. The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and apartments with a total GFA of about 17,000 sq. ft.. The Group is in the process of submitting building plans for approval and construction works will commence soon after approval has been obtained. In view of the current development in Taiwan, in particular the strengthening of the economic and political links between Taiwan and the PRC, the Group believes that the prospects of property market in Taiwan are promising.

(C) Chuang's China Investments Limited ("Chuang's China") (Stock Code: 298) (53.8% owned)

All the Group's property activities in the PRC are conducted through this 53.8% listed subsidiary.

(i) Land acquisitions and disposal

During the year, Chuang's China 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 Chuang's China. Furthermore, Chuang's China 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, Chuang's China 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

(ii) 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:

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

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.

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

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.

(c) Beverly Hills, Changsha, Hunan (54% owned by Chuang's China)

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 2008. 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.

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

The site of Chuang's Palazzo Caesar was delivered to the Group in April 2008. 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.

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

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.

(f) Xiamen Mingjia Binhai, Xiamen, Fujian (51% owned by Chuang's China)

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.

(iii) Property Sales

For the financial year ended 2008, total property sold in the PRC and recognised as revenues 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 revenues upon handover of properties in the financial year ending 2009.

(D) Midas International Holdings Limited ("Midas") (Stock code: 1172) (46.6% owned)

The Group owns 46.6% equity interest in Midas, a listed company in Hong Kong. The trading environment of the printing business of Midas continued to be highly competitive. Major material costs and operating costs were rising which affected the profit margin of Midas. As a result, the results of Midas for the year ended 31st December, 2007 have been very disappointing with turnover dropped by 4.4% to HK$705.4 million and Midas reported a net loss attributable to shareholders of HK$28.3 million. In order to alleviate this difficult trading environment, Midas has taken proactive measures including broadening its customer base, developing higher margin products and implementing effective cost control measures.

In order to broaden its income base and to diversify its business, Midas has acquired an 80.5% interest in a cemetery operation in Zhaoqing, Guangdong, the PRC named Fortune Wealth Memorial Park in September 2007. The cemetery operator has acquired a site of 518 mu and reserved an adjacent site of 4,482 mu for the development of the cemetery. The first phase of the development comprising 100 mu of land has been completed and Midas is currently embarking on the development of an additional 418 mu of land which is expected to be completed within 3 to 5 years. Upon completion of the development of 518 mu of land, there will be 18,000 grave plots and 214,000 niches available for leases of burial rights. Since the taking over of management of the cemetery operation, Midas has strengthened the management team, in particular in the sales and marketing aspect, and set up new offices and established new agency arrangements in the PRC and Hong Kong. A number of familiarisation tours have been organised for the members of the funeral business and for the general public in order to expand the market presence. The Group believes that cemetery business in the PRC has long term growth potential and will provide stable recurrent income to Midas. Furthermore, Midas intends to leverage its experience in the existing cemetery operation to identify similar projects elsewhere in the PRC.

In June 2007, the Group subscribed for a convertible note due 2011 of Midas for HK$49.5 million. During the year, the Group converted HK$20.25 million of the convertible note into 45 million new shares of Midas. In April 2008, Midas announced a rights issue to raise approximately HK$73 million for financing its expansion plan in the printing and the cemetery operations. The Group has subscribed in full its entitlement under the rights issue and maintained its shareholding percentage in Midas.

(E) Other Investments

The Group's other investments include Sintex Nylon and Cotton Products (Pte) Limited, a company incorporated in Singapore and engaged in the manufacture and sale of home finishing products, and Yuen Sang Hardware Company (1988) Limited, a company owned by Chuang's China and engaged in the manufacture and sale of metalware. Total revenues generated from manufacturing and trading business during the year amounted to HK$126.1 million.

Revenues generated from securities trading business of the Group during the year amounted to HK$26.8 million. As at the balance sheet date, quoted investments of the Group amounted to HK$16.1 million. During the year, the Group has invested in derivative financial instruments relating to certain blue chip stocks in Hong Kong of which the commitments will expire latest in November 2008. Due to adverse stock market condition as at the balance sheet date, fair value loss was recorded during the year as a result of mark to market valuations of these investments. As the stock market has rebounded in the months of April to June 2008, the Group expects that there will be write back of a portion of the fair value loss in the financial year ending 2009.

FINANCIAL POSITIONS

As at 31st March, 2008, net assets attributable to equity holders amounted to HK$3,734.6 million. Net asset value per share was approximately HK$2.51, which is calculated based on the book cost of the Group's properties for/under development and properties for sale in Hong Kong and the PRC, before taking into account the appreciated value.

As at 31st March, 2008, the Group's cash and bank balances and other investments amounted to HK$1,280.1 million (2007: HK$1,039.9 million). Bank borrowings as at the same date amounted to HK$1,929.1 million (2007: HK$1,353.8 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and other investments over total net assets attributable to equity holders of the Company, was approximately 17.4% (2007: 9.7%).

Approximately 92.4% of the Group's cash, bank balances and other investments were denominated in Hong Kong dollar or United States dollar, with the balance of 7.6% in Renminbi. Approximately 87.2% of the Group's bank borrowings were denominated in Hong Kong dollar, 9.6% in Renminbi and the balance of 3.2% in Malaysian Ringgit and Singapore dollar. Accordingly, risk in exchange rate fluctuation would not be material.

Approximately 14.7% (2007: 4.6%) of the Group's bank borrowings was repayable within one year, 18.0% (2007: 7.6%) repayable within one to two years, 55.9% (2007: 70.8%) repayable within two to five years and the balance of 11.4% (2007: 17.0%) repayable over five years.

PROSPECTS

In the past years, the Group has secured low cost land bank in Hong Kong, the PRC and Vietnam. In the coming few years, the Group will be taking all the steps necessary to expedite the development and sales of our projects in Hong Kong, the PRC and Vietnam with a view to unlock the stored value of these investments and bring satisfactory return to shareholders.

The strength of our Group is our ability to identify sound projects in good locations, design and build quality properties that meet the appetite of end users and, most important of all, market the properties at a profit. Our Group will be actively and aggressively looking for real estate business opportunities in Hong Kong, the PRC, Vietnam, Malaysia and Taiwan so as to create value for shareholders.

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 Standard 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 1,170 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, 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 of the Group for the year ended 31st March, 2008. 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, 2008 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
Alan Chuang Shaw Swee
Chairman

Hong Kong, 14th July, 2008