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Chuang's China Investments Limited

（莊士中國投資有限公司）#

(incorporated in Bermuda with limited liability)

(Stock Code: 298)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2009

RESULTS

The Board of Directors (the "Board") of Chuang's China Investments Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31st March, 2009 and the consolidated balance sheet as at 31st March, 2009 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2009

	Note	2009 HK$'000	2008 HK$'000
Revenues	2	**107,592**	314,525
Cost of sales		**(65,223)**	(213,508)
Gross profit		**42,369**	101,017
Other income	3	**8,902**	61,043
Selling and marketing expenses		**(12,634)**	(15,246)
Administrative expenses		**(81,933)**	(77,320)
Other operating expenses		**(39,585)**	(8,302)
Change in fair value of investment properties		**(21,927)**	104,435
Operating (loss)/profit	4	**(104,808)**	165,627
Finance costs		**(19,970)**	(18,840)
Share of results of associated companies		**261**	234
(Loss)/profit before taxation		**(124,517)**	147,021
Taxation credit/(charge)	5	**1,302**	(28,177)
(Loss)/profit for the year		**(123,215)**	118,844
Attributable to:			
Equity holders		**(122,966)**	110,244
Minority interests		**(249)**	8,600
		(123,215)	118,844
Dividends	6	**–**	22,508
		HK cents	*HK cents*
(Loss)/earnings per share (basic and diluted)	7	**(8.14)**	7.74

For identification purpose only

CONSOLIDATED BALANCE SHEET

As at 31st March, 2009

	Note	2009 HK$'000	2008 HK$'000
Non-current assets			
Property, plant and equipment		**38,986**	41,480
Investment properties		**678,627**	699,488
Land use rights		**1,739**	1,771
Associated companies		**3,199**	2,938
Available-for-sale financial assets		**21,969**	43,153
Loans and receivables		**22,727**	21,793
		767,247	810,623
Current assets			
Properties for sale		**1,597,662**	1,348,333
Inventories		**4,366**	7,260
Debtors and prepayments	*8*	**132,592**	123,751
Cash and bank balances		**446,056**	453,930
		2,180,676	1,933,274
Current liabilities			
Creditors and accruals	*9*	**140,330**	131,503
Short-term borrowings		**85,013**	144,638
Current portion of long-term borrowings		**82,419**	6,000
Taxation payable		**57,478**	56,663
		365,240	338,804
Net current assets		**1,815,436**	1,594,470
Total assets less current liabilities		**2,582,683**	2,405,093
Equity			
Share capital		**76,166**	75,027
Reserves		**1,706,856**	1,799,748
Proposed final dividend		**–**	15,005
Shareholders' funds		**1,783,022**	1,889,780
Minority interests		**11,507**	6,502
Total equity		**1,794,529**	1,896,282
Non-current liabilities			
Long-term borrowings		**589,794**	305,304
Deferred taxation liabilities		**188,224**	193,387
Loans from minority shareholders		**10,136**	10,120
		788,154	508,811
		2,582,683	2,405,093

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 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.

Amendments that are effective in 2008

For the financial year ended 31st March, 2009, the Group adopted the following amendments that are effective for the Group's accounting periods beginning on 1st April, 2008 and relevant to the operations of the Group:

HKAS 39 & HKFRS 7(Amendments)	Reclassification of financial assets

The Group has assessed the impact of the adoption of these amendments 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.

2. **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 the internal financial reporting 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, operating (loss)/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*	Others, corporate and elimination *HK$'000*	2009 *HK$'000*
Revenues	75,810	32,104	(322)	107,592
Other income	702	1,032	7,168	8,902
Segment results	(46,767)	(251)	(57,790)	(104,808)
Finance costs				(19,970)
Share of results of associated companies	–	–	261	261
Loss before taxation				(124,517)
Taxation credit				1,302
Loss for the year				(123,215)
Segment assets	2,440,741	9,453	54	2,450,248
Associated companies	–	–	3,199	3,199
Unallocated assets				494,476
Total assets				2,947,923
Segment liabilities	141,737	3,073	921	145,731
Unallocated liabilities				1,007,663
Total liabilities				1,153,394
Capital expenditure	259,399	216	335	259,950
Depreciation	3,251	679	2,090	6,020
Amortisation of land use rights				
– charged to income statement	788	–	–	788
– capitalised into properties under development for sale	16,779	–	–	16,779

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Others, corporate and elimination *HK$'000*	2008 *HK$'000*
Revenues	279,763	32,821	1,941	314,525
Other income	44,101	2,110	14,832	61,043
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

Geographical segments

	Revenues	Total assets	Capital expenditure
	HK$'000	*HK$'000*	*HK$'000*
2009			
Hong Kong	**53,350**	**832,023**	**652**
Mainland China	**52,829**	**2,115,540**	**259,298**
Other countries	**1,413**	**360**	**–**
	107,592	**2,947,923**	**259,950**
2008			
Hong Kong	52,913	1,002,888	6,781
Mainland China	259,614	1,739,856	170,480
Other countries	1,998	1,153	–
	314,525	2,743,897	177,261

3. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
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
Sale of scraped material	**1,033**	2,110
Gain on disposal of available-for-sale financial assets	**–**	1,147
Interest income	**6,898**	12,664
Sundries	**971**	3,127
	8,902	61,043

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. During the financial year ended 31st March, 2008, 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. OPERATING (LOSS)/PROFIT

	2009	2008
	HK$'000	*HK$'000*
Operating (loss)/profit is stated after charging:		
Amortisation of land use rights	**788**	1,808
Cost of properties sold	**31,712**	177,390
Cost of inventories sold	**28,394**	31,702
Depreciation	**6,020**	10,958
Impairment of available-for-sale financial assets *	**25,000**	–
Net exchange loss *	**3,031**	5,499
Staff costs, including Directors' emoluments:		
Wages and salaries	**34,867**	30,332
Retirement benefit costs	**1,028**	940
Write off of trade and other debtors	**1,393**	2,745

* *included in other operating expenses*

5. TAXATION (CREDIT)/CHARGE

	2009	2008
	HK$'000	*HK$'000*
Current		
Mainland China corporate income tax	**1,948**	7,382
Mainland China land appreciation tax	**1,936**	19,660
Deferred	**(5,186)**	1,135
	(1,302)	28,177

No provision for Hong Kong profits tax has been made as the Group does not have any estimated assessable profits for the year (2008: 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$57,000 (2008: HK$203,000) is included in the income statement as share of results of associated companies.

6. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Interim dividend of Nil (2008: 0.5 HK cent) per share	**–**	7,503
Final dividend of Nil (2008: final scrip dividend with a cash option of 1.0 HK cent) per share	**–**	15,005
	–	22,508

The Board has resolved not to recommend a final dividend for the year ended 31st March, 2009 (2008: scrip dividend with a cash option of 1.0 HK cent per share).

7. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the loss attributable to equity holders of HK$122,966,000 (2008: profit of HK$110,244,000) and the weighted average number of 1,510,597,374 (2008: 1,424,210,814) shares in issue during the year.

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

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:

	2009	2008
	HK$'000	*HK$'000*
Below 30 days	**3,893**	3,151
31 to 60 days	**1,508**	849
61 to 90 days	**478**	990
Over 90 days	**1,895**	1,813
	7,774	6,803

9. CREDITORS AND ACCRUALS

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

	2009	2008
	HK$'000	*HK$'000*
Below 30 days	**553**	1,691
31 to 60 days	**731**	736
61 to 90 days	**496**	1,098
Over 90 days	**143**	414
	1,923	3,939

10. FINANCIAL GUARANTEES

As at 31st March, 2009, subsidiaries have provided guarantees amounting to HK$33.4 million (2008: HK$69.1 million) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

11. CAPITAL COMMITMENTS

As at 31st March, 2009, the Group has capital expenditure commitments contracted but not provided for amounting to HK$337,276,000 (2008: HK$492,573,000).

12. PLEDGE OF ASSETS

As at 31st March, 2009, the Group has pledged the shares and assets of certain subsidiaries, including bank deposits, investment properties, properties under development for sale and properties for sale, with an aggregate net book value of HK$1,130,726,000 (2008: HK$809,816,000), to secure general banking and financial guarantee facilities granted to those subsidiaries.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2009 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINANCIAL REVIEW

During the year under review, the economic situation and property market in the People's Republic of China (the "PRC") faced stiff challenges caused by the global financial tsunami. Businesses of the Group had been adversely affected by the downturn of the property markets in the PRC and in Hong Kong, resulting in a loss recorded by the Group during this financial year.

Revenues of the Group during the year amounted to HK$107.6 million (2008: HK$314.5 million), representing a drop of 65.8% from that of last year principally as a result of decrease in property sales. Revenues of the Group comprise income from property development business of HK$51.4 million (2008: HK$258.7 million), rental income of HK$24.1 million (2008: HK$20.9 million) and income from manufacturing business of HK$32.1 million (2008: HK$32.8 million).

As a result of drop in revenues, gross profit decreased by 58.0% to HK$42.4 million (2008: HK$101.0 million). Other income decreased to HK$8.9 million (2008: HK$61.0 million) mainly due to the absence of certain non-recurring accounting profits of the Group recorded in the last corresponding year, details of which are shown in note 3 on page 6 of this announcement.

Selling and marketing expenses decreased by 17.1% to HK$12.6 million (2008: HK$15.2 million) due to the drop in sales whereas administrative expenses increased by 6.0% to HK$81.9 million (2008: HK$77.3 million) due to a general increase in overhead. Other operating expenses increased to HK$39.6 million (2008: HK$8.3 million) mainly due to provision of an impairment loss amounting to HK$25.0 million on the Group's investment in CNT Group Limited ("CNT"). Reflecting a downturn of property markets in Hong Kong and the PRC, the Group recorded a revaluation deficit of HK$21.9 million for its investments properties (2008: revaluation surplus of HK$104.4 million). Finance costs slightly increased by 6.4% to HK$20.0 million (2008: HK$18.8 million) due to increase in bank borrowings in the PRC.

Taking into account the above, loss attributable to equity holders of the Company for the year ended 31st March, 2009 amounted to HK$123.0 million (2008: profit of HK$110.2 million). Loss per share was 8.14 HK cents (2008: earnings per share of 7.74 HK cents).

DIVIDENDS

In order to maintain a stronger cash position to finance ongoing property development projects, the Board has resolved not to recommend a final dividend for the year ended 31st March, 2009 (2008: 1.0 HK cent per share). No interim dividend (2008: 0.5 HK cent per share) has been paid in respect of the current financial year.

BUSINESS REVIEW

Property Development

In this financial year, the Group has slowed down its pace of property development in the PRC in light of the correction in the property market and the tight credit policy prevailing at that time. Since March 2009, the economy and property market of the PRC are reviving progressively, particularly in major first tier cities. Transaction volumes have shown upward trends which are indicators of the demand that has been held back when buyers were adopting the “wait and see” attitude during weak market sentiment.

Currently, the Group’s property projects are as follows:–

	Total developable GFA *(sq. m.)*
Chuang’s Le Papillon, Guangzhou	450,000
Imperial Garden, Chuang’s New City, Dongguan	530,000
Chuang’s New Town, Huizhou	230,000
Guangdong: Sub-total	*1,210,000*
Beverly Hills, Changsha	1,600,000*
Chuang’s Palazzo Caesar, Changsha	640,000
Chuang’s Le Printemps, Chengdu	130,000
Xiamen Mingjia Binhai, Xiamen	16,500
Central China: Sub-total	*2,386,500*
Total	3,596,500

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

Progress of the Group’s development projects is as follows:

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

Chuang’s Le Papillon has total GFA of over 450,000 sq. m. and the average land cost is about RMB820 per sq. m.. It is located within 1 km from the Lianhuashan Port (蓮花山港) that provides ferry services to Hong Kong, and is 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 (廣深港高速鐵路) 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.

Phase I of Chuang's Le Papillon comprising 60,000 sq. m. residential GFA and 10,000 sq. m. commercial, carparking spaces and club house is under development. It will provide 11 residential blocks of over 350 apartments with typical flats ranging from 93 sq. m. to 202 sq. m. and executive duplex units of 343 sq. m..

External finishing works on 3 residential blocks with GFA of 15,000 sq. m. providing 135 apartments ranging from 93 sq. m. to 133 sq. m. have been completed. Construction works on the other 8 blocks with GFA of 45,000 sq. m. providing deluxe apartments ranging from 175 sq. m. to 343 sq. m. are in progress. Superstructures works of the commercial podium have been completed. Landscaping, carparking spaces and club house construction are in progress and will be completed in the third quarter of this year. It is intended that handover of properties for phase I will be within the financial year ending 31st March, 2010.

In May 2009, marketing and presales for 3 blocks of phase I have commenced and have received good response from the market. Over 70% of the initial 135 apartments launched are sold at average selling price of about RMB5,200. Marketing and show flats for the other 8 blocks of phase I will commence shortly and pre-sales will be launched during this year. On the basis of average selling price of RMB6,500, total sales proceeds of phase I will be about RMB390 million.

To capture the positive market response and the strong demand of properties buyers of Guangzhou, the Group will focus on further development of Chuang's Le Papillon. The Group will speed up phase II of Chuang's Le Papillion, providing 25,000 sq. m. GFA for pre-sales before the end of June 2010.

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

Dongguan, being a major export-oriented economy, has been adversely affected by the downturn in the manufacturing businesses in view of the drop in orders from overseas countries during the global financial crisis. The spill-over effect has resulted in weak market sentiment and has in turn affected confidences of local property buyers. Since last year, the local government has implemented a series of stimulus measures to speed up infrastructural development, encourage new investments and reduce reliance on manufacturing business. These stimulus measures have shown positive results and the Dongguan economy is steadily improving since March 2009.

Chuang's New City has 530,000 sq. m. GFA and the average land cost is about RMB650 per sq. m.. It is located 4 km from Humen Port (虎門港) which is a major strategic infrastructural development. In addition, Chuang's New City is located 18 km from the new Humen Station (虎門站) of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (廣深港高速鐵路). Construction of the section connecting Guangzhou via Dongguan (Humen Station) to Shenzhen is scheduled to be completed before the end of 2010. By then, travelling time will be greatly reduced to just 15 minutes from Humen Station to either Guangzhou or Shenzhen. Furthermore, our development is only 3 minutes away from the exit of the new coastal highway (沿江高速) under construction serving Guangzhou to Shekou, and in turn linking to Hong Kong by way of the Hong Kong–Shenzhen Western Corridor. Apart from these inter-cities infrastructures, recently the local government of Dongguan has commenced on the construction of the Dongguan Light Rail (東莞市軌道), and a new station is designated within 1 minute' drive from Chuang's New City. Situated along these exciting infrastructures which will be in operation in the next 2 to 3 years, the development potential of Chuang's New City will be greatly enhanced.

Construction works of Imperial Garden, the Phase III of Chuang's New City, providing 8 residential blocks with total GFA of 89,000 sq. m. is in progress. It provides 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.. External finishing works on 3 blocks have been completed and the other 5 blocks will be completed by the end of this year. It is expected that handover of properties will be before the end of December 2009.

Marketing and pre-sales of Imperial Garden have commenced at end of 2008, initially with the launch of 2 blocks providing 161 typical apartments with total 18,700 sq. m. GFA. The average selling price is about RMB4,300 per sq. m. and about 47% of the 2 blocks have been sold. In the short term, sales progress is affected by the economic challenges in Dongguan, however, the Group believes that in the medium term, with the stimulus measures and the infrastructural improvements in place, property prices and transaction volumes in Dongguan will be improved. Based on the average selling price of RMB5,000 per sq. m., total sales proceeds of Phase III of Imperial Garden will amount to RMB450 million.

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

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 RMB15 million had been received. As affected by the macro economic measures in the PRC, 大亞灣經濟技術開發區國有資產管理中心 (Daya Bay State-owned Assets Supervision and Administration Commission) had deferred the completion of the transaction. In view of the lengthy delay in over one year, we are seeking legal advice on forfeiture of the deposit. In the event the disposal is not completed, the Group will undertake the development of this site providing GFA of 230,000 sq. m., on a plot ratio of 4. Apart from this, the Group's remaining site with an area of 11,236 sq. m. will be resumed by the government to facilitate the construction of 廈深鐵路 (Shenzhen Xiamen Railway). It is expected that negotiation on the compensation for the resumption of land will commence in the coming months.

Beverly Hills, Changsha, Hunan (54% owned)

Construction works of phase I of the project for 70,000 sq. m. GFA are in progress. Land cost is about RMB200 per sq. m.. Phase I of the project is the low density development comprising 172 bungalows, link houses and semi-detached houses and 144 units of high rise apartments. Development of link houses and semi-detached houses have been completed in the last financial year. Handover of high-rise apartments has commenced by the end of December 2008. Up to the date of this report, about 59% of the development has been sold. The Group will market the remaining 41% of the GFA, namely 11 link houses, 36 semi-detached houses and 65 high rise apartments as well as the 8 bungalows in the financial year ending 2010 and the total sales proceeds is estimated to amount to RMB150 million.

Within Phase I, the Group will also construct a boutique residence. It occupies a site area of about 7,800 sq. m. and total GFA is about 10,600 sq. m.. Superstructure works for the development have been completed. External finishing works and the landscaping work will be completed within this year.

The Group is planning for the phase II of the project and is negotiating with the local government for a favourable land cost under the current market condition.

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

The Group acquired the site with a total developable GFA of 640,000 sq. m. in December 2006 at the average land cost of RMB230 per sq. m. and the Group had fully paid the land cost in early 2007. However, delivery of the site to the Group by the local government was delayed by one year until April 2008. As a result of such delay, the Group had missed the opportunity of launching the project during the booming property market in 2007. At present, the master layout plan of the development has been approved. The development will comprise low density link houses, semi-detached houses and bungalows with about 166,000 sq. m. GFA, as well as apartments with 464,000 sq. m. GFA and commercial facilities of about 10,000 sq. m. GFA. Site formation works have commenced on Phase I of the project comprising 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). Land cost of this project is about RMB1,800 per sq. m.. Based on a plot ratio of 4, the development with GFA of about 130,000 sq.m. will comprise residential, commercial and carparking spaces. Land conversion fee has recently been determined at about RMB20 million, of which RMB10 million has been paid. Master planning is in progress. The project will be developed by stages providing residential, commercial GFA as well as carparking spaces.

Xiamen Mingjia Binhai, Xiamen, Fujian (59.5% owned)

The site, having an area of about 27,574 sq. m., is located in 思明區 (Siming Qu) of Xiamen. Land cost of this project is about RMB5,200 per sq. m.. It will be developed into high-end villas and resort with GFA of about 16,500 sq. m.. On the site, the Group will develop about 30 villas with a plot ratio of just 0.3, aiming to create a secluded elegant lifestyle. A deluxe boutique hotel with about 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. Master planning work for this villa and resort is progressing.

Property Sales

For the financial year ended 2009, total property sold and recognised as revenue was about HK$51.4 million, representing 80.1% decrease when compared to that of the last corresponding year. The sales are principally related to completed properties of Gold Coast in Dongguan and Beverly Hills in Changsha.

In the financial year ending 2010, the Group will market about 178,770 sq. m. GFA relating to projects in Guangzhou, Dongguan and Changsha, 270 carparking spaces in Guangzhou and 255 carparking spaces in Dongguan, with details as follows:.

	Completed properties	**Properties under development**	**Total GFA**
	sq. m.	*sq. m.*	*sq. m.*
Gold Coast, Chuang's New City, Dongguan	1,400	–	1,400
Imperial Garden, Chuang's New City, Dongguan	–	89,000	89,000
Chuang's Le Papillon, Guangzhou, Phase I	–	60,000	60,000
Beverly Hills, Changsha	28,370	–	28,370
	29,770	149,000	178,770

Up to the date of this report, the Group has contracted sales of about HK$157.6 million relating to Gold Coast, Imperial Garden, Chuang's Le Papillon and Beverly Hills which have not yet been recorded as revenues.

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

During the period, the Group's rental property in Hong Kong, Chuang's Tower in Central, maintained high occupancy rate. Rental and other income during the year amounted to HK$22.7 million, representing a 13.5% increase over that of last year.

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

The aggregate book values of these property and other investments amounted to over HK$666 million as at 31st March, 2009. During the year under review, the Group contemplated the sale of these other investments at the right prices and will continue to identify suitable opportunities for such disposal so as to generate additional capital for our property development business in the PRC.

FINANCIAL POSITIONS

As at 31st March, 2009, the Group's cash and bank balances amounted to HK$446.1 million (2008: HK$453.9 million). Bank borrowings of the Group as at the same date amounted to HK$757.2 million (2008: HK$455.9 million). Approximately 22.1% of the Group's bank borrowings were repayable within one year, 8.9% repayable within second year and 69.0% repayable within third to fifth year.

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 17.5% (2008: 0.1%). The net debt to equity ratio of the Group has increased when compared with that of last year mainly due to the Group's capital expenditures on various development projects in the PRC during the year.

Approximately 51% of the Group's cash and bank balances were in Hong Kong dollar and United States dollar with the remaining 49% in Renminbi. Risk in exchange rate fluctuation would not be material.

About HK$361.0 million (being 48%) of the Group's bank borrowings were in Hong Kong dollar and HK$396.2 million (equivalent to RMB349.6 million) (being 52%) in Renminbi.

As majority of the Group's assets are located in the PRC, in the future, the Group will pursue the strategy of increasing its borrowings in Renminbi in order to cope with the project developments in the PRC whilst the borrowings in Hong Kong dollars will be reduced.

As at 31st March, 2009, the net asset value attributable to equity holders of the Company was HK$1,783.0 million. Net asset value per share amounted to HK$1.17, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

PROSPECTS

The financial year ended 31st March, 2009 was a year full of difficulties and challenges. The drastic downturn in the property market, as heightened by the global financial crisis, has interrupted the development plan of our projects. However, with its strong domestic supports in the PRC, the global financial crisis has not changed its underlying fundamentals.

The prime mission of the central government of the PRC is to sustain growth. With the active fiscal policy, relaxed monetary policy and the series of stimulus strategies implemented by the central government since the fourth quarter of 2008, positive effect has gradually been unfolded, and more importantly, market confidence has been restored. In general, the economy and property market of the PRC is reviving progressively. With the continuous demand to improve living standards and the acceleration of urbanization, we are confident of the long term development of our property projects in the PRC.

In the current financial year, the Group will focus on speeding up the development in Guangzhou, where market support and prospects are bright. With the 2010 Asian Games to be hosted in Guangzhou, the Group believes that the improved transport accessibility will further boost the steady development of the property market in the region.

STAFF

As at 31st March, 2009, the Group employed 304 staff. In addition, the subcontracting factories of the Group have 429 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

In the annual general meeting (the "2008 AGM") of the Company held on 28th August, 2008, the Chairman of the Company, due to personal commitment, had not attended the 2008 AGM in accordance with Rule E.1.2 of the Appendix 14 – Code on Corporate Governance Practices ("CG Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). However, the Deputy Chairman of the Company attended the 2008 AGM to answer questions raised by shareholders. Except mentioned above, the Company has complied throughout the year ended 31st March, 2009 with the code provisions set out in the CG Code of 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, 2009. 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.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

In light of the recent amendments to the Listing Rules relating to, among other things, the use of websites for communication with shareholders and voting method at general meetings which came into effect on 1st January, 2009, the Board proposes to seek the approval of shareholders at the forthcoming annual general meeting of the Company for the amendments of its Bye-laws to ensure consistency with the relevant amended provisions of the Listing Rules.

A circular containing, among other matters, details of the proposed amendments to the Bye-laws of the Company will be dispatched to shareholders as soon as practicable.

PUBLICATION OF RESULT ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2009 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, Miss Candy Chuang Ka Wai and Mr. Albert Chuang Ka Pun are Executive Directors, Mr. Abraham Shek Lai Him, Dr. Hwang Jen, Mr. David Chu Yu Lin and Dr. Peter Po Fun Chan 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, 25th June, 2009