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, 2009

RESULTS

The Board of Directors (the "Board") of Chuang's Consortium International 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*	**283,456**	472,453
Cost of sales		**(155,125)**	(380,213)
Gross profit		**128,331**	92,240
Other income	*3*	**32,833**	174,901
Selling and marketing expenses		**(24,726)**	(26,792)
Administrative expenses		**(183,404)**	(167,706)
Other operating expenses		**(52,512)**	(23,740)
Change in fair value of investment properties		**(130,486)**	554,837
Operating (loss)/profit	*4*	**(229,964)**	603,740
Finance costs		**(64,835)**	(85,295)
Share of results of associated companies	*5*	**(33,453)**	75,064
(Loss)/profit before taxation		**(328,252)**	593,509
Taxation credit/(charge)	*6*	**23,569**	(62,909)
(Loss)/profit for the year		**(304,683)**	530,600
Attributable to:			
Equity holders		**(248,844)**	468,889
Minority interests		**(55,839)**	61,711
		(304,683)	530,600
Dividends	*7*	**22,659**	51,985
		HK cents	*HK cents*
(Loss)/earnings per share (basic and diluted)	*8*	**(16.63)**	31.66

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		**84,659**	93,228
Investment properties		**3,084,207**	3,085,052
Leasehold land and land use rights		**18,622**	25,688
Properties for/under development		**547,790**	680,684
Associated companies		**278,835**	269,982
Available-for-sale financial assets		**31,892**	55,220
Loans and receivables		**56,071**	78,017
Derivative financial instruments		**–**	1,558
Deferred taxation assets		**1,469**	807
		4,103,545	4,290,236
Current assets			
Properties for sale		**1,601,837**	1,367,463
Inventories		**96,422**	94,829
Debtors and prepayments	9	**287,281**	323,159
Tax recoverable		**298**	284
Other investments		**6,279**	16,117
Cash and bank balances		**1,181,285**	1,264,027
		3,173,402	3,065,879
Current liabilities			
Creditors and accruals	10	**209,214**	189,498
Derivative financial instruments		**–**	134,000
Short-term borrowings		**87,011**	197,108
Current portion of long-term borrowings		**171,831**	85,869
Taxation payable		**67,734**	67,502
		535,790	673,977
Net current assets		**2,637,612**	2,391,902
Total assets less current liabilities		**6,741,157**	6,682,138
Equity			
Share capital		**377,647**	371,322
Reserves		**3,035,987**	3,333,608
Proposed final dividend		**7,553**	29,706
Shareholders' funds		**3,421,187**	3,734,636
Minority interests		**814,741**	865,767
Total equity		**4,235,928**	4,600,403
Non-current liabilities			
Long-term borrowings		**2,102,711**	1,646,103
Derivative financial instruments		**1,442**	–
Deferred taxation liabilities		**364,892**	392,150
Loans from minority interests		**36,184**	43,482
		2,505,229	2,081,735
		6,741,157	6,682,138

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.

Amendments 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 securities investment and 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, results, assets, liabilities and other segment items by business and geographical segments is as follows:

(a) Business segments

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Securities investment and trading *HK$'000*	Others, corporate and elimination *HK$'000*	2009 Total *HK$'000*
Revenues	198,076	96,883	(9,989)	(1,514)	283,456
Other income	8,713	1,042	–	23,078	32,833
Segment results	(94,806)	(2,329)	(10,127)	(122,702)	(229,964)
Finance costs					(64,835)
Share of results of associated companies	16,513	(54,191)	–	4,225	(33,453)
Loss before taxation					(328,252)
Taxation credit					23,569
Loss for the year					(304,683)
Segment assets	5,574,646	163,228	6,279	94	5,744,247
Associated companies	31,950	243,686	–	3,199	278,835
Unallocated assets					1,253,865
Total assets					7,276,947
Segment liabilities	219,143	15,410	–	921	235,474
Unallocated liabilities					2,805,545
Total liabilities					3,041,019
Other segment items are as follows:					
Capital expenditure	302,151	1,229	–	2,695	306,075
Depreciation	5,263	2,202	–	4,700	12,165
Amortisation of leasehold land and land use rights					
– charged to income statement	932	308	–	–	1,240
– capitalised into properties	29,299	–	–	–	29,299

	Property investment and development HK$'000	Sale of goods and services HK$'000	Securities investment and trading HK$'000	Others, corporate and elimination HK$'000	2008 Total HK$'000
Revenues	432,689	126,139	(86,105)	(270)	472,453
Other income	93,616	2,151	–	79,134	174,901
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 charge					(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

(b) Geographical segments

	Revenues		Total assets		Capital expenditure	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**149,325**	122,861	**4,601,350**	5,005,436	**43,968**	165,631
Mainland China	**52,829**	259,614	**2,115,540**	1,739,856	**259,298**	197,953
Other countries	**81,302**	89,978	**560,057**	610,823	**2,809**	23,965
	283,456	472,453	**7,276,947**	7,356,115	**306,075**	387,549

3. OTHER INCOME

	2009	2008
	HK$'000	*HK$'000*
Interest income from		
Bank deposits	**16,291**	33,179
Loans and receivables	**2,400**	2,820
Overdue receivables	**148**	315
Negative goodwill arising from the acquisition of additional interests in a subsidiary	**3,861**	–
Sale of scraped material	**1,033**	2,110
Deemed profit on partial disposal of a subsidiary	**–**	29,650
Write back of provisions for tax liabilities undertakings *(note)*	**–**	21,019
Excess of fair value of net assets acquired over cost of acquisition of minority interests in a subsidiary	**–**	20,976
Deferred profit realised on disposal of properties *(note)*	**–**	4,566
Gain on disposal of available-for-sale financial assets	**985**	1,147
Net gains on disposal of investment properties	**–**	38,421
Fair value gain on derivative financial instruments	**–**	11,969
Sundries	**8,115**	8,729
	32,833	174,901

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. During the financial year ended 31st March, 2008, these properties were disposed of by the associated company to third parties and therefore the related deferred profit had been recognised and the related provisions for the undertakings had been written back by Chuang's China.

4. OPERATING (LOSS)/PROFIT

	2009 *HK$'000*	2008 *HK$'000*
Operating (loss)/profit is stated after crediting:		
Dividend income from listed investments	**2,036**	3,582
Net realised gains on other investments	**–**	23,232
and after charging:		
Cost of properties sold	**47,029**	243,366
Cost of inventories sold	**70,089**	101,437
Depreciation	**12,165**	16,298
Amortisation of leasehold land and land use rights	**1,240**	2,258
Impairment on:		
– property, plant and equipment*	**273**	–
– leasehold land and land use rights*	**4,070**	–
– available-for-sale financial assets*	**28,000**	–
Write off of trade and other debtors	**1,706**	4,835
Net exchange loss*	**3,662**	5,745
Net realised loss on other investments	**10,648**	–
Net unrealised loss on other investments	**1,377**	3,919
Net fair value loss on derivative financial instruments	**4,165**	109,000
Net loss on partial disposal of a subsidiary*	**–**	12,672
Staff costs, including Directors' emoluments		
Wages and salaries	**76,756**	69,806
Retirement benefit costs	**3,343**	2,624

* *Included in other operating expenses*

5. SHARE OF RESULTS OF ASSOCIATED COMPANIES

In 2009, the share of results of associated companies includes a negative goodwill of HK$3,964,000 (2008: Nil) arising from the conversion of convertible note of an associated company. In 2008, it included write back of provision of HK$71,600,000.

6. TAXATION (CREDIT)/CHARGE

	2009 *HK$'000*	2008 *HK$'000*
Current		
Hong Kong profits tax – under-provision in previous years	**6**	289
Overseas profits tax	**(51)**	244
Mainland China corporate income tax	**1,948**	7,382
Mainland China land appreciation tax	**1,936**	19,660
Deferred		
Current year	**(15,810)**	35,334
Effect of change in taxation rate	**(11,598)**	–
	(23,569)	62,909

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit 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 charge of associated companies for the year ended 31st March, 2009 amounting to HK$3,122,000 (2008: HK$2,016,000) is included in the income statement as share of results of associated companies.

7. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Interim cash dividend paid of 1.0 HK cent (2008: 1.5 HK cents) per share	**15,106**	22,279
Proposed final scrip dividend with a cash option of 0.5 HK cent (2008: 2.0 HK cents) per share	**7,553**	29,706
	22,659	51,985

On 8th July, 2009, the Board proposed a final scrip dividend with a cash option of 0.5 HK cent (2008: 2.0 HK cents) per share amounting to HK$7,553,000 (2008: HK$29,706,000). 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, 2010 upon the approval by the shareholders.

8. (LOSS)/EARNINGS PER SHARE

The calculation of the (loss)/earnings per share is based on the loss attributable to equity holders of HK$248,844,000 (2008: profit of HK$468,889,000) and the weighted average number of 1,496,447,333 (2008: 1,481,228,371) 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 current year and the prior year and the convertible notes issued by an associated company are anti-dilutive.

9. 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	**11,512**	14,702
31 to 60 days	**3,774**	6,530
61 to 90 days	**1,898**	2,728
Over 90 days	**3,205**	3,131
	20,389	27,091

10. 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	**3,914**	7,002
31 to 60 days	**2,400**	1,923
Over 60 days	**6,717**	7,551
	13,031	16,476

11. FINANCIAL GUARANTEES

As at 31st March, 2009, the Group had 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.

12. CAPITAL COMMITMENTS

As at 31st March, 2009, the Group had capital expenditure commitments contracted but not provided for in respect to property development amounting to HK$433,263,000 (2008: HK$577,702,000) and available-for-sale financial assets amounting to HK$26,065,000 (2008: HK$26,910,000) respectively.

13. PLEDGE OF ASSETS

As at 31st March, 2009, the Group had 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$4,064,966,000 (2008: HK$3,817,292,000), to secure general banking and financial guarantee facilities granted to those subsidiaries. As at 31st March, 2008, the Group had also pledged certain other investments and bank deposits amounting to HK$7,724,000 and HK$241,659,000 respectively for the commitment of the purchase of listed equity securities.

14. SUBSEQUENT EVENTS

(a) On 23rd June, 2009, the Company and Midas International Holdings Limited ("Midas"), a listed associated company of the Group, jointly announced that the Company has conditionally agreed to subscribe for a new convertible note due 2014 of Midas in the principal amount of HK$60 million at an initial conversion price of HK$0.25 per share. This proposal is still subject to relevant approvals. Details of the subscription are set out in the announcement of the Company on 23rd June, 2009.

(b) On 3rd July, 2009, the Company and Chuang's China jointly announced that a joint venture company ("JVC") will be established solely for the purpose of executing the development of a project located in Chengdu (the "Project"), being the investment in jointly controlled assets as at 31st March, 2009. In this respect, a joint venture agreement (the "Joint Venture Agreement") was entered into between the wholly-owned subsidiaries of Chuang's China and the joint venture partner on 1st July, 2009.

In addition, a wholly-owned subsidiary of Chuang's China made an advance of RMB20.1 million (equivalent to approximately HK$22.7 million) to the joint venture partner at the date of announcement of the Company dated 3rd July, 2009. Pursuant to the Joint Venture Agreement, RMB10 million (equivalent to approximately HK$11.3 million) of this advance has been novated to the JVC as it relates to the development costs already spent on the Project and such amount will be payable by the JVC to the wholly-owned subsidiary of Chuang's China. The remaining advance of RMB10.1 million (equivalent to approximately HK$11.4 million) will remain to be payable to the wholly-owned subsidiary of Chuang's China by the joint venture partner.

Details of the arrangement are set out in the announcement of the Company on 3rd July, 2009.

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 businesses of the Group have been adversely affected by the downturn of the property markets in Hong Kong and the People's Republic of China (the "PRC") caused by the global financial tsunami. As a result, the Group recorded a loss during this financial year after recording five consecutive years of profit growth.

Revenues of the Group during the year amounted to HK$283.5 million (2008: HK$472.5 million), representing a decrease of 40.0% from that of last year principally as a result of decrease in property sales. Revenues of the Group comprise income from property investment business of HK$119.9 million (2008: HK$102.7 million), income from property development business of HK$76.7 million (2008: HK$329.7 million), income from manufacturing and trading business of HK$96.9 million (2008: HK$126.1 million) and loss from securities investment and trading business of HK$10.0 million (2008: loss of HK$86.1 million).

Despite the decrease in profit contribution from property sales, gross profit during the year increased by 39.2% to HK$128.3 million (2008: HK$92.2 million) principally as a result of a reduction of loss from the securities investment and trading business of the Group. Other income decreased to HK$32.8 million (2008: HK$174.9 million) mainly due to the absence of certain non-recurring accounting profits and gains on disposal of investment properties 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 7.8% to HK$24.7 million (2008: HK$26.8 million) due to a decrease in sale revenues whereas administrative expenses increased by 9.4% to HK$183.4 million (2008: HK$167.7 million) due to a general increase in overhead. Other operating expenses increased to HK$52.5 million (2008: HK$23.7 million) mainly due to an impairment provision amounting to HK$25.0 million on the Group's investment in CNT Group Limited. Reflecting a downturn of property markets in Hong Kong, the PRC and Malaysia as a result of the global financial crisis, the Group recorded a revaluation deficit of HK$130.5 million for its investment properties (2008: revaluation surplus of HK$554.8 million). Finance costs decreased by 24.0% to HK$64.8 million (2008: HK$85.3 million) due to lower interest rates prevailing during the year. Share of loss of associated companies amounted to HK$33.5 million (2008: profit of HK$75.1 million due to a one-off write back of provision of HK$71.6 million) mainly due to the share of loss of Midas International Holdings Limited.

Taking into account the above, loss attributable to equity holders of the Company for the year ended 31st March, 2009 amounted to HK$248.8 million (2008: profit of HK$468.9 million). Loss per share was 16.63 HK cents (2008: earnings per share of 31.66 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 0.5 HK cent (2008: 2.0 HK cents) per share for the year ended 31st March, 2009. The final dividend, if approved, will be paid on or before 23rd October, 2009 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 31st August, 2009.

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 par value of shares of the Company, being HK$0.25, or 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 31st August, 2009, whichever is the higher . 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 1.0 HK cent (2008: 1.5 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, amounted to 1.5 HK cents (2008: 3.5 HK cents) per share with total amount of HK$22.7 million (2008: HK$52.0 million).

BUSINESS REVIEW

(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. During the year, the Group continued to upgrade the quality of our investment properties, create additional lettable area and signages in order to enhance rental, reshuffle the tenant mix to attract higher quality tenants and improve our management services. As a result of our efforts, occupancy rate of our investment properties remained at high level throughout the year and we are able to maintain, and in some cases, even increase rental rates on new leases and lease renewals despite the global financial crisis. Accordingly, rental and other income from investment properties in Hong Kong during the year increased by 16.3% from last year to HK$103.5 million.

In order to enhance the rental, subsequent to the balance sheet date, the Group has leased out the property located at No. 15 Gough Hill Road, The Peak for a term of two years. Meanwhile, the Group has retained the flexibility that should the Group decide to redevelop the property, it can serve a six months notice to the tenant to vacate the property. Building plans for this redevelopment into a house with unique architectural design have been approved by the relevant authorities.

(ii) Properties Under Development/For Sale

During the year, property sales in Hong Kong amounted to HK$107.6 million, of which HK$82.4 million were conducted through an associated company. The property sales were mainly derived from the sales of the remaining units of The Notting Hill in Tung Shan Terrace and Midas Plaza in San Po Kong. Currently, the Group is undertaking various development projects in Hong Kong, a summary of which is as follows:

(a) No. 37 Island Road, Deep Water Bay

During the year, the redevelopment of the property into 4 houses, each with an outdoor swimming pool, spacious garden area and glamorous sea-view, is progressing satisfactorily with occupation permit issued subsequent to the balance sheet date on 20th April, 2009. At present, exterior landscaping works and internal decoration works are in progress and the property will be ready to be occupied soon. In view of the limited supply and the strong demand of this type of luxurious property in that area, the Group believes that rental yield and capital value of this property has been significantly enhanced upon completion. Marketing works for this project have commenced and an international property agent has been appointed as the sole marketing agent.

(b) Wuhu Residence, No. 111 Wuhu Street, Hunghom

The property is located adjacent to Chuang's Hung Hom Plaza and will be redeveloped into a 22-storey unique building with modern architectural design of about 100 studio apartments with club house facilities and shopping space at the podium level (G/F to 1/F) with a total building area of about 47,000 sq. ft.. Demolition works are in progress and it is expected that the project will be completed in the first quarter of 2011. Marketing works of this project will commence in the fourth quarter of 2009.

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

The Group participated in a 30% interest in the development of Midas Plaza, a 22-storey high-class industrial/office building, of which the occupation permit was issued in December 2007. The Group's share of the development comprises six industrial/office 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, all units, with the exception of two carparking spaces, have been sold. Sales completed during the year amounted to HK$82.4 million, generating a profit of HK$23.4 million which was included in share of results of associated companies. Sales to be completed in the first half of the next financial year amount to HK$26.2 million. The Group is in the process of marketing the remaining two carparking spaces.

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

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

(i) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

The Group owns Central Plaza, which is located within the "Golden Triangle" of Kuala Lumpur, for investment purpose. The property has a total GFA of 380,000 sq. ft. of retail, office and carparking spaces. Due to its strategic location and the recently completed upgrading works, occupancy and rental rates of the property improved. As a result, rental income from this property during the year increased by 16.4% from last year to HK$14.9 million. In order to further enhance rental, application has been made to the relevant authorities to convert one level of carpark with GFA of about 14,000 sq. ft. into office use.

(ii) Vietnam

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

The Group has participated in a 70% interest in this project for a commitment of US$15 million. This project covers a site area of about 2,730,000 sq. m. and is located in Duc Hoa District of Long An Province, which is about 30 km 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 GFA of about 3,300,000 sq. m. will be developed. The Group is still negotiating with the relevant government authorities and the joint venture partner in relation to the amount of land conversion fee payable for the project in order to be granted the land use rights and the formation of joint venture company.

(b) Greenview Garden, Thu Duc District, Ho Chi Minh City

The Group has entered into an agreement to acquire a 70% interest in this project for US$6.4 million, of which US$1 million has been paid. This project covers a site area of about 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 about 120,000 sq. m.. Application will be made to the relevant authorities in due course for the formation of joint venture company. The site is currently vacant and construction of initial phase of the development will commence after all necessary government approvals have been obtained.

(iii) Taiwan

Xinyi District, Taipei City

The project, located nearby the city centre of Taipei City, is a residential development wholly-owned by the Group comprising a villa and apartments with a total GFA of about 18,000 sq. ft.. Building plans for the development is expected to be approved soon and demolition and site formation works will commence shortly.

(C) Chuang's China Investments Limited ("Chuang's China")(Stock Code: 298 and 54.4% owned)

All the Group's property activities in the PRC are conducted through this listed subsidiary. As at 31st March, 2009, the Group owned a 54.4% interest in Chuang's China.

(i) 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:

(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 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. About 80% 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.

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

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's 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 RMB4,500 per sq. m. and about 58% of the 2 blocks have been sold. An additional block providing 75 apartments with total 9,600 sq. m. GFA has recently been launched. 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.

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

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.

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

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 63 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.

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

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.

(f) 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). 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.

(g) Xiamen Mingjia Binhai, Xiamen, Fujian (59.5% 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. 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.

(ii) Property Sales

For the financial year ended 2009, total property sold in the PRC 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$182.8 million relating to Gold Coast, Imperial Garden, Chuang's Le Papillon and Beverly Hills which have not yet been recorded as revenues.

(D) Midas International Holdings Limited ("Midas")(Stock code: 1172 and 48.4% owned)

The Group owns a 48.4% interest in Midas, a listed company in Hong Kong principally engaged in printing business and the operation of cemetery in the PRC. The continued deterioration in the global consumer market, in particular those in the United States and Europe, caused by the financial tsunami has adversely affected the operating results of Midas in 2008. For the year ended 31st December, 2008, the results of Midas have been very disappointing with turnover dropped by 27.6% to HK$510.5 million and Midas reported a net loss attributable to equity holders of HK$115.8 million.

As regards the printing business, the trading environment in 2009 will continue to be difficult. In order to alleviate this difficult trading environment and to restore the printing operation into profitability, Midas has taken a series of proactive measures including strengthening the marketing effort, developing higher margin products, tightening cost control and improving operation efficiency.

As regards the cemetery business, Midas has strengthened the marketing team and set up new sales offices and established new agency arrangements in the PRC and Hong Kong. A number of familiarisation activities have been organised for the members of the funeral business and for the general public in order to expand its market presence. Furthermore, a new highway linking Guangzhou and Hezhou that bypasses Sihui is expected to be completed by the end of 2009. This highway will shorten the travelling time from Guangzhou to Sihui where the cemetery is located. This improvement in infrastructure will enhance the accessibility and demands of the graveyards, in particular, from the Guangzhou region. The Group believes that the cemetery business in the PRC has long-term growth potential and will provide stable recurrent income to Midas.

In April 2008, Midas announced a rights issue to raise approximately HK$73 million to finance its expansion plans in the printing and cemetery businesses. The Group has subscribed its entitlement in full under the rights issue and maintained its shareholding percentage in Midas. In December 2008, the Group converted HK$12.6 million of the convertible note due 2011 of Midas into approximately 31.6 million new shares of Midas, thereby increasing the Group's shareholding interest in Midas from 46.6% to 48.4%. After the conversion, the Group still holds HK$16.65 million convertible note due 2011 of Midas capable of converting into approximately 41.7 million new shares of Midas.

On 23rd June, 2009, the Company and Midas jointly announced that the Company has conditionally agreed to subscribe for a new convertible note due 2014 of Midas in the principal amount of HK$60 million at an initial conversion price of HK$0.25 per share. On the same date, Midas also announced the proposed amendments to the terms of the convertible note issued by Midas on 19th September, 2007. These proposals, which are still subject to relevant approvals, aim to strengthen the working capital position of Midas for the development of its ongoing businesses, which are beneficial to the long-term development of Midas.

(E) Other Businesses

The Group's other businesses include investments in Sintex Nylon and Cotton Products (Pte) Limited, a company incorporated in Singapore and engaged in the manufacture and sale of home finishing products under its own brand names, and Yuen Sang Hardware Company (1988) Limited, a company owned by Chuang's China and engaged in the manufacture and sale of metalware. During the year, the deterioration in the global consumer market caused by the financial tsunami had adversely affected these businesses. As a result, revenues generated from manufacturing and trading business during the year decreased by 23.2% to HK$96.9 million and loss from these businesses during the year amounted to HK$2.3 million.

Due to adverse stock market conditions during the year under review, the securities investment and trading business of the Group recorded a loss of HK$10.0 million. As at the balance sheet date, quoted investments of the Group amounted to HK$6.3 million. As at the balance sheet date and the date of this report, the Group does not hold any investment in derivative financial instruments.

FINANCIAL POSITIONS

As at 31st March, 2009, net assets attributable to equity holders was HK$3,421.2 million. Net asset value per share was approximately HK$2.26, which is calculated based on the book costs of the Group's properties for/under development and properties for sale, before taking into account their appreciated values.

As at 31st March, 2009, the Group's cash and bank balances and other investments amounted to HK$1,187.6 million (2008: HK$1,280.1 million). Bank borrowings as at the same date amounted to HK$2,361.6 million (2008: HK$1,929.1 million). The Group's debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and other investments over net assets attributable to equity holders of the Company, was 34.3% (2008: 17.4%). 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 Hong Kong and the PRC during the year. With the completion of these projects in the coming financial year, it is expected that the net debt to equity ratio will be reduced.

Approximately 81.8% of the Group's cash, bank balances and other investments were denominated in Hong Kong dollar or United States dollar, with the balance of 18.2% in Renminbi. Approximately 75.9% of the Group's bank borrowings were denominated in Hong Kong dollar, 16.8% in Renminbi, 7.2% in Malaysian Ringgit and the balance of 0.1% in Singapore dollar. Accordingly, risk in foreign currency exchange rate fluctuation would not be material.

Approximately 10.9% of the Group's bank borrowings was repayable within one year, 9.4% repayable within the second year, 73.1% repayable within the third to fifth years and the balance of 6.6% repayable after five years.

PROSPECTS

Since the outbreak of global financial tsunami in 2008, which was originated from sub-prime mortgage crisis in the United States, the international communities, including various governments and monetary authorities, have taken a series of proactive measures, comprised mainly the introduction of stimulus packages and the substantially lowering of interest rates, aiming to restore confidence of the global credit markets and to stimulate the continual growth of the world economies. With the implementation of these measures, it becomes apparent that the economic situations in the United States and Europe have been stabilised. Whilst the PRC and Hong Kong are not immune to the global financial crisis, with the continuous economic growth of the PRC, the timely relaxation of monetary policy and the stimulation of domestic consumption by the PRC government, and Hong Kong being a gateway to the PRC, the economies of the PRC and Hong Kong will ultimately be least affected.

Despite the global financial crisis, the Group has during the year managed to increase rental income from our investment properties and actively developed our core properties such as No. 37 Island Road in Deep Water Bay, Wuhu Residence in Hunghom, Imperial Garden in Dongguan and Chuang's Le Papillon in Guangzhou. With the scheduled completion of these and other projects of the Group in the coming financial years, the Group is confident that its value will be further enhanced. Although it is generally believed that the worst situation of the global financial crisis has been over, the Group will continue to closely monitor such development and will appropriately adjust the magnitude, pace and mix of our investments in Hong Kong, the PRC, Malaysia, Vietnam and Taiwan so as to generate satisfactory return for our shareholders.

CLOSING OF REGISTER

The register of members of the Company will be closed from Tuesday, 25th August, 2009 to Monday, 31st August, 2009, 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 4:30 p.m. on Monday, 24th August, 2009.

STAFF

As at 31st March, 2009, the Group employed 961 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, 2009 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 auditor. 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. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong, 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 to 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 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. Albert Chuang Ka Pun, Mr. Lui Lop Kay and Mr. Wong Chung Wai are Executive Directors, Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong 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, 8th July, 2009