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, 2010

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 as the "Group") for the year ended 31st March, 2010 and the consolidated balance sheet as at 31st March, 2010 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2010

	Note	2010 HK$'000	2009 HK$'000
Revenues		**560,887**	283,456
Cost of sales		**(378,887)**	(155,125)
Gross profit		**182,000**	128,331
Other income	3	**74,889**	32,833
Selling and marketing expenses		**(52,750)**	(24,726)
Administrative expenses		**(182,830)**	(183,404)
Other operating expenses		**(23,033)**	(52,512)
Change in fair value of investment properties		**1,026,695**	(130,486)
Operating profit/(loss)	4	**1,024,971**	(229,964)
Finance costs		**(36,859)**	(64,835)
Share of results of associated companies	5	**(24,443)**	(33,453)
Share of result of a jointly controlled entity		**(17)**	–
Profit/(loss) before taxation		**963,652**	(328,252)
Taxation (charge)/credit	6	**(137,849)**	23,569
Profit/(loss) for the year		**825,803**	(304,683)
Attributable to:			
Equity holders		**799,728**	(248,844)
Minority interests		**26,075**	(55,839)
		825,803	(304,683)
Dividends	7	**45,758**	22,659
		HK cents	*HK cents*
Earnings/(loss) per share (basic and diluted)	8	**52.80**	(16.63)

For identification purpose only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st March, 2010

	2010	2009
	HK$'000	*HK$'000*
Profit/(loss) for the year	**825,803**	(304,683)
Other comprehensive income:		
Changes in exchange rates	**44,894**	(25,457)
Share of reserves of an associated company	**10,397**	(3,248)
Change in fair value of available-for-sale financial assets	**40,760**	(24,184)
Impairment of available-for-sale financial assets	**2,000**	28,000
Other comprehensive income/(loss) for the year	**98,051**	(24,889)
Total comprehensive income/(loss) for the year	**923,854**	(329,572)
Total comprehensive income/(loss) attributable to:		
Equity holders	**869,539**	(284,361)
Minority interests	**54,315**	(45,211)
	923,854	(329,572)

CONSOLIDATED BALANCE SHEET
As at 31st March, 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment		**82,765**	84,659
Investment properties		**4,315,360**	3,084,207
Leasehold land and land use rights		**12,979**	18,622
Properties for/under development		**70,521**	547,790
Associated companies		**241,269**	278,835
Jointly controlled entity		**–**	–
Amount due from a jointly controlled entity		**52,190**	–
Available-for-sale financial assets		**74,978**	31,892
Loans and receivables		**72,372**	56,071
Derivative financial instruments		**14,237**	–
Deferred taxation assets		**1,092**	1,469
		4,937,763	4,103,545
Current assets			
Properties for sale		**1,882,619**	1,601,837
Inventories		**79,017**	96,422
Debtors and prepayments	*9*	**348,742**	287,281
Tax recoverable		**260**	298
Other investments		**46,688**	6,279
Cash and bank balances		**954,772**	1,181,285
		3,312,098	3,173,402
Investment property held for sale	*11*	**320,000**	–
		3,632,098	3,173,402
Current liabilities			
Creditors and accruals	*10*	**326,668**	209,214
Short-term borrowings		**22,133**	87,011
Current portion of long-term borrowings		**198,383**	171,831
Taxation payable		**85,010**	67,734
		632,194	535,790
Net current assets		**2,999,904**	2,637,612
Total assets less current liabilities		**7,937,667**	6,741,157
Equity			
Share capital		**382,183**	377,647
Reserves		**3,867,997**	3,035,987
Proposed final dividend		**30,575**	7,553
Shareholders' funds		**4,280,755**	3,421,187
Minority interests		**850,262**	814,741
Total equity		**5,131,017**	4,235,928
Non-current liabilities			
Long-term borrowings		**2,309,167**	2,102,711
Derivative financial instruments		**1,442**	1,442
Deferred taxation liabilities		**485,903**	364,892
Loans from minority interests		**10,138**	36,184
		2,806,650	2,505,229
		7,937,667	6,741,157

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.

For the financial year ended 31st March, 2010, the Group adopted the following new and revised standards, amendments and interpretations that are effective for the Group's accounting periods beginning on 1st April, 2009 and relevant to the Group's operation:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 40 (Amendment)	Investment Property
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment: Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in a Foreign Operation
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The Group has assessed the impact of the adoption of these new and revised standards, amendments 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 and presentation of the financial statements except for the presentation of the consolidated statement of comprehensive income to present the non-owner consolidated changes in equity as required under HKAS 1 (Revised) and the segment information as required under HKFRS 8.

The following new and revised standards, amendments and interpretations have been published which are relevant to the Group's operation and are mandatory for the Group's accounting periods beginning on or after 1st April, 2010, but have not yet been adopted by the Group:

HKAS 7 (Amendment)	Statement of Cash Flows (effective from 1st January, 2010)
HKAS 17 (Amendment)	Leases (effective from 1st January, 2010)
HKAS 24 (Revised)	Related Party Disclosures (effective from 1st January, 2011)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective from 1st July, 2009)
HKAS 32 (Amendment)	Classification of Rights Issues (effective from 1st February, 2010)
HKAS 36 (Amendment)	Impairment of Assets (effective from 1st January, 2010)
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective from 1st July, 2009)
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 (effective from 1st July, 2009)
HKFRSs (Amendments)	Improvements to HKFRSs 2009 (effective from 1st July, 2009 and 1st January, 2010, as appropriate)
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards (effective from 1st July, 2009)
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters (effective from 1st January, 2010)
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters (effective from 1st July, 2010)
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions (effective from 1st January, 2010)
HKFRS 3 (Revised)	Business Combinations (effective from 1st July, 2009)
HKFRS 8 (Amendment)	Operating Segments (effective from 1st January, 2010)
HKFRS 9	Financial Instruments (effective from 1st January, 2013)
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement (effective from 1st January, 2011)
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments (effective from 1st July, 2010)

The Group will apply the above new and revised standards, amendments and interpretations as and when they become effective. The Group has already commenced an assessment of the related impact to the Group and is not yet in a position to state whether any substantial changes to the Group's results of operations and financial position will be resulted.

2. SEGMENT INFORMATION

(a) Segment information by business lines

The chief operating decision maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Board considers the business from a business perspective, including property investment and development, sale of goods and services, and securities investment and trading. The Board assesses the performance of the operating segments based on a measure of segment result.

The segment information by business lines is as follows:

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Securities investment and trading *HK$'000*	Corporate *HK$'000*	2010 Total *HK$'000*
Revenues	468,486	86,136	6,265	–	560,887
Other income	4,306	9,192	–	61,391	74,889
Operating profit/(loss)	1,071,825	(5,627)	6,265	(47,492)	1,024,971
Finance costs	(36,238)	(614)	–	(7)	(36,859)
Share of results of associated companies	6,265	(30,725)	–	17	(24,443)
Share of result of a jointly controlled entity	(17)	–	–	–	(17)
Profit/(loss) before taxation	1,041,835	(36,966)	6,265	(47,482)	963,652
Taxation charge	(137,705)	(129)	–	(15)	(137,849)
Profit/(loss) for the year	904,130	(37,095)	6,265	(47,497)	825,803
Segment assets	7,142,745	205,237	46,688	881,732	8,276,402
Associated companies	2,338	235,710	–	3,221	241,269
Jointly controlled entity	–	–	–	–	–
Amount due from a jointly controlled entity	52,190	–	–	–	52,190
Total assets	7,197,273	440,947	46,688	884,953	8,569,861
Total liabilities	3,407,261	17,305	–	14,278	3,438,844
Other segment items are as follows:					
Capital expenditure	499,742	224	–	641	500,607
Depreciation	5,144	2,016	–	3,160	10,320
Amortisation of leasehold land and land use rights					
– charged to income statement	931	310	–	–	1,241
– capitalised into properties	21,352	–	–	–	21,352
Write off of trade and other debtors	3,741	–	–	–	3,741
Impairment of available-for-sale financial assets	–	–	–	2,000	2,000

	Property investment and development HK$'000	Sale of goods and services HK$'000	Securities investment and trading HK$'000	Corporate HK$'000	2009 Total HK$'000
Revenues	196,562	96,883	(9,989)	–	283,456
Other income	13,105	4,201	–	15,527	32,833
Operating loss	(93,339)	(3,334)	(10,127)	(123,164)	(229,964)
Finance costs	(63,903)	(431)	–	(501)	(64,835)
Share of results of associated companies	16,513	(50,227)	–	261	(33,453)
Loss before taxation	(140,729)	(53,992)	(10,127)	(123,404)	(328,252)
Taxation credit/(charge)	23,629	(29)	–	(31)	23,569
Loss for the year	(117,100)	(54,021)	(10,127)	(123,435)	(304,683)
Segment assets	5,913,851	166,530	6,279	911,452	6,998,112
Associated companies	31,950	243,686	–	3,199	278,835
Total assets	5,945,801	410,216	6,279	914,651	7,276,947
Total liabilities	3,010,654	18,004	–	12,361	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
Write off of trade and other debtors	1,706	–	–	–	1,706
Impairment of available-for-sale financial assets	–	–	–	28,000	28,000

(b) Additional information by geographical segments

The business of the Group operates in three geographical areas of Hong Kong, the People's Republic of China (the "PRC") and other countries. The segment information by geographical area is as follows:

	Revenues		Non-current assets		Total assets		Capital expenditure	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**142,764**	149,325	**4,414,079**	3,607,412	**5,818,843**	4,601,350	**117,524**	43,968
The PRC	**338,964**	52,829	**98,854**	106,201	**2,150,047**	2,115,540	**379,859**	259,298
Other countries	**79,159**	81,302	**424,830**	389,932	**600,971**	560,057	**3,224**	2,809
	560,887	283,456	**4,937,763**	4,103,545	**8,569,861**	7,276,947	**500,607**	306,075

3. OTHER INCOME

	2010 HK$'000	2009 HK$'000
Interest income from		
Bank deposits	**3,998**	16,291
Loans and receivables	**3,845**	2,400
Negative goodwill arising from the purchase of additional interests in a subsidiary	**31,137**	3,861
Sale of scraped material	**965**	1,033
Net gain on disposal of property, plant and equipment	**27,286**	–
Gain on disposal of available-for-sale financial assets	**–**	985
Net fair value gain on derivative financial instruments	**3,814**	–
Sundries	**3,844**	8,263
	74,889	32,833

4. OPERATING PROFIT/(LOSS)

	2010 HK$'000	2009 HK$'000
Operating profit/(loss) is stated after crediting:		
Dividend income from listed investments	**–**	2,036
Net realised gains on other investments	**6,883**	–
and after charging:		
Cost of properties sold	**275,878**	47,029
Cost of inventories sold	**67,517**	70,089
Depreciation	**10,320**	12,165
Amortisation of leasehold land and land use rights	**1,241**	1,240
Impairment on:		
– property, plant and equipment*	**–**	273
– leasehold land and land use rights*	**7,000**	4,070
– available-for-sale financial assets*	**2,000**	28,000
– inventories*	**5,000**	–
Write off of trade and other debtors	**3,741**	1,706
Net exchange loss*	**49**	3,662
Net realised loss on other investments	**–**	10,648
Net unrealised loss on other investments	**618**	1,377
Net fair value loss on derivative financial instruments*	**–**	4,165
Staff costs, including Directors' emoluments		
Wages and salaries	**73,270**	76,756
Retirement benefit costs	**3,110**	3,343

* *Included in other operating expenses*

5. SHARE OF RESULTS OF ASSOCIATED COMPANIES

Share of results of associated companies includes a deemed loss on dilution of interests in an associated company of HK$11,304,000 (2009: Nil).

6. TAXATION CHARGE/(CREDIT)

	2010	2009
	HK$'000	*HK$'000*
Current		
Hong Kong profits tax – under-provision in previous years	**–**	6
Overseas profits tax	**35**	(51)
PRC corporate income tax	**7,714**	1,948
PRC land appreciation tax	**9,194**	1,936
Deferred		
Current year	**120,906**	(15,810)
Effect of change in taxation rate	**–**	(11,598)
	137,849	(23,569)

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit for the year (2009: 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. PRC land appreciation tax is levied at the progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of associated companies for the year ended 31st March, 2010 amounting to HK$349,000 (2009: HK$3,122,000) is included in the income statement as share of results of associated companies. There is no taxation charge of the jointly controlled entity for the year ended 31st March, 2010 (2009: N/A).

7. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
Interim scrip dividend with a cash option of 1.0 HK cent (2009: cash dividend of 1.0 HK cent) per share	**15,183**	15,106
Proposed final scrip dividend with a cash option of 2.0 HK cents (2009: 0.5 HK cent) per share	**30,575**	7,553
	45,758	22,659

On 14th July, 2010, the Board proposed a final scrip dividend with a cash option of 2.0 HK cents (2009: 0.5 HK cent) per share amounting to HK$30,575,000 (2009: HK$7,553,000). The amount of HK$30,575,000 is calculated based on 1,528,730,106 issued shares as at 14th July, 2010. 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, 2011 upon the approval by the shareholders.

8. EARNINGS/(LOSS) PER SHARE

The calculation of the earnings/(loss) per share is based on the profit attributable to equity holders of HK$799,728,000 (2009: loss of HK$248,844,000) and the weighted average number of 1,514,662,718 (2009: 1,496,447,333) shares in issue during the year.

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

9. DEBTORS AND PREPAYMENTS

Rental income 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:

	2010	2009
	HK$'000	*HK$'000*
Below 30 days	**36,848**	11,512
31 to 60 days	**6,190**	3,774
61 to 90 days	**3,464**	1,898
Over 90 days	**3,018**	3,205
	49,520	20,389

Debtors and prepayments include deposits of HK$204,181,000 (2009: HK$200,807,000) for property development projects and acquisition of leasehold land and land use rights in Hong Kong, the PRC and Vietnam, and HK$40,429,000 (2009: HK$17,363,000) for acquisition of property, plant and equipment.

10. CREDITORS AND ACCRUALS

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

	2010	2009
	HK$'000	*HK$'000*
Below 30 days	**2,869**	3,914
31 to 60 days	**1,197**	2,400
Over 60 days	**7,527**	6,717
	11,593	13,031

11. INVESTMENT PROPERTY HELD FOR SALE

On 31st March, 2010, a wholly-owned subsidiary of the Group entered into an agreement with an independent third party to dispose of an investment property in Hong Kong at the consideration of HK$462.8 million. An initial deposit of HK$20.0 million was received on the same date. The transaction will be completed on 6th August, 2010 and is expected to realise a net profit to the Group in the next financial year. Details of the transaction were set out in the announcement of the Company on 31st March, 2010.

12. FINANCIAL GUARANTEES

As at 31st March, 2010, the subsidiaries have provided guarantees amounting to HK$110,505,000 (2009: HK$33,447,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

13. CAPITAL COMMITMENTS

As at 31st March, 2010, the Group has capital expenditure commitments contracted but not provided for in respect of property development and property, plant and equipment amounting to HK$420,947,000 (2009: HK$433,263,000) and available-for-sale financial assets amounting to HK$23,725,000 (2009: HK$26,065,000) respectively.

14. PLEDGE OF ASSETS

As at 31st March, 2010, 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$5,134,644,000 (2009: HK$4,064,966,000), to secure general banking and financial guarantee facilities granted to those subsidiaries.

15. SUBSEQUENT EVENTS

In April 2010, Chuang's China Investments Limited ("Chuang's China") (together with its subsidiaries as the "Chuang's China Group"), a listed subsidiary of the Group, participated in a government land auction and had successfully bided for two development sites in Anshan, Liaoning, the PRC with a total of 500,000 developable sq. m. at a total cost of RMB202 million (equivalent to about HK$231 million). The amount had been fully paid in May 2010 and according to the terms of the land auction, the two sites will be delivered to the Chuang's China Group before 30th July, 2010.

The Company had granted unsecured short-term facilities to Chuang's China to finance the above acquisition. The facilities bear interests at prevailing market rates and amounted to about HK$100 million as at the date of this report.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2010 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 Group's businesses benefited from the rebound of the property markets in Hong Kong and the People's Republic of China (the "PRC") after the global financial tsunami and the Group recorded a profit during the year compared to a loss in the last corresponding year.

Revenues of the Group during the year amounted to HK$560.9 million (2009: HK$283.5 million), representing an increase of 97.8% from that of last year, principally as a result of increase in property sales in the PRC. Revenues of the Group comprise income from property investment business of HK$126.7 million (2009: HK$119.9 million), income from property development business of HK$341.8 million (2009: HK$76.7 million), income from manufacturing and trading business of HK$86.1 million (2009: HK$96.9 million) and income from securities investment and trading business of HK$6.3 million (2009: loss of HK$10.0 million).

As a result of the increase in income from property sales as well as the securities investment and trading business of the Group, gross profit during the year increased by 41.9% to HK$182.0 million (2009: HK$128.3 million). Other income increased to HK$74.9 million (2009: HK$32.8 million) mainly due to negative goodwill arising from the acquisition of additional interests in Chuang's China Investments Limited ("Chuang's China") and net gain on the disposal of property, plant and equipment. A detailed analysis of other income is shown in note 3 on page 8 of this report. During the year under review, the Group recorded an upward revaluation surplus of HK$1,026.7 million (2009: revaluation deficit of HK$130.5 million) for its investment properties, reflecting the significant improvement in office, retail and high-class residential property prices in Hong Kong, in particular the Group's completed property project located at No. 37 Island Road, Deep Water Bay. Of this amount of revaluation surplus, approximately HK$180.5 million is related to House D, No. 37 Island Road, Deep Water Bay, which is to be sold and the completion date will be on 6th August, 2010.

On the costs side, selling and marketing expenses increased to HK$52.8 million (2009: HK$24.7 million) primarily due to the greater efforts placed on project marketing and the launching of new projects in Hong Kong and the PRC. Administrative expenses remained stable at HK$182.8 million (2009: HK$183.4 million) whereas other operating expenses decreased to HK$23.0 million (2009: HK$52.5 million) mainly due to the decrease in impairment losses on the assets of the Group as a result of improved market conditions and a reduction of exchange loss. Finance costs decreased to HK$36.9 million (2009: HK$64.8 million) due to the lower interest rates prevailing during the year. Share of loss of associated companies amounted to HK$24.4 million (2009: HK$33.5 million) mainly due to the share of loss relating to Midas International Holdings Limited ("Midas") and the deemed loss on dilution of interests in Midas. Taxation amounted to HK$137.8 million (2009: taxation credit of HK$23.6 million) mainly relating to deferred tax arising on revaluation surplus of the Group's investment properties.

Taking the above into account, profit attributable to equity holders of the Company for the year ended 31st March, 2010 amounted to HK$799.7 million (2009: loss of HK$248.8 million). Earnings per share amounted to 52.8 HK cents (2009: loss per share of 16.6 HK cents).

DIVIDENDS

The Board has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting the payment of a final dividend of 2.0 HK cents (2009: 0.5 HK cent) per share for the year ended 31st March, 2010. The final dividend, if approved, will be paid on or before 25th October, 2010 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 30th August, 2010.

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 the 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 30th August, 2010, whichever is 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 (2009: 1.0 HK cent) per share has been paid in respect of current financial year. Total dividends for the year, therefore, amounted to 3.0 HK cents (2009: 1.5 HK cents) per share, representing an increase of 100%. Total dividends for the year amounted to HK$45.8 million (2009: HK$22.7 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's major investment properties in Hong Kong comprise Chuang's London Plaza in Tsim Sha Tsui, Chuang's Hung Hom Plaza in Hunghom, portion of Chuang's Enterprises Building in Wanchai, four houses at No. 37 Island Road in Deep Water Bay, No. 15 Gough Hill Road in The Peak and Chuang's Tower in Central (held through Chuang's China). The total gross floor area ("GFA") of the Group's portfolio of investment properties amounted to approximately 410,000 *sq. ft.* comprising retail, office, high-class residential and carparking spaces. As a result of an improved occupancy rate and the increase in rental rates upon certain new leases and lease renewals, rental and other income from investment properties in Hong Kong during the year amounted to approximately HK$109.3 million, representing an increase of about 5.7% compared with that of last year.

The redevelopment of No. 37 Island Road, Deep Water Bay into four houses (Houses A, B, C and D), each with an exclusive outdoor swimming pool, spacious garden area and spectacular sea-view, has been completed with occupation permit issued on 20th April, 2009, thus the properties have been accordingly reclassified from properties under development to investment properties of the Group on the date of the issue of occupation permit. On 31st March, 2010, the Group has entered into an agreement to dispose of House D for a consideration of HK$462.8 million. As at the date of this report, deposits of HK$46.28 million were received and completion of the disposal is expected to be on 6th August, 2010. The completion of the disposal as aforesaid is expected to realise a net profit to the Group in the first half of the next financial year. Due to the limited supply and strong demand of such type of luxurious properties in that area, the Group will continue to market and lease out the remaining houses and is confident that the project will be well received by the market.

For No. 15 Gough Hill Road, The Peak, the property is currently being leased. Recently, the Group has agreed with the relevant authorities for the premium payable on certain lease modifications regarding the relaxation of height restriction and granting of additional access via the main road, which the Group believes will enhance the value of the property. Once the legal formalities on the lease modifications are finalised, the Group will consider to commence redevelopment of the property into a house with unique architectural design. Building plans for the redevelopment have already been approved by the relevant authorities.

(ii) Properties Under Development/For Sale

During the year, property sales in Hong Kong amounted to HK$32.3 million, of which HK$28.0 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.

In February 2010, the Group has commenced the presales of Wuhu Residence in Hunghom. The response has been encouraging and up to the date of this report, presales of approximately HK$150.8 million were achieved. During the year, the Group also took steps to replenish our landbank in Hong Kong by acquiring interests in two development projects.

A summary of the progress of the Group's existing projects and the newly acquired projects is as follows:

(a) Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon

The property is located adjacent to Chuang's Hung Hom Plaza and is being redeveloped into a 22-storey building with modern architectural design of 100 apartments (of which 97 are studio apartments) with club house facilities and shopping spaces at the podium levels (G/F and 1/F), having a total building area of about 47,000 *sq. ft.*. Foundation works will be completed soon which will be followed by superstructure works. The redevelopment is expected to be completed in the third quarter of 2011. Presales of the project had been commenced in February 2010. In view of the limited supply of studio apartments in that area, the project was well received by the market and up to the date of this report, a total of 57 units were presold with aggregate sales value of HK$150.8 million. The Group expects the total proceeds on the sales of the entire project to be about HK$345 million.

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

The Group participated in a 30% interest in this development and 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. All units and carparking spaces have been sold with final sales completed during the year amounted to HK$28.0 million, generating a profit of approximately HK$6.2 million which was included in the share of results of associated companies.

(c) No. 30 Po Shan Road, Hong Kong

In December 2009, the Group formed a joint venture with K. Wah International Holdings Limited on a 50%:50% basis to acquire the property for redevelopment at a consideration of HK$325 million. Land cost per *sq. ft.* of developable area is about HK$9,000 and the acquisition was completed in March 2010. The property is located in a prestigious residential mid-level area that enjoys a glamorous sea-view and has a site area of about 10,000 *sq. ft.*. Building plans have been approved for the redevelopment of the property for residential purpose with a GFA of about 36,000 *sq. ft.*. Feasibility studies are being conducted in conjunction with our joint venture partner and consultants on various proposals to enhance the value of the project.

(d) Nos. 93-105 Parkes Street, Jordan, Kowloon

In February 2010, the Group entered into an agreement to acquire the property for redevelopment at a consideration of HK$158 million. Deposits of HK$15.8 million were paid and completion of the acquisition will take place on 31st August, 2010. The property is located next to the Jordan station of the mass transit railway and has a site area of about 4,620 *sq. ft.*. The property is intended to be redeveloped into a commercial/residential building and building plans for the redevelopment have been submitted to the relevant authorities for approval.

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

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

(i) Malaysia

Central Plaza, Julan Sultan Ismail, Kuala Lumpur

Central Plaza, which is located within the "Golden Triangle" of Kuala Lumpur, is owned by the Group for investment purpose. The property has a total GFA of 380,000 *sq. ft.* of retail, office and carparking spaces. Due to the increase in rental rates as a result of recent upgrading and renovation works completed by the Group, rental and other income from this property during the year amounted to HK$15.8 million, representing an increase of about 5.7% from that of last year.

(ii) Vietnam

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

The Group had entered into an agreement to acquire a 70% interest in the project which covers a site area of about 20,300 *sq. m.*. Land cost per *sq. m.* of developable area is about US$76. A residential complex with apartments, villas and club house facilities having a GFA of 120,000 *sq. m.* will be developed on the site. An in-principle approval to develop the project has been granted to the Group and an application for the formation of the project company was made by the Group to the relevant authorities, which is expected to be approved soon. Currently, the Group is in the process of submitting a detailed design for the project with a view to obtain the permit to commence construction works. The site is vacant and construction of the initial phase of the development will commence once all government approvals have been obtained.

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

The Group had participated in a 70% interest in the project which covers a site area of about 273 hectares with the intention to develop a new township with modern architectural design on the site. The Group is still in the process of negotiating with the relevant government authorities and the joint venture partner for the formation of the project company and the granting of the land use rights.

(iii) Taiwan

Xinyi District, Taipei City

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and apartments with a total building area of about 19,700 *sq. ft.*. Building plans for the redevelopment have been approved. Demolition works have been completed and foundation works will commence soon. The project is expected to be completed by the end of 2011.

(iv) Mongolia

Amongst Asian countries, Mongolia ranks as one of the richest in terms of volume and variety of undeveloped mineral resources. With these extensive mineral deposits, the Group believes that business activities and foreign investments in this sector will be likely to increase in the coming years which in turn will stimulate strong demand for quality offices and apartments, in particular, in Ulaanbaatar, the capital city of Mongolia, where there is a shortage of supply of quality offices and apartments. In view of the above, the Group has, subsequent to the balance sheet date, decided to invest in the following projects:

(a) The Edelweiss, Sukhbaatar District, Ulaanbaatar

In June 2010, the Group entered into a memorandum of understanding with a local partner to participate in a 53% interest in a residential project in Sukhbaatar District, Ulaanbaatar. Pursuant to the terms of the memorandum of understanding, the Group will contribute US$5 million in stages to the project company to finance the construction costs and the local partner will contribute the land title to the project company. Land cost per *sq. m.* of developable area is about US$190. The project is located nearby the city centre within the embassy district, having a site area of about 5,600 *sq. m.*. It is planned that two towers of apartments with a total GFA of about 23,800 *sq. m.* will be built. Definitive agreement for the joint venture is expected to be signed soon which will be followed by the commencement of the initial phase of the development comprising about 15,000 *sq. m.* of GFA.

(b) Chinggis Avenue, Sukhbaatar District, Ulaanbaatar

In July 2010, the Group entered into a memorandum of understanding to acquire a piece of land located within the central business district of Ulaanbaatar for US$3.8 million. Land cost per *sq. m.* of developable area is about US$230. The property has a site area of 3,272 *sq. m.* and it is currently planned that an office/residential building with GFA of not less than 16,360 *sq. m.* will be developed. Completion of the acquisition is expected to be in the fourth quarter of 2010.

(C) Chuang's China (Stock code: 298 and 57.0% owned)

All the Group's property activities in the PRC are conducted through this listed subsidiary. During the year, the Group had increased its interest in Chuang's China from 54.4% as at 31st March, 2009 to 57.0% as at 31st March, 2010 through acquisitions of 39,698,000 shares in the market at an average price of about HK$0.41 per share.

(i) Land Replenishment

As the urbanisation process in the PRC accelerates the economic growth, the Group is actively assessing opportunities for land acquisitions. In the past year, the Group has actively reached out for opportunities in Guangzhou, Beijing, Chengdu, Changsha, Anshan and Yantai.

The Group adopts a flexible approach in continuance in our strategy of expansion of land reserves at low cost while keeping pace with the trend of urbanisation development and explores opportunities in potential regions especially in the second or third tier cities. Further to the agreement by the Group to dispose of the development sites in Huizhou for a consideration of RMB192 million *(equivalent to about RMB1,000 per developable sq. m.)*, in April 2010 the Group acquired two prime developable sites in Anshan for a consideration of RMB202 million *(equivalent to about RMB400 per developable sq. m.)*.

(ii) Property Development

The property market in the PRC experienced a strong rebound since early 2009 with active property transactions and an increase in property prices. This recovery was attributable to the strong liquidity and the pent-up demand released in 2009. However, such drastic rebound and public land auctions in certain cities have continuously hit new highs, lead to concerns of possible overheating. To ensure the healthy development of the property market, since early 2010 the PRC government has introduced a series of macro control policies which include the tightening of liquidity and mortgage policies for home buyers. With the impacts of these factors, in the short term, property transaction volumes will slow down, though, such temporary adjustment will not affect the long term growth trend of the property market.

At present, major completed property projects as well as developable projects of Chuang's China are as follows:

Major completed property projects	**Type**	**Total GFA completed** *(sq. m.)*
Chuang's Le Papillon, Guangzhou	Residential/commercial	63,400
Imperial Garden, Chuang's New City, Dongguan	Residential/commercial	96,000
Beverly Hills, Changsha	Residential/commercial	70,000
Total		229,400

Developable property projects	Total developable GFA *(sq. m.)*
Chuang's Le Papillon, Guangzhou	386,600
Imperial Garden, Chuang's New City, Dongguan	434,000
Guangdong: Sub-total	820,600
Chuang's Palazzo Caesar, Changsha	535,000
Beverly Hills, Changsha	10,600
Anshan Cyber Mall, Anshan	110,000
Chuang's Plaza, Anshan	390,000
Chuang's Le Printemps, Chengdu	120,000
Xiamen Mingjia Binhai, Xiamen	18,000
Other region: Sub-total	1,183,600
Total	2,004,200

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 a total GFA of over 450,000 *sq. m.*, comprising the first phase of 63,400 *sq. m.* of completed properties and 386,600 *sq. m.* for development. The average land cost of this project 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 within 5 km to the station of Guangzhou Metro route number 4. Furthermore, the station of Guangzhou Express Rail Link (廣州高速鐵路) is located within 23 km, and is now providing express train services from Guangzhou to Wuhan. By the end of this year, the express train service will extend from Guangzhou to Shenzhen, thus reducing travelling time to just 20 minutes. Once the cross border express train (廣深港高速鐵路) connecting to West Kowloon of Hong Kong is completed, travelling from Guangzhou to Hong Kong is estimated to be within 50 minutes.

Phase I of Chuang's Le Papillon has been completed. It comprises residential GFA of about 60,000 *sq. m.*, commercial and club house facilities of about 3,400 *sq. m.* and about 254 carparking spaces. It provides 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.*.

Blocks 1 to 3 with flat sizes ranging from 93 *sq. m.* to 120 *sq. m.* have virtually been sold out at an average selling price of about RMB5,200 per *sq. m.*. These sold units were delivered to buyers in March 2010, and the sales are accounted as the Group's revenue in the financial year under review.

In January 2010, presales commenced for blocks 8 to 11 providing 4 bed-room apartments of 175 *sq. m.*. Up to now, about 32% of these 124 apartments are sold at an average selling price of about RMB7,000 per *sq. m.*. These sold units are scheduled to be delivered to buyers in early September 2010 and the sales will be accounted as the Group's revenue in the financial year ending 31st March, 2011.

In view of the recent tightening of the mortgage policies for buyers of second property per household, the progress of the sales of blocks 8 to 11 which mainly provide larger flat size has been adversely affected. However, the Group believes that the fundamental demand for properties in Guangzhou remains strong, and the popular flat sizes are of 90-120 *sq. m.*. To replenish the supply of these flat sizes, the Group has embarked on phase II of Chuang's Le Papillon which comprises 6 blocks with 50,000 *sq. m.* GFA providing units from 90 *sq. m.* to 120 *sq. m.*. Foundation works have been completed and superstructure works are now in progress. It is expected that presales of these 6 blocks will commence before the end of September 2010.

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

Imperial Garden has a total GFA of 530,000 *sq. m.*, comprising 96,000 *sq. m.* of completed properties and 434,000 *sq. m.* for development. The average land cost of this project is about RMB660 per *sq. m.*. It is located at 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). The express train from Shenzhen to Guangzhou will be in service before the end of 2010, and travelling time will then be greatly reduced to just 10 minutes from Humen Station to either Guangzhou or Shenzhen. Furthermore, Chuang's New City is only 3 minutes away from the exit of the new coastal highway (沿江高速), now under construction serving Guangzhou to Shekou, and in turn linking to Hong Kong by way of the Hong Kong–Shenzhen Western Corridor. The construction of the Dongguan Light Rail (東莞市軌道) is in progress, and the nearest rail station is designated just within 1 minute' drive from Chuang's New City.

Construction works of Imperial Garden providing residential GFA of about 89,000 *sq. m.*, commercial complex of about 7,000 *sq. m.* and 184 carparking spaces have been completed, providing 8 residential blocks 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.*.

Sales of Imperial Garden are still in progress. As of now, a total of 5 blocks providing 372 typical units with total GFA of 46,780 *sq. m.* have been launched, of which 78% has been sold at an average selling price of RMB4,700 per *sq. m.*. The Group will shortly launch the other 3 blocks with flat sizes ranging from 96 *sq. m.* to 161 *sq. m.*. Handover of sold units to buyers has commenced in December 2009 and about 90% of these sales are completed and accounted as the Group's revenue in the financial year under review.

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

In January 2008, the Group entered into an agreement with Daya Bay Economic & Technological Development Group (大亞灣經濟技術開發集團公司), a state-owned enterprise, to dispose of the Group's development sites in Huizhou. The sites have a total developable area of about 190,000 *sq. m.* and the disposal consideration is about RMB192 million, representing about RMB1,000 per *sq. m.* of developable GFA. Deposit of about RMB15 million had been received upon signing of the agreement and the original completion date was April 2008. After signing the agreement, as affected by the macro economic measures in the PRC in 2008, Daya Bay State-owned Assets Supervision and Administration Commission (大亞灣經濟技術開發區國有資產管理中心) had requested for an extension in the completion of the transaction.

With successful negotiation in February 2010, the Group entered into the supplemental agreement with Daya Bay Economic & Technological Development Group (大亞灣經濟技術開發集團公司), and received further deposits of RMB20 million. From April 2010 to the date of this report, the Group has further received deposits of RMB90 million. It is expected that a further RMB51 million will be paid to the Group upon delivery of the sites and the disposal will be completed in the financial year ending 31st March, 2011, whereas the balance of RMB16 million will be paid to the Group on the first anniversary of delivery of the sites.

Furthermore, in May 2010, the Group agreed with the local authority of Huizhou for the resumption of the Group's remaining site in Huizhou to facilitate the construction of Shenzhen Xiamen Railway (廈深鐵路). The net cash compensation of about RMB18.5 million was received by Chuang's China. As a result of the land resumption, it is expected that a net gain of about RMB10.5 million will be recorded as other income of Chuang's China in the first half of the financial year ending 31st March, 2011.

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

Phase I of the project comprises completed properties of about 70,000 *sq. m.* and properties under construction of about 10,600 *sq. m.*. Land cost is about RMB200 per *sq. m.*.

Within phase I, development of the 70,000 *sq. m.* residential area has been completed, comprising 172 bungalows, link houses and semi-detached houses and 144 units of high rise apartments. Up to the date of this report, about 71% of the development has been sold. The Group will market the remaining 12 link houses, 31 semi-detached houses and 20 high rise apartments as well as the 7 bungalows in the financial year ending 2011. The Group is also constructing a boutique residence, occupying a site area of about 7,800 *sq. m.* and a total GFA of about 10,600 *sq. m.*. Superstructure works for the development have been completed and the rest of the external finishing works and the landscaping works are to be completed within 2010.

The Group is planning for further phases of the project and will negotiate with the local government for supply of land with total site area up to 900,000 *sq. m.* at 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 535,000 *sq. m.* at the average land cost of RMB270 per *sq. m.*. 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 of about 135,000 *sq. m.*, mid-rise and high-rise apartments of about 390,000 *sq. m.* and commercial facilities of about 10,000 *sq. m.*. Site formation works have commenced on phase I of the project comprising link houses and semi-detached houses of about 50,000 *sq. m.*.

(f) Anshan Cyber Mall, Anshan, Liaoning (100% owned by Chuang's China)

In April 2010, the Group participated in a government land auction and had successfully bid for the development site in Anshan, Liaoning province. With a population of 3.6 million, Anshan is the important steel production base of the PRC, and is also known as the "Steel Capital". Land cost for the site is RMB44.5 million *(equivalent to about HK$51 million)* and had been fully paid in May 2010. With a total of 110,000 developable *sq. m.*, the average land cost is about RMB400 per *sq. m.*. According to the terms of the land auction, the site will be delivered to the Group before 30th July, 2010.

The site, tentatively named as Anshan Cyber Mall, is located in the prime city centre of Tie Dong Qu (鐵東區) of Anshan, right next to the Anshan rail station and the nearby popular outdoor mall. It will be developed into a comprehensive complex for residential and commercial purposes and on the basis of a plot ratio of 10 times, residential GFA will be 90,000 *sq. m.* and commercial GFA will be 20,000 *sq. m.*. The Group has commenced on the master layout plan for the project and will commence on ground investigation works once the site is delivered by the local government.

(g) Chuang's Plaza, Anshan, Liaoning (100% owned by Chuang's China)

During the government land auction in April 2010, the Group had successfully bid for the second development site in Anshan, Liaoning province. Land cost for the site is RMB157.5 million *(equivalent to about HK$180 million)* and had been fully paid in May 2010. With a total of 390,000 developable *sq. m.*, the average land cost is about RMB400 per *sq. m.*. According to the terms of the land auction, the site will be delivered to the Group before 30th July, 2010.

Situated within 1 km from Anshan Cyber Mall, the second site acquired by the Group, tentatively named as Chuang's Plaza, is located in the prime city centre of Tie Dong Qu (鐵東區) and is within walking distance to the Anshan rail station and the popular local marketplace as well as the local government offices. It will be developed into a comprehensive complex for residential and commercial purposes with developable GFA of 390,000 *sq. m.* based on a plot ratio of 10 times. The Group has commenced on the master layout plan for the project and will commence on ground investigation works once the site is delivered by the local government.

(h) 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 Siming Qu (思明區) of Xiamen. Land cost of this project is about RMB4,800 per *sq. m.*. It will be developed into a luxurious high end villas and resort with GFA of about 18,000 *sq. m.*. On the site, about 30 villas will be developed 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. Master planning work is in progress.

(i) 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 Wu Hou Qu (武侯區). Conversion of the site to residential/commercial use has been obtained. Based on a plot ratio of 4, the development with GFA of about 120,000 *sq. m.* will comprise residential, commercial and carparking spaces. Master planning work is in progress.

(iii) Property Sales

For the financial year ended 2010, property sales of the Group in the PRC which were recognised as revenues were about HK$337.4 million, representing a 557% increase compared to that of the last corresponding year. The sales are principally related to phase I of Chuang's Le Papillon in Guangzhou, Imperial Garden in Dongguan and Beverly Hills in Changsha.

As at the date of this report, the Group has contracted sales of about HK$307 million which have not yet been recorded as revenues, including the sale of the development sites in Huizhou as mentioned hereinabove, as well as property sales related to phase I of Chuang's Le Papillon in Guangzhou, Imperial Garden in Dongguan and Beverly Hills in Changsha. It is expected that handover of these properties will be in the financial year ending 2011.

In the remaining financial year ending 2011, the Group targets to market an aggregate of about 159,000 *sq. m.* of GFA, including 88,000 *sq. m.* of phases I and II of Chuang's Le Papillon in Guangzhou, 51,000 *sq. m.* of Imperial Garden in Dongguan and 20,000 *sq. m.* of Beverly Hills in Changsha, the total value of which, based on estimated current market prices of the properties, amounts to about RMB1.1 billion *(equivalent to HK$1.25 billion)*.

(D) Midas (Stock code: 1172 and 44.2% owned)

Midas is principally engaged in the printing business and the operation of cemetery in the PRC. During the year, as a result of the issue of new shares by Midas to a third party noteholder, the interest of the Group in Midas has been diluted from 48.4% as at 31st March, 2009 to 44.2% as at 31st March, 2010. The deterioration in printing demand caused by the financial tsunami has not yet fully recovered in 2009. As a result, the operating results of Midas for the year ended 31st December, 2009 continued to be disappointing with turnover dropped by 41.3% to HK$299.6 million and Midas reported a net loss attributable to equity holders of HK$43.4 million.

As regards the printing business, the trading environment will continue to be difficult in 2010. In order to alleviate this difficult trading environment and to restore the printing operation into profitability soonest possible, Midas has taken proactive measures including strengthening sales, improving profit margins and enhancing costs controls.

As regards the cemetery business, Midas will continue to strengthen its marketing effort, in particular, the setting up of new sales offices in Hong Kong and the PRC, the implementation of a series of campaigns to boost publicity and the arrangement of joint promotion programmes with funeral parlors and funeral service providers in the PRC. Furthermore, the new highway linking Guangzhou and Hezhou that bypasses Sihui is expected to be in operation in the second half of 2010 which will substantially reduce the travelling time between Guangzhou and Sihui, where the cemetery is located. The Group believes that this enhancement in accessibility will attract more demands of the grave plots from the Guangzhou region. In view of the anticipated growth in demand and the limited supply of quality cemeteries in the PRC, Midas has commenced negotiation with the local government for acquiring an additional 250 mu of land for further expansion of the cemetery. In addition, Midas also intends to engage consultants to study and draw up a design plan for the entire 5,000 mu of land with the objective that Fortune Wealth Memorial Park will become one of the most outstanding and prestigious cemeteries in the Southern China region.

In August 2009, the Group completed the subscription for a new convertible note due 2014 of Midas in the principal sum of HK$60 million which carries interest at 1% per annum and, on a fully converted basis, is able to convert into 240 million new shares of Midas. The aforesaid subscription has strengthened the working capital position of Midas for the development of its ongoing businesses, which is beneficial for the long term development of Midas. Subsequent to the balance sheet date, the Group has converted HK$8.75 million convertible note due 2014 of Midas into 35 million new shares of Midas. As a result, the Group's shareholding interest in Midas has increased from 44.2% as at 31st March, 2010 to 46.0% as at the date of this report.

(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 manufacturing and sales of home finishing products under its own brand names, and Yuen Sang Hardware Company (1988) Limited, a company owned by Chuang's China engaged in the manufacturing and sales of metalware for export. During the year, the weak consumer demand caused by the uncertainty in world economies had adversely affected these businesses. As a result, revenues generated from the manufacturing and trading business during the year decreased by 11.1% to HK$86.1 million and operating loss from these businesses amounted to HK$5.6 million. In order to restore these businesses into profitability, the Group has taken steps to broaden their product ranges and customer bases, and to implement effective costs controls.

Due to the rebound of the stock market in Hong Kong, the Group recorded a profit of HK$6.3 million for its securities investment and trading business during the year. As at 31st March, 2010, quoted investments of the Group amounted to HK$46.7 million and the Group did not have any investment in derivative financial instrument.

FINANCIAL POSITIONS

As at 31st March, 2010, net assets attributable to equity holders was HK$4,280.8 million. Net asset value per share was approximately HK$2.80, which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

As at 31st March, 2010, the Group's cash and bank balances and other investments amounted to HK$1,001.5 million (2009: HK$1,187.6 million). Bank borrowings as at the same date amounted to HK$2,529.7 million (2009: HK$2,361.6 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 net assets attributable to equity holders of the Company, was 35.7% (2009: 34.3%). It is expected that the ratio will be improved upon the completion of the disposal of House D, No. 37 Island Road, Deep Water Bay in August 2010.

Approximately 87.5% of the Group's cash and bank balances and other investments were denominated in Hong Kong dollar, United States dollar and Malaysian Ringgit, with the balance of 12.5% denominated in Renminbi. Approximately 79.6% of the Group's bank borrowings were denominated in Hong Kong dollar, 12.7% in Renminbi, 7.5% in Malaysian Ringgit and the balance of 0.2% in Singapore dollar. Accordingly, risk in foreign currency exchange rate fluctuation would not be material.

Approximately 8.7% of the Group's borrowings was repayable within one year, 17.6% repayable within the second year, 66.9% repayable within the third to fifth years and the balance of 6.8% repayable after five years.

Subsequent to the balance sheet date, in order to finance the acquisition of the development sites in Anshan, the PRC, by Chuang's China, the Company has granted unsecured short-term facilities to Chuang's China which bear interests at prevailing market rates. As at the date of this report, the amount outstanding under the short-term facilities was HK$100 million.

PROSPECTS

With the emergence of debt crisis in certain European countries, the implementation of austerity programmes by the PRC government to curb speculation in the property sector and the introduction of measures by the Hong Kong government to enhance transparency and fairness in property transactions, the property markets in Hong Kong and the PRC have been undergoing a period of consolidation. However, with the continued growth of the economy, the increase in household income and the drive for improved living standard in the PRC, and Hong Kong being a gateway to the PRC and an international financial and trade centre, the Group is confident on the long term prospects of the property markets in Hong Kong and the PRC.

Despite the above, the Group, during the year, managed to continue to improve rental yield of our investment properties, completed the project at No. 37 Island Road in Deep Water Bay, commenced presales of Wuhu Residence in Hunghom and phase I of Chuang's Le Papillon in Guangzhou, and replenished our landbank in Hong Kong and the PRC. In the coming financial years, the Group will continue to focus on developing our core projects such as No. 15 Gough Hill Road, No. 30 Po Shan Road and Nos. 93-105 Parkes Street in Hong Kong and Chuang's Le Papillon in Guangzhou, Imperial Garden in Dongguan, Chuang's Palazzo Caesar in Changsha and Anshan Cyber Mall and Chuang's Plaza in Anshan, the PRC. With the completion of these and other projects of the Group, the Group is confident that its value will be enhanced. Furthermore, the Group will also continuously seek for new real estate business opportunities, through plough back of proceeds from sales of our completed projects, in Hong Kong, the PRC, Vietnam, Malaysia, Taiwan and elsewhere in the region so as to further create value for our shareholders.

CLOSING OF REGISTER

The register of members of the Company will be closed from Tuesday, 24th August, 2010 to Monday, 30th August, 2010, 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, 23rd August, 2010.

STAFF

As at 31st March, 2010, the Group employed 897 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, 2010 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, 2010. 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 FORMAL ADOPTION OF THE CHINESE NAME AS THE SECONDARY NAME OF THE COMPANY

The Board proposes to formally adopt the Chinese name "莊士機構國際有限公司" (which was previously adopted for identification purpose) as the secondary name of the Company, which is subject to (i) the passing of a special resolution by the shareholders of the Company at the forthcoming annual general meeting; and (ii) the approval by the Registrar of Companies in Bermuda.

A circular containing, among other matters, details of the proposed adoption of the Chinese name as the secondary name of the Company, and the notice of convening the forthcoming annual general meeting of the Company will be despatched to the shareholders of the Company as soon as practicable.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2010 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. 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 the Executive Directors, and 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, 14th July, 2010