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, 2011

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31ST MARCH, 2011

– Property sales amounted to HK$1,702.6 million, comprising sales of investment properties and completed development properties.

– Contracted sales of development properties/projects not yet recognised as revenues in Hong Kong and the People's Republic of China amounted to HK$296 million and RMB1,175 million, respectively.

– Net profit attributable to equity holders of the Company amounted to HK$789.7 million, equivalent to earnings per share of 51.2 HK cents.

– Shareholders' funds increased by 18% to HK$5,395.1 million, equivalent to HK$3.42 per share.

– Net debt to equity ratio improved to 14.3% from 33.4% in last year.

– Total dividends per share for the year increased by 66.7% to 5 HK cents.

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 as the "Group") for the year ended 31st March, 2011 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2011

	Note	2011 HK$'000	2010 HK$'000 (Restated)
Revenues		**382,785**	560,887
Cost of sales		**(221,774)**	(378,887)
Gross profit		**161,011**	182,000
Other income	*4*	**49,807**	74,889
Net gain on disposal of investment properties		**503,742**	–
Selling and marketing expenses		**(37,505)**	(52,750)
Administrative and other operating expenses		**(227,181)**	(205,863)
Change in fair value of investment properties		**488,181**	1,026,695
Operating profit	*5*	**938,055**	1,024,971
Finance costs		**(46,772)**	(36,859)
Share of results of associated companies	*6*	**(30,814)**	(24,443)
Share of result of a jointly controlled entity		**(214)**	(17)
Profit before taxation		**860,255**	963,652
Taxation	*7*	**(64,662)**	(14,672)
Profit for the year		**795,593**	948,980
Attributable to:			
Equity holders		**789,686**	915,684
Non-controlling interests		**5,907**	33,296
		795,593	948,980
Dividends	*8*	**78,468**	45,758
		HK cents	*HK cents (Restated)*
Earnings per share (basic and diluted)	*9*	**51.20**	60.45

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2011

	2011 HK$'000	2010 HK$'000 (Restated)
Profit for the year	**795,593**	948,980
Other comprehensive income:		
Changes in exchange rates	**60,417**	45,306
Share of reserves of an associated company	**344**	10,397
Change in fair value of available-for-sale financial assets	**7,604**	40,760
Impairment of available-for-sale financial assets	**–**	2,000
Other comprehensive income for the year	**68,365**	98,463
Total comprehensive income for the year	**863,958**	1,047,443
Total comprehensive income attributable to:		
Equity holders	**837,229**	985,907
Non-controlling interests	**26,729**	61,536
	863,958	1,047,443

CONSOLIDATED BALANCE SHEET
As at 31st March, 2011

	Note	**31st March, 2011 HK$'000**	31st March, 2010 HK$'000 (Restated)	1st April, 2009 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment		**88,309**	82,765	84,659
Investment properties		**4,265,957**	4,315,360	3,084,207
Leasehold land and land use rights		**13,748**	12,979	18,622
Properties for/under development		**404,402**	70,521	547,790
Associated companies		**218,309**	241,269	278,835
Jointly controlled entity		**–**	–	–
Amount due from a jointly controlled entity		**56,287**	52,190	–
Available-for-sale financial assets		**86,627**	74,978	31,892
Loans and receivables		**68,865**	72,372	56,071
Derivative financial instruments		**–**	14,237	–
		5,202,504	4,936,671	4,102,076
Current assets				
Properties for sale		**2,052,848**	1,882,619	1,601,837
Inventories		**74,682**	79,017	96,422
Debtors and prepayments	*10*	**962,137**	348,742	287,281
Tax recoverable		**–**	260	298
Financial assets at fair value through profit or loss		**127,080**	46,688	6,279
Restricted bank balance	*11*	**125,004**	–	–
Cash and bank balances		**1,536,803**	954,772	1,181,285
		4,878,554	3,312,098	3,173,402
Investment property held for sale	*12*	**17,160**	320,000	–
		4,895,714	3,632,098	3,173,402
Current liabilities				
Creditors and accruals	*11*	**850,208**	326,668	209,214
Short-term bank borrowings		**–**	22,133	87,011
Current portion of long-term bank borrowings		**162,063**	1,171,663	1,209,831
Taxation payable		**135,234**	85,010	67,734
		1,147,505	1,605,474	1,573,790
Net current assets		**3,748,209**	2,026,624	1,599,612
Total assets less current liabilities		**8,950,713**	6,963,295	5,701,688
Equity				
Share capital		**394,218**	382,183	377,647
Reserves		**4,950,388**	4,161,160	3,212,782
Proposed final dividend		**50,460**	30,575	7,553
Shareholders' funds		**5,395,066**	4,573,918	3,597,982
Non-controlling interests		**952,616**	859,379	816,637
Total equity		**6,347,682**	5,433,297	4,414,619
Non-current liabilities				
Long-term bank borrowings		**2,400,552**	1,335,887	1,064,711
Derivative financial instruments		**2,566**	1,442	1,442
Deferred taxation liabilities		**189,759**	182,531	184,732
Loans from non-controlling interests		**10,154**	10,138	36,184
		2,603,031	1,529,998	1,287,069
		8,950,713	6,963,295	5,701,688

NOTES:

1. GENERAL INFORMATION

Chuang's Consortium International Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property investment and development, manufacturing and sale of watch components, merchandise, bonded polyester fabrics and home finishing products, and securities investment and trading.

2. 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 financial assets at fair value through profit or loss 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, 2011, the Group adopted the following revised standards, amendments and interpretations that are effective for the Group's accounting periods beginning on 1st April, 2010 and relevant to the Group's operations:

HKAS 7 (Amendment)	Statement of Cash Flows
HKAS 17 (Amendment)	Leases
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Classification of Rights Issues
HKAS 36 (Amendment)	Impairment of Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Eligible Hedged Items
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKFRS 8 (Amendment)	Operating Segments
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners

In addition, for the financial year ended 31st March, 2011, the Group has early adopted HKAS 12 (Amendment) "Deferred Tax: Recovery of Underlying Assets" which should be effective for the Group's accounting periods beginning on 1st April, 2012.

The Group has assessed the impact of the adoption of these 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 except for HKAS 17 (Amendment), HKAS 27 (Revised), HKFRS 3 (Revised), HK-Int 5 and the early adoption of HKAS 12 (Amendment).

HKAS 17 (Amendment) Leases

HKAS 17 (Amendment) requires the Group to reassess the classification of leasehold land as finance or operating leases. The Group has reassessed the classification of unexpired leasehold land as at 1st April, 2010 on the basis of information existing at the inception of those leases, and considered that no reclassification is necessary.

In addition, during the reassessment, the Group has changed its accounting policy for leasehold land and land use rights which are accounted for as properties for/under development and properties for sale. These leasehold land and land use rights meet the definition of both inventories under HKAS 2 "Inventories" and leasehold land under HKAS 17 (Amendment). Previously they were classified as prepaid operating lease and payments were amortised on a straight line basis over the period of the lease in accordance with HKAS 17. Amortisation during the development phase was capitalised as part of the development cost of the properties. Amortisation charge incurred prior to the development and following completion of the property was recognised in the income statement.

Subsequent to the change in accounting policy, the leasehold land and land use rights are classified as inventories in accordance with HKAS 2 and measured at the lower of cost and net realisable value. Management believes that the new classification as inventories results in a more relevant presentation of the financial position of the Group, and of its performance for the period. The revised treatment reflects management's intent regarding the use of the leasehold land and land use rights, and results in a presentation consistent with industry practice.

Since development commenced almost immediately after leasehold land and land use rights were obtained, and a large majority of completed properties were sold in the same period in which the respective properties were completed, substantially all amortisation charges had been capitalised in prior years. Accordingly, the change in accounting policy has had no material effect on the income statement of the Group for the current year or comparative periods. Moreover, as the leasehold land and land use rights were already accounted for as part of properties for/under development and properties for sale in prior years, the change in accounting policy had no impact on the balance sheet.

HKAS 27 (Revised) Consolidated and Separate Financial Statements
HKFRS 3 (Revised) Business Combinations

HKAS 27 (Revised) requires the effects of all transactions with non-controlling interests that do not result in the change of control to be recorded as equity transactions and these transactions will no longer result in goodwill or gains and losses. When control is lost, any remaining interest in the entity is remeasured to fair value, the difference between its fair value and carrying amount is recognised in the income statement.

HKFRS 3 (Revised) continued to apply the acquisition method to business combinations, with some significant changes. For example, all acquisition-related costs should be expensed. The cost of acquisition includes the fair value at the acquisition date of any contingent purchase consideration. In a business combination undertaken in phases/stages, the previously held equity interest in the acquiree is remeasured at fair value and the difference between its fair value and carrying amount is recognised in the income statement. There is a choice, on the basis of each acquisition, to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The adoption of HKAS 27 (Revised) and HKFRS 3 (Revised) does not result in any impact on the Group's result in the current year nor the financial position at the end of the year.

HK-Int 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

HK-Int 5 clarifies that term loans which include a clause giving the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK-Int 5 for the first time in the current year. HK Int-5 requires retrospective application.

Upon adoption of HK-Int 5, the Group has changed its accounting policy on classification of bank borrowings with a repayment on demand clause. In the past, the classification of such bank borrowings were determined based on the agreed scheduled repayment dates set out in the loan/facility agreements. Under HK-Int 5, bank borrowings with a repayment on demand clause are classified as current liabilities. The effects of this change of accounting policy on the financial position of the Group in the current and prior years are as set out below.

HKAS 12 (Amendment) Deferred Tax: Recovery of Underlying Assets

Under HKAS 12 (Amendment), there is a rebuttable presumption that the carrying amount of investment property using fair value model will be recovered through sale. Accordingly, the measurement of the deferred tax assets or liabilities shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless management rebuts the presumption and considers that the investment properties are held within a business model whose objective is to consume substantially all the investment properties' economic benefits over time, rather than through sale. HKAS 12 (Amendment) requires retrospective application. The effects of this change of accounting policy on the results and financial position of the Group in the current and prior years are as set out below.

CONSOLIDATED INCOME STATEMENT

	2011 HKAS 12 (Amendment)	2010 HKAS 12 (Amendment)
	HK$'000	*HK$'000*
Decrease in taxation charge of investment properties owned	**41,374**	123,177
Reversal of taxation of investment properties disposed of during the year	**(47,964)**	–
(Decrease)/increase in profit for the year	**(6,590)**	123,177
Attributable to:		
Equity holders	**(10,934)**	115,956
Non-controlling interests	**4,344**	7,221
	(6,590)	123,177
	HK cent	*HK cents*
(Decrease)/increase in earnings per share – basic	**(0.71)**	7.65

CONSOLIDATED BALANCE SHEET

	31st March, 2011			31st March, 2010			1st April, 2009		
	HKAS 12 (Amendment) *HK$'000*	**HK-Int 5** *HK$'000*	**Total** *HK$'000*	HKAS 12 (Amendment) *HK$'000*	HK-Int 5 *HK$'000*	Total *HK$'000*	HKAS 12 (Amendment) *HK$'000*	HK-Int 5 *HK$'000*	Total *HK$'000*
Increase/(decrease) in:									
Non-current assets									
Deferred taxation assets	**(113)**	**–**	**(113)**	(1,092)	–	(1,092)	(1,469)	–	(1,469)
Current liabilities									
Current portion of long-term bank borrowings	**–**	**–**	**–**	–	973,280	973,280	–	1,038,000	1,038,000
Non-current liabilities									
Long-term bank borrowings	**–**	**–**	**–**	–	(973,280)	(973,280)	–	(1,038,000)	(1,038,000)
Deferred taxation liabilities	**(296,070)**	**–**	**(296,070)**	(303,372)	–	(303,372)	(180,160)	–	(180,160)
	(296,070)	**–**	**(296,070)**	(303,372)	(973,280)	(1,276,652)	(180,160)	(1,038,000)	(1,218,160)
Net assets	**295,957**	**–**	**295,957**	302,280	–	302,280	178,691	–	178,691
Retained earnings	**282,283**	**–**	**282,283**	293,217	–	293,217	177,261	–	177,261
Exchange reserve	**213**	**–**	**213**	(54)	–	(54)	(466)	–	(466)
Non-controlling interests	**13,461**	**–**	**13,461**	9,117	–	9,117	1,896	–	1,896
Total equity	**295,957**	**–**	**295,957**	302,280	–	302,280	178,691	–	178,691

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, 2011, but have not yet been adopted by the Group:

HKAS 24 (Revised)	Related Party Disclosures (effective from 1st January, 2011)
HKFRSs (Amendment)	Improvements to HKFRSs 2010 (effective from 1st July, 2010 and 1st January, 2011, as appropriate)
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters (effective from 1st July, 2010)
HKFRS 7 (Amendments)	Disclosures – Transfers of Financial Assets (effective from 1st July, 2011)
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.

3. SEGMENT INFORMATION

(a) Segment information by business lines

The chief operating decision maker has been identified as the Board of Directors (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*	**31st March, 2011 Total** *HK$'000*
Revenues	**301,310**	**78,074**	**3,401**	**–**	**382,785**
Other income	**23,050**	**18,649**	**–**	**8,108**	**49,807**
Operating profit/(loss)	**1,054,844**	**11,097**	**3,401**	**(131,287)**	**938,055**
Finance costs	**(46,259)**	**(513)**	**–**	**–**	**(46,772)**
Share of results of associated companies	**187**	**(34,233)**	**–**	**3,232**	**(30,814)**
Share of result of a jointly controlled entity	**(214)**	**–**	**–**	**–**	**(214)**
Profit/(loss) before taxation	**1,008,558**	**(23,649)**	**3,401**	**(128,055)**	**860,255**
Taxation	**(62,788)**	**(1,848)**	**–**	**(26)**	**(64,662)**
Profit/(loss) for the year	**945,770**	**(25,497)**	**3,401**	**(128,081)**	**795,593**
Segment assets	**8,037,785**	**135,938**	**127,080**	**1,522,819**	**9,823,622**
Associated companies	**2,474**	**209,382**	**–**	**6,453**	**218,309**
Jointly controlled entity	**–**	**–**	**–**	**–**	**–**
Amount due from a jointly controlled entity	**56,287**	**–**	**–**	**–**	**56,287**
Total assets	**8,096,546**	**345,320**	**127,080**	**1,529,272**	**10,098,218**
Total liabilities	**3,718,769**	**11,948**	**–**	**19,819**	**3,750,536**
Other segment items are as follows:					
Capital expenditure	**710,437**	**3,667**	**–**	**14,374**	**728,478**
Depreciation	**4,865**	**2,539**	**–**	**3,765**	**11,169**
Amortisation of leasehold land and land use rights					
– charged to income statement	**190**	**335**	**–**	**–**	**525**
– capitalised into properties	**1,666**	**–**	**–**	**–**	**1,666**
Write off of trade and other debtors	**814**	**38**	**–**	**–**	**852**
Recovery of trade debtor written off	**1,712**	**–**	**–**	**–**	**1,712**

	Property investment and development HK$'000 (Restated)	Sale of goods and services HK$'000 (Restated)	Securities investment and trading HK$'000	Corporate HK$'000 (Restated)	31st March, 2010 Total HK$'000 (Restated)
Revenues	468,486	86,136	6,265	–	560,887
Other income	4,306	1,563	–	69,020	74,889
Operating profit/(loss)	1,071,825	(13,256)	6,265	(39,863)	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	(44,595)	6,265	(39,853)	963,652
Taxation	(14,528)	(129)	–	(15)	(14,672)
Profit/(loss) for the year	1,027,307	(44,724)	6,265	(39,868)	948,980
Segment assets	7,141,653	136,107	46,688	950,862	8,275,310
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	7,196,181	371,817	46,688	954,083	8,568,769
Total liabilities	3,103,889	15,863	–	15,720	3,135,472
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	175	310	–	–	485
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$'000 (Restated)	Sale of goods and services HK$'000 (Restated)	Securities investment and trading HK$'000	Corporate HK$'000 (Restated)	1st April, 2009 Total HK$'000 (Restated)
Segment assets	5,912,382	152,030	6,279	925,952	6,996,643
Associated companies	31,950	243,686	–	3,199	278,835
Total assets	5,944,332	395,716	6,279	929,151	7,275,478
Total liabilities	2,830,494	16,562	–	13,803	2,860,859

(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. Revenues are based on the country in which the customer is located. Non-current assets, total assets and capital expenditure are based on where the assets are located. The segment information by geographical area is as follows:

	Revenues		**Capital expenditure**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**139,805**	142,764	**402,254**	117,524
The PRC	**158,163**	338,964	**316,160**	379,859
Other countries	**84,817**	79,159	**10,064**	3,224
	382,785	560,887	**728,478**	500,607

	Non-current assets *(Note)*			**Total assets**		
	31st March, 2011	31st March, 2010	1st April, 2009	**31st March, 2011**	31st March, 2010	1st April, 2009
	HK$'000	*HK$'000*	*HK$'000*	***HK$'000***	*HK$'000* (Restated)	*HK$'000* (Restated)
Hong Kong	**4,363,251**	4,262,874	3,540,707	**6,644,683**	5,817,751	4,599,881
The PRC	**207,000**	87,380	83,474	**2,784,274**	2,150,047	2,115,540
Other countries	**476,761**	424,830	389,932	**669,261**	600,971	560,057
	5,047,012	4,775,084	4,014,113	**10,098,218**	8,568,769	7,275,478

Note: Non-current assets in geographical segments represent non-current assets other than available-for-sale financial assets, loans and receivables and derivative financial instruments.

4. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Interest income from		
Bank deposits	**4,119**	3,998
Loans and receivables	**5,017**	3,845
Negative goodwill arising from the purchase of additional interests in a subsidiary	**–**	31,137
Sale of scraped material	**413**	965
Net gain on disposal of property, plant and equipment	**2,130**	27,286
Gain on disposal of available-for-sale financial assets	**499**	–
Net fair value gain on derivative financial instruments	**–**	3,814
Net compensation from governments for the resumption of assets	**32,390**	–
Recovery of trade debtor written off	**1,712**	–
Sundries	**3,527**	3,844
	49,807	74,889

5. OPERATING PROFIT

	2011	2010
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Dividend income from listed investments	**15**	–
Interest income from financial assets at fair value through profit or loss	**447**	–
Net realised gains on financial assets at fair value through profit or loss	**8,944**	6,883
and after charging:		
Cost of properties sold	**121,805**	275,878
Cost of inventories sold	**57,065**	67,517
Depreciation	**11,169**	10,320
Amortisation of leasehold land and land use rights	**525**	485
Impairment on:		
– leasehold land and land use rights	**–**	7,000
– available-for-sale financial assets	**–**	2,000
– inventories	**–**	5,000
Write off of trade and other debtors	**852**	3,741
Net exchange loss	**1,233**	49
Net unrealised loss on financial assets at fair value through profit or loss	**6,005**	618
Net fair value loss on derivative financial instruments	**13,700**	–
Staff costs, including Directors' emoluments		
Wages and salaries	**85,835**	73,270
Retirement benefit costs	**3,651**	3,110

6. SHARE OF RESULTS OF ASSOCIATED COMPANIES

Share of results of associated companies included a deemed loss on dilution of interests in an associated company of HK$4,661,000 (2010: HK$11,304,000), and a negative goodwill of HK$3,472,000 (2010: Nil) arising from the conversion of convertible note of the associated company.

7. TAXATION CHARGE/(CREDIT)

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Current		
Hong Kong profits tax	**55,000**	–
Overseas profits tax	**(83)**	35
PRC corporate income tax	**(5,493)**	7,714
PRC land appreciation tax	**8,198**	9,194
Deferred	**7,040**	(2,271)
	64,662	14,672

Hong Kong profits tax has been provided at the rate of 16.5% (2010: Nil) on the estimated assessable profits for the year. 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 cost of land and development expenditures.

Share of taxation charge of associated companies for the year ended 31st March, 2011 amounting to HK$422,000 (2010: HK$349,000) 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, 2011 (2010: Nil).

8. DIVIDENDS

	2011	2010
	HK$'000	*HK$'000*
Interim scrip dividend with a cash option of 1.8 HK cents (2010: 1.0 HK cent) per share	**28,008**	15,183
Proposed final scrip dividend with a cash option of 3.2 HK cents (2010: 2.0 HK cents) per share	**50,460**	30,575
	78,468	45,758

On 28th June, 2011, the Board proposed a final scrip dividend with a cash option of 3.2 HK cents (2010: 2.0 HK cents) per share amounting to HK$50,460,000 (2010: HK$30,575,000). The amount of HK$50,460,000 is calculated based on 1,576,872,150 issued shares as at 28th June, 2011. 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, 2012 upon the approval by the shareholders.

9. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$789,686,000 (2010: HK$915,684,000, as restated) and the weighted average number of 1,542,241,876 (2010: 1,514,662,718) shares in issue during the year.

The dilutive earnings per share are equal to the basic earnings 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.

10. DEBTORS AND PREPAYMENTS

Rental income and management fees 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:

	2011	2010
	HK$'000	*HK$'000*
Below 30 days	**21,104**	36,848
31 to 60 days	**3,275**	6,190
61 to 90 days	**3,069**	3,464
Over 90 days	**4,783**	3,018
	32,231	49,520

Debtors and prepayments include deposits of HK$416,503,000 (2010: HK$204,181,000) for property development projects and acquisition of leasehold land and land use rights in Hong Kong, the PRC, Vietnam and Mongolia, deposits of HK$68,884,000 (2010: HK$40,429,000) for acquisition of property, plant and equipment, and receivables of HK$360,304,000 (2010: HK$372,000) from mortgage loans provided to purchasers of the Group's properties in Hong Kong at the prevailing market rates. Subsequent to the balance sheet date, receivables of HK$360,246,000 from mortgage loans have been settled.

11. CREDITORS AND ACCRUALS

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

	2011	2010
	HK$'000	*HK$'000*
Below 30 days	**3,088**	2,869
31 to 60 days	**3,817**	1,197
Over 60 days	**1,690**	7,527
	8,595	11,593

Creditors and accruals include sales deposits received of HK$657,026,000 (2010: HK$83,935,000) regarding the sales of properties of the Group in Hong Kong and the PRC which have not yet been recognised as revenues for the year. Among the sales deposits received, an amount of HK$125,004,000 (2010: Nil) was recorded as restricted bank balance in the financial statements as at 31st March, 2011 as certain restrictions were imposed. Subsequent to the balance sheet date, these restrictions were released and the restricted bank balance became the Group's bank deposit.

12. INVESTMENT PROPERTY HELD FOR SALE

On 9th March, 2011, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with an independent third party to dispose of an investment property in Hong Kong at the consideration of approximately HK$56,291,000. An initial deposit of approximately HK$5,629,000 was received on the same date and the transaction was completed on 11th April, 2011. The fair value of the investment property was HK$17,160,000 as at 31st March, 2011.

13. FINANCIAL GUARANTEES

As at 31st March, 2011, the Company has provided a guarantee of HK$117,000,000 (2010: HK$117,000,000) for the banking facility granted to a jointly controlled entity, and subsidiaries have provided guarantees amounting to HK$193,712,000 (2010: HK$110,505,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

14. CAPITAL COMMITMENTS

As at 31st March, 2011, the Group has capital expenditure commitments contracted but not provided for in respect of property development and property, plant and equipment amounting to HK$508,000,000 (2010: HK$420,947,000) and available-for-sale financial assets amounting to HK$18,521,000 (2010: HK$23,725,000) respectively.

15. PLEDGE OF ASSETS

As at 31st March, 2011, the Group has pledged the shares and assets of certain subsidiaries, including investment properties, properties for/under development, properties for sale and bank deposits, with an aggregate carrying value of HK$4,870,042,000 (2010: HK$5,134,644,000), to secure general banking and financial guarantee facilities granted to those subsidiaries.

16. SUBSEQUENT EVENT

On 16th May, 2011, the Company entered into an underwriting agreement with Midas International Holdings Limited ("Midas"), a 44.61% owned listed associated company, in relation to the proposed rights issue of Midas on the basis of one rights share for every one existing share at the subscription price of HK$0.1 per share to raise a net proceed of approximately HK$107,000,000 (the "Rights Issue"). The Group has undertaken to subscribe in full for its entitlement under the Rights Issue, and has underwritten to take up those rights shares not subscribed for by the minority shareholders of Midas. Depending on the level of subscription of the rights shares by the minority shareholders of Midas, Midas may become a subsidiary of the Group upon completion of the Rights Issue by the end of July 2011. Details of the transaction were set out in the joint announcement dated 18th May, 2011 and the circular of the Company dated 8th June, 2011.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2011 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 continued to be benefited from the booming property market in Hong Kong. Property sales of the Group during the year amounted to approximately HK$1,702.6 million, comprising sales of investment properties in Hong Kong amounting to approximately HK$1,546.0 million and sales of completed development properties amounting to approximately HK$156.6 million (2010: HK$341.8 million). Sales of completed development properties were recorded as revenues of the Group. The remaining revenues of the Group comprised income from property investment business of HK$137.1 million (2010: HK$126.7 million), income from property financing activities of HK$7.6 million (2010: Nil), income from manufacturing and trading business of HK$78.1 million (2010: HK$86.1 million) and income from securities investment and trading business of HK$3.4 million (2010: HK$6.3 million). Accordingly, total revenues of the Group during the year amounted to HK$382.8 million (2010: HK$560.9 million).

As a result of the decrease in revenues, gross profit of the Group during the year decreased by 11.5% to HK$161.0 million (2010: HK$182.0 million). Other income decreased to HK$49.8 million (2010: HK$74.9 million) and a detailed analysis of other income is shown in note 4 of this report. As a result of disposals by the Group of a number of investment properties in Hong Kong during the year, gains on disposals of investment properties amounting to HK$503.7 million (2010: Nil) were recorded. Furthermore, the Group also recorded an upward revaluation surplus of HK$488.2 million (2010: HK$1,026.7 million) for its investment properties, reflecting the continued improvement in office, retail and high-class residential property prices in Hong Kong.

On the costs side, selling and marketing expenses decreased to HK$37.5 million (2010: HK$52.8 million) as a result of reduction of marketing expenses for its property projects as majority of such expenses were spent in the last financial year. Administrative and other operating expenses increased to HK$227.2 million (2010: HK$205.9 million) mainly due to a general increase in overheads and an increase in fair value loss of the convertible notes in Midas International Holdings Limited ("Midas"). Finance costs increased to HK$46.8 million (2010: HK$36.9 million) as a result of reduced capitalisation of interest expenses to properties under development. Share of results of associated companies amounted to HK$30.8 million (2010: HK$24.4 million) mainly due to the share of loss relating to Midas. Taxation amounted to HK$64.7 million (2010: HK$14.7 million) mainly relating to tax provision on disposals of properties.

Taking all the above into account, profit attributable to equity holders of the Company for the year ended 31st March, 2011 amounted to HK$789.7 million (2010: HK$915.7 million). Earnings per share was 51.2 HK cents (2010: 60.5 HK cents).

DIVIDENDS

The Board has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting (the "2011 AGM") the payment of a final dividend of 3.2 HK cents (2010: 2.0 HK cents) per share for the year ended 31st March, 2011. The final dividend, if approved, will be paid on or before 3rd November, 2011 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 9th September, 2011.

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 9th September, 2011, 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 1.8 HK cents (2010: 1.0 HK cent) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, amounted to 5.0 HK cents (2010: 3.0 HK cents) per share, representing an increase of 66.7%. Total dividends for the year amounted to HK$78.5 million (2010: HK$45.8 million).

BUSINESS REVIEW

The Group operates its property business through three divisions, namely Hong Kong Property Division, International Property Division and the People's Republic of China ("PRC") Property Division.

(A) Hong Kong Property Division

All the Hong Kong Property Division's activities are conducted through Chuang's Properties Limited, a wholly-owned subsidiary of the Group. The main activities of the Hong Kong Property Division during the year are summarised below.

(i) Investment Properties

During the year, the Group disposed of House B, House C and House D of No. 37 Island Road, Deep Water Bay for an aggregate consideration of HK$1,338 million and eleven office floors in Chuang's Enterprises Building, Wanchai for a consideration of HK$208 million. Such disposals generated substantial cashflow to the Group and recorded an aggregate profits of HK$503.7 million. Subsequent to the balance sheet date, the Group also completed the disposal of a unit in Cheung Ka Industrial Building, Connaught Road West for a consideration of HK$56.3 million.

On 7th April, 2011, as a rationalisation exercise of the Group, the Company has completed the acquisition of Chuang's Tower in Central from Chuang's China Investments Limited ("Chuang's China"), a listed subsidiary of the Group, at a valuation of HK$790 million. Such a strategic move not only enables the Company to consolidate its interest in Chuang's Tower thereby strengthening its property investment portfolio but also enables Chuang's China to realise Chuang's Tower with substantial cashflow thereby concentrating its resources towards its property investment and development business in the PRC. Upon completion of such rationalisation exercise, we believe that each of the Company and Chuang's China can operate its business more efficiently and allocate its financial resources more effectively.

The Group's major investment properties in Hong Kong now comprise (a) Chuang's London Plaza in Tsimshatsui, (b) Chuang's Tower in Central, (c) Chuang's Hung Hom Plaza in Hunghom, (d) House A, No. 37 Island Road in Deep Water Bay and (e) No. 15 Gough Hill Road in The Peak (which will be redeveloped in due course). The total gross floor area ("GFA") of the Group's investment property portfolio in Hong Kong amounted to approximately 350,000 *sq. ft.* comprising retail, office, high-class residential and carparking spaces. Rental and other income from investment properties of the Group in Hong Kong during the year amounted to approximately HK$117.6 million, representing an increase of about 7.6% compared with that of last year.

(ii) Properties Under Development

(a) No. 15 Gough Hill Road, The Peak, Hong Kong

During the year, the Group has paid the premium regarding relaxation of height restriction and granting of additional access via the main road in relation to the property. The Group believes that such modifications have enhanced the value of the property. Recently, the Group has served notice to the tenant to vacate the property in order to allow the Group to commence redevelopment of the property into a new house with unique architectural design. In view of the limited supply of this type of luxurious property in that area, it is expected that rental income and thus the capital value of the property will be significantly improved upon completion of the redevelopment. Building plans for the redevelopment have been approved by the relevant authorities and demolition works are expected to commence soon.

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

The property is located adjacent to Chuang's Hung Hom Plaza and is being developed into a 24-storey building with modern architectural design of 101 apartments (of which 98 are studio apartments) with clubhouse facilities and shopping units at the podium levels (G/F and 1/F). Superstructure works have been completed and internal and external finishing works are in progress. The project will be completed in the fourth quarter of 2011 and profit on this development is expected to be recorded in the second half of the financial year ending 2012. Presales of the project have commenced in February 2010. Up to the date of this report, a total of 98 apartments and shopping units with GFA of 1,602 *sq. ft.* have been presold with aggregate sales value of HK$296 million and sales deposits of about HK$48 million have been received. The Group is in the process of marketing the remaining 3 apartments and the shopping units with GFA of 6,820 *sq. ft.*.

(c) Parkes Residence, Nos. 91–105 Parkes Street, Jordan, Kowloon

During the year, the Group completed the acquisition of Nos. 93–105 Parkes Street. Subsequent to the balance sheet date, the Group entered into agreements to acquire No. 91 Parkes Street. As a result of such acquisitions, the site area of the property has increased to about 5,536 *sq. ft.*. The property is located nearby Chuang's London Plaza and next to the Jordan station of the mass transit railway. It is intended that the property will be redeveloped into a commercial/residential building comprising mainly of studio apartments and shopping units. Revised building plans for the redevelopment have been submitted to the relevant authorities and demolition works are in progress.

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

The Group formed a joint venture with K. Wah International Holdings Limited on a 50%:50% basis to redevelop the property. 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.*. Since the completion of the acquisition of the project, the Group has managed to increase the approved GFA of the project from 36,000 *sq. ft.* to 40,200 *sq. ft.*. The Group is still conducting studies with our joint venture partner and consultants on various proposals to further enhance the value of the property. Demolition works for the project have just been completed.

(B) International Property Division

All the International Property Division's activities are conducted through Chuang's Properties International Limited, a wholly-owned subsidiary of the Group. Currently, the only revenue generated from this division is the rental income derived from an investment property in Malaysia. However, the Group intends to launch the projects in Vietnam, Mongolia and Taiwan the earliest possible with a view to build up a recurrent and sustainable revenue stream for this division in the coming financial years. The main activities of the International Property Division during the year are summarised below.

(i) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

Central Plaza, which is located in the heart of the central business district and prestigious shopping area 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. During the year, rental and other income from the property amounted to HK$17.9 million, representing an increase of about 13.3% 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 20,300 *sq. m.*. It is intended that a residential/commercial complex with apartments, villas and clubhouse facilities with a GFA of about 94,000 *sq. m.* will be developed on the site. Investment licence to form a project company has been granted and master planning of the project has been approved. The Group is now in the process of arranging the land use rights to be granted to the project company and the approval of the detailed design of the project. The site is vacant and construction of the initial phase of the development will commence immediately once the above approvals are obtained.

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

The Group had participated in a 70% interest in the project and is still in the process of negotiating with the relevant government authorities for the formation of a project company and the granting of 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.*. Superstructure works are in progress and it is expected that the project will be completed in the first quarter of 2012. Marketing of the project will commence soon.

(iv) Mongolia

(a) The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar

During the year, the Group has formed a joint venture with a local partner to participate in a 53% interest in the project. 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 41,000 *sq. m.* will be developed. Concept design of the project has been approved by the relevant authorities and the Group is in the process of submitting the building plans for approval. Initial phase of the development comprising about 20,000 *sq. m.* of GFA will commence soon.

(b) Chuang's Tower, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar

During the year, the Group entered into an agreement to acquire a piece of land located within the central business district of Ulaanbaatar. The agreement was completed subsequent to the balance sheet date. The property has a site area of about 3,272 *sq. m.* and it is planned that an office building with GFA of 37,675 *sq. m.* will be developed. Concept design for the project has been approved by the relevant authorities and the Group is in the process of submitting the building plans for approval.

(C) PRC Property Division

All the PRC Property Division's activities are conducted through Chuang's China (together with its subsidiaries as the "Chuang's China Group"), a 57% owned listed subsidiary of the Group. The main activities of the PRC Property Division during the year are summarised below.

(i) Property Development

To ensure healthy development of the property market, the PRC government continued to implement measures, which include the "limited purchase" policy and tightening of liquidity and mortgage policies for home buyers. These factors have caused certain short term impacts to the market, particularly the cooling down of property transaction volumes. Despite these negative impacts, such temporary adjustment will not affect the long term growth trend of the property market in the PRC. The Group will gauge its pace of project development and sales according to different local market conditions.

To strengthen the Chuang's China Group's financial resources, in recent months, the Chuang's China Group has entered into two disposal transactions. In December 2010, the Chuang's China Group agreed to dispose of its wholly-owned subsidiary which holds the property development project in Xingsha at RMB526 million in cash. Such disposal has just been completed. In April 2011, the Chuang's China Group completed the disposal of Chuang's Tower in Central for a valuation of HK$790 million and the net cash proceeds will principally be applied towards the property development business in the PRC. Following these disposals, the Chuang's China Group is in a tremendously favorable position to capture opportunities offered by market adjustments to replenish its land reserve and will accelerate construction works for its development projects in the PRC so as to speed up its project completion.

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 63,200 *sq. m.* of completed properties and 386,800 *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.

The following is the summary of the sales plan of Chuang's Le Papillon:

	Total residential GFA	Contracted sales		Available for sale		
					2011/12	2012/13
	sq. m.	*sq. m.*	*RMB*	*sq. m.*	*RMB*	*RMB*
Phase I	59,800 (Block A, B, C)	28,159	176,900,000	31,641	293,700,000	
Phase II	197,500					
	(Block D, E)	46,467	374,700,000	2,133	21,000,000	
	(Block F, G, H, I, M, N)			88,900	954,000,000	
	(Block J, K, L, P)			60,000		900,000,000
TOTAL	**257,300**	**74,626**	**551,600,000** *(Note)*	**182,674**	**1,268,700,000**	**900,000,000**

Note: Of these contracted sales, about RMB413,684,000 have not yet been recognised as revenues and are expected to be recognised as revenues of the Group for the year ending 31st March, 2012 when these sold flats are delivered to buyers.

Phase I (Block A to Block C) of Chuang's Le Papillon has been completed. It comprises residential GFA of about 59,800 *sq. m.*, commercial and clubhouse facilities of about 3,400 *sq. m.* and 254 carparking spaces. It provides over 350 apartments with typical flats ranging from 93 *sq. m.* to 202 *sq. m.* and executive duplex units of 343 *sq. m.*. Sales of phase I are progressing well with 208 flats being sold. Even though the tightening of end-users' mortgage and "limited purchase" policies have affected the sales progress of larger size 4 bed-room flats, market support for moderate size flats is still very strong.

Construction works of Block D and Block E, phase II of Chuang's Le Papillon, with total GFA of 48,600 *sq. m.* (comprising 432 apartments of 90 *sq. m.* to 125 *sq. m.*) have been topped off. Since December 2010, presales of Block D and Block E had commenced and market responses were very keen. At present, all these flats are nearly sold out at an average price of over RMB8,000 per *sq. m.*.

Construction works for Block F, G, H, I, M and N of phase II have already started with foundation works for Block F, G, H and I have already been finished and superstructure works in progress. Foundation works for Block M and N have commenced. The Group is speeding up construction works in order to launch Block F, G, H, I, M and N with total GFA of 88,900 *sq. m.* for presales commencing July 2011. Foundation works of Block J has started and that of Block K, L and Block P (comprising 22 low rise villas) will commence. Block J, K, L and P with total GFA of 60,000 *sq. m.* will be planned for presales in 2012.

Construction master plans for phase III with total GFA of about 158,300 *sq. m.* have been submitted to the relevant PRC authorities for approval. It comprises Block Q to Block W, all of which are apartments, and Block X of 14 low rise villas. The Group will commence on construction works once approval is obtained. The total sales value of phase III (Block Q to Block X) based on the current market price is estimated to be about RMB2,000,000,000.

(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 96,500 *sq. m.* of completed properties and 433,500 *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 greatly reduce travelling time 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.

The following is the summary of the sales plan of Imperial Garden:

	Total residential GFA	Contracted sales		Available for sale		
					2011/12	2012/13
	sq. m.	*sq. m.*	*RMB*	*sq. m.*	*RMB*	*RMB*
Phase I	89,000 (Block 1 to 8)	51,100	251,635,000	37,900	244,100,000	
Phase II	60,000 (Block 9 to 14)			60,000		451,000,000
TOTAL	**149,000**	**51,100**	**251,635,000** *(Note)*	**97,900**	**244,100,000**	**451,000,000**

Note: Of these contracted sales, about RMB43,369,000 have not yet been recognised as revenues and are expected to be recognised as revenues of the Group for the year ending 31st March, 2012 when these sold flats are delivered to buyers.

Phase I of Imperial Garden has 8 residential blocks with GFA of about 89,000 *sq. m.*, the commercial complex of about 7,500 *sq. m.* and 184 carparking spaces. It comprises 665 apartments with size ranging from 80 *sq. m.* to 160 *sq. m.*, 27 executive duplex of about 280 *sq. m.* and 3 simplex of 445 *sq. m.*. Up to date, a total of 396 flats have been sold at an average selling price of about RMB5,000 per *sq. m.*. The Group will accelerate the sales of 269 flats, being all the remaining completed residential properties at Imperial Garden during the financial year ending 2012.

The Group will commence construction works for phase II (Block 9 to Block 14) with residential GFA of about 60,000 *sq. m.* around July 2011 and will plan for presales in the first quarter of 2012.

Master plans of phase III (Block 15 to Block 55) of Imperial Garden comprising GFA of about 360,000 *sq. m.* have been approved and the total sales value based on the current market price is estimated to be about RMB3,800,000,000.

The commercial properties of Chuang's New City, including that of Gold Coast and Imperial Garden, have an aggregate GFA of 17,500 *sq. m.*. About 5,800 *sq. m.* are operated as clubhouse providing recreational facilities, a bilingual kindergarten and a convenience store under the brand "HomeMark" providing household goods and about 4,200 *sq. m.* are occupied as office premises. The remaining 7,500 *sq. m.* of retails spaces are held for rental purpose. The Group holds these commercial properties as investments and believes its value will be benefitted from the urbanisation and infrastructural improvements in the region.

(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 an estimated developable area of 190,000 *sq. m.* and on the basis of RMB1,000 per *sq. m.*, the disposal consideration is about RMB192 million.

Up to the date of this report, the Group received total deposits of RMB136 million. The Group is holding discussions with the buyer to determine the exact site areas of the disposal as well as the completion schedule. Once an agreement is reached, the actual disposal consideration may be reduced according to the adjusted site areas, but such adjustment is not expected to be material. The Group will endeavor to complete this disposal in the financial year ending 31st March, 2012.

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). As a result of the land resumption, a net gain of about RMB10.5 million has been recorded by the Chuang's China Group in the year under review.

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

The project comprises completed residential and commercial properties of about 80,200 *sq. m.*. Land cost is about RMB200 per *sq. m.*. It comprises 172 bungalows, link houses and semi-detached houses and 144 units of high rise apartments with a total GFA of 70,000 *sq. m.*. Up to the date of this report, about 72% has been sold.

The Group will market the remaining 19,300 *sq. m.* at the total sales value of about RMB164,000,000. In addition, construction works of the commercial and residential properties with a total GFA of about 10,200 *sq. m.* have been completed. The Group will commence on internal fitting out of the furnished hotel apartments having GFA of about 5,400 *sq. m.* with estimated sales value of about RMB32 million for sale.

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

In December 2010, the Chuang's China Group agreed to dispose of its wholly-owned subsidiary which holds the property development project in Xingsha at RMB526 million in cash. The disposal has just been completed. The net cash proceeds will be used for the property development business and as general working capital of the Chuang's China Group. Completion of the disposal is expected to generate a net gain of approximately RMB340 million for the Chuang's China Group and such gain will be booked in the first half of the financial year ending 31st March, 2012.

(f) Chuang's Mid-town, Anshan, Liaoning (100% owned by Chuang's China)

In April 2010, the Group participated in government land auction and successfully bided for the development site in Anshan, Liaoning province. Chuang's Mid-town 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 walking mall. It will be developed into a comprehensive complex for residential and commercial purpose and with a plot ratio of 10 times, residential GFA will be 90,000 *sq. m.* and commercial GFA will be 20,000 *sq. m.*. Based on 110,000 developable *sq. m.*, the average land cost is about RMB400 per *sq. m.*.

Land costs for the site have been fully paid. According to the terms of the land auction, the site should be delivered to the Group before 30th July, 2010. However, up to the date of this report, the local government has not yet fulfilled its obligation to handover the site. The Group is closely following up the situation with the local government for handing over the site. The Group has finalised 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 bided for the second development site in Anshan. Situated within 1 km from the first site, the second site acquired by the Group 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. Based on a plot ratio of 10 times, the site will be developed into comprehensive complex for residential and commercial purpose with developable GFA of 390,000 *sq. m.*, and the average land cost is about RMB400 per *sq. m.*.

Land costs for the site have been fully paid. According to the terms of the land auction, the site should be delivered to the Group before 30th July, 2010. However, up to the date of this report, the local government has not yet fulfilled its obligation to handover the site. The Group is closely following up the situation with the local government for handing over the site. 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 84 keys will be built and water features including waterfalls, cascades and infinity pool concept will be incorporated. Master planning of the development has been approved by the relevant PRC authorities. The Group has commenced on the tendering process and will kick off construction works shortly.

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

The 30,000 *sq. m.* site is located in the prominent district within the second-ring road, Wu Hou Qu (武侯區) of Chengdu. The project is in planning stage. In order to expand the development size, the Group is in discussions with the local government for resettlement and redevelopment of the adjacent site. Once such redevelopment is approved, the master layout plan will be revised from the existing plot ratio of 4 to a plot ratio of 6.

(ii) Property Sales

For the financial year ended 2011, only about HK$156.5 million was recognised as revenues from property sales of the Group in the PRC and was mainly related to sales of Block C of phase I of Chuang's Le Papillon in Guangzhou, Imperial Garden in Dongguan and Beverly Hills in Changsha. The revenues recognition was low as property sales can only be recognised as revenues when the sold properties are delivered to buyers. Therefore those sales relating to properties under construction or properties sold but not yet delivered to buyers cannot be accounted for as revenues for the year under review.

The financial year ending 2012 is expected to be a significant breakthrough for the Group in the PRC with the target sales plan of about RMB2,850 million. As at the date of this report, the Group has already achieved contracted sales in the PRC of about RMB1,175 million, including the disposals of the Xingsha project at RMB526 million and the Huizhou project at RMB192 million as mentioned above, as well as property sales related to Chuang's Le Papillon and Imperial Garden. Upon completion of the disposals and delivery of the properties to buyers, the Group expects that these contracted sales will be recorded as revenues for the financial year ending 2012.

Between now to 31st March, 2012, the Group targets to market an aggregate GFA of about 180,000 *sq. m.* in Chuang's Le Papillon, Imperial Garden and Beverly Hills, and the total value amounts to about RMB1,675 million based on current selling prices.

(D) Other Businesses

(i) Midas International Holdings Limited ("Midas") (44.6% owned)

Midas is listed on the Stock Exchange and is principally engaged in the printing business and the operation of cemetery in the PRC. The European financial crisis occurred in 2010 affected the printing business of Midas. As a result, revenues of Midas during the year ended 31st December, 2010 decreased by 2% to HK$293.6 million and Midas recorded a loss attributable to shareholders of HK$73.9 million during the year.

As for the printing business, in order to alleviate the adverse trading environment, Midas will continue to take steps to strengthen sales, develop new products to improve profit margins and enhance costs controls.

As for the cemetery business, the new highway linking Guangzhou and Hezhou that passes Sihui, where the cemetery is located, has just been completed. This improvement in infrastructure has enhanced the accessibility and demand of the graveyards, in particular from the Guangzhou region. The Group believes that cemetery business in the PRC has long-term potential due to the increase in aged population leading to the demand of quality burial services in the PRC.

In May 2011, Midas announced a one for one rights issue to raise a net proceed of approximately HK$107 million to finance the expansion plans of its printing and cemetery businesses. The Group has undertaken to subscribe for its entitlement under the rights issue and underwrite the balance of the rights issue. Depending on the level of subscription of the rights shares by the minority shareholders of Midas, Midas may become a subsidiary of the Group upon completion of the rights issue by the end of July 2011. Details of the transaction were included in the circular to shareholders of the Company dated 8th June, 2011.

*(ii) Sintex Nylon and Cotton Products (Pte) Limited ("Sintex")
Yuen Sang Hardware Company (1988) Limited ("Yuen Sang")*

The Group's other businesses also include investments in Sintex, a company incorporated in Singapore and engaged in the manufacture and sale of home finishing products under its own brand names, and Yuen Sang, a company owned by Chuang's China and engaged in the manufacture and sale of metalware for exports. During the year, the weak consumer demand has affected these businesses. As a result, revenues generated from these businesses decreased by about 9.3% to HK$78.1 million. However, taking into account the compensation of RMB14.5 million received by Yuen Sang from the government authorities in the PRC on relocation of factory premises, operating profit contribution from the manufacturing and trading business of the Group during the year amounted to HK$11.1 million.

(iii) Securities Investment and Trading

During the year, the securities investment and trading business of the Group recorded a profit of HK$3.4 million. As at the balance sheet date, quoted investments of the Group amounted to HK$127.1 million.

FINANCIAL POSITIONS

As at 31st March, 2011, net assets attributable to equity holders was HK$5,395.1 million. Net asset value per share was approximately HK$3.42, 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, 2011, the Group's cash and bank balances (including restricted bank balance which has been released as bank balances of the Group in April 2011) and quoted investments amounted to HK$1,788.9 million (2010: HK$1,001.5 million). Bank borrowings as at the same date amounted to HK$2,562.6 million (2010: HK$2,529.7 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and quoted investments over net assets attributable to equity holders of the Company, was 14.3% (2010: 33.4%), representing a significant improvement over that of last year.

Approximately 82.5% of the Group's cash and bank balances and quoted investments were denominated in Hong Kong dollar, United States dollar and Malaysian Ringgit, with the balance of 17.5% denominated in Renminbi. Approximately 86.1% of the Group's bank borrowings were denominated in Hong Kong dollar, 6.0% in Renminbi and the balance of 7.9% in Malaysian Ringgit. Accordingly, there should not be material risk in foreign exchange fluctuation.

Approximately 6.3% of the Group's bank borrowings were repayable within one year, 23.8% repayable within the second year, 27.5% repayable within the third to fifth years and the balance of 42.4% repayable after five years.

PROSPECTS

With the continued sustainable growth of the economy, the rapid urbanisation trend, the increase in household income and the strong demand for better living standard in the PRC, and Hong Kong being an important gateway to the PRC and an international financial and trade centre, the Group is confident in the long term prospects of the property markets in Hong Kong and the PRC.

In the current financial year, the Group has taken steps to unlock the store value of certain of our properties in Hong Kong and the PRC. Such disposals not only generated substantial cashflow and profits to the Group but also laid a solid foundation for the continual growth of our Group. In the coming financial years, the Group will continue to focus on improving rental yield of our investment properties and will expedite the development and sales of our major development projects in Hong Kong, the PRC, Vietnam, Mongolia and Taiwan so as to further unlock the store value of these properties. In addition, the Group will also continuously seek for new real estate business opportunities, through plough back of proceeds from sales of our completed projects, in the areas that the Group operates in order to replenish our land bank so as to further create value for our shareholders.

CLOSING OF REGISTER

The 2011 AGM of the Company is scheduled on Tuesday, 30th August, 2011. For determining the entitlement to attend and vote at the 2011 AGM, the register of members of the Company will be closed from Thursday, 25th August, 2011 to Tuesday, 30th August, 2011, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the 2011 AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 24th August, 2011.

The proposed final dividend is subject to the approval of the shareholders at the 2011 AGM. The record date for entitlement to the proposed final dividend is 9th September, 2011. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 5th September, 2011 to Friday, 9th September, 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, for registration not later than 4:30 p.m. on Friday, 2nd September, 2011.

STAFF

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 31st March, 2011, the Group employed 822 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

In the annual general meeting of the Company held on 30th August, 2010 (the "2010 AGM"), the Chairman of the Company, due to his personal commitment, did not attend the 2010 AGM in accordance with the Rule E.1.2. of the Appendix 14 – Code on Corporate Governance Practices (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). However, the Managing Director of the Company attended the 2010 AGM to answer questions raised by shareholders. Except as mentioned above, the Company has complied throughout the year ended 31st March, 2011 with the code provisions set out in the CG Code.

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, 2011. 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.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2011 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 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, 28th June, 2011