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Chuang's China Investments Limited

（莊 士 中 國 投 資 有 限 公 司）

(incorporated in Bermuda with limited liability)

(Stock Code: 298)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31ST MARCH, 2012, PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME AND PROPOSED AMENDMENTS TO BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31ST MARCH, 2012

– Revenues of the Group amounted to HK$1,487.1 million, representing an increase of 6.5 times over that of the last corresponding year.

– Net profit attributable to equity holders of the Company amounted to HK$448.8 million (equivalent to earnings per share of 29.46 HK cents), representing an increase of 13 times over that of the last corresponding year.

– Shareholders' funds increased by 23.1% to HK$2,458.9 million, equivalent to HK$1.61 per share.

– The Group has net cash of HK$794.9 million.

– Final dividend per share amounted to 2.0 HK cents, making total dividends per share for the year amounted to 3.0 HK cents.

RESULTS

The Board of Directors (the "Board") of Chuang's China Investments 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, 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2012

	Note	2012 HK$'000	2011 HK$'000
Revenues		**1,487,102**	198,024
Cost of sales		**(681,887)**	(142,337)
Gross profit		**805,215**	55,687
Other income	4	**20,445**	34,355
Selling and marketing expenses		**(46,815)**	(16,902)
Administrative and other operating expenses		**(125,516)**	(95,703)
Change in fair value of investment properties		**1,402**	66,375
Operating profit	5	**654,731**	43,812
Finance costs	6	**(4,202)**	(13,303)
Share of results of an associated company		**3,487**	3,232
Profit before taxation		**654,016**	33,741
Taxation	7	**(220,254)**	(9,693)
Profit for the year		**433,762**	24,048
Attributable to:			
Equity holders		**448,755**	31,909
Non-controlling interests		**(14,993)**	(7,861)
		433,762	24,048
Dividends	8	**45,700**	–
		HK cents	*HK cents*
Earnings per share (basic and diluted)	9	**29.46**	2.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	**433,762**	24,048
Other comprehensive income:		
Net exchange differences	**25,314**	40,423
Share of exchange reserve of an associated company	**(19)**	–
Change in fair value of available-for-sale financial assets	**4,904**	4,904
Other comprehensive income for the year	**30,199**	45,327
Total comprehensive income for the year	**463,961**	69,375
Total comprehensive income attributable to:		
Equity holders	**476,506**	76,211
Non-controlling interests	**(12,545)**	(6,836)
	463,961	69,375

CONSOLIDATED BALANCE SHEET
As at 31st March, 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**99,218**	30,940
Investment properties		**75,860**	70,300
Land use right		**1,694**	1,718
Properties for/under development		**266,392**	106,039
Associated company		**7,971**	6,453
Available-for-sale financial assets		**74,537**	69,633
Loans and receivables		**12,397**	11,934
		538,069	297,017
Current assets			
Properties for sale		**1,531,707**	1,896,065
Inventories		**4,209**	3,470
Debtors and prepayments	*10*	**343,542**	404,660
Restricted bank balance	*12*	**–**	125,004
Cash and bank balances		**836,770**	226,699
		2,716,228	2,655,898
Investment property held for sale	*13*	**–**	790,000
		2,716,228	3,445,898
Current liabilities			
Creditors and accruals	*11*	**140,049**	79,658
Sales deposits received	*12*	**134,656**	609,760
Current portion of long-term bank borrowings		**41,939**	65,313
Loan from ultimate holding company	*14*	**–**	180,000
Taxation payable		**230,708**	69,375
		547,352	1,004,106
Liabilities of investment property held for sale	*13*	**–**	374,968
		547,352	1,379,074
Net current assets		**2,168,876**	2,066,824
Total assets less current liabilities		**2,706,945**	2,363,841
Equity			
Share capital		**76,166**	76,166
Reserves		**2,352,313**	1,921,507
Proposed final dividend		**30,467**	–
Shareholders' funds		**2,458,946**	1,997,673
Non-controlling interests		**65,632**	78,177
Total equity		**2,524,578**	2,075,850
Non-current liabilities			
Long-term bank borrowings		**–**	89,063
Deferred taxation liabilities		**172,198**	188,774
Loans from non-controlling interests		**10,169**	10,154
		182,367	287,991
		2,706,945	2,363,841

NOTES:

1. GENERAL INFORMATION

Chuang's China Investments 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 "Stock Exchange"). 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.

As at 31st March, 2012, the Company was a 57.04% owned subsidiary of Profit Stability Investments Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Directors regard CCIL as the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property investment and development, hotel operation, manufacturing and sale of watch components and merchandise, 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 and available-for-sale financial assets at fair values, and in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The preparation of financial statements in conformity with HKFRSs 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.

The adoption of revised HKFRSs

For the financial year ended 31st March, 2012, the Group adopted the following revised standards, amendments and interpretation of HKFRSs that are effective for the Group's accounting periods beginning on 1st April, 2011 and relevant to the operations of the Group:

HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

HKICPA's annual improvements to certain HKFRSs published in May 2010:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Financial Instruments: Presentation
HKAS 34 (Amendment)	Interim Financial Reporting
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these revised standards, amendments and interpretation of HKFRSs and considered that there was no 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.

Standards and amendments to existing standards that are not yet effective

The following new and revised standards and amendments 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, 2012, but have not yet been adopted by the Group:

HKAS 1 (Amendments)	Presentation of Financial Statements (effective from 1st July, 2012)
HKAS 19 (Revised)	Employee Benefits (effective from 1st January, 2013)
HKAS 27 (Revised)	Separate Financial Statements (effective from 1st January, 2013)
HKAS 28 (Revised)	Investments in Associates and Joint Ventures (effective from 1st January, 2013)
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2014)
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Transfers of Financial Assets (effective from 1st July, 2011)
HKFRS 7 (Amendments)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2013)
HKFRS 9	Financial Instruments (effective from 1st January, 2015)
HKFRS 10	Consolidated Financial Statements (effective from 1st January, 2013)
HKFRS 11	Joint Arrangements (effective form 1st January, 2013)
HKFRS 12	Disclosures of Interests in Other Entities (effective from 1st January, 2013)
HKFRS 13	Fair Value Measurement (effective from 1st January, 2013)

The Group will apply the above new and revised standards and amendments as and when they become effective 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 others (including hotel operation 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*	**Others and corporate** *HK$'000*	**2012 Total** *HK$'000*
Revenues	**1,475,331**#	**11,771**	**–**	**1,487,102**
Other income	**14,683**	**188**	**5,574**	**20,445**
Operating profit/(loss)	**711,359**	**(10,324)**	**(46,304)**	**654,731**
Finance costs	**(4,202)**	**–**	**–**	**(4,202)**
Share of results of an associated company	**–**	**–**	**3,487**	**3,487**
Profit/(loss) before taxation	**707,157**	**(10,324)**	**(42,817)**	**654,016**
Taxation	**(220,254)**	**–**	**–**	**(220,254)**
Profit/(loss) for the year	**486,903**	**(10,324)**	**(42,817)**	**433,762**
Segment assets	**2,636,408**	**3,659**	**606,259**	**3,246,326**
Associated company	**–**	**–**	**7,971**	**7,971**
Total assets	**2,636,408**	**3,659**	**614,230**	**3,254,297**
Total liabilities	**716,966**	**2,623**	**10,130**	**729,719**
Other segment items are as follows:				
Capital expenditure	**374,993**	**326**	**9,613**	**384,932**
Depreciation	**2,451**	**945**	**5,444**	**8,840**
Amortisation of land use rights				
– charged to income statement	**32**	**–**	**–**	**32**
– capitalised into properties	**4,000**	**–**	**–**	**4,000**
Impairment of property, plant and equipment	**–**	**2,623**	**–**	**2,623**

The amount includes sales of properties under development and land use rights for sale in the People's Republic of China (the "PRC") of HK$818.9 million.

	Property investment and development HK$'000	Sale of goods and services HK$'000	Others and corporate HK$'000	2011 Total HK$'000
Revenues	184,628	13,396	–	198,024
Other income	17,569	16,700	86	34,355
Operating profit/(loss)	70,826	10,040	(37,054)	43,812
Finance costs	(13,303)	–	–	(13,303)
Share of results of an associated company	–	–	3,232	3,232
Profit/(loss) before taxation	57,523	10,040	(33,822)	33,741
Taxation	(7,776)	(1,917)	–	(9,693)
Profit/(loss) for the year	49,747	8,123	(33,822)	24,048
Segment assets	3,572,342	6,250	157,870	3,736,462
Associated company	–	–	6,453	6,453
Total assets	3,572,342	6,250	164,323	3,742,915
Total liabilities	1,657,747	2,824	6,494	1,667,065
Other segment items are as follows:				
Capital expenditure	313,111	3,054	647	316,812
Depreciation	2,883	962	1,225	5,070
Amortisation of land use rights				
– charged to income statement	32	–	–	32
– capitalised into properties	1,666	–	–	1,666
Write off of trade and other debtors	803	38	–	841
Recovery of trade debtor written off	1,712	–	–	1,712

(b) Geographical segment information

The business of the Group operates in three geographical areas of Hong Kong, 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**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**11,091**	38,124	**9,632**	652
The PRC	**1,474,800**	158,163	**375,300**	316,160
Other countries	**1,211**	1,737	**–**	–
	1,487,102	198,024	**384,932**	316,812

	Non-current assets *(Note)*		**Total assets**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**82,689**	8,450	**615,487**	958,215
The PRC	**368,446**	207,000	**2,638,632**	2,784,274
Other countries	**–**	–	**178**	426
	451,135	215,450	**3,254,297**	3,742,915

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

4. OTHER INCOME

	2012	2011
	HK$'000	*HK$'000*
Dividend income from available-for-sale financial assets	**1,954**	–
Compensation for late delivery of land use right	**2,923**	–
Net compensation from government for the resumption of assets	**–**	28,220
Sale of scraped material	**188**	413
Net gain on disposal of property, plant and equipment	**–**	1,383
Interest income from		
Bank deposits	**13,647**	1,794
Loans and receivables	**–**	39
Recovery of trade debtor written off	**–**	1,712
Sundries	**1,733**	794
	20,445	34,355

5. OPERATING PROFIT

	2012	2011
	HK$'000	*HK$'000*
Operating profit is stated after charging:		
Amortisation of land use right	**32**	32
Cost of properties sold	**665,098**	121,685
Cost of inventories sold	**15,686**	16,083
Depreciation	**8,840**	5,070
Impairment of property, plant and equipment	**2,623**	–
Net exchange losses	**2,424**	1,387
Net loss on disposal of property, plant and equipment	**493**	–
Staff costs, including Directors' emoluments		
Wages and salaries	**38,723**	37,487
Retirement benefit costs	**1,090**	996
Write off of trade and other debtors	**–**	841

6. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**5,906**	17,218
Loan from ultimate holding company wholly repayable within five years	**38**	1,668
	5,944	18,886
Amount capitalised into properties for sale	**(1,742)**	(5,583)
	4,202	13,303

The capitalisation rate applied to funds borrowed for the development of properties is 5.85% (2011: 5.85%) per annum.

7. TAXATION

	2012	2011
	HK$'000	*HK$'000*
Current taxation		
PRC corporate income tax	**106,970**	(5,493)
PRC land appreciation tax	**129,972**	8,198
Deferred taxation	**(16,688)**	6,988
	220,254	9,693

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the year (2011: Nil). PRC corporate income tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC. 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 an associated company for the year ended 31st March, 2012 amounting to HK$542,000 (2011: HK$614,000) is included in the income statement as share of results of an associated company.

8. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Interim dividend of 1.0 HK cent (2011: Nil) per share	**15,233**	–
Proposed final scrip dividend with a cash option of 2.0 HK cents (2011: Nil) per share	**30,467**	–
	45,700	–

On 25th June, 2012, the Board proposed a final scrip dividend with a cash option of 2.0 HK cents (2011: Nil) per share amounting to HK$30,467,000 (2011: Nil). The amount of HK$30,467,000 is calculated based on 1,523,328,700 issued shares as at 25th June, 2012. 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, 2013 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$448,755,000 (2011: HK$31,909,000) and 1,523,328,700 (2011: 1,523,328,700) 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.

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 trade debtors of the Group is as follows:

	2012	2011
	HK$'000	*HK$'000*
Below 30 days	**9,932**	15,030
31 to 60 days	**792**	108
61 to 90 days	**107**	409
Over 90 days	**2,640**	3,663
	13,471	19,210

Debtors and prepayments include deposits of HK$273,471,000 (2011: HK$252,647,000) for property development projects and acquisition of land use rights in the PRC. As at 31st March, 2011, debtors and prepayments also included deposits of HK$68,884,000 for acquisition of property, plant and equipment.

11. CREDITORS AND ACCRUALS

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

	2012	2011
	HK$'000	*HK$'000*
Below 30 days	**575**	337
31 to 60 days	**244**	171
61 to 90 days	**297**	115
Over 90 days	**319**	581
	1,435	1,204

12. SALES DEPOSITS RECEIVED

Sales deposits received represents deposits received from the sales of properties of the Group in the PRC which have not yet been recognised as revenue for the year. Among the sales deposits received, an amount of HK$125,004,000 was recorded as restricted bank balance in the financial statements as at 31st March, 2011 as certain restrictions were imposed. As at 31st March, 2012, these restrictions were released and the restricted bank balance became the Group's bank deposit and the sales deposits were recognised as revenue for the year.

13. INVESTMENT PROPERTY HELD FOR SALE AND ITS LIABILITIES

On 1st March, 2011, the Company entered into a sale and purchase agreement with CCIL to dispose of a wholly-owned subsidiary (the main asset is an investment property in Hong Kong) together with the shareholder loan owed to the Company at the consideration of HK$790,000,000 less the amounts of bank borrowings and the tenants' deposits received as at the completion date. Details of the transaction were set out in the announcement and circular of the Company dated 2nd March, 2011 and 21st March, 2011 respectively. The transaction was completed on 7th April, 2011.

14. LOAN FROM ULTIMATE HOLDING COMPANY

Loan from ultimate holding company as at 31st March, 2011 was unsecured, interest bearing at prevailing market rates and was repayable within the next twelve months from the balance sheet date. The amount was fully repaid subsequent to 31st March, 2011.

15. FINANCIAL GUARANTEES

As at 31st March, 2012, the subsidiaries have provided guarantees amounting to HK$351,573,000 (2011: HK$193,712,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

16. CAPITAL COMMITMENTS

As at 31st March, 2012, the Group has capital expenditure commitments contracted but not provided for in respect of property development amounting to HK$454,975,000 (2011: HK$255,894,000).

17. PLEDGE OF ASSETS

As at 31st March, 2012, the Group has pledged the assets of certain subsidiaries, including property, plant and equipment, land use right, properties for sale and bank deposits, with an aggregate carrying value of HK$39,241,000 (2011: HK$1,162,034,000 with the pledge of investment property held for sale), to secure general banking and financial guarantee facilities granted to those subsidiaries.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2012 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.

RESPONSIVE OPERATING STRATEGIES

During the year under review, the operating environment for property developers in the People's Republic of China (the "PRC") faced a tough tightening of liquidity and weakening of market sentiments as affected by the stringent regulations such as restricting home purchases. Whilst residential property sales slowed down, the Group had undertaken the disposal of a series of property projects as follows and generated additional revenues:

- In April 2011, the disposal of Chuang's Tower in Central at HK$790 million was completed.

- In June 2011, the disposal of the wholly-owned subsidiary which held the property development project in Xingsha at RMB526 million (equivalent to HK$625.4 million) was completed.

- In March 2012, the disposal of three development sites in Huizhou at RMB158.9 million (equivalent to HK$193.5 million) was completed.

- After the year end date, the disposal of the remaining site in Huizhou at RMB27.5 million (equivalent to HK$34.0 million) was completed in April 2012. This disposal will be recorded as revenues of the Group for the financial year ending 31st March, 2013.

The Group also adjusted the property development schedule and product mix by increasing the supply of flats for first time home buyers and postponing the launch of larger flat size. In addition, the Group noticed that transaction volumes of commercial properties were rising as this sector was not affected by the housing regulatory policies. The Group therefore revised its investment holding strategy and launched its completed commercial properties in Guangzhou, Dongguan and Changsha to the market for sale.

IMPROVED FINANCIAL RESULTS AND STRENGTHENED BALANCE SHEET

As a result of the successful operating strategies implemented by the Group during the year, the Group achieved an improved financial results and a much stronger and healthy balance sheet.

For the year ended 31st March, 2012, the Group generated a substantial increase in property sales to approximately HK$2,262.4 million. This comprised sales of development properties and sites in the PRC amounting to approximately HK$1,472.4 million (2011: HK$156.5 million) and sales of investment properties in Hong Kong amounting to HK$790 million.

Profit attributable to equity holders of the Company for the year ended 31st March, 2012 was HK$448.8 million (2011: HK$31.9 million), a 13-fold increase over last year. Earnings per share was 29.46 HK cents (2011: 2.09 HK cents).

The Group maintains a strong net cash position. As at 31st March, 2012, the Group had cash and bank balances of HK$836.8 million (2011: HK$351.7 million), while bank borrowings were HK$41.9 million (2011: HK$154.4 million), resulted in a net cash position of HK$794.9 million (2011: HK$197.3 million). As at 31st March, 2012, the net asset value attributable to equity holders of the Company was HK$2,458.9 million. The Group is placed in a more advantageous position to capture attractive investment opportunities, as well as to replenish its land reserve.

BUSINESS REVIEW

Property Development

Since November 2011, in order to stimulate the economic growth, the PRC Government has reduced the bank reserve rate in aggregate by 1.5% and cut interest rate by 0.25%. These measures have provided additional liquidity to the market and created a positive environment for the property market in the PRC. Though the home purchase restriction policy has not been relaxed, it is generally believed that no further restrictive measures will be imposed.

Against this background and given its healthy and strong financial position, the Group will in the coming financial year actively seek for opportunities to replenish its land reserve, with focus in the Guangdong Province, Fujian Province, Jiangsu Province and Zhejiang Province.

The table below contains the list of existing major projects of the Group:

Locations	**Projects**	**Completed properties** *(GFA in sq. m.)*	**Developable properties** *(GFA in sq. m.)*
Southern China			
Guangzhou	Chuang's Le Papillon	113,400	313,000
Dongguan	Imperial Garden	95,700	423,000
Xiamen	Uman Resort and Villa		18,000
Sub-total		209,100	754,000
Northern China			
Anshan	Chuang's Mid-town		100,000
Anshan	Chuang's Plaza		390,000
Sub-total			490,000
Central China			
Changsha	Beverly Hills	80,200	
TOTAL		**289,300**	**1,244,000**

SOUTHERN CHINA

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

The project has a total gross floor area ("GFA") of over 420,000 *sq. m.* and consists of various ancillary facilities, including luxurious club houses, commercial facilities and abundant greenery.

Phase I comprises completed residential properties (Block A to E) of 113,400 *sq. m.*, commercial podium and club house with total GFA of 3,400 *sq. m.*. Block A with 135 flats has been sold out. Block B consists of 98 flats providing 4-bedroom ranging from 202 *sq. m.* as well as duplex flats of over 400 *sq. m.*. As affected by the tightening of end users' mortgage and limited purchase policies, the Group held back the launch of Block B to the market. Block C consists of 124 flats with flat size of 175 *sq. m.* and has 28 unsold flats with aggregate GFA of 4,900 *sq. m.*. Block D and E consist of 432 flats with total GFA of 50,200 *sq. m.* and were virtually sold out. Occupancy was handed over to buyers in February 2012.

Phase II comprising Block F, G, H, I, J, K, L, M, N and P has an aggregate residential GFA of about 147,300 *sq. m.*, details as follows:

Block	**Residential GFA** *(sq. m.)*	**Flat size** *(sq. m.)*	**Number of flats**
F	7,291	59 – 86	97
G	7,665	59 – 86	102
H	18,945	105 – 145	151
I	16,394	137 – 150	116
J	16,437	105 – 138	136
K	17,446	134 – 157	114
L	16,437	105 – 138	136
M	23,396	57 – 88	321
N	16,325	137 – 150	116
P (low rise villas)	6,987	318	22
Total	**147,323**		**1,311**

The Group planned its construction works closely in line with market conditions and prioritised the launch of receptive flats size ranging from 70 *sq. m.* to 120 *sq. m.*. Currently, Block F, G, H and I with total GFA of 50,295 *sq. m.* have been topped off. Superstructure works for Block J, L and M with total GFA of 56,270 *sq. m.* are in progress. Superstructure works for Block K and N which provide larger size flats of 134 *sq. m.* to 157 *sq. m.* and Block P (comprising 22 low rise villas) will commence in the second half of this year.

Marketing and presales of Block F, G and H were in progress with the average selling price of about RMB9,000 per *sq. m.*. Block I, J, L and M providing flat sizes from 57 *sq. m.* to 150 *sq. m.* will be launched for presales in a couple of months.

Phase III has total GFA of about 165,700 *sq. m.*, comprising residential towers from Block Q to Block V, Block W (GFA of 2,639 *sq. m.*) for commercial use and Block X of 14 low rise villas. The Group is planning to raise the existing plot ratio from 1.92 to 2.5, thereby increasing GFA by about 45,000 *sq. m.* for commercial purpose.

The sales target for Guangzhou in the financial year ending 2013, including the unsold properties of Block F, G, H, I, the commercial properties and the presales of Block J, L and M, amounted to about RMB1.85 billion as follows:

		Contracted sales not yet recognised as revenues		Sales target		
					2012/13	2013/14 and beyond
		sq. m.	*RMB*	*sq. m.*	*RMB*	*RMB*
Residential						
Completed properties	Block A,B,C,D,E	4,760	33,084,000	28,654	271,534,000	
Phase II	Block F, G, H, I	15,790	143,065,000	34,505	316,197,000	
	Block J, L, M			56,270	506,490,000	
	Block K, N, P			40,758	684,652,000	
Phase III	Block Q, R			50,175		602,100,000
	Block S, T, U, V, X			112,879		1,473,324,000
Commercial						
Completed properties				1,826	54,780,000	
Phase II				900	18,500,000	
Phase III				2,639		31,668,000
TOTAL		**20,550**	**176,149,000**	**328,606**	**1,852,153,000**	**2,107,092,000**
			(Note)			

Note: These contracted sales are expected to be recognised as revenues of the Group for the year ending 31st March, 2013 when these flats are delivered to buyers.

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

Embarking on the riverside park overlooking the Pearl River, Chuang's New City is well equipped with ancillary facilities such as club house, kindergarten, sports arena and shopping mall to meet residents' pursuit of a refined lifestyle. The project has a total GFA of about 520,000 *sq. m.*, comprising 95,700 *sq. m.* of completed properties and 423,000 *sq. m.* for development.

Phase I consists of 8 completed residential towers totaling about 89,000 *sq. m.* in GFA, a modern commercial shopping complex of about 6,666 *sq. m.* and 184 carparking spaces. Block 1 to Block 8 comprise 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 511 flats have been sold at an average selling price of about RMB5,100 per *sq. m.*.

Phase II comprises Block 9 to Block 14 providing 6 residential towers (total GFA of 61,272 *sq. m.*) with flats size ranging from 56 *sq. m.* to 127 *sq. m.*. Foundation works for Block 9 to Block 14 were completed and superstructure works will commence shortly. The Group will also commence on the construction of the commercial complex with an area of 3,217 *sq. m.*.

The Group will embark on Phase III development plan of Block 15 to Block 55 comprising GFA of about 356,000 *sq. m.* in accordance with local market sentiments and sales progress.

The sales target for Dongguan for the financial year ending 2013, including the unsold properties of Block 1 to Block 8, the commercial properties and the presales of Block 9 to Block 14, amounted to about RMB662 million as follows:

		Contracted sales not yet recognised as revenues		Sales target		
					2012/13	**2013/14 and beyond**
		sq. m.	*RMB*	*sq. m.*	*RMB*	*RMB*
Residential						
Completed properties	Block 1 to 8	5,134	29,124,000	20,583	142,118,000	
Phase II	Block 9 to 14			61,272	376,376,000	
Phase III	Block 15 to 55			355,842		3,844,663,000
Commercial						
Completed properties				6,666	100,000,000	
Phase II				3,217	43,429,500	
				2,809		37,921,500
TOTAL		**5,134**	**29,124,000**	**450,389**	**661,923,500**	**3,882,584,500**
			(Note)			

Note: These contracted sales are expected to be recognised as revenues of the Group for the year ending 31st March, 2013 when these flats are delivered to buyers.

Uman Resort and Villa, Xiamen, Fujian (59.5% owned)

The exquisite environment of the site, surrounded by natural landscape and nearby the popular sunbathing sandy beach, will be best delivering an exclusive high-end resort experience. The unique and private environment is specially designed to support the concept of life and health enhancement and deliver an exceptional hospitality experience in Xiamen.

Our luxurious resort development occupies a site with an area of about 27,574 *sq. m.*. Focusing on a low density development of just 0.3 time, Uman Resort and Villa has 18,000 *sq. m.* in GFA and stands out in its master planning, architectural and landscape design. Within this development, 27 private pool villas with aggregate GFA of about 8,400 *sq. m.* will either be rented out on long lease or for sale. An exclusive resort with 80 keys and 3 private pool villas (total GFA of 9,600 *sq. m.*) will be operated as hotel and resort. There are nice landscape gardening and big body water in the centre of private villas. Through the use of waterways (including waterfalls, cascades and infinity pool concept with pavilions), gardens, landscapes and colors will be incorporated. Its accommodation options include open suites and spacious villas overlooking the glamorous water feature.

Master planning of this development has been approved by the relevant PRC bureau. Construction works have commenced and superstructure works will be completed around mid-2013.

NORTHERN CHINA

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

Situated right next to the Anshan rail station, this site is located at the core city centre of Tie Dong Qu (鐵東區), embracing the perfect geographical advantages of pouring crowds and flourishing logistics. The site, which has just been handed over by the local government to the Group in April 2012, will be developed into a landmark complex in Anshan allowing multi-faceted and vibrant living environment.

Master planning for the project is progressing. The development will provide integrated community with residential, shopping areas, specialty business activities, SOHO and office space with total GFA of 100,000 *sq. m.*.

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

Adjacent to Chuang's Mid-town, the second site acquired by the Group is located in the prime city centre of Tie Dong Qu (鐵東區). Located in the hustle and bustle commercial and shopping district in Anshan and the nearby popular outdoor walking mall, the site is well supported by comprehensive transportation network. With developable GFA of 390,000 *sq. m.*, the site will provide a mega integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Ground investigation works will commence once the site is delivered by the local government.

CENTRAL CHINA

Beverly Hills, Changsha, Hunan (54% owned)

Situated in Changsha County, Beverly Hills comprises completed residential and commercial properties of about 80,200 *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.*. Construction works of the commercial and SOHO properties with a total GFA of about 10,200 *sq. m.* have been completed. Interior fittings and marketing are in progress. The sales target of Beverly Hills for the remaining 67 unsold residential units and commercial properties amounted to RMB222 million.

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

Situated in the prominent district within the second-ring road, Wu Hou Qu (武侯區) of Chengdu, the Group has a 51% joint development interest in a site at Hong Pai Lou (紅牌樓). As the development will involve resettlements and will take longer planning time, the Group is evaluating different alternatives and the appropriate strategy for this investment.

Other Businesses

As at 31st March, 2012, the aggregate book value of the Group's other major assets amounted to approximately HK$114.2 million. These include the Group's wholly-owned subsidiary, Yuen Sang Watch Industries Limited, which is engaged in the manufacture and sale of watch components for export, the 25% interests in Treasure Auctioneer International Limited and approximately 10.4% interests in a quoted investment in CNT Group Limited. Furthermore, the Group holds Level 6 of the commercial podium at Chengdu Digitial Plaza in Chengdu with GFA of 4,255 *sq. m.*. The property was subject to a ten-year tenancy which is due to expire in October 2012. In view of the appreciated value of the property, the Group is evaluating the disposal of this property. In addition, the Group will actively continue investing in securities and bond markets in Hong Kong, focusing on stocks relating to China property developers, in order to generate an additional source of revenue to the Group.

Prospects

While short-term market uncertainty is expected to continue, the fundamental demand for residential housing will remain strong given the rising per capita income, accelerating urbanisation and increasing demand for better living environment. The Group is fully confident about the long-term development of the property market in the PRC.

In the coming financial years, the Group will actively launch our projects in Guangzhou, Dongguan and Changsha for sales. The total sales value of these projects amount to over HK$10 billion. With the sales of these projects, the Group is confident that its value will be significantly enhanced.

RESULTS AND DIVIDENDS

Financial Review

Property sales of the Group during the period substantially increased to approximately HK$2,262.4 million, comprising sales of investment properties in Hong Kong amounting to HK$790 million and sales of development properties and sites in the PRC amounting to approximately HK$1,472.4 million (2011: HK$156.5 million). Sales of development properties and sites in the PRC were recorded as revenues of the Group. The remaining revenues of the Group comprise income from manufacturing business of HK$11.8 million (2011: HK$13.4 million) and rental and its related income of HK$2.9 million (2011: HK$28.1 million). Accordingly, total revenues of the Group for the year ended 31st March, 2012 increased to HK$1,487.1 million (2011: HK$198.0 million).

During the year under review, gross profit increased to HK$805.2 million (2011: HK$55.7 million) mainly as a result of profit from property sales. Other income decreased to HK$20.4 million (2011: HK$34.4 million) and does not contain the one-off land resumption compensation received by the Group in the last corresponding year. A detailed analysis of other income is shown in note 4 on page 9 of this report.

On the costs side, selling and marketing expenses increased to HK$46.8 million (2011: HK$16.9 million) as a result of increased sales of properties during the year. Administrative and other operating expenses increased to HK$125.5 million (2011: HK$95.7 million) and that was due to general increase in overheads and increase in business activities of the Group for the year under review.

Finance costs reduced to HK$4.2 million (2011: HK$13.3 million) as a result of reduced bank borrowings. Share of results of an associated company amounted to HK$3.5 million (2011: HK$3.2 million) in relation to the Group's 25% interests in Treasure Auctioneer International Limited. Taxation increased to HK$220.3 million (2011: HK$9.7 million) mainly related to increase in sales of properties in the PRC.

Taking into account the above, profit attributable to equity holders of the Company for the year ended 31st March, 2012 was HK$448.8 million (2011: HK$31.9 million), representing an increase of about 13 times over that of the last corresponding year. Earnings per share was 29.46 HK cents (2011: 2.09 HK cents).

Dividends

After taking into account the need to maintain sufficient financial resources for the acquisition of additional landbank and as working capital for the Group's projects and businesses, the Board has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting (the "AGM") the payment of a final dividend of 2.0 HK cents (2011: Nil) per share for the year ended 31st March, 2012. The final dividend, if approved, will be paid on or before 1st November, 2012 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 12th September, 2012.

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$0.05, 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 12th September, 2012, 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 (2011: Nil) per share has been paid in respect of the current financial year. Total dividends for the year amounted to 3.0 HK cents (2011: Nil) per share.

Financial Positions

During the year, the Group's financial positions have significantly improved. As at 31st March, 2012, the Group's cash and bank balances amounted to HK$836.8 million (2011: HK$351.7 million including restricted bank balance which was released as bank balances of the Group in April 2011). As at the same date, bank borrowings of the Group amounted to HK$41.9 million (2011: HK$154.4 million excluding bank borrowings related to assets to be disposed of). The Group has net cash of HK$794.9 million (2011: HK$197.3 million). The calculation of net debt to equity ratio was therefore not applicable (2011: N/A).

Approximately 51.8% of the Group's cash and bank balances were in Hong Kong dollar and United States dollar with the remaining 48.2% in Renminbi. The Group's entire bank borrowings were in Renminbi and were repayable within one year. Risk in exchange rate fluctuation would not be material.

As at 31st March, 2012, the net asset value attributable to equity holders of the Company was HK$2,458.9 million. Net asset value per share amounted to HK$1.61, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

CLOSING OF REGISTER

The AGM of the Company is scheduled on Friday, 31st August, 2012. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 28th August, 2012 to Friday, 31st August, 2012, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Tricor Progressive Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 27th August, 2012.

The proposed final dividend is subject to the approval of the shareholders of the Company (the "Shareholders") at the AGM. The record date for entitlement to the proposed final dividend is Wednesday, 12th September, 2012. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 6th September, 2012 to Wednesday, 12th September, 2012, 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 Progressive 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, 5th September, 2012.

PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME

The share option scheme adopted by the Company on 26th August, 2002 was for a period of 10 years expiring on 25th August, 2012 (the "2002 Scheme"). As at the date of this announcement, the Company did not have any share option scheme other than the 2002 Scheme and there were no options granted under the 2002 Scheme which remained valid or exercisable. As the 2002 Scheme is due to expire in August 2012, the Board proposed to adopt a new share option scheme of the Company (the "New Share Option Scheme"). Relevant resolution(s) will be proposed at the AGM to seek the approval of the Shareholders to adopt the New Share Option Scheme.

PROPOSED AMENDMENTS TO BYE-LAWS AND ADOPTION OF NEW BYE-LAWS

The Board also proposed to seek the approval of the Shareholders at the AGM to amend the bye-laws of the Company (the "Bye-laws") and to adopt a new set of Bye-laws so as to consolidate all the changes previously made, to keep the Bye-laws in line with the changes made to the Companies Act of Bermuda and to amend certain requirements relating to election of Directors at general meetings.

A circular containing, among others, further information in respect of the New Share Option Scheme and the proposed amendments to the Bye-laws and the adoption of the new Bye-laws, will be dispatched to the Shareholders as soon as practicable.

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, 2012, the Group employed 523 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, 2012 with the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange.

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, 2012. The current members of the audit committee are Dr. Hwang Jen, Mr. David Chu Yu Lin and Dr. Peter Po Fun Chan, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2012 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.

By order of the Board of
Chuang's China Investments Limited
Albert Chuang Ka Pun
Deputy Chairman

Hong Kong, 25th June, 2012

As at the date of this announcement, Mr. Lee Sai Wai, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Miss Candy Chuang Ka Wai, Mr. Sunny Pang Chun Kit and Mr. Wong Chung Wai are the Executive Directors, and Mr. Abraham Shek Lai Him, Dr. Hwang Jen, Mr. David Chu Yu Lin and Dr. Peter Po Fun Chan are the Independent Non-Executive Directors of the Company.