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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, 2012, PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME, PROPOSED APPROVAL OF ADOPTION OF NEW SHARE OPTION SCHEMES OF SUBSIDIARIES 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$2,207.1 million, representing an increase of 4.8 times over that of the last corresponding year.

– Net profit attributable to equity holders of the Company amounted to HK$901.3 million, representing an increase of 14.1% over that of the last corresponding year.

– Shareholders' funds increased by 15.7% to HK$6,241.7 million, equivalent to HK$3.92 per share.

– Net debt to equity ratio improved to 1.8% from 14.3% in last year.

– Final dividend per share amounted to 3.5 HK cents, making total dividends per share for the year increased by 10.0% to 5.5 HK cents.

RESULTS

The Board of Directors (the "Board") of Chuang's Consortium International Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31st March, 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2012

	Note	2012 HK$'000	2011 HK$'000
Revenues		**2,207,128**	382,785
Cost of sales		**(1,142,430)**	(221,774)
Gross profit		**1,064,698**	161,011
Other income and net gain	*4*	**196,986**	49,807
Net gain on disposal of investment properties	*13*	**38,160**	503,742
Selling and marketing expenses		**(90,827)**	(37,505)
Administrative and other operating expenses		**(390,555)**	(227,181)
Change in fair value of investment properties		**515,726**	488,181
Operating profit	*5*	**1,334,188**	938,055
Finance costs	*6*	**(54,631)**	(46,772)
Share of results of associated companies		**(3,167)**	(30,814)
Share of result of a jointly controlled entity		**(35)**	(214)
Profit before taxation		**1,276,355**	860,255
Taxation	*7*	**(221,570)**	(64,662)
Profit for the year		**1,054,785**	795,593
Attributable to:			
Equity holders		**901,313**	789,686
Non-controlling interests		**153,472**	5,907
		1,054,785	795,593
Dividends	*8*	**87,347**	78,468
		HK cents	*HK cents*
Earnings per share (basic and diluted)	*9*	**57.07**	51.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	**1,054,785**	795,593
Other comprehensive income:		
Net exchange differences	**39,440**	60,417
Share of exchange reserve of an associated company	**(19)**	344
Realisation of exchange reserve upon disposal of an associated company	**(3,723)**	–
Change in fair value of available-for-sale financial assets	**2,904**	7,604
Other comprehensive income for the year	**38,602**	68,365
Total comprehensive income for the year	**1,093,387**	863,958
Total comprehensive income attributable to:		
Equity holders	**917,432**	837,229
Non-controlling interests	**175,955**	26,729
	1,093,387	863,958

CONSOLIDATED BALANCE SHEET
As at 31st March, 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		**323,420**	88,309
Investment properties		**4,830,675**	4,265,957
Leasehold land and land use rights		**83,534**	13,748
Properties for/under development		**421,502**	404,402
Cemetery assets		**536,209**	–
Associated companies		**10,669**	218,309
Jointly controlled entity		**–**	–
Amount due from a jointly controlled entity		**58,685**	56,287
Available-for-sale financial assets		**92,984**	86,627
Loans and receivables		**14,408**	68,865
		6,372,086	5,202,504
Current assets			
Properties for sale		**1,849,084**	2,052,848
Inventories		**124,713**	74,682
Cemetery assets for sale		**112,679**	–
Debtors and prepayments	*10*	**575,670**	962,137
Tax recoverable		**117**	–
Financial assets at fair value through profit or loss		**330,494**	127,080
Restricted bank balance	*12*	**–**	125,004
Cash and bank balances		**1,890,245**	1,536,803
		4,883,002	4,878,554
Investment property held for sale	*13*	**–**	17,160
		4,883,002	4,895,714
Current liabilities			
Creditors and accruals	*11*	**341,377**	193,182
Sales deposits received	*12*	**136,282**	657,026
Derivative financial instruments		**3,500**	–
Short-term bank borrowings		**14,511**	–
Current portion of long-term bank borrowings		**437,814**	162,063
Taxation payable		**310,142**	135,234
		1,243,626	1,147,505
Net current assets		**3,639,376**	3,748,209
Total assets less current liabilities		**10,011,462**	8,950,713

	2012	2011
	HK$'000	*HK$'000*
Equity		
Share capital	**398,211**	394,218
Reserves	**5,787,695**	4,950,388
Proposed final dividend	**55,750**	50,460
Shareholders' funds	**6,241,656**	5,395,066
Non-controlling interests	**1,477,061**	952,616
Total equity	**7,718,717**	6,347,682
Non-current liabilities		
Long-term bank borrowings	**1,883,409**	2,400,552
Convertible note	**46,343**	–
Derivative financial instruments	**–**	2,566
Deferred taxation liabilities	**352,824**	189,759
Loans from non-controlling interests	**10,169**	10,154
	2,292,745	2,603,031
	10,011,462	8,950,713

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, hotel operation, manufacturing and sale of watch components, merchandise, bonded polyester fabrics, home finishing products and printed products, securities investment and trading, and the development and operation of cemetery.

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 ("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 from 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, securities investment and trading, cemetery and others (including hotel operation). 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$'000	Cemetery HK$'000	Others and corporate HK$'000	2012 Total HK$'000
Revenues	1,923,897#	310,506	(33,869)	6,594	–	2,207,128
Other income and net gain	13,374	10,940	–	18	172,654	196,986
Operating profit/(loss)	1,424,961	(40,320)	(33,869)	(15,129)	(1,455)	1,334,188
Finance costs	(45,740)	(342)	–	–	(8,549)	(54,631)
Share of results of associated companies	274	(6,928)	–	–	3,487	(3,167)
Share of result of a jointly controlled entity	(35)	–	–	–	–	(35)
Profit/(loss) before taxation	1,379,460	(47,590)	(33,869)	(15,129)	(6,517)	1,276,355
Taxation (charge)/credit	(226,542)	2,151	–	2,818	3	(221,570)
Profit/(loss) for the year	1,152,918	(45,439)	(33,869)	(12,311)	(6,514)	1,054,785
Segment assets	8,023,607	496,917	330,494	666,116	1,668,600	11,185,734
Associated companies	2,699	–	–	–	7,970	10,669
Jointly controlled entity	–	–	–	–	–	–
Amount due from a jointly controlled entity	58,685	–	–	–	–	58,685
Total assets	8,084,991	496,917	330,494	666,116	1,676,570	11,255,088
Total liabilities	3,119,149	111,733	3,500	22,153	279,836	3,536,371
Other segment items are as follows:						
Capital expenditure	610,897	9,144	–	252	9,613	629,906
Depreciation	4,444	21,063	–	492	9,833	35,832
Amortisation of leasehold land and land use rights						
– charged to income statement	193	2,775	–	54	–	3,022
– capitalised into properties	4,000	–	–	–	–	4,000
Amortisation of cemetery assets	–	–	–	8,212	–	8,212
Write off of trade and other debtors	967	1,669	–	–	–	2,636
Impairment of property, plant and equipment	–	2,623	–	–	–	2,623
Impairment of inventories	–	1,119	–	–	–	1,119
Impairment of other deposits	34,955	–	–	–	–	34,955

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*	Securities investment and trading *HK$'000*	Others and corporate *HK$'000*	2011 Total *HK$'000*
Revenues	301,310	78,074	3,401	–	382,785
Other income and net gain	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

(b) Geographical segment information

The business of the Group operates in five geographical areas of Hong Kong, the PRC, the United States of America, the United Kingdom 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	**425,700**	139,805	**208,947**	402,254
The PRC	**1,484,554**	158,163	**383,245**	316,160
The United States of America	**75,585**	–	**–**	–
The United Kingdom	**40,543**	–	**–**	–
Other countries	**180,746**	84,817	**37,714**	10,064
	2,207,128	382,785	**629,906**	728,478

	Non-current assets *(Note)*		Total assets	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**4,638,633**	4,363,251	**6,974,598**	6,644,683
The PRC	**1,147,743**	207,000	**3,596,739**	2,784,274
The United States of America	**–**	–	**–**	–
The United Kingdom	**–**	–	**–**	–
Other countries	**478,318**	476,761	**683,751**	669,261
	6,264,694	5,047,012	**11,255,088**	10,098,218

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 AND NET GAIN

	2012	2011
	HK$'000	*HK$'000*
Interest income from		
Bank deposits	**26,308**	4,119
Loans and receivables	**740**	5,017
Dividend income from available-for-sale financial assets	**1,954**	–
Negative goodwill arising from the purchase of a subsidiary	**290,570**	–
Loss on remeasurement of previously held equity interest in an associated company	**(135,560)**	–
Sale of scraped material	**3,144**	413
Gain on disposal of available-for-sale financial assets	**237**	499
Compensation for late delivery of land use right	**2,923**	–
Net compensation from governments for the resumption of assets	**–**	32,390
Forfeited deposits from sales of properties	**1,472**	–
Recovery of trade debtor written off	**–**	1,712
Net (loss)/gain on disposal of property, plant and equipment	**(161)**	2,130
Net exchange losses	**(5,043)**	(1,233)
Sundries	**10,402**	4,760
	196,986	49,807

5. OPERATING PROFIT

	2012 HK$'000	2011 HK$'000
Operating profit is stated after crediting:		
Dividend income from listed investments	**2,497**	15
Interest income from financial assets at fair value through profit or loss	**1,500**	447
Net realised gains of financial assets at fair value through profit or loss	**22,825**	8,944
and after charging:		
Cost of properties sold	**844,440**	121,805
Cost of inventories sold	**238,281**	57,065
Depreciation	**35,832**	11,169
Amortisation of leasehold land and land use rights	**3,022**	525
Amortisation of cemetery assets	**8,212**	–
Write off of trade and other debtors	**2,636**	852
Impairment of property, plant and equipment	**2,623**	–
Impairment of inventories	**1,119**	–
Impairment of other deposits	**34,955**	–
Fair value loss of financial assets at fair value through profit or loss	**57,191**	6,005
Fair value loss on derivative financial instruments	**3,500**	13,700
Staff costs, including Directors' emoluments		
Wages and salaries	**168,247**	85,835
Retirement benefit costs	**4,862**	3,651

6. FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Interest expenses		
Bank borrowings wholly repayable within five years	**23,926**	29,095
Bank borrowings wholly repayable after five years	**28,904**	23,546
Bank overdraft wholly repayable within five years	**342**	513
Convertible note wholly repayable within five years	**4,660**	–
	57,832	53,154
Amount capitalised into		
Properties for/under development	**(1,414)**	(743)
Properties for sale	**(1,787)**	(5,639)
	54,631	46,772

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements, except that those from bank borrowings which contain a repayment on demand clause are included in the "bank borrowings wholly repayable within five years" band regardless of the probability of the banks choosing to exercise their rights.

The capitalisation rates applied to funds borrowed for the development of properties range from 1.50% to 5.85% (2011: 1.30% to 5.85%) per annum.

7. TAXATION

	2012	2011
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**6,000**	55,000
Overseas profits tax	**93**	(83)
PRC corporate income tax	**107,170**	(5,493)
PRC land appreciation tax	**129,972**	8,198
Deferred taxation	**(21,665)**	7,040
	221,570	64,662

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) 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 costs of land and development expenditures.

Share of taxation charge of associated companies for the year ended 31st March, 2012 amounting to HK$282,000 (2011: HK$422,000) 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, 2012 (2011: Nil).

8. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Interim scrip dividend with a cash option of 2.0 HK cents (2011: 1.8 HK cents) per share	**31,597**	28,008
Proposed final scrip dividend with a cash option of 3.5 HK cents (2011: 3.2 HK cents) per share	**55,750**	50,460
	87,347	78,468

On 28th June, 2012, the Board proposed a final scrip dividend with a cash option of 3.5 HK cents (2011: 3.2 HK cents) per share amounting to HK$55,750,000 (2011: HK$50,460,000). The amount of HK$55,750,000 is calculated based on 1,592,844,917 issued shares as at 28th 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$901,313,000 (2011: HK$789,686,000) and the weighted average number of 1,579,186,093 (2011: 1,542,241,876) 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 a subsidiary are anti-dilutive.

10. DEBTORS AND PREPAYMENTS

Rental income and management fees are receivable in advance, whereas receivables from cemetery operation are settled in accordance with the terms of respective contracts. 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:

	2012	2011
	HK$'000	*HK$'000*
Below 30 days	**44,948**	21,104
31 to 60 days	**19,790**	3,275
61 to 90 days	**13,186**	3,069
Over 90 days	**24,651**	4,783
	102,575	32,231

Debtors and prepayments include deposits of HK$392,459,000 (2011: HK$416,503,000) for property development projects and acquisition of leasehold land and land use rights in Hong Kong, the PRC and Vietnam after the impairment of HK$34,955,000 (2011: Nil).

As at 31st March, 2011, debtors and prepayments also included deposits of HK$68,884,000 for acquisition of property, plant and equipment, and receivables of HK$360,304,000 from the current portion of the mortgage loans provided to purchasers of the Group's properties in Hong Kong at the prevailing market rates. As at 31st March, 2012, such receivables have been settled.

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	**26,876**	3,088
31 to 60 days	**11,163**	3,817
Over 60 days	**15,980**	1,690
	54,019	8,595

12. SALES DEPOSITS RECEIVED

Sales deposits received represents deposits received from 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 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

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. The transaction was completed on 11th April, 2011, and a net gain of approximately HK$38,160,000 was recorded in the year.

14. FINANCIAL GUARANTEES

As at 31st March, 2012, the Company has provided a guarantee of HK$117,000,000 (2011: HK$117,000,000) for the banking facility granted to a jointly controlled entity, and 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.

15. CAPITAL COMMITMENTS

As at 31st March, 2012, the Group has capital expenditure commitments contracted but not provided for in respect of property development and property, plant and equipment amounting to HK$560,027,000 (2011: HK$508,000,000). As at 31st March, 2011, the Group also had commitment contracted but not provided for in respect of available-for-sale financial assets amounting to HK$18,521,000.

16. PLEDGE OF ASSETS

As at 31st March, 2012, the Group has pledged the shares and assets of certain subsidiaries, including property, plant and equipment, investment properties, leasehold land and land use rights, properties for sale and bank deposits, with an aggregate carrying value of HK$4,930,105,000 (2011: HK$4,870,042,000), to secure general banking and financial guarantee facilities granted to those subsidiaries. The Group has also pledged certain financial assets at fair value through profit or loss of HK$57,707,000 (2011: Nil) for the commitments to purchase certain listed securities in Hong Kong.

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.

FINANCIAL REVIEW

During the year under review, due to the disposals and the timely completion of a number of development projects in Hong Kong and the People's Republic of China (the "PRC"), property sales of the Group increased substantially over that of the last year. As a result, revenues of the Group for the year ended 31st March, 2012 amounted to HK$2,207.1 million (2011: HK$382.8 million), representing an increase of approximately 4.8 times over that of the last corresponding year. Revenues of the Group comprise income from sales of development properties and sites of HK$1,780.5 million (2011: HK$156.6 million), income from rental of investment properties of HK$143.2 million (2011: HK$137.1 million), income from sales of goods and services of HK$310.5 million (2011: HK$78.1 million), income from sales of grave plots and niches of HK$6.6 million (2011: Nil), income from property financing activities of HK$0.2 million (2011: HK$7.6 million) and loss from securities investment and trading business of HK$33.9 million (2011: profit of HK$3.4 million).

Due to the increase in revenues and profits on sales of properties, gross profit of the Group for the year ended 31st March, 2012 amounted to HK$1,064.7 million (2011: HK$161.0 million), representing an increase of approximately 5.6 times over that of the last corresponding year. Other income and net gain increased to HK$197.0 million (2011: HK$49.8 million) mainly due to the negative goodwill arising from the acquisition of Midas International Holdings Limited ("Midas") as a subsidiary of the Group in July 2011 after netting off the loss on deemed disposal of Midas as an associated company of the Group. A breakdown of other income and net gain is shown in note 4 on page 10 of this report. Gain on disposal of investment properties decreased to HK$38.2 million (2011: HK$503.7 million) as a result of a reduced number of investment properties disposals. Furthermore, the Group also recorded an upward revaluation surplus of HK$515.7 million (2011: HK$488.2 million) for its investment properties, reflecting the continued improvement in property prices in Hong Kong.

On the costs side, selling and marketing expenses increased to HK$90.8 million (2011: HK$37.5 million) mainly due to the increase in the level of property sales and the consolidation of the relevant expenses of Midas. Administrative and other operating expenses increased to HK$390.6 million (2011: HK$227.2 million) mainly due to the general increase in overheads as a result of increased business activities of the Group, the consolidation of the relevant expenses of Midas and the impairment of other deposits relating to property projects in Vietnam. Finance costs increased to HK$54.6 million (2011: HK$46.8 million) mainly due to the consolidation of interest expenses of Midas. Share of loss of associated companies amounted to HK$3.2 million (2011: HK$30.8 million) mainly due to the share of loss of Midas. Taxation amounted to HK$221.6 million (2011: HK$64.7 million) mainly relating to tax on sales of properties.

Taking all the above factors into account, profit attributable to equity holders of the Company for the year ended 31st March, 2012 amounted to HK$901.3 million (2011: HK$789.7 million), representing an increase of approximately 14.1% over that of the last corresponding year. Earnings per share was 57.07 HK cents (2011: 51.20 HK cents).

DIVIDENDS

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 3.5 HK cents (2011: 3.2 HK cents) per share for the year ended 31st March, 2012. The final dividend, if approved, will be paid on or before 5th 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$0.25, 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 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 2.0 HK cents (2011: 1.8 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.5 HK cents (2011: 5.0 HK cents) per share, representing an increase of 10.0%. Total dividends for the year will amount to HK$87.3 million (2011: HK$78.5 million).

BUSINESS REVIEW

(A) Hong Kong Property Division

All the property activities of the Group in Hong Kong are conducted through Chuang's Properties Limited, a wholly-owned subsidiary of the Group.

(i) Investment Properties

In April 2011, as a rationalisation exercise of the Group, the Company acquired 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 enabled the Company to consolidate its interest in Chuang's Tower thereby strengthening its property investment portfolio but also enabled Chuang's China to realise Chuang's Tower with substantial cashflow thereby concentrating its resources towards its property business in the PRC. Upon completion of the rationalisation exercise, each of the Company and Chuang's China has been operating its respective business more efficiently and allocating its financial resources more effectively.

Major investment properties of the Group in Hong Kong comprise (a) Chuang's London Plaza in Tsim Sha Tsui, (b) Chuang's Tower in Central, (c) Chuang's Hung Hom Plaza in Hunghom and (d) House A, No. 37 Island Road in Deep Water Bay. The total gross floor area ("GFA") of the Group's investment property portfolio in Hong Kong amounted to approximately 340,000 *sq. ft.* comprising retail, office, high-class residential and carparking spaces. During the year, the Group has continued to carry out improvement works to upgrade the quality of our investment properties and reshuffled the tenant mix so as to enhance the quality of our tenants. As a result of our efforts, occupancy rate of our investment properties maintained at a high level throughout the year and rental and other income from investment properties in Hong Kong during the year amounted to HK$120.7 million, representing an increase of about 7.4% compared with that of the last corresponding year after adjusting the effect of the disposal of Chuang's Enterprises Building in February 2011.

(ii) Investment Properties Under Development/Conversion

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

The property is in the process of being developed into a single house with unique architectural design. Demolition works are in progress which will be followed by site formation and foundation works. In view of limited supply of this type of luxurious property in that area, it is expected that rental and thus capital value of the property will be significantly enhanced upon completion of the development.

(b) Chuang's Hung Hom Plaza, No. 83 Wuhu Street, Hunghom, Kowloon

The property is currently a commercial/office building. Rezoning has been obtained from the Town Planning Board to permit the property to be used as hotel. The Group has been conducting detailed feasibility studies for such conversion and is of the opinion that income from and capital value of the property after the conversion will be significantly improved. Accordingly, the Group has submitted building plans to the Buildings Department and approvals have been obtained to convert the property into a hotel with 395 rooms. Recently, the Group has submitted revised building plans with a view to increase the number of rooms to 398 and such plans are pending approval. Alteration works for such conversion will commence once the above approvals have been obtained. The Group has set up a hotel management company and it is currently planned that the hotel will be operated by the Group as "Hotel U Express".

(iii) Properties Under Development/Held For Sale

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

The property has been developed into a 24-storey building with modern architectural design comprising 101 apartments (of which 98 are studio apartments) with clubhouse facilities and shopping units with GFA of 8,422 *sq. ft.* at the podium level (G/F and 1/F). Occupation permit of the property has been issued on 23rd November, 2011. Sales of 92 apartment units and shopping units with GFA of 2,809 *sq. ft.* have been completed prior to the balance sheet date, generating total revenues of HK$307.6 million for this financial year. Subsequent to the balance sheet date, sales of additional 7 apartment units with total revenues of HK$25.1 million are expected to be completed. The Group will continue to market the remaining 2 penthouse apartment units and shopping units with GFA of 5,613 *sq. ft.*.

(b) Parkes Residence, Nos. 91-105 Parkes Street, Jordan, Kowloon

The property is located next to the Jordan station of the mass transit railway and will be developed into a commercial/residential building comprising mainly of studio apartments and shopping units with an aggregate GFA of about 44,000 *sq. ft.*. Building plans have been approved by the relevant authorities and demolition works are in progress. Marketing of the project is expected to commence in the fourth quarter of 2012.

(c) Villa 28 and Villa 30, Po Shan Road, Hong Kong

The Group owns 50% interest in the project and is the project manager of the development. The property is located in a prestigious mid-level area that enjoys a glamorous sea-view and will be developed for residential purpose with GFA of about 40,365 *sq. ft.*. Revised building plans have been submitted to the relevant authorities for approval. Demolition works for the project have been completed and site formation and foundation works will commence once the revised building plans have been approved.

(B) International Property Division

All the property activities of the Group in Malaysia, Vietnam, Taiwan and Mongolia are conducted through Chuang's Properties International Limited, a wholly-owned subsidiary of the Group.

(i) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

Central Plaza, located in the heart of 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. Recently, the Group has obtained planning approval to convert one level of carpark into office use, which will result in the increase of office space by about 10,907 *sq. ft.*, thereby enhancing future rental yield and capital value of the property. Alteration works will commence soon. During the year, rental and other income from the property amounted to HK$20.2 million, representing an increase of about 12.3% compared with that of the last corresponding year.

(ii) Vietnam

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

The Group owns 70% interest in the project which covers a site area of 20,300 *sq. m.*. A residential/commercial complex with GFA of about 94,000 *sq. m.* is planned to be developed on the site. Recently, land conversion fee for the conversion of the land into residential/commercial usage has been assessed by the relevant authorities in Vietnam at about US$3.4 million, which is higher than the expectation of the Group of US$1.0 million pursuant to the terms of the joint venture. In light of this, the Group is holding further discussion with the joint venture partner as to the feasibility of the project and the responsibility of paying the additional land conversion fee.

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

The Group had participated in a 70% interest in the project. Pursuant to the heads of agreement between the Group and the joint venture partner, the Group has fulfilled its obligation in advancing capital for the project. However, up to todate, despite repeated negotiations, the joint venture partner has still failed to fulfil its obligation by contributing the land into the joint venture but has offered the Group the repayment of the entire amount advanced by the Group. The Group will continue to negotiate with the partner and is taking advice from consultants, including legal advisers, as to the next courses of action.

(iii) Taiwan

Chuang's Lodge, Xinyi District, Taipei City

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and 6 apartment units with a total building area of about 19,700 *sq. ft.*. Superstructure works have been completed and internal and external finishing works are in progress. The project is expected to be completed in the fourth quarter of 2012 and marketing works will commence soon.

(iv) Mongolia

(a) International Finance Centre, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar

The project is wholly-owned by the Group and has a site area of about 3,272 *sq. m.*. The project is located within the central business district and an office building with GFA of about 39,120 *sq. m.* is to be developed. Concept design has been approved and detailed building plans are in the process of being submitted for approval. Foundations works have commenced and marketing works for the project have also commenced.

(b) The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar

The Group owns 53% interest in the project that covers a site area of 5,600 *sq. m.*. The project is located nearby the city centre within the embassy district. Originally, the Group intends to develop the property into apartments but the Group is now conducting market studies to determine whether it would be better to change the development into office or office/apartment complex in order to maximise the return.

(C) PRC Property Division

All the property activities in the PRC are conducted through Chuang's China (together with its subsidiaries as the "Chuang's China Group"), a 57% owned listed subsidiary of the Group.

(i) Responsive Operating Strategies

During the year under review, the operating environment for property developers in 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 Chuang's China 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 Chuang's China Group for the financial year ending 31st March, 2013.

During the year, the Chuang's China 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 Chuang's China Group noticed that transaction volumes of commercial properties were rising as this sector was not affected by the housing regulatory policies and accordingly revised its investment holding strategy to launch its completed commercial properties in Guangzhou, Dongguan and Changsha to the market for sale.

As a result of the successful implementation of the above strategies, the Chuang's China Group achieved an improved financial results and a much stronger and healthy balance sheet. For the year ended 31st March, 2012, profit attributable to equity holders of Chuang's China amounted to HK$448.8 million, a 13-fold increase over that of the last year. As at 31st March, 2012, the Chuang's China Group had cash and bank balances of HK$836.8 million, while bank borrowings were only HK$41.9 million, resulted in a net cash position of HK$794.9 million. The Chuang's China Group is therefore well placed in an advantageous position to capture attractive investment opportunities, as well as to replenish its land reserve.

(ii) 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 Chuang's China 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

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

The project has a total 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.

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

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** *(Note)*	**450,389**	**661,923,500**	**3,882,584,500**

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.

(c) Uman Resort and Villa, Xiamen, Fujian (59.5% owned by Chuang's China)

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

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

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.*.

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

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

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

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.

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

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.

(iii) Property Sales

For the financial year ended 2012, the Group's sales of development properties and sites in the PRC amounted to about HK$1,472.4 million. 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.

(D) Midas (60.8% owned)

Midas is listed on the Stock Exchange and is principally engaged in the printing business and the operation of cemetery in the PRC. In July 2011, Midas completed a rights issue to raise a net proceeds of approximately HK$107 million to finance the development of its ongoing businesses. Pursuant to the terms of the rights issue, the Group has undertaken to subscribe for its entitlement under the rights issue and underwritten the balance of the rights issue. As a result of the underwriting, the Group took up additional shares in Midas and the Group's interest in Midas was increased from 44.6% to 60.8%, making Midas a subsidiary of the Group.

Due to the slow recovery of the economy in the United States of America and Euro Zone sovereign debt crisis, the results of Midas have been adversely affected. For the fifteen months ended 31st March, 2012, Midas recorded revenues of HK$369.5 million and loss attributable to equity holders of HK$83.5 million.

In order to alleviate the difficult trading environment of the printing business, Midas will continue to take steps to strengthen sales, improve profit margin and enhance costs control.

As for the cemetery business, Midas will spend greater effort in marketing and establishing a more extensive sales and agency network with a view to boost sales. Furthermore, in anticipation of the growing demand of prestigious grave plots, Midas has commenced negotiation with the local government with a view to obtain additional land within the cemetery for future expansion by phases.

As a result of the completion of the rights issue in July 2011, the financial positions of Midas have been strengthened. Cash and bank balances of the Midas group as at 31st March, 2012 amounted to HK$131.1 million and bank borrowings as at the same date amounted to HK$50.5 million, resulting in a net cash position of HK$80.6 million.

(E) Other Businesses

(i) Sintex Nylon and Cotton Products (Pte) Limited ("Sintex")
Yuen Sang Watch Industries Limited ("Yuen Sang")

The Group's other businesses include investment in Sintex, a company which is engaged in the sale of home finishing products under its own brand names in Singapore, and Yuen Sang, a company owned by Chuang's China and is engaged in the manufacture and sale of watch components for export. During the year, these businesses generated revenues of HK$85.9 million (2011: HK$78.1 million) and incurred a net loss of HK$6.0 million. In order to restore these businesses to profitability, the Group has taken steps to broaden their product ranges and customer bases, and implement effective costs control.

(ii) Securities Investment and Trading

During the year under review, due to the Euro Zone sovereign debt crisis, the global stock markets have been adversely affected. Hang Seng Index fell from 23,527 at 31st March, 2011 to 20,555 at 30th March, 2012, representing a downturn of about 12.6%. As a result, the securities investment and trading business of the Group for the year ended 31st March, 2012 incurred a net loss of HK$33.9 million arising mainly from mark to market valuations of securities investments held by the Group. As at 31st March, 2012, the Group held quoted investments with values of HK$330.5 million and financial instruments relating to commitments to purchase certain stock listed on the Stock Exchange amounting to HK$51.4 million.

FINANCIAL POSITIONS

As at 31st March, 2012, net assets attributable to equity holders of the Company was HK$6,241.7 million. Net asset value per share was approximately HK$3.92, 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, 2012, the Group's cash and bank balances and quoted investments amounted to HK$2,220.7 million (2011: HK$1,788.9 million including restricted bank balance which was released as bank balances of the Group in April 2011). Bank borrowings as at the same date amounted to HK$2,335.7 million (2011: HK$2,562.6 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 1.8% (2011: 14.3%).

Approximately 75.8% of the Group's cash and bank balances and quoted investments were denominated in Hong Kong dollar, 5.4% in United States dollar, 18.4% in Renminbi and the balance of 0.4% in other currencies such as Malaysian Ringgit and Singapore dollar. Approximately 89.0% of the Group's bank borrowing were denominated in Hong Kong dollar, 2.5% in Renminbi and the balance of 8.5% in Malaysian Ringgit. Accordingly, there should not be material risk in foreign exchange fluctuation.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 18.8% of the Group's bank borrowings were repayable within one year, 16.7% repayable within the second year, 21.9% repayable within the third to fifth years and the balance of 42.6% repayable after five years.

PROSPECTS

With the deepening of Euro Zone sovereign debt crisis, the global financial markets have been extremely volatile and there are signs that the global economic growth is facing a slowdown. However, despite these uncertainties, 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 past two financial years, the Group had disposed of a number of properties in Hong Kong and the PRC. Such disposals not only generated substantial profits and cashflow to the Group but also laid a solid foundation for the future growth of the Group. In the coming financial years, the Group will continue our mission to take steps to further enhance rental yield of our investment properties and thus their capital values, and to unlock the store values of our property projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales. Furthermore, to take advantage of the healthy and strong financial positions of the Group, we will seek for new business opportunities in the real estate and investment sectors so as to further create value for our shareholders.

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 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 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 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, 5th September, 2012.

PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME

The share option scheme adopted by the Company on 30th August, 2002 was for a period of 10 years expiring on 29th 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 APPROVAL OF ADOPTION OF NEW SHARE OPTION SCHEMES OF SUBSIDIARIES

The existing share option scheme of Chuang's China (a subsidiary of the Company) was adopted by Chuang's China on 26th August, 2002 for a period of 10 years and will expire on 25th August, 2012 (the "2002 CC Scheme"). As at the date of this announcement, Chuang's China did not have any share option scheme other than the 2002 CC Scheme and there were no options granted under the 2002 CC Scheme which remained valid or exercisable.

The share option scheme of Midas (a subsidiary of the Company) was adopted by Midas on 13th December, 2001 for a period of 10 years and expired on 12th December, 2011 (the "2001 Midas Scheme"). As at the date of this announcement, Midas did not have any share option scheme and there were no options granted under the 2001 Midas Scheme which remained valid or exercisable.

The directors of Chuang's China proposed to recommend to the shareholders of Chuang's China at the forthcoming annual general meeting of Chuang's China to approve the adoption of a new share option scheme of Chuang's China (the "New CC Scheme"). The directors of Midas proposed to recommend to the shareholders of Midas at the forthcoming annual general meeting of Midas to approve the adoption of a new share option scheme of Midas (the "New Midas Scheme"). As the Company is a holding company of each of Chuang's China and Midas whose shares are listed on the Stock Exchange, both the New CC Scheme and the New Midas Scheme are subject to the approval of the Shareholders as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Relevant resolution(s) will be proposed at the AGM to seek the approval of the Shareholders to approve the New CC Scheme and the New Midas 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, the New CC Scheme, the New Midas 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 2,870 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 Listing Rules.

An audit committee has been established by the Company to review and supervise the Company's financial reporting process and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and reviewed the results of the Group for the year ended 31st March, 2012. 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, 2012 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.

By order of the Board of
Chuang's Consortium International Limited
Alan Chuang Shaw Swee
Chairman

Hong Kong, 28th June, 2012

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, Miss Candy Chuang Ka Wai, 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.