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, 2013

RESULTS

The Board of Directors (the "Board") of Chuang's China Investments Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31st March, 2013 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2013

	Note	**2013**	2012
		HK$'000	*HK$'000*
Revenues		**509,502**	1,487,102
Cost of sales		**(326,167)**	(681,887)
Gross profit		**183,335**	805,215
Other income and net gain/(loss)	*4*	**31,721**	17,528
Selling and marketing expenses		**(30,143)**	(46,815)
Administrative and other operating expenses		**(125,266)**	(122,599)
Change in fair value of investment properties		**32,084**	1,402
Operating profit	*5*	**91,731**	654,731
Finance costs	*6*	**(683)**	(4,202)
Share of result of an associated company		**(449)**	3,487
Profit before taxation		**90,599**	654,016
Taxation	*7*	**(54,437)**	(220,254)
Profit for the year		**36,162**	433,762
Attributable to:			
Equity holders		**40,390**	448,755
Non-controlling interests		**(4,228)**	(14,993)
		36,162	433,762
Dividends	*8*	**46,855**	45,700
		HK cents	*HK cents*
Earnings per share (basic and diluted)	*9*	**2.62**	29.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st March, 2013

	2013	2012
	HK$'000	*HK$'000*
Profit for the year	**36,162**	433,762
Other comprehensive income:		
Net exchange differences	**17,388**	25,314
Share of exchange reserve of an associated company	**–**	(19)
Change in fair value of available-for-sale financial assets	**(12,591)**	4,904
Other comprehensive income for the year	**4,797**	30,199
Total comprehensive income for the year	**40,959**	463,961
Total comprehensive income attributable to:		
Equity holders	**44,228**	476,506
Non-controlling interests	**(3,269)**	(12,545)
	40,959	463,961

CONSOLIDATED BALANCE SHEET

As at 31st March, 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current assets			
Property, plant and equipment		**97,762**	99,218
Investment properties		**151,754**	75,860
Land use right		**1,664**	1,694
Properties for/under development		**301,734**	266,392
Associated company		**7,522**	7,971
Available-for-sale financial assets		**94,152**	74,537
Loans and receivables		**12,552**	12,397
		667,140	538,069
Current assets			
Properties for sale		**1,726,447**	1,531,707
Inventories		**4,636**	4,209
Debtors and prepayments	*10*	**345,451**	343,542
Pledged bank balances		**30,516**	–
Cash and bank balances		**981,001**	836,770
		3,088,051	2,716,228
Current liabilities			
Creditors and accruals	*11*	**129,532**	140,049
Sales deposits received		**330,337**	134,656
Current portion of long-term bank borrowing		**75,500**	41,939
Taxation payable		**258,166**	230,708
		793,535	547,352
Net current assets		**2,294,516**	2,168,876
Total assets less current liabilities		**2,961,656**	2,706,945
Equity			
Share capital		**78,092**	76,166
Reserves		**2,363,777**	2,352,313
Proposed final dividend		**31,237**	30,467
Shareholders' funds		**2,473,106**	2,458,946
Non-controlling interests		**62,363**	65,632
Total equity		**2,535,469**	2,524,578
Non-current liabilities			
Long-term bank borrowing		**242,306**	–
Deferred taxation liabilities		**173,706**	172,198
Loans from non-controlling interests		**10,175**	10,169
		426,187	182,367
		2,961,656	2,706,945

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, 2013, the Company was a 56.92% 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, 2013, the Group adopted the following amendment that is effective for the Group's accounting periods beginning on 1st April, 2012 and relevant to the operations of the Group:

HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Transfers of Financial Assets

The Group has assessed the impact of the adoption of this amendment 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.

The Group had early adopted HKAS 12 (Amendment) "Deferred Tax: Recovery of Underlying Assets" since the financial year beginning on 1st April, 2010.

Standards and amendments to existing standards that are not yet effective

The following new and amended standards and amendments have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2013, but have not yet been adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements (effective from 1st July, 2012)
HKAS 19 (2011)	Employee Benefits (effective from 1st January, 2013)
HKAS 27 (2011)	Separate Financial Statements (effective from 1st January, 2013)
HKAS 28 (2011)	Investments in Associates and Joint Ventures (effective from 1st January, 2013)
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2014)
HKFRS 7 (Amendment)	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 10, HKFRS 11 and HKFRS 12 (Amendment)	Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance (effective from 1st January, 2013)
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendment)	Investment Entities (effective from 1st January, 2014)
HKFRS 13	Fair Value Measurement (effective from 1st January, 2013)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2009–2011 Cycle (effective from 1st January, 2013)

The Group will adopt the above new and amended standards and amendments as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

3. SEGMENT INFORMATION

(a) Segment information by business lines

The chief operating decision maker (the "CODM") has been identified as the Executive Directors and senior management. The CODM 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 CODM 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 CODM 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$'000*	**2013 Total** *HK$'000*
Revenues	**494,281#**	**15,221**	**–**	**509,502**
Other income and net gain/(loss)	**23,625**	**(123)**	**8,219**	**31,721**
Operating profit/(loss)	**162,529**	**(11,718)**	**(59,080)**	**91,731**
Finance costs	**(683)**	**–**	**–**	**(683)**
Share of result of an associated company	**–**	**–**	**(449)**	**(449)**
Profit/(loss) before taxation	**161,846**	**(11,718)**	**(59,529)**	**90,599**
Taxation	**(54,437)**	**–**	**–**	**(54,437)**
Profit/(loss) for the year	**107,409**	**(11,718)**	**(59,529)**	**36,162**
Segment assets	**2,961,624**	**7,568**	**778,477**	**3,747,669**
Associated company	**–**	**–**	**7,522**	**7,522**
Total assets	**2,961,624**	**7,568**	**785,999**	**3,755,191**
Total liabilities	**1,205,491**	**3,683**	**10,548**	**1,219,722**
Other segment items are as follows:				
Capital expenditure	**440,793**	**2,323**	**5,557**	**448,673**
Depreciation	**2,707**	**261**	**8,346**	**11,314**
Amortisation of land use rights				
– charged to income statement	**32**	**–**	**–**	**32**
– capitalised into properties	**4,000**	**–**	**–**	**4,000**
Impairment of other deposits	**4,000**	**–**	**–**	**4,000**

	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 and net loss	12,098	188	5,242	17,528
Operating profit/(loss)	711,359	(10,324)	(46,304)	654,731
Finance costs	(4,202)	–	–	(4,202)
Share of result 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 amounts include sales of properties under development and land use rights for sale in the People's Republic of China (the "PRC") of HK$34.0 million (2012: HK$818.9 million).

(b) Geographical segment information

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

	Revenues		Capital expenditure	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**14,086**	11,091	**5,557**	9,632
The PRC	**494,281**	1,474,800	**443,116**	375,300
Other countries	**1,135**	1,211	**–**	–
	509,502	1,487,102	**448,673**	384,932

	Non-current assets *(Note)*		Total assets	
	2013	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**79,913**	82,689	**785,853**	615,487
The PRC	**480,523**	368,446	**2,968,935**	2,638,632
Other countries	**–**	–	**403**	178
	560,436	451,135	**3,755,191**	3,254,297

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

4. OTHER INCOME AND NET GAIN/(LOSS)

	2013	2012
	HK$'000	*HK$'000*
Interest income from		
Bank deposits	**10,550**	13,647
Loans and receivables	**557**	–
Dividend income from available-for-sale financial assets	**977**	1,954
Compensation for late delivery of land use right	**–**	2,923
Sale of scraped material	**–**	188
Gain on transfer of properties from properties for sale to investment properties	**18,413**	–
Gain/(loss) on disposal of property, plant and equipment	**19**	(493)
Net exchange gain/(loss)	**29**	(2,424)
Sundries	**1,176**	1,733
	31,721	17,528

5. OPERATING PROFIT

	2013	2012
	HK$'000	*HK$'000*
Operating profit is stated after charging:		
Amortisation of land use right	**32**	32
Cost of properties sold	**297,690**	665,098
Cost of inventories sold	**20,211**	15,686
Depreciation	**11,314**	8,840
Impairment of property, plant and equipment	**–**	2,623
Impairment of other deposits	**4,000**	–
Staff costs, including Directors' emoluments		
Wages and salaries	**43,406**	38,723
Retirement benefit costs	**1,134**	1,090

6. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**7,134**	5,906
Loan from ultimate holding company wholly repayable within five years	**–**	38
	7,134	5,944
Amount capitalised into		
Properties for/under development	**(1,208)**	–
Properties for sale	**(5,243)**	(1,742)
	(6,451)	(1,742)
	683	4,202

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalisation rates applied to funds borrowed for the development of properties range from 3.10% to 6.15% (2012: 5.85%) per annum.

7. TAXATION

	2013	2012
	HK$'000	*HK$'000*
Current taxation		
PRC corporate income tax	**23,611**	106,970
PRC land appreciation tax	**29,482**	129,972
Deferred taxation	**1,344**	(16,688)
	54,437	220,254

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the year (2012: 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 credit of an associated company for the year ended 31st March, 2013 amounting to HK$70,000 (2012: taxation charge of HK$542,000) is included in the income statement as share of result of an associated company.

8. DIVIDENDS

	2013	2012
	HK$'000	*HK$'000*
Interim dividend of 1.0 HK cent (2012: 1.0 HK cent) per share	**15,618**	15,233
Proposed final scrip dividend with a cash option of 2.0 HK cents (2012: 2.0 HK cents) per share	**31,237**	30,467
	46,855	45,700

On 24th June, 2013, the Board of Directors proposed a final scrip dividend with a cash option of 2.0 HK cents (2012: 2.0 HK cents) per share amounting to HK$31,237,000 (2012: HK$30,467,000). The amount of HK$31,237,000 is calculated based on 1,561,840,530 issued shares as at 24th June, 2013. 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, 2014 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$40,390,000 (2012: HK$448,755,000) and the weighted average number of 1,539,260,991 (2012: 1,523,328,700) shares in issue during the year.

The diluted earnings per share are equal to the basic earnings per share since there are no dilutive potential shares in issue during the years.

10. DEBTORS AND PREPAYMENTS

Rental income and management fees are received 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:

	2013	2012
	HK$'000	*HK$'000*
Below 30 days	**35,003**	9,932
31 to 60 days	**261**	792
61 to 90 days	**1,097**	107
Over 90 days	**2,880**	2,640
	39,241	13,471

Debtors and prepayments include net deposits of HK$232,768,000 (2012: HK$273,471,000) for property development projects and acquisition of properties and land use rights in the PRC after the impairment of HK$4,000,000 (2012: Nil) provided for the year.

11. CREDITORS AND ACCRUALS

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

	2013	2012
	HK$'000	*HK$'000*
Below 30 days	**853**	575
31 to 60 days	**561**	244
61 to 90 days	**390**	297
Over 90 days	**366**	319
	2,170	1,435

Other creditors and accruals include the construction cost payables and accruals of HK$66,555,000 (2012: HK$91,500,000) for the PRC property development projects of the Group.

12. FINANCIAL GUARANTEES

As at 31st March, 2013, the subsidiaries have provided guarantees amounting to HK$443,160,000 (2012: HK$351,573,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

13. COMMITMENTS

As at 31st March, 2013, the Group has commitments contracted but not provided for in respect of property development projects and property, plant and equipment amounting to HK$316,686,000 (2012: HK$454,975,000).

14. PLEDGE OF ASSETS

As at 31st March, 2013, the Group has pledged certain assets including properties for sale and bank deposits, with an aggregate carrying value of HK$528,264,000 (2012: HK$39,241,000), to secure general banking and financial guarantee facilities granted to the subsidiaries.

15. SUBSEQUENT EVENT

On 27th May, 2013, a wholly-owned subsidiary (the "Vendor") of the Group entered into an agreement with an independent third party (the "Purchaser") to dispose of its investment in a wholly-owned subsidiary at the consideration of HK$1. The Vendor will also execute a tax indemnity deed in favour of the Purchaser (the "Indemnity") subject to a cap of approximately RMB48.8 million (equivalent to approximately HK$61.8 million) for a period of two years from the date of completion of the disposal which will be on or before 31st August, 2013. The estimated net gain expected to accrue to the Group as a result of the completion of the disposal would be approximately RMB31.7 million (equivalent to approximately HK$40.1 million). In the event that the Indemnity is not called upon, the maximum additional gain expected to accrue to the Group would be approximately RMB48.8 million (equivalent to approximately HK$61.8 million). Details of the transaction were set out in the announcement of the Company on 27th May, 2013.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2013 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 HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINANCIAL REVIEW

Revenues of the Group for the year ended 31st March, 2013 decreased to HK$509.5 million (2012: HK$1,487.1 million), comprising sales of properties in the PRC of approximately HK$485.6 million (2012: HK$1,472.4 million), income from manufacturing business of HK$15.2 million (2012: HK$11.8 million) and rental and its related income of HK$8.7 million (2012: HK$2.9 million). The decrease in the sales of properties in the PRC was mainly attributable to the absence of the disposal of the property development project in Xingsha (the "Xingsha Project") as recorded in the last corresponding year.

During the year under review, gross profit decreased to HK$183.3 million (2012: HK$805.2 million) mainly as a result of the absence of profit generated from the Xingsha Project. Other income and net gain/(loss) increased to HK$31.7 million (2012: HK$17.5 million) mainly due to the gain recorded on the transfer of properties for sale to investment properties during the year under review. A breakdown of other income and net gain/(loss) is shown in note 4 on page 8 of this report. During the year under review, the Group recorded a gain on change in fair value of investment properties in the PRC of HK$32.1 million (2012: HK$1.4 million).

On the costs side, selling and marketing expenses decreased to HK$30.1 million (2012: HK$46.8 million) as a result of reduced revenue from property development during the year. Administrative and other operating expenses amounted to HK$125.3 million (2012: HK$122.6 million) and was generally in line with the last corresponding year.

Finance costs reduced to HK$0.7 million (2012: HK$4.2 million) as a result of increased capitalisation of interest expenses to properties under development in the PRC during the year. Share of loss of an associated company amounted to HK$0.5 million (2012: profit of HK$3.5 million) was in relation to the Group's 25% interests in Treasure Auctioneer International Limited. Taxation amounted to HK$54.4 million (2012: HK$220.3 million) and was mainly relating to tax on 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, 2013 has decreased to HK$40.4 million (2012: HK$448.8 million). Earnings per share was 2.62 HK cents (2012: 29.46 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 of Directors has resolved to recommend for the shareholders' approval at the forthcoming annual general meeting of the Company (the "AGM") the payment of a final dividend of 2.0 HK cents (2012: 2.0 HK cents) per share for the year ended 31st March, 2013. The final dividend, if approved, will be paid on or before 15th November, 2013 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 3rd October, 2013.

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 3rd October, 2013, 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 (2012: 1.0 HK cent) per share has been paid in respect of the current financial year. Total dividends for the year will amount to 3.0 HK cents (2012: 3.0 HK cents) per share.

BUSINESS REVIEW

Property Development

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

Locations	Projects	Developable properties *(Gross floor area ("GFA") in sq. m.)*
Southern China		
Guangzhou	Chuang's Le Papillon (Block I to Block X)	279,000
Dongguan	Imperial Garden (Block 9 to Block 55)	423,000
Xiamen	sáv Resort & Spa	18,000
Sub-total		720,000
Northern China		
Anshan	Chuang's Mid-town	100,000
Anshan	Chuang's Plaza	390,000
Sub-total		490,000
TOTAL		1,210,000

The Group maintains a strong net cash position of about HK$700 million and will closely monitor the land market to replenish its land reserve in cities with focus on Shenzhen, Guangzhou, Xiamen, Beijing and Shanghai.

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

Chuang's Le Papillon, enjoying the convenience of the nearby Route 4 Metro Station, is an integrated community with a total GFA of over 420,000 *sq. m.*, providing daily living commercial, luxurious club houses and abundant green and open spaces. Pursuant to new regulations issued by the Guangzhou Land Bureau, the local authorities charged additional land premium for property developments in Panyu district with plot ratio in excess of 1.8 times. As our project in this district has an approved plot ratio of 2.13, the Group has paid about RMB119 million as additional land premium during the year under review. Taking this into account, the average land cost of this project is about RMB1,200 per *sq. m.*.

Phase I comprises completed residential properties (Block A to E) of 113,400 *sq. m.*, providing 789 flats, commercial podium and club house with total GFA of 3,400 *sq. m.* and 255 carparking spaces.

Phase II (Block F, G, H, I, J, K, L, M, N and P) has an aggregate residential GFA of about 147,400 *sq. m.*, providing 1,288 flats and 22 villas, commercial podium and club house with total GFA of 5,380 *sq. m.* and 1,242 carparking spaces. Block F, G and H with total GFA of 33,900 *sq. m.* are completed properties and occupancy are handed over to buyers during the year under review. Construction works for Block I, J, K, L, M and N (total GFA of about 106,500 *sq. m.*) will be completed in the financial year 2014, whereas foundation works for Block P (22 villas of about 7,000 *sq. m.*) are in progress.

Phase III (Block Q, R, S, T, U, V and X) has total residential GFA of about 163,000 *sq. m.*, and Block W (GFA of 2,639 *sq. m.*) is for commercial use. Foundation works of Block Q and R with total GFA of 50,154 *sq. m.* have commenced.

Regarding the sales progress for phase I and II, Block A, C, D, E, F, G, H, I and M are virtually sold out at average selling price of about RMB8,000 per *sq. m.*. Sales of Block B which consists of 98 large-sized flats ranging from 202 *sq. m.* to 400 *sq. m.* were launched in April 2013. Presales of Block J and K are in progress and that for Block L and N will be launched in the coming months.

As of to-date, sales of this project which have not yet been recognised as revenues amounted to RMB589,170,000 (equivalent to approximately HK$745,094,000), of which about RMB437,281,000 (equivalent to approximately HK$553,007,000) are expected to be recognised as revenues in the year ending 31st March, 2014 when these sales are completed and the remaining RMB151,889,000 (equivalent to approximately HK$192,087,000) are expected to be recognised as revenues in the year ending 31st March, 2015.

The sales target of unsold residential properties for Chuang's Le Papillon in the financial year ending 2014 amounted to about RMB944 million as follows:

			Sales target	
			2013/14	**2014/15 and beyond**
		sq. m.	*RMB*	*RMB*
Phase I	Block A,B,C,D,E	22,294	180,837,000	
Phase II	Block F,G,H,I,J,K,L,M,N,P	60,728	763,462,000	
Phase III	Block Q,R,S,T,U,V,X	163,000		1,514,695,000
TOTAL		**246,022**	**944,299,000**	**1,514,695,000**

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

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. The average land cost of the project is about RMB660 per *sq. m.*.

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 614 flats have been sold at an average selling price of about RMB5,300 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. Superstructure works for Block 9 to Block 11 have commenced. Marketing and presales of Block 9 to Block 11 will be launched in the third quarter of this year.

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.

As of to-date, sales of this project which have not yet been recognised as revenues amounted to RMB27,273,000 (equivalent to approximately HK$34,491,000) and are expected to be recognised as revenues in the year ending 31st March, 2014 when these sales are completed.

The sales target of unsold residential properties for Imperial Garden in the financial year ending 2014 amounted to about RMB276 million as follows:

			Sales target	
			2013/14	**2014/15 and beyond**
		sq. m.	*RMB*	*RMB*
Phase I	Block 1 to 8	10,734	90,288,000	
Phase II	Block 9 to 14	61,272	186,000,000	186,000,000
Phase III	Block 15 to 55	356,000		3,844,663,000
TOTAL		**428,006**	**276,288,000**	**4,030,663,000**

sáv Resort & Spa, Xiamen, Fujian (59.5% owned)

Our luxurious hotel and resort development occupies a site with an area of about 27,574 *sq. m.*. Focusing on a low density development, the project has 18,000 *sq. m.* in GFA and stands out in its master planning, architectural and landscape design.

Superstructure works are expected to be completed in July 2013, while interior and fitting out works will be followed closely. Within this development, 27 villas with aggregate GFA of about 8,400 *sq. m.* will be rented out on long lease. 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.

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). The development will provide integrated community with residential, shopping areas, specialty business activities, SOHO and office space with total GFA of about 100,000 *sq. m.*. Master planning for the project has been approved by the relevant PRC bureau. Works for excavation and lateral support have been completed and foundation works are in progress. Marketing of the project will commence in July 2013.

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). The site has already been delivered by the local government. 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. Master planning for the project is in progress.

Beverly Hills, Changsha, Hunan (54% owned)

Beverly Hills has total GFA of about 80,200 *sq. m.*. It comprises 172 low-rise villas and 144 high-rise flats with total GFA of 70,000 *sq. m.*. Commercial and SOHO properties have a total GFA of about 10,200 *sq. m.*. Portion of the properties has been sold and properties remain available for sales have a total book costs of about HK$124 million. As at 31st March, 2013, the total investment costs of the Group in this project amounted to about HK$79 million. As the 10-year operating license of the joint venture company in the PRC has expired, the Group is taking advice from consultants, including legal advisers, as to the next courses of action which may include dissolution of this joint venture company.

Other Businesses

As at 31st March, 2013, the aggregate net book value of the Group's other businesses amounted to approximately HK$153.4 million. These include: (a) the Group's wholly-owned subsidiary, Yuen Sang Watch Industries Limited, which is engaged in the manufacturing and sale of watch components for export; (b) the 25% interests in Treasure Auctioneer International Limited; (c) the 14.88% interests in a quoted investment in CNT Group Limited; and (d) Level 6 of the commercial podium at Chengdu Digital Plaza in Chengdu with GFA of 4,255 *sq. m.* which is held for rental purpose.

FINANCIAL POSITIONS

As at 31st March, 2013, the Group's cash and bank balances (including pledged bank balances) amounted to HK$1,011.5 million (2012: HK$836.8 million). As at the same date, bank borrowings of the Group amounted to HK$317.8 million (2012: HK$41.9 million). The Group has net cash of HK$693.7 million (2012: HK$794.9 million). The calculation of net debt to equity ratio was therefore not applicable (2012: Not applicable).

Approximately 57.4% of the Group's cash and bank balances were in Hong Kong dollar and United States dollar with the remaining 42.6% in Renminbi. Approximately 23.8% of the Group's bank borrowings were in Hong Kong dollar with the remaining 76.2% in Renminbi. Accordingly, risk in exchange rate fluctuation would not be material.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 3.8% of the Group's bank borrowings were repayable within the second year and the balance of 96.2% was repayable within the third to fifth years.

As at 31st March, 2013, the net asset value attributable to equity holders of the Company was HK$2,473.1 million. Net asset value per share amounted to HK$1.58, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

PROSPECTS

Looking forward, the control policies implemented by the central government over the property market in the PRC are expected to continue, which will lead the market back to a more stable and rational state in the long run. Therefore, the demands for end-user's housing with potential appreciation remain strong and solid. The Group remains optimistic in the long term development of the PRC property market, and will proactively seize market opportunities and adjust marketing and pricing strategies and product mix.

In the coming financial years, the Group will actively launch our projects in Guangzhou, Dongguan, Xiamen and Anshan, which are well located with convenient transportation network and comprehensive facilities. The total sales value of these projects amounts to over HK$10 billion. With the sales of these projects, the Group is confident that its value will be significantly enhanced.

CLOSING OF REGISTER

The AGM of the Company is scheduled on Thursday, 19th September, 2013. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 16th September, 2013 to Thursday, 19th September, 2013, 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 Friday, 13th September, 2013.

The proposed final dividend is subject to the approval of the shareholders of the Company at the AGM. The record date for entitlement to the proposed final dividend is Thursday, 3rd October, 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 26th September, 2013 to Thursday, 3rd October, 2013, 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, 25th September, 2013.

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, 2013, the Group employed 516 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, 2013 with the code provisions set out in Appendix 14 – Corporate Governance Code of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

An audit committee has been established by the Company to review and supervise the Company's financial reporting process and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and reviewed the results of the Group for the year ended 31st March, 2013. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. David Chu Yu Lin and Mr. Andrew Fan Chun Wah, 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, 2013 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, 24th June, 2013

As at the date of this announcement, Mr. Lee Sai Wai, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Sunny Pang Chun Kit, Mr. Wong Chung Wai and Mr. Chong Ka Fung are the Executive Directors of the Company, and Mr. Abraham Shek Lai Him, Mr. David Chu Yu Lin and Mr. Andrew Fan Chun Wah are the Independent Non-Executive Directors of the Company.