Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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, 2014

RESULTS

The board of Directors (the "Board") of Chuang's Consortium International Limited (the "Company") announces the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31st March, 2014 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2014

	Note	2014 HK$'000	2013 HK$'000
Revenues	3	**1,389,053**	1,100,345
Cost of sales		**(873,596)**	(666,584)
Gross profit		**515,457**	433,761
Other income and net gain	5	**163,084**	65,630
Selling and marketing expenses		**(99,536)**	(73,344)
Administrative and other operating expenses		**(390,858)**	(358,601)
Change in fair value of investment properties		**450,269**	1,199,085
Operating profit	6	**638,416**	1,266,531
Finance costs	7	**(59,042)**	(47,677)
Share of results of associated companies	8	**11,364**	(400)
Share of result of a joint venture		**(69)**	(29)
Profit before taxation		**590,669**	1,218,425
Taxation	9	**(98,083)**	(79,399)
Profit for the year		**492,586**	1,139,026
Attributable to:			
Equity holders		**468,530**	1,147,641
Non-controlling interests		**24,056**	(8,615)
		492,586	1,139,026
Dividends	10	**85,739**	83,467
		HK cents	*HK cents*
Earnings per share (basic and diluted)	11	**27.71**	70.88

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2014

	2014	2013
	HK$'000	*HK$'000*
Profit for the year	**492,586**	1,139,026
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Net exchange differences	**(16,612)**	23,265
Realization of exchange reserve upon disposal of a subsidiary	**(423)**	–
Change in fair value of available-for-sale financial assets	**9,961**	(11,790)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	**(171)**	–
Other comprehensive (loss)/income for the year	**(7,245)**	11,475
Total comprehensive income for the year	**485,341**	1,150,501
Total comprehensive income attributable to:		
Equity holders	**458,627**	1,153,095
Non-controlling interests	**26,714**	(2,594)
	485,341	1,150,501

CONSOLIDATED BALANCE SHEET

As at 31st March, 2014

	Note	**2014**	2013
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**263,242**	298,872
Investment properties		**6,746,278**	6,060,410
Leasehold land and land use rights		**32,749**	83,893
Properties for/under development		**740,330**	530,120
Cemetery assets		**558,300**	551,029
Associated companies		**52,765**	10,219
Joint venture		**–**	–
Amount due from a joint venture		**63,950**	61,138
Available-for-sale financial assets		**209,155**	111,050
Loans and receivables		**12,550**	12,836
		8,679,319	7,719,567
Current assets			
Properties for sale		**2,274,623**	2,190,179
Inventories		**128,722**	132,704
Cemetery assets		**110,142**	111,290
Debtors and prepayments	*12*	**558,338**	623,054
Tax recoverable		**339**	–
Financial assets at fair value through profit or loss		**77,898**	247,745
Pledged bank balances		**55,440**	30,516
Cash and bank balances		**2,313,185**	1,803,087
		5,518,687	5,138,575
Assets of disposal group classified as held for sale	*13*	**61,529**	–
		5,580,216	5,138,575
Current liabilities			
Creditors and accruals	*14*	**502,899**	309,146
Sales deposits received		**479,850**	366,266
Short-term bank borrowings		**29,335**	26,577
Current portion of long-term bank borrowings		**505,939**	521,572
Convertible note		**59,682**	–
Taxation payable		**297,852**	361,842
		1,875,557	1,585,403
Liabilities of disposal group classified as held for sale	*13*	**3,294**	–
		1,878,851	1,585,403
Net current assets		**3,701,365**	3,553,172
Total assets less current liabilities		**12,380,684**	11,272,739
Equity			
Share capital		**430,515**	420,138
Reserves		**7,310,950**	6,907,535
Proposed final dividend		**51,662**	50,417
Shareholders' funds		**7,793,127**	7,378,090
Non-controlling interests		**1,478,027**	1,465,272
Total equity		**9,271,154**	8,843,362
Non-current liabilities			
Long-term bank borrowings		**2,716,983**	2,009,681
Convertible note		**–**	52,549
Deferred taxation liabilities		**360,550**	356,972
Loans and payables with non-controlling interests		**31,997**	10,175
		3,109,530	2,429,377
		12,380,684	11,272,739

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 and management, 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 consolidated 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 the consolidated 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.

Effect of adopting new standards and amendments to standards
For the financial year ended 31st March, 2014, the Group adopted the following new standards and amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2013 and relevant to the operations of the Group:

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

The Group has assessed the impact of the adoption of these new standards and amendments to standards and considered that, except for the adoption of HKAS 1 (Amendment) and HKFRS 13 which affected the Group's presentation of the consolidated financial statements and required additional disclosures, there was no other significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the consolidated financial statements.

New standards, amendments to standards and interpretation that are not yet effective
The following new standards, amendments to standards and interpretation 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, 2014, but have not yet been early adopted by the Group:

HKAS 19 (Amendment)	Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2014)
HKAS 36 (Amendment)	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets (effective from 1st January, 2014)
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting (effective from 1st January, 2014)
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory Effective Date and Transition Disclosures (effective from 1st January, 2015)
HKFRS 9	Financial Instruments (to be determined)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities (effective from 1st January, 2014)
HK(IFRIC) - Int 21	Levies (effective from 1st January, 2014)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)

The Group will adopt the above new standards, amendments to standards and interpretation 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. REVENUES

Revenues (representing turnover) recognized during the year are as follows:

	2014	2013
	HK$'000	*HK$'000*
Sales of properties	**797,959**	565,867
Rental income and management fees	**152,735**	147,506
Sales of goods and merchandise	**387,300**	361,564
Securities trading	**29,207**	14,657
Interest income from financial assets at fair value through profit or loss	**1,497**	1,497
Dividend income from listed investments	**10,868**	3,024
Sales of cemetery assets	**9,487**	6,230
	1,389,053	1,100,345

For the year ended 31st March, 2013, sales of properties included the sale of land use right in the People's Republic of China (the "PRC") of HK$34.0 million.

4. 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, hotel operation and management, sale of goods and merchandise and services, securities investment and trading, cemetery and others. 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$'000*	Hotel operation and management *HK$'000*	Sale of goods and merchandise and services *HK$'000*	Securities investment and trading *HK$'000*	Cemetery *HK$'000*	Others and corporate *HK$'000*	2014 Total *HK$'000*
Revenues	950,694	–	387,300	41,572	9,487	–	1,389,053
Other income and net gain	128,488	–	14,888	–	64	19,644	163,084
Operating profit/(loss)	825,521	(9,181)	(46,675)	41,572	(4,850)	(167,971)	638,416
Finance costs	(54,123)	–	(4,550)	–	(369)	–	(59,042)
Share of results of associated companies	59	10,477	–	–	–	828	11,364
Share of result of a joint venture	(69)	–	–	–	–	–	(69)
Profit/(loss) before taxation	771,388	1,296	(51,225)	41,572	(5,219)	(167,143)	590,669
Taxation (charge)/credit	(98,939)	–	(564)	–	1,420	–	(98,083)
Profit/(loss) for the year	672,449	1,296	(51,789)	41,572	(3,799)	(167,143)	492,586
Segment assets	11,119,069	4,037	453,948	85,724	688,734	1,791,308	14,142,820
Associated companies	2,706	41,709	–	–	–	8,350	52,765
Joint venture	–	–	–	–	–	–	–
Amount due from a joint venture	63,950	–	–	–	–	–	63,950
Total assets	11,185,725	45,746	453,948	85,724	688,734	1,799,658	14,259,535
Total liabilities	4,548,075	486	112,730	–	178,135	148,955	4,988,381
Other segment items are as follows:							
Capital expenditure	855,797	–	11,619	–	10,300	6,789	884,505
Depreciation	3,505	–	28,499	–	687	12,572	45,263
Amortization of leasehold land and land use rights							
– charged to the consolidated income statement	32	–	2,183	–	74	–	2,289
– capitalized into properties	4,000	–	–	–	–	–	4,000
Provision for impairment of property, plant and equipment	–	–	2,321	–	–	–	2,321
Provision for impairment of inventories	–	–	2,423	–	–	–	2,423
Provision for impairment of trade debtors	1,266	–	623	–	819	–	2,708
Provision for impairment of other deposits	7,272	–	–	–	–	–	7,272
Reversal of provision for impairment of trade debtors	–	–	919	–	–	–	919

	Property investment and development *HK$'000*	Sale of goods and merchandise and services *HK$'000*	Securities investment and trading *HK$'000*	Cemetery *HK$'000*	Others and corporate *HK$'000*	2013 Total *HK$'000*
Revenues	713,373	361,564	19,178	6,230	–	1,100,345
Other income and net gain	25,004	19,580	–	8	21,038	65,630
Operating profit/(loss)	1,456,492	(43,198)	19,178	(6,352)	(159,589)	1,266,531
Finance costs	(43,781)	(3,896)	–	–	–	(47,677)
Share of results of associated companies	49	–	–	–	(449)	(400)
Share of result of a joint venture	(29)	–	–	–	–	(29)
Profit/(loss) before taxation	1,412,731	(47,094)	19,178	(6,352)	(160,038)	1,218,425
Taxation (charge)/credit	(79,537)	(567)	–	636	69	(79,399)
Profit/(loss) for the year	1,333,194	(47,661)	19,178	(5,716)	(159,969)	1,139,026
Segment assets	9,767,869	481,499	247,745	680,507	1,609,165	12,786,785
Associated companies	2,697	–	–	–	7,522	10,219
Joint venture	–	–	–	–	–	–
Amount due from a joint venture	61,138	–	–	–	–	61,138
Total assets	9,831,704	481,499	247,745	680,507	1,616,687	12,858,142
Total liabilities	3,577,760	111,247	–	177,342	148,431	4,014,780
Other segment items are as follows:						
Capital expenditure	694,883	11,697	–	6,834	6,689	720,103
Depreciation	4,525	29,708	–	744	12,578	47,555
Amortization of leasehold land and land use rights						
– charged to the consolidated income statement	32	2,557	–	73	–	2,662
– capitalized into properties	4,000	–	–	–	–	4,000
Provision for impairment of properties for/under development	759	–	–	–	–	759
Provision for impairment of properties for sale	2,000	–	–	–	–	2,000
Provision for impairment of inventories	–	617	–	–	–	617
Provision for impairment of trade debtors	21	2,366	–	–	–	2,387
Provision for impairment of other deposits	4,000	–	–	–	–	4,000
Reversal of provision for impairment of trade debtors	952	1,414	–	–	–	2,366

(b) Geographical segment information

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

	Revenues		Capital expenditure	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**194,448**	232,590	**292,772**	202,136
The PRC	**812,673**	520,627	**506,433**	457,654
Other countries	**381,932**	347,128	**85,300**	60,313
	1,389,053	1,100,345	**884,505**	720,103

	Non-current assets *(Note)*		Total assets	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**6,534,791**	5,854,493	**8,983,771**	8,121,382
The PRC	**1,344,472**	1,255,540	**4,380,030**	3,957,915
Other countries	**578,351**	485,648	**895,734**	778,845
	8,457,614	7,595,681	**14,259,535**	12,858,142

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

5. OTHER INCOME AND NET GAIN

	2014	2013
	HK$'000	*HK$'000*
Interest income from		
Bank deposits	**24,769**	19,972
Loans and receivables	**–**	557
Dividend income from available-for-sale financial assets	**2,776**	977
Sales of scraped materials	**5,325**	3,899
Reversal of provision for impairment of trade debtors	**919**	2,366
Gain on disposal of a subsidiary *(Note)*	**40,491**	–
Fair value gain on transfer of properties from properties for sale to investment properties	**78,215**	18,413
Loss on disposal of an investment property	**–**	(41)
Net (loss)/gain on disposal of property, plant and equipment	**(60)**	4,916
Gain on disposal of available-for-sale financial assets	**1,894**	4,179
Net exchange gain/(loss)	**159**	(1,096)
Sundries	**8,596**	11,488
	163,084	65,630

Note: On 27th May, 2013, a 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 a consideration of HK$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million (equivalent to HK$60.9 million) in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013. Details of the transaction were set out in the announcement of the Company dated 27th May, 2013.

6. OPERATING PROFIT

	2014	2013
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Net realized gain of financial assets at fair value through profit or loss	**23,750**	72,251
Fair value gain of financial assets at fair value through profit or loss	**5,457**	–
Fair value gain of derivative financial instruments	**–**	3,500
and after charging:		
Cost of properties sold	**511,531**	321,703
Cost of inventories sold	**232,281**	231,482
Depreciation	**45,263**	47,555
Amortization of leasehold land and land use rights	**2,289**	2,662
Provision for impairment of property, plant and equipment	**2,321**	–
Provision for impairment of properties for/under development	**–**	759
Provision for impairment of properties for sale	**–**	2,000
Provision for impairment of inventories	**2,423**	617
Provision for impairment of trade debtors	**2,708**	2,387
Provision for impairment of other deposits	**7,272**	4,000
Fair value loss of financial assets at fair value through profit or loss	**–**	61,094
Staff costs, including Directors' emoluments		
Wages and salaries	**215,497**	181,357
Retirement benefit costs	**7,777**	5,190

7. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**61,121**	36,770
Bank borrowings wholly repayable after five years	**20,496**	19,154
Bank overdraft wholly repayable within five years	**166**	269
Convertible note wholly repayable within five years	**7,750**	6,826
	89,533	63,019
Fair value adjustment of trade debtors	**369**	–
Amount capitalized into		
Investment properties	**(1,124)**	–
Properties for/under development	**(2,561)**	(1,208)
Properties for sale	**(19,425)**	(7,308)
Cemetery assets	**(7,750)**	(6,826)
	(30,860)	(15,342)
	59,042	47,677

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalization rates applied to funds borrowed for the development of properties range from 2.36% to 7.38% (2013: 2.95% to 6.15%) per annum, whereas the capitalized effective rate for cemetery assets is 14.86% (2013: 14.86%) per annum.

8. SHARE OF RESULTS OF ASSOCIATED COMPANIES

Share of results of associated companies includes a negative goodwill of HK$10,801,000 (2013: Nil) arising from the acquisition of associated companies during the year ended 31st March, 2014.

9. TAXATION

	2014	2013
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**(7,605)**	24,009
Overseas profits tax	**378**	419
PRC corporate income tax	**46,825**	23,750
PRC land appreciation tax	**51,177**	29,482
Deferred taxation	**7,308**	1,739
	98,083	79,399

No provision for Hong Kong profits tax has been made as the Group has sufficient tax losses brought forward to set off against the estimated assessable profits for the year. In 2013, Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits for that year. PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC land appreciation tax is levied at 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, 2014 of HK$170,000 (2013: taxation credit of HK$68,000) is included in the consolidated income statement as share of results of associated companies. There is no taxation charge/credit of the joint venture for the year ended 31st March, 2014 (2013: Nil).

10. DIVIDENDS

	2014	2013
	HK$'000	*HK$'000*
Interim scrip dividend with a cash option of 2.0 HK cents (2013: 2.0 HK cents) per share	**34,077**	33,050
Proposed final scrip dividend with a cash option of 3.0 HK cents (2013: 3.0 HK cents) per share	**51,662**	50,417
	85,739	83,467

On 27th June, 2014, the board of Directors proposed a final scrip dividend with a cash option of 3.0 HK cents (2013: 3.0 HK cents) per share amounting to HK$51,662,000 (2013: HK$50,417,000). The amount of HK$51,662,000 is calculated based on 1,722,060,190 issued shares as at 27th June, 2014. This proposed dividend is not reflected as a dividend payable in the consolidated financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2015 upon the approval by the shareholders.

11. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$468,530,000 (2013: HK$1,147,641,000) and the weighted average number of 1,690,630,402 (2013: 1,619,158,971) shares in issue during the year.

The diluted earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during the years and the convertible notes issued by a subsidiary are anti-dilutive.

12. DEBTORS AND PREPAYMENTS

Rental income and management fees are received in advance whereas receivables from cemetery operation are settled in accordance with the terms of respective contracts. Credit terms of sales of goods and merchandise mainly range from 30 days to 180 days. The aging analysis of the trade debtors of the Group is as follows:

	2014	2013
	HK$'000	*HK$'000*
Below 30 days	**61,053**	63,215
31 to 60 days	**10,495**	20,322
61 to 90 days	**20,559**	12,184
Over 90 days	**20,907**	26,622
	113,014	122,343

Debtors and prepayments include net deposits of HK$321,515,000 (2013: HK$394,583,000) for property development projects and acquisition of properties and leasehold land and land use rights in Hong Kong, the PRC and Vietnam after the accumulated provision for impairment of HK$38,272,000 (2013: HK$38,955,000) as at 31st March, 2014.

13. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	2014	2013
	HK$'000	*HK$'000*
Assets		
Leasehold land and land use rights	**46,216**	–
Property, plant and equipment	**7,219**	–
Cash and bank balances	**8,094**	–
	61,529	–
Liabilities		
Deferred taxation liabilities	**(3,294)**	–
	58,235	–

On 14th May, 2014, a subsidiary of the Group entered into an agreement with an independent third party to dispose of its investment in the wholly-owned subsidiaries at a consideration of approximately HK$78.2 million. All the related assets and liabilities had been reclassified as "assets of disposal group classified as held for sale" and "liabilities of disposal group classified as held for sale" respectively as at 31st March, 2014. The whole consideration was received on 21st May, 2014 and a net gain is expected to be realized by the Group. Details of the transaction were set out in the announcement of Midas International Holdings Limited (a listed subsidiary of the Group) dated 14th May, 2014.

14. CREDITORS AND ACCRUALS

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

	2014	2013
	HK$'000	*HK$'000*
Below 30 days	**16,397**	33,872
31 to 60 days	**13,777**	7,549
Over 60 days	**21,095**	10,331
	51,269	51,752

Creditors and accruals include the construction cost payables and accruals of HK$225,361,000 (2013: HK$92,537,000) for the property development projects of the Group.

15. FINANCIAL GUARANTEES

As at 31st March, 2014, the Company has provided a guarantee of HK$117,000,000 (2013: HK$117,000,000) for the banking facility granted to a joint venture, and subsidiaries have provided guarantees of HK$593,591,000 (2013: HK$443,160,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

16. COMMITMENTS

As at 31st March, 2014, the Group has commitments contracted but not provided for in respect of property development projects and property, plant and equipment of HK$402,393,000 (2013: HK$421,266,000) and available-for-sale financial assets of HK$49,952,000 (2013: Nil) respectively.

17. PLEDGE OF ASSETS

As at 31st March, 2014, the Group has pledged certain assets including property, plant and equipment, investment properties, properties for sale and bank deposits, with an aggregate carrying value of HK$7,083,739,000 (2013: HK$6,758,028,000), to secure general banking and financial guarantee facilities granted to the subsidiaries.

18. SUBSEQUENT EVENT

On 12th June, 2014, a subsidiary of the Group entered into a provisional sale and purchase agreement with an independent third party to dispose of an investment property in the PRC at a consideration of approximately RMB32.4 million (equivalent to approximately HK$40.3 million). The transaction will be completed upon full settlement of the consideration which is expected to be on 10th October, 2014. The transaction is expected to realize a net gain (including future fair value gain, if any) of approximately RMB3.7 million (equivalent to approximately HK$4.6 million) to the Group before deducting non-controlling interests. Details of the transaction were set out in the announcement of Chuang's China Investments Limited (a listed subsidiary of the Group) dated 12th June, 2014.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st March, 2014 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

For the year ended 31st March, 2014, revenues of the Group amounted to HK$1,389.1 million (2013: HK$1,100.3 million), representing an increase of 26.2% compared to that of the last year. This was mainly due to the increase in property sales in the People's Republic of China (the "PRC") recognized by the Group during the year. Revenues of the Group comprised revenues from sales of properties of HK$798.0 million (2013: HK$565.8 million), revenues from rental of investment properties of HK$152.7 million (2013: HK$147.5 million), revenues from sales of goods and merchandise and services of HK$387.3 million (2013: HK$361.6 million), revenues from cemetery business of HK$9.5 million (2013: HK$6.2 million) and revenues from securities investment and trading business of HK$41.6 million (2013: HK$19.2 million).

As a result of increase in revenues generated from sales of properties, sales of goods and merchandise and services and the securities investment and trading business of the Group, gross profit during the year increased to HK$515.5 million (2013: HK$433.8 million), representing an increase of 18.8% compared to that of the last year. Other income and net gain increased to HK$163.1 million (2013: HK$65.6 million) mainly due to the gain on disposal of a subsidiary as announced on 27th May, 2013 and the fair value gain on transfer of properties from properties for sale to investment properties in the PRC. A breakdown of other income and net gain is shown in note 5 of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK$450.3 million (2013: HK$1,199.1 million) for its investment properties, reflecting the continued improvement in property prices of our investment properties in Hong Kong during the year.

On the costs side, selling and marketing expenses increased to HK$99.5 million (2013: HK$73.3 million) as a result of increase in revenues and the launching of new property projects for sales in Hong Kong and the PRC. Administrative and other operating expenses increased to HK$390.9 million (2013: HK$358.6 million) mainly due to an increase in business activities of the Group, a general increase in overheads and certain one-off provisions relating to the restructuring of the watch component business of the Group. Finance costs increased to HK$59.0 million (2013: HK$47.7 million) mainly due to the increased level of bank borrowings for financing the projects of the Group. Share of profit of associated companies amounted to HK$11.4 million (2013: loss of HK$0.4 million) mainly due to a negative goodwill arising on the acquisition of a 40% interest in a hotel in Cebu, Philippines. Taxation amounted to HK$98.1 million (2013: HK$79.4 million) mainly relating to tax on sales of properties.

Taking all the above into account, profit attributable to equity holders of the Company amounted to HK$468.5 million (2013: HK$1,147.6 million). Earnings per share was 27.71 HK cents (2013: 70.88 HK cents).

DIVIDENDS

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, the board of Directors (the "Board") 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 3.0 HK cents (2013: 3.0 HK cents) per share for the year ended 31st March, 2014. The final dividend, if approved, will be paid on or before 17th November, 2014 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, 2014.

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 entitlement 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 3rd October, 2014, whichever is higher. A circular giving full details of the scrip dividend scheme and a form of election will be sent to the shareholders of the Company as soon as practicable.

An interim dividend of 2.0 HK cents (2013: 2.0 HK cents) per share has been paid in respect of the current financial year. Total dividends for the year, therefore, will amount to 5.0 HK cents (2013: 5.0 HK cents) per share, and the total amount will be HK$85.7 million (2013: HK$83.5 million).

BUSINESS REVIEW

(A) Hong Kong Property Division

(i) Investment Properties

Major investment properties of the Group comprise (a) Chuang's London Plaza in Tsim Sha Tsui, (b) Chuang's Tower in Central, (c) House A, No. 37 Island Road in Deep Water Bay, (d) Chuang's Hung Hom Plaza in Hunghom (which is now under conversion into a hotel and renamed as Hotel sáv) and (e) No. 15 Gough Hill Road in The Peak (which is now under redevelopment). The total gross area of the Group's investment properties amounted to about 340,000 *sq. ft.* comprising retail, office, hotel, high-class residential and carparking spaces.

Rental and other income from investment properties in Hong Kong during the year amounted to HK$120.7 million, representing a slight increase of 2.0% over that of the last year. In order to facilitate the conversion works, majority of tenants of Hotel sáv had been vacated since the beginning of 2013 and, as a result, rental income from Hotel sáv during the year ended 31st March, 2014 was relatively small. Had the rental income from Hotel sáv been excluded, rental and other income from the remaining investment properties in Hong Kong showed a 30.0% increase over that of the last corresponding year.

In order to improve the rental yield and thus the capital value of Chuang's London Plaza, the Group is exploring plans and strategies to renovate and upgrade the property with a view to increase the gross area of the shops at the ground floor and the first floor levels and to improve the accessibility of the shops at the basement levels. In order to achieve the above objectives, further building plans will be submitted to the relevant authorities for approval. Once the approval is obtained, the Group will evaluate the best timing to carry out the renovation and upgrading works.

(ii) Investment Properties Under Conversion/Development

(a) Hotel sáv, No. 83 Wuhu Street, Hunghom, Kowloon (100% owned)

The property was a commercial/office building. Rezoning has been obtained from the Town Planning Board to permit the property to be operated as a hotel and approval has been obtained from the Buildings Department to convert the property into a hotel with 388 rooms together with shopping units at the ground floor and first floor levels. Conversion works are at the final stage and will be completed soon. Application for a hotel licence has been made and it is expected that the hotel will be in operation by the fourth quarter of 2014.

(b) No. 15 Gough Hill Road, The Peak, Hong Kong (100% owned)

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

(iii) Properties Under Development/Held For Sale

During the year, property sales in Hong Kong recognized as revenues of the Group amounted to HK$7.1 million which were related to the sale of the remaining residential unit in Wuhu Residence in Hunghom. Progress of other major development projects is as follows:

(a) Parkes Residence, No. 101 Parkes Street, Kowloon (100% owned)

The property is close to the Jordan Station of the mass transit railway and will be developed into a commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). Superstructure works are in progress and have been completed up to the second level. The project is expected to be completed in the third quarter of 2015. Up to the date of this report, 56 residential units and the shopping unit at the first and second floor levels have been pre-sold with an aggregate sales value of HK$533.8 million, and deposits of about HK$88 million have been received.

(b) Villa 28 and Villa 30, Po Shan Road, Hong Kong (50% owned)

The Group owns a 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. Building plans have been approved to develop the property into two semi-detached residences with gross floor area ("GFA") of about 40,365 *sq. ft.*. However, in order to increase the supply of land in the short to medium term, the Hong Kong SAR Government has indicated that it will actively consider relaxing or lifting a moratorium currently in force which restricts the modification of lease at the mid-level area. In light of this development, the Group has engaged consultants and liaised with relevant authorities in order to determine the best development strategy of this project with a view to maximize its development potential.

(B) International Property Division

(i) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur (100% owned)

Central Plaza, located at the heart of central business district and prestigious shopping area of Kuala Lumpur, has a total GFA of 380,000 *sq. ft.* of retail, office and carparking spaces. During the year, rental and other income from this property amounted to HK$21.2 million, representing an increase of 3.4% over that of the last year. Recently, the Group is conducting feasibility studies for converting the property into hotel/apartment usage in order to enhance the yield and thus the capital value.

(ii) Vietnam

(a) Greenview Garden, Thu Duc District, Ho Chi Minh City (100% owned)

The project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of 94,000 *sq. m.* will be developed on the site. The site is currently vacant and the Group is still carrying out studies on the development strategy of this project.

(b) Duc Hoa District, Long An Province

The Group had participated in a 70% interest in the project pursuant to an agreement entered into between the Group and the joint venture partner. As the joint venture partner has failed to fulfil its obligations under the agreement, the Group has made an application to the Vietnam International Arbitration Centre ("VIAC") for specific performance pursuant to the terms of the agreement and the VIAC has granted an arbitral award in favour of the Group. The arbitral award enables the Group to take steps to demand the joint venture partner to carry out all necessary procedures to form the joint venture company, to obtain the investment licence for the project and to contribute the land into the joint venture company. The Group is taking steps to enforce the arbitral award against the joint venture partner in accordance with local laws and regulations.

(iii) Taiwan

sáv Residence, Xinyi District, Taipei City (100% owned)

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and 6 apartment units (of which 2 are duplex apartments). Occupation permit has been issued by the relevant authorities. Internal decoration works are at the final stage and will be completed soon. Marketing works for leasing out the apartments have been commenced.

(iv) Mongolia

(a) International Finance Centre, Sukhbaatar District, Ulaanbaatar (100% owned)

The project has a site area of about 3,272 *sq. m.* and is located within the central business district. It is planned that a retail/office building will be developed. Concept design has been approved and detailed building plans have been submitted to the relevant authorities pending approval. Foundation works are completed while superstructure works will commence when the detailed building plans have been approved.

(b) The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar (53% owned)

The project has a site area of about 5,600 *sq. m.* and is located in the city centre within the embassy district. It is planned that two towers of apartments will be developed. Concept design has been approved and detailed building plans have been submitted to the relevant authorities pending approval. Initial phase of the development will comprise of one tower of apartment and foundation works are in progress.

(v) Philippines

Pacific Cebu Resort, Cebu (40% owned)

In December 2013, the Group completed the acquisition of a 40% interest in Pacific Cebu Resort for a consideration of about US$4 million. Pacific Cebu Resort is a resort established in 1992 with 136 rooms and abundant diving facilities, and is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*. Subsequent to the acquisition, renovation works are being carried out at the resort to upgrade the rooms and the facilities. Meanwhile, the Group is also carrying out feasibility studies to develop the vacant land within the resort (about 20,000 *sq. m.*) into hotels/condominiums/villas/shops in order to create more value. The resort is managed by Sav Hospitality Limited, the hotel management arm of the Group.

(C) PRC Property Division

The property activities of the Group in the PRC are conducted through Chuang's China Investments Limited ("Chuang's China" and together with its subsidiaries as the "Chuang's China Group"), a 57% owned listed subsidiary of the Group. For the year ended 31st March, 2014, Chuang's China recorded revenues of HK$804.7 million (which comprised revenues from sales of properties in the PRC of HK$783.0 million, revenues from rental of investment properties and management fees in the PRC of HK$10.9 million and revenues from manufacturing business of HK$10.8 million) and profit attributable to equity holders of HK$110.3 million.

(i) Development Properties

The PRC property market continued to be overshadowed by the tightening regulative measures by the government, with focus on supporting end-user demand while suppressing speculations. Currently, the Chuang's China Group's major projects for development are as follows:

Locations	**Projects**	**Developable properties** *(GFA in sq. m.)*
Southern China		
Guangzhou	Chuang's Le Papillon (Block J, L, P and Q to X)	206,000
Dongguan	Imperial Garden (Block 9 to Block 55)	423,000
Xiamen	sáv Resort & Spa	18,000
Sub-total		647,000
Northern China		
Anshan	Chuang's Mid-town	100,000
Anshan	Chuang's Plaza	390,000
Sub-total		490,000
Total		1,137,000

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

Chuang's Le Papillon is an integrated residential and commercial community with a total GFA of over 420,000 *sq. m.* and is divided into different phases. Phase I and II (Block A to P) have an aggregate GFA of 260,800 *sq. m.*, providing an aggregate of 2,077 residential flats and 22 villas, commercial podium and club houses with a total GFA of 8,780 *sq. m.* and 1,497 carparking spaces.

Occupancy of Block A to H were handed over to buyers in previous financial years. During the year under review, occupancy of Block I, K, M and N are handed over to buyers. Construction works of Block J and L will be completed during the financial year 2015. Superstructure works for Block P (22 villas) of about 7,000 *sq. m.* are completed and external works are in progress.

Phase III (Block Q to X) has a total GFA of about 166,000 *sq. m.*. The Group is reviewing the development schedule in view of the prevailing market condition. In the meantime, the Group will also carry out a review of the product mix and plot ratio of the development in order to achieve a higher return as the local community continues to mature.

As for sales progress for Phase I and II, all high-rise blocks (Block A to N) have been launched to the market. Presale of Block P (22 villas) will be postponed in view of the selling price control on first hand properties. From the beginning of the financial year 2014 up to the date hereof, sales of this project amounted to over RMB573 million. As of to-date, properties available for sales (excluding Block P) amounted to about RMB349 million. Total sales of this project which have not yet been completed amounted to about RMB460 million (equivalent to approximately HK$572 million), and will be recognized as revenues when these sales are completed and properties are handed over to buyers.

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

Chuang's New City 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. It is well equipped with ancillary facilities such as club house, kindergarten, sports arena and shopping mall to meet residents' pursuit of a refined lifestyle.

Phase I (Block 1 to 8) has been completed and provides 665 residential units with an aggregate GFA of approximately 89,000 *sq. m.*, a modern commercial shopping complex of about 6,666 *sq. m.* and 184 carparking spaces.

Phase II (Block 9 to 14) has a total GFA of 61,272 *sq. m.*, providing 574 flats ranging from 56 *sq. m.* to 127 *sq. m.*. Superstructure works for Block 9 to 14 have been completed. External works and landscaping are progressing satisfactorily.

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

Block 9 to 14 were launched for presale during the year. From the beginning of the financial year 2014 up to the date hereof, sales of this project amounted to over RMB233 million. As of to-date, properties available for sales (Block 1 to 14) amounted to about RMB244 million. Total sales of the project which have not yet been completed amounted to about RMB225 million (equivalent to approximately HK$280 million), and will be recognized as revenues when these sales are completed and properties are handed over to buyers.

(c) sáv Resort & Spa, Xiamen, Fujian (59.5% owned by Chuang's China)

Our luxurious hotel and resort development occupies a site with an area of about 27,574 *sq. m.*. Superstructure works are completed, while interior and fitting out works are in progress. 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. Within this development, 27 villas with an 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.

(d) 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). The development will provide integrated community with residential, shopping areas, specialty business activities, SOHO and office space with a 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. Foundation works are in progress and superstructure works of the commercial podium will be closely following. Marketing of the project has commenced.

(e) 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). With a 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 layout planning has been submitted for approval by the relevant authority.

(f) Others

The Chuang's China Group holds a 54% interest in a property development project in Changsha. As at 31st March, 2014, the total investment costs of the Chuang's China Group in this project amounted to about HK$84 million. Properties available for sales (total residential GFA of 19,800 *sq. m.* and commercial GFA of 11,600 *sq. m.*) of this project have a total book costs of about HK$124 million. The operating license of the joint venture company in the PRC has expired since 2012 and the Group will take appropriate steps with a view to orderly dissolve this joint venture company in the PRC.

The Chuang's China Group has, since 2007, held a 51% development interest in a project in Chengdu. In view of the complexity of the project which will involve resettlements and will drag on a long time, the Chuang's China Group is evaluating different alternatives in order to speed up the return of this investment. Currently, the Chuang's China Group is in discussion with the partner of this project for the repayment of the total investments of the Chuang's China Group in this project by the partner and such discussion may or may not be materialized.

(ii) Investment Properties

The Chuang's China Group holds an aggregate GFA of over 50,000 *sq. m.* of commercial properties in Guangzhou, Dongguan, Chengdu and Anshan for investments purposes. As at 31st March, 2014, the aggregate book value of these investment properties amounted to approximately HK$257.7 million. On 12th June, 2014, the Chuang's China Group disposed of an investment property in Guangzhou with GFA of about 1,804 *sq. m.* at a consideration of approximately RMB32.4 million (equivalent to approximately HK$40.3 million). The transaction is expected to be completed on 10th October, 2014 and is expected to realize a net gain (including future fair value gain, if any) of approximately RMB3.7 million (equivalent to approximately HK$4.6 million) to the Chuang's China Group. Details of the transaction were set out in the announcement of Chuang's China dated 12th June, 2014.

(D) Midas International Holdings Limited ("Midas")

Midas is a 60.8% owned listed subsidiary of the Group and is principally engaged in the printing business and property business focusing on the development and operation of cemetery in the PRC. For the year ended 31st March, 2014, Midas recorded revenues of HK$309.8 million (which comprised revenues from the printing business of HK$300.3 million and revenues from the cemetery business of HK$9.5 million) and loss attributable to equity holders of HK$42.5 million.

(i) Printing Business

The worldwide publishing market has been impacted by the growing popularity of digital products, resulting in a gradual but continuous trend away from paper books among readers. This change along with persistent global economic uncertainty continued to dampen the printing demand as a whole. This environment caused closure of numerous small printing service providers and consolidation of suppliers in the export printing industry accelerated during the year.

This consolidation trend has benefitted Midas to capture more market share, due to its emphasis on quality products, superior track record of reliable delivery and premium customer service. As a result, during the year, Midas achieved a moderate sales growth of 10.6% in the printing division.

In the cost aspects, Midas has taken numerous measures to further improve efficiency. Midas has adopted lean manufacturing and automation through the implementation of ERP system to cut costs and enhance efficiency. Besides, Midas constantly monitored operations planning and rebalancing production activities so as to maximize asset utilization. Tight inventory and procurement control were implemented so that Midas can maintain minimum level of inventories with lower price. Accordingly, Midas achieved improved operation efficiency and gross profit margin improved from 19.3% for last year to 21.8% for current year.

With a view to maximize its value, Midas has completed the disposal of the industrial land site located at Coastal Industry Zone in Shatian, Dongguan in May 2014. The net proceeds from the disposal, after deducting the estimated expenses, of approximately HK$77.4 million was applied as general working capital of Midas. Accordingly, the disposal enabled Midas to increase its working capital, and improved the liquidity and strengthened the overall financial position of the Midas group. Details of the disposal were disclosed in the announcement of Midas on 14th May, 2014.

Midas's another factory site is located near the city centre of Changan, Dongguan. Its surrounding area is well developed and occupied by premium residential and commercial buildings. In view of its high development potential, the local government is considering to rezone and develop the nearby area into an integrated commercial and residential district. Midas has already substantially scaled down its production in the Changan factory and is awaiting final rezoning decision from the local government. In the meantime, Midas has obtained expansion of the business scope of the land owner to include warehouse operations and will explore alternate usage plan, including wholly or partially leasing out or disposing of this site, so as to maximize its value.

(ii) Property Business – Cemetery Operations

Midas operates a cemetery – "Fortune Wealth Memorial Park" in Sihui, Guangdong which comprises a site of 518 mu, and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

During the year under review, Midas has continued to strengthen its sales effort and expanded its agency network. Furthermore, Midas has arranged joint promotion programmes with Fengshui masters in the PRC so as to enhance the public awareness and marketability of the cemetery. As a result, during the year, Midas achieved a sales growth of 53.2% in the cemetery business. Recently, the local government has approved to establish a martyr memorial cemetery within Fortune Wealth Memorial Park to commemorate martyrs so as to attract people to pay tribute and remembrance to the martyrs. The establishment of the martyr memorial cemetery will expose the cemetery to different market segments and customer groups and Midas believes that such a move could further enhance the sales of the cemetery in the years to come.

In order to further enhance the value of the cemetery, Midas constantly reviews the development plan of the cemetery. Midas has completed an additional 1,042 grave plots, and is in the process of tendering the construction of a further 1,262 grave plots, on the 100 mu of land located near the entrance of the cemetery. Furthermore, for long term development purpose, Midas is now in negotiation with the local government with a view to expand the cemetery by phases. Midas plans to build about 3,500 grave plots as an initial phase of such expansion.

(E) Other Businesses

(i) Sintex Nylon and Cotton Products (Pte) Limited ("Sintex")

Sintex is engaged in the sale of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the year, Sintex recorded revenues of HK$76.1 million, representing an increase of 1.6% over that of the last year, and profit of HK$2.4 million.

(ii) Securities Investment and Trading

During the year, securities investment and trading business of the Group recorded a profit of HK$41.6 million, comprising realized gain on disposal of investments of HK$23.7 million, dividend and interest income from investments of HK$12.4 million and fair value gain on investments of HK$5.5 million as a result of mark to market valuations as at the balance sheet date. As at 31st March, 2014, investments of the Group amounted to HK$77.9 million comprised of securities listed on the Stock Exchange and high yield bonds.

(iii) Yuen Sang Watch Industries Limited ("Yuen Sang")

Yuen Sang, a wholly-owned subsidiary of the Chuang's China Group, is engaged in the manufacturing and sale of watch components. During the year, Yuen Sang restructured its business by focusing on sale and trading of higher margin watch components, and closed down its manufacturing factory in the PRC in view of its unprofitable performance. As a result, certain one-off provisions for property, plant and equipment, inventories, and severance payment aggregating to approximately HK$9.0 million have been made.

FINANCIAL POSITION

As at 31st March, 2014, net assets attributable to equity holders of the Company was HK$7,793.1 million. Net asset value per share was HK$4.53, 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, 2014, the Group's cash, bank balances (including pledged bank balances and those in assets held for sale) and investments held for trading amounted to HK$2,454.6 million (2013: HK$2,081.3 million). Bank borrowings as at the same date amounted to HK$3,252.3 million (2013: HK$2,557.8 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and investments held for trading over net assets attributable to equity holders of the Company, was 10.2% (2013: 6.5%).

Approximately 68.3% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, 31.4% were in Renminbi and the balance of 0.3% were in other currencies. Approximately 83.4% of the Group's bank borrowings were denominated in Hong Kong dollar, 11.3% were in Renminbi and the balance of 5.3% were in Malaysian Ringgit. Accordingly, there should not be material risk in foreign exchange fluctuation.

Based on the agreed scheduled repayment dates in the loan agreement and ignoring the effect of any repayment on demand clause, approximately 4.7% of the Group's bank borrowings were repayable within the first year, 27.3% were repayable within the second year, 43.1% were repayable within the third to fifth years and the balance of 24.9% were repayable after the fifth year.

PROSPECTS

In order to cool down the property markets, the Hong Kong SAR Government and the Central Government had in the past few years implemented a number of regulatory measures to curb speculative activities and, as of to-date, though the Hong Kong and the PRC property markets had shown corrections, there is no sign that these regulatory measures will be substantially relaxed or even cancelled in the near term. Against these background and on the general expectation that there will be rise in interest rates in the medium term, the Group will monitor the situation closely and will be cautious and selective in making new investments.

Despite the above, 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 value of our development projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales in accordance with local market conditions so as to further create value for our shareholders.

CLOSING OF REGISTER

The AGM is scheduled on Friday, 19th September, 2014. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 16th September, 2014 to Friday, 19th September, 2014, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 15th September, 2014.

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 Friday, 3rd October, 2014. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 25th September, 2014 to Friday, 3rd October, 2014, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 24th September, 2014.

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, 2014, the Group (excluding Chuang's China, Midas and their subsidiaries) employed 264 staff, the Chuang's China Group employed 351 staff and the Midas group employed 1,913 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

Due to other commitments, two independent non-executive directors had not attended the 2013 annual general meeting of the Company pursuant to Code A.6.7 of the code provisions set out in the Appendix 14 – Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Except as mentioned hereof, the Company has complied throughout the year ended 31st March, 2014 with the code provisions set out in the CG Code.

An audit committee has been established by the Company to review and supervise the Company's financial reporting process and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements and reviewed the consolidated results of the Group for the year ended 31st March, 2014. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Yau Chi Ming, 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, 2014 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, 27th June, 2014

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. Chong Ka Fung, Mr. Lui Lop Kay and Mr. Wong Chung Wai are the Executive Directors of the Company, and Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong, Mr. Yau Chi Ming and Mr. David Chu Yu Lin are the Independent Non-Executive Directors of the Company.