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, 2015

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, 2015 as follows:

CONSOLIDATED INCOME STATEMENT
For the year ended 31st March, 2015

	Note	**2015** **HK$'000**	2014 HK$'000
Revenues	3	**1,008,613**	804,719
Cost of sales		**(614,779)**	(527,942)
Gross profit		**393,834**	276,777
Other income and net gain	5	**39,911**	137,901
Selling and marketing expenses		**(46,896)**	(49,604)
Administrative and other operating expenses		**(129,035)**	(155,714)
Change in fair value of investment properties		**7,699**	1,680
Operating profit	6	**265,513**	211,040
Finance costs	7	**(1,727)**	(1,084)
Share of result of an associated company		**(774)**	828
Profit before taxation		**263,012**	210,784
Taxation	8	**(171,867)**	(104,384)
Profit for the year		**91,145**	106,400
Attributable to:			
Equity holders		**94,491**	110,268
Non-controlling interests		**(3,346)**	(3,868)
		91,145	106,400
Dividends	9	**64,308**	79,784
		HK cents	*HK cents*
Earnings per share (basic and diluted)	10	**5.90**	7.00

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**91,145**	106,400
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Net exchange differences	**(7,984)**	(3,550)
Realization of exchange reserve upon disposal of a subsidiary	**–**	(423)
Change in fair value of available-for-sale financial assets	**34,055**	9,961
Other comprehensive income for the year	**26,071**	5,988
Total comprehensive income for the year	**117,216**	112,388
Total comprehensive income attributable to:		
Equity holders	**120,481**	116,244
Non-controlling interests	**(3,265)**	(3,856)
	117,216	112,388

CONSOLIDATED BALANCE SHEET

As at 31st March, 2015

	Note	**2015**	2014
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**83,024**	92,871
Investment properties		**251,656**	257,690
Land use right		**1,600**	1,632
Properties for/under development		**389,435**	352,446
Associated company		**7,576**	8,350
Available-for-sale financial assets		**231,114**	193,934
Loans and receivables		**12,553**	12,550
		976,958	919,473
Current assets			
Properties for sale		**1,864,368**	1,691,323
Inventories		**47,900**	4,760
Debtors and prepayments	*11*	**301,887**	309,135
Financial assets at fair value through profit or loss		**23,778**	–
Pledged bank balances		**40,269**	30,440
Cash and bank balances		**871,107**	1,114,628
		3,149,309	3,150,286
Current liabilities			
Creditors and accruals	*12*	**268,025**	277,710
Sales deposits received		**56,419**	368,575
Short-term bank borrowings		**214,550**	–
Current portion of long-term bank borrowings		**389,589**	259,508
Taxation payable		**336,509**	211,909
		1,265,092	1,117,702
Net current assets		**1,884,217**	2,032,584
Total assets less current liabilities		**2,861,175**	2,952,057
Equity			
Share capital		**80,385**	79,784
Reserves		**2,476,084**	2,414,465
Proposed final dividend		**48,231**	63,827
Shareholders' funds		**2,604,700**	2,558,076
Non-controlling interests		**55,242**	58,507
Total equity		**2,659,942**	2,616,583
Non-current liabilities			
Long-term bank borrowings		**18,885**	145,155
Deferred taxation liabilities		**172,073**	180,144
Loans and payables with non-controlling interests		**10,275**	10,175
		201,233	335,474
		2,861,175	2,952,057

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, 2015, the Company was a 56.5% owned subsidiary of Profit Stability Investments Limited, a company incorporated in the British Virgin Islands and 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 development and investment, hotel operation and management, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

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 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 consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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 amendments to standards and interpretation

For the financial year ended 31st March, 2015, the Group adopted the following amendments to standards and interpretation that are effective for the accounting periods beginning on or after 1st April, 2014 and relevant to the operations of the Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
HK(IFRIC) – Int 21	Levies

The Group has assessed the impact of the adoption of these amendments to standards and interpretation 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 consolidated financial statements.

New standards and amendments to standards that are not yet effective

The following new standards and amendments to standards 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, 2015, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative (effective from 1st January, 2016)
HKAS 16 (Amendment) and HKAS 38 (Amendment)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements (effective from 1st January, 2016)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1st January, 2016)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective from 1st January, 2016)
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2017)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2012–2014 Cycle (effective from 1st January, 2016)

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

In addition, the revised Rules Governing the Listing of Securities on the Stock Exchange on disclosure of financial information with reference to the new Hong Kong Companies Ordinance (Cap. 622) will come into operation as from the Group's first financial year ending on or after 31st March, 2016. The Group is in the process of making an assessment of expected impact of the changes. So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

3. REVENUES

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

	2015	2014
	HK$'000	*HK$'000*
Sales of properties	**993,778**	782,998
Rental income and management fees	**11,698**	10,888
Sales of goods and merchandises	**2,911**	10,833
Securities trading	**150**	–
Interest income from financial assets at fair value through profit or loss	**76**	–
	1,008,613	804,719

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 development and investment, sales of goods and merchandises, securities investment and trading and others (including hotel operation and management). 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 development and investment *HK$'000*	Sales of goods and merchandises *HK$'000*	Securities investment and trading *HK$'000*	Others and corporate *HK$'000*	2015 Total *HK$'000*
Revenues	**1,005,476**	**2,911**	**226**	**–**	**1,008,613**
Other income and net gain/(loss)	**17,181**	**512**	**(69)**	**22,287**	**39,911**
Operating profit/(loss)	**321,956**	**(1,771)**	**157**	**(54,829)**	**265,513**
Finance costs	**(1,727)**	**–**	**–**	**–**	**(1,727)**
Share of result of an associated company	**–**	**–**	**–**	**(774)**	**(774)**
Profit/(loss) before taxation	**320,229**	**(1,771)**	**157**	**(55,603)**	**263,012**
Taxation	**(171,867)**	**–**	**–**	**–**	**(171,867)**
Profit/(loss) for the year	**148,362**	**(1,771)**	**157**	**(55,603)**	**91,145**
Segment assets	**3,101,749**	**50,321**	**24,053**	**942,568**	**4,118,691**
Associated company	**–**	**–**	**–**	**7,576**	**7,576**
Total assets	**3,101,749**	**50,321**	**24,053**	**950,144**	**4,126,267**
Total liabilities	**1,452,675**	**945**	**–**	**12,705**	**1,466,325**
Other segment items are as follows:					
Capital expenditure	**765,122**	**85**	**–**	**2,067**	**767,274**
Depreciation	**2,061**	**26**	**–**	**9,939**	**12,026**
Amortization of land use rights					
– charged to the consolidated income statement	**32**	**–**	**–**	**–**	**32**
– capitalized into properties	**4,000**	**–**	**–**	**–**	**4,000**

	Property development and investment *HK$'000*	Sales of goods and merchandises *HK$'000*	Others and corporate *HK$'000*	2014 Total *HK$'000*
Revenues	793,886	10,833	–	804,719
Other income and net gain	128,440	312	9,149	137,901
Operating profit/(loss)	299,436	(18,514)	(69,882)	211,040
Finance costs	(1,084)	–	–	(1,084)
Share of result of an associated company	–	–	828	828
Profit/(loss) before taxation	298,352	(18,514)	(69,054)	210,784
Taxation	(104,384)	–	–	(104,384)
Profit/(loss) for the year	193,968	(18,514)	(69,054)	106,400
Segment assets	3,425,669	2,383	633,357	4,061,409
Associated company	–	–	8,350	8,350
Total assets	3,425,669	2,383	641,707	4,069,759
Total liabilities	1,438,306	6,023	8,847	1,453,176
Other segment items are as follows:				
Capital expenditure	488,195	581	6,222	494,998
Depreciation	2,232	322	8,607	11,161
Amortization of land use rights				
– charged to the consolidated income statement	32	–	–	32
– capitalized into properties	4,000	–	–	4,000
Provision for impairment of property, plant and equipment	–	2,321	–	2,321
Provision for impairment of inventories	–	1,404	–	1,404
Provision for impairment of trade debtors	770	–	–	770
Provision for impairment of other deposits	7,272	–	–	7,272

(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	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,675**	9,050	**434,976**	8,783
The People's Republic of China (the "PRC")	**1,005,514**	793,886	**293,896**	486,215
Other countries	**1,424**	1,783	**38,402**	–
	1,008,613	804,719	**767,274**	494,998

	Non-current assets *(Note)*		Total assets	
	2015	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**68,959**	77,543	**912,511**	643,222
The PRC	**664,332**	635,446	**3,176,342**	3,425,945
Other countries	**–**	–	**37,414**	592
	733,291	712,989	**4,126,267**	4,069,759

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

	2015	2014
	HK$'000	*HK$'000*
Interest income from bank deposits	**20,765**	16,043
Dividend income from available-for-sale financial assets	**3,784**	2,776
Gain on disposal of an investment property	**11,252**	–
Gain on disposal of a subsidiary *(Note)*	**–**	40,491
Fair value gain on transfer of properties from properties for sale to investment properties	**4,283**	78,215
Net gain on disposal of property, plant and equipment	**419**	359
Net exchange loss	**(599)**	(79)
Sundries	**7**	96
	39,911	137,901

Note: 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 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 transaction were set out in the announcement of the Company on 27th May, 2013.

6. OPERATING PROFIT

	2015 *HK$'000*	2014 *HK$'000*
Operating profit is stated after (crediting) and charging:		
Fair value gain of financial assets at fair value through profit or loss	**(150)**	–
Amortization of land use right	**32**	32
Cost of properties sold	**605,047**	502,185
Cost of inventories sold	**2,157**	17,215
Depreciation	**12,026**	11,161
Provision for impairment of property, plant and equipment	**–**	2,321
Provision for impairment of inventories	**–**	1,404
Provision for impairment of trade debtors	**–**	770
Provision for impairment of other deposits	**–**	7,272
Staff costs, including Directors' emoluments		
Wages and salaries	**52,300**	53,686
Retirement benefit costs	**2,961**	3,071

7. FINANCE COSTS

	2015 *HK$'000*	2014 *HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**25,978**	19,769
Amounts capitalized into		
Properties for/under development	**(3,632)**	(2,561)
Properties for sale	**(20,619)**	(16,124)
	(24,251)	(18,685)
	1,727	1,084

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 2.08% to 7.20% (2014: 3.11% to 7.38%) per annum.

8. TAXATION

	2015 *HK$'000*	2014 *HK$'000*
Current taxation		
PRC corporate income tax	**61,796**	46,479
PRC land appreciation tax	**118,153**	51,177
Deferred taxation	**(8,082)**	6,728
	171,867	104,384

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the year (2014: Nil). PRC corporate income tax has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC. PRC land appreciation tax is levied at the progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of an associated company for the year ended 31st March, 2015 of HK$91,000 (2014: HK$163,000) is included in the consolidated income statement as share of result of an associated company.

9. DIVIDENDS

	2015	2014
	HK$'000	*HK$'000*
Interim dividend of 1.0 HK cent (2014: 1.0 HK cent) per share	**16,077**	15,957
Proposed final scrip dividend with a cash option of 3.0 HK cents (2014: 4.0 HK cents) per share	**48,231**	63,827
	64,308	79,784

On 26th June, 2015, the board of Directors proposed a final scrip dividend with a cash option of 3.0 HK cents (2014: 4.0 HK cents) per share amounting to HK$48,231,000 (2014: HK$63,827,000). The amount of HK$48,231,000 is calculated based on 1,607,694,567 issued shares as at 26th June, 2015. 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, 2016 upon the approval by the shareholders.

10. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$94,491,000 (2014: HK$110,268,000) and the weighted average number of 1,600,224,447 (2014: 1,574,543,099) 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.

11. DEBTORS AND PREPAYMENTS

Rental income and management fees are received in advance. Credit terms of sales of goods and merchandises mainly ranged from 30 days to 90 days. The aging analysis of trade debtors of the Group is as follows:

	2015	2014
	HK$'000	*HK$'000*
Below 30 days	**20,614**	17,703
31 to 60 days	**2**	141
61 to 90 days	**11**	1,036
Over 90 days	**783**	2,071
	21,410	20,951

Debtors and prepayments include net deposits of HK$221,090,000 (2014: HK$220,902,000) for property projects and acquisition of land use rights after the accumulated provision for impairment of HK$11,272,000 (2014: HK$11,272,000) as at 31st March, 2015.

12. CREDITORS AND ACCRUALS

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

	2015	2014
	HK$'000	*HK$'000*
Below 30 days	**232**	364
31 to 60 days	**2**	258
Over 60 days	**66**	568
	300	1,190

Creditors and accruals include the construction cost payables and accruals of HK$127,937,000 (2014: HK$156,340,000) for the property projects of the Group.

13. FINANCIAL GUARANTEES

As at 31st March, 2015, the subsidiaries had provided guarantees of HK$795,441,000 (2014: HK$593,591,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

14. COMMITMENTS

As at 31st March, 2015, the Group had commitments contracted but not provided for in respect of property projects of HK$263,069,000 (2014: HK$212,471,000, including property, plant and equipment) and available-for-sale financial assets of HK$49,964,000 (2014: HK$49,952,000) respectively.

15. PLEDGE OF ASSETS

As at 31st March, 2015, the Group had pledged certain assets including properties for sale and bank deposits, with an aggregate carrying value of HK$561,212,000 (2014: HK$202,539,000, including investment properties), to secure banking and financial guarantee facilities granted to the subsidiaries.

16. EVENT AFTER THE REPORTING PERIOD

On 21st April, 2015, the Company and its wholly-owned subsidiary entered into a sale and purchase agreement with Midas International Holdings Limited ("Midas") (a listed subsidiary of CCIL) and its wholly-owned subsidiary to acquire the entire registered capital of a PRC wholly-owned subsidiary of Midas (the major assets are the land and property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK$127.0 million) (subject to adjustment). The consideration will be settled in full in cash at completion, which will be on the seventh business day after the last outstanding conditions precedent of the transaction is fulfilled. Details of the transaction were set out in the announcement and the circular of the Company dated 21st April, 2015 and 13th May, 2015 respectively.

FINANCIAL REVIEW

Revenues of the Group for the year ended 31st March, 2015 increased by 25.3% to HK$1,008.6 million (2014: HK$804.7 million), principally driven by the following factors:

- an increase in sales of development properties in the People's Republic of China (the "PRC") by about 26.9% to HK$993.8 million (2014: HK$783.0 million);

- an increase in rental and management fee income by about 7.3% to HK$11.7 million (2014: HK$10.9 million);

- income from sales and trading business dropped to HK$2.9 million (2014: HK$10.8 million) due to the cessation of the Group's watch components manufacturing business in April 2014; and

- securities investment and trading income was about HK$0.2 million (2014: Nil), and was derived from an investment in a high yield bond with a principal of US$3 million at a yield of 8.375% p.a. and a 7-year maturity.

During the year under review, gross profit increased by 42.3% to HK$393.8 million (2014: HK$276.8 million) in view of the increase in sales of properties in the PRC. Gross profit margin during the year rose to about 39% when compared with 34% in the previous financial year. The increase in gross profit was due to higher profit margin derived from property sales and the absence of gross loss from manufacturing business in the last financial year.

Other income and net gain was HK$39.9 million (2014: HK$137.9 million). It principally comprises bank interest income, dividend income from the Group's 17.1% interest in CNT Group Limited and gain on disposal of an investment property as announced in June 2014. The decrease in other income and net gain was mainly related to (i) the absence of gain on disposal of a subsidiary that was recorded in the last financial year, and (ii) the reduction of fair value gain on transfer of properties from properties for sale to investment properties. A breakdown of other income and net gain is shown in note 5 on page 9 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$7.7 million (2014: HK$1.7 million).

On the costs side, selling and marketing expenses decreased by 5.4% to HK$46.9 million (2014: HK$49.6 million). Administrative and other operating expenses decreased by 17.1% to HK$129.0 million (2014: HK$155.7 million) as a result of cost savings control on overheads and the absence of previous year's provisions relating to the loss-making manufacturing business.

Finance costs slightly increased to HK$1.7 million (2014: HK$1.1 million) as a result of increase in bank borrowings during the year. Share of loss of an associated company was HK$0.8 million (2014: share of profit of HK$0.8 million) and was attributed by the Group's 25% interest in Treasure Auctioneer International Limited. Furthermore, taxation increased by 64.7% to HK$171.9 million (2014: HK$104.4 million) and was due to more provisions of land appreciation tax and corporate income tax resulting from increase in gross profit margin and sales volume of properties in the PRC.

Taking into account the above, profit attributable to equity holders of the Company for the year ended 31st March, 2015 decreased by about 14.3% to HK$94.5 million (2014: HK$110.3 million). Earnings per share was 5.90 HK cents (2014: 7.00 HK cents).

DIVIDENDS

After taking into account the working capital requirements for the Group's projects and business development, 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 (2014: 4.0 HK cents) per share for the year ended 31st March, 2015. The final dividend, if approved, will be paid on or before 27th October, 2015 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 11th September, 2015.

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 11th September, 2015, 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 (2014: 1.0 HK cent) per share has been paid in respect of the current financial year. Total dividends for the year will amount to 4.0 HK cents (2014: 5.0 HK cents) per share.

BUSINESS REVIEW

Investment/Hotel Properties

A. Investment Properties

The Group holds the following portfolio of investment properties in the PRC with an aggregate gross floor area ("GFA") of over 50,000 *sq. m.*, of which 25% are completed properties and 75% are under construction. Rental and related income during the year was HK$11.7 million.

1. Chengdu Digital Plaza Level 6 at Chengdu, having a GFA of 4,255 *sq. m.*, is subject to a three-year tenancy expiring in 2016.

2. Chuang's New City at Dongguan has two completed commercial properties with aggregate GFA of about 12,436 *sq. m.*. About 7,936 *sq. m.* of these properties are subject to various leases expiring from 2015 to 2025. The remaining 4,500 *sq. m.* of these commercial properties were not leased out as at 31st March, 2015 and are recorded in the financial statements as "Properties for sale". Additional investment properties under construction at Chuang's New City have a total GFA of about 6,026 *sq. m.*.

3. Chuang's Le Papillon at Guangzhou has two completed commercial properties with aggregate GFA of 1,181 *sq. m.*. One of the commercial properties with GFA of 601 *sq. m.* is subject to an eight-year tenancy expiring in 2023, while the other property with GFA of 580 *sq. m.* was not leased out as at 31st March, 2015 and is therefore recorded in the financial statements as "Properties for sale". Furthermore, investment properties to be constructed at Chuang's Le Papillon will have a total GFA of about 2,639 *sq. m.*.

4. Chuang's Mid-town at Anshan has investment properties under construction of 29,616 *sq. m.*. It is a 6-level commercial podium located at the city centre of Anshan.

5. The Group holds five office units at R&F Yingkai Square (富力盈凱廣場) with total GFA of 896 *sq. m.*, and is located in the CBD of Zhujiang New Town (珠江新城) in Guangzhou. During the year, the properties were recorded in the financial statements as "Properties for sale". In view of its prime location, the Group considers that its value will be appreciated and decides to lease out the properties subsequent to the year end date.

As at 31st March, 2015, the Group's investment properties in the PRC has an aggregate book value of approximately HK$251.7 million. The Group will continue to increase its investment property portfolio for rental purpose, which will bring recurrent and steady cash inflow, in order to weather the slowdown of the property development sales in the PRC.

During the year, the Group entered into an agreement to dispose 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$40.5 million). The transaction was completed in July 2014 and realized a net gain after taxation of approximately RMB3.7 million (equivalent to approximately HK$4.6 million) to the Group. Details of the transaction were set out in the announcement of the Company dated 12th June, 2014.

Subsequent to the year end date, on 21st April, 2015, the Group announced the acquisition of the industrial property located at Changan, Dongguan, with a GFA of about 39,000 *sq. m.* at RMB101.6 million (equivalent to approximately HK$127.0 million). The industrial property is close to a well developed residential and commercial area and is about 10 km to Shenzhen. After completion of the acquisition, the Group intends to lease out the property for rental income and will monitor the market conditions regarding redevelopment potential of the property to optimize the investment return.

B. Hotel Property

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

sáv Resort & Spa is located in the beautiful scenery of the south coast of Siming District, covering an area of about 27,600 *sq. m.*, and just five minutes walk from the nearby beach.

Focusing on a low density development, the project has 18,000 *sq. m.* in GFA and focuses on creating a harmonious architectural and landscape design. The project provides 30 villas with an aggregate GFA of about 8,300 *sq. m.* which will be rented out on long lease. An exclusive resort with 100 keys (total GFA of 9,700 *sq. m.*) will be operated as hotel and resort. It is expected that soft opening of the hotel will be before the end of 2015.

Property Development

The growth of the PRC's macro economy has shown sign of slowing down during the year under review. With such downward pressure, the PRC property market also underwent correction and adjustments from rapid growth in the past few years. Property buyers took a wait-and-see attitude, leading to a decline in both price and volume in major cities. Property developers in the PRC are then faced with challenges from slow-moving inventory level, shrinking profit margins and intensifying competition.

In recent months, relaxation of restrictions on property purchasing, loosening of monetary policy and decrease in interest rate of housing mortgage loan are launched to boost the property market. However, sign of a recovery in terms of transaction volume and price have yet to be seen and the PRC property market is still full of challenges.

During the year, the Group took proactive strategy to diversify its property development business to Hong Kong, and has actively participated in a number of public tenders in Hong Kong. In February 2015, the Group had succeeded in the public tender for a lot in Yip Wong Road, Tuen Mun at the tender price of HK$428.8 million.

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

Chuang's Le Papillon is an integrated residential and commercial community and is divided into different phases. Phase I and II (Block A to P) have a total GFA of 260,800 *sq. m.*. It comprises 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial podium, club houses and 1,497 carparking spaces.

Occupancy of Block A to I, K, M and N were handed over to buyers in previous financial years. During the year under review, occupancy of Block J and L were handed over to buyers. This marked the completion of the high-rise development of Phase I and II. Block P, comprising 22 villas with aggregate GFA of about 7,000 *sq. m.*, will be completed soon and the show flat is ready to be launched for marketing.

The Group is reviewing the product mix and plot ratio of future development, taking into account the local home-buyers' preferences on flat sizes and market condition. The Group plans to commence construction on our site, however, it requires the obtaining of approval by the relevant authorities in Guangzhou, including approval for development plans and land quota to be released by the relevant authorities in the PRC. As the approval will take some time to be obtained, the Group is in close liaison with the authorities to follow up the approval process and also to explore means on speeding up such process.

Regarding the sales progress for Phase I and II, all the 34 high-rise blocks (Block A to N) have been launched to the market. Marketing of the villas (Block P) will be launched in the coming months. As of to-date, unsold residential properties of this project of Block A to P amounted to about RMB290 million.

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

Chuang's New City has a total GFA of about 520,000 *sq. m.* and is divided into different phases. Phase I and II (Block 1 to 14) have an aggregate GFA of about 150,300 *sq. m.*. It provides 1,239 residential flats, a modern commercial shopping complex and 184 carparking spaces. It is well equipped with ancillary facilities such as club house, kindergarten and sports arena.

Occupancy of Block 1 to 8 were handed over to buyers in previous financial years. During the year under review, occupancy of Block 9 to 14 were handed over to buyers. As of to-date, unsold residential properties of Block 1 to 14 amounted to about RMB130 million.

Foundation works for Phase III (Block 29 to 31) with total GFA of about 40,000 *sq. m.* are completed. Superstructure works have commenced. Marketing of these three blocks with flat sizes ranging from 82 *sq. m.* to 138 *sq. m.* will commence soon.

The Group will plan for development of Phase IV (Block 15 to 20) with total GFA of about 83,000 *sq. m.*. As for the remaining development with GFA of about 233,000 *sq. m.*, the Group will embark on development plan in accordance with local market sentiments and sales progress.

Anshan, Liaoning
Chuang's Mid-town (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) near the bustling pedestrian street. 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.*.

The development consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.*. Above the podium will be a twin tower (Block A and B) with 27 and 33-storey respectively, offering total GFA of about 63,000 *sq. m.* as residential and service apartments. Superstructure works of the commercial podium are in satisfactorily progress. Pre-sale of Block A will commence soon.

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

Adjacent to Chuang's Mid-town, the second site of 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 to the relevant authority for approval.

Tuen Mun, New Territories, Hong Kong
Yip Wong Road, Tuen Mun Town Lot No. 514 (100% owned)

The site at Yip Wong Road has an area of about 2,428 *sq. m.* and has developable GFA of 10,862 *sq. m.* for residential purpose and 2,428 *sq. m.* for commercial purpose.

The site is located along the riverside recreation park, overlooking Tuen Mun River. Along the promenade right in front of the site, it is within leisure walking distance to the nearby landmark commercial mall. The site is easily accessible to the light rail station and Tuen Mun West Rail and is close to (i) the Tuen Mun-Chek Lap Kok Link under construction, which will connect Tuen Mun to the Hong Kong-Zhuhai-Macao Bridge Hong Kong port and the Hong Kong International Airport; and (ii) Shenzhen via the Hong Kong-Shenzhen Western Corridor (深港西部通道).

The site was handed over to the Group in March 2015. Ground investigation works are completed, and building plans are submitted for approval. Site formation and foundation works will commence once the plans are approved.

Other property projects in the PRC

The Group holds a 54% interest in a property development project in Changsha. As at 31st March, 2015, the Group's total investment costs amounted to about HK$80 million. Properties available for sales (total residential GFA of 19,000 *sq. m.* and commercial GFA of 11,600 *sq. m.*) of this project have a total book costs of about HK$121 million. The operating license of the joint venture company in the PRC has expired since 2012. The Group is considering ways of orderly dissolving this joint venture company in the PRC.

The Group holds a 51% development interest in a project in Chengdu. In view of the complexity of the project that involves resettlements, the Group has ongoing discussions with the local partner regarding disposal of this development interest by the Group. In the event the disposal alternative is not effected, the Group will evaluate our legal rights and procedures on unwinding the investment.

Sales and revenues recognition for PRC projects

Due to the sluggish market and price-cutting strategies by other property developers in the PRC, total contracted sales of the Group during the financial year ended 31st March, 2015 had decreased. Contracted sales pending completion in the last corresponding period amounted to about RMB685 million (equivalent to approximately HK$857 million) whereas contracted sales pending completion as of to-date amounted to only about RMB257 million (equivalent to approximately HK$322 million). The Group will recognize contracted sales as revenues in the financial statements when such sales are completed.

Currently, the Group's projects in Guangzhou and Dongguan have unsold (i) completed residential properties amounted to about RMB420 million and (ii) carparks of about RMB197 million. In the coming financial year, the Group plans to launch additional residential properties of about RMB400 million for pre-sale, comprising Block 29 to 31 of Imperial Garden at Dongguan and Block A of Chuang's Mid-town at Anshan. Accordingly, the total properties available for sales have a total saleable value of about RMB1,017 million (equivalent to approximately HK$1,273 million).

FINANCIAL POSITION

As at 31st March, 2015, the Group's cash and bank balances (including pledged bank balances) and investments held for trading amounted to HK$935.2 million (2014: HK$1,145.1 million). As at the same date, bank borrowings of the Group amounted to HK$623.0 million (2014: HK$404.7 million). The Group has net cash of HK$312.2 million (2014: HK$740.4 million). The calculation of net debt to equity ratio was therefore not applicable (2014: Not applicable). Approximately 14.4% of the Group's cash and bank balances and investments held for trading were in Hong Kong dollar and United States dollar, with the remaining 85.6% in Renminbi. Approximately 56.7% of the Group's bank borrowings were in Hong Kong dollar with the remaining 43.3% 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 51.5% of the Group's bank borrowings were repayable within the first year, 46.1% were repayable within the second year and the balance of 2.4% were repayable within the third to fifth years.

As at 31st March, 2015, the net asset value attributable to equity holders of the Company was HK$2,604.7 million. Net asset value per share amounted to HK$1.62, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

PROSPECTS

In 2015, the PRC government targets to maintain the GDP growth at 7%, and will improve urban planning and promote the stable and sound development of the property market in the long term. The urbanization policies on new town development and relaxation of mortgage requirements of first-home buyers will continue.

Looking forward, the PRC property market will continue to undergo a period of market-driven correction and the growth rate is expected to slowdown. While the Group's property sales in the PRC may be affected by the weaker market sentiments, the Group will seek for opportunity to diversify its reliance on property development business in the PRC. The Group will keep monitoring new investment opportunities in the PRC as well as continue to expand its property development business in Hong Kong.

CLOSING OF REGISTER

The AGM is scheduled on Monday, 31st August, 2015. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25th August, 2015 to Monday, 31st August, 2015, both dates 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24th August, 2015.

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, 11th September, 2015. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 7th September, 2015 to Friday, 11th September, 2015, both dates 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 4th September, 2015.

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, 2015, the Group employed 264 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, an Independent Non-Executive Director had not attended the 2014 annual general meeting of the Company as required by 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, 2015 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, 2015. 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.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31st March, 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2015 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
Managing Director

Hong Kong, 26th June, 2015

As at the date of this announcement, Miss Ann Li Mee Sum, Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung, Mr. Sunny Pang Chun Kit and Mr. Peter Lo Wing Cheung 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.