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, 2016

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, 2016 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2016

	Note	**2016** **HK$'000**	2015 *HK$'000*
Revenues	*3*	**1,869,172**	1,521,709
Cost of sales		**(995,589)**	(950,566)
Gross profit		**873,583**	571,143
Other income and net gain	*5*	**126,876**	103,680
Selling and marketing expenses		**(141,558)**	(96,926)
Administrative and other operating expenses		**(496,402)**	(470,814)
Change in fair value of investment properties		**446,143**	593,253
Operating profit	*6*	**808,642**	700,336
Finance costs	*7*	**(86,999)**	(66,769)
Share of results of associated companies		**42**	(1,350)
Share of results of joint ventures	*8*	**64,265**	(44)
Profit before taxation		**785,950**	632,173
Taxation	*9*	**(158,836)**	(105,672)
Profit for the year		**627,114**	526,501
Attributable to:			
Equity holders		**597,759**	502,952
Non-controlling interests		**29,355**	23,549
		627,114	526,501
		HK cents	*HK cents*
Earnings per share (basic and diluted)	*11*	**34.51**	29.17

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March, 2016

	2016	2015
	HK$'000	*HK$'000*
Profit for the year	**627,114**	526,501
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss:		
Net exchange differences	**(96,333)**	(39,425)
Realization of exchange reserve upon disposal of subsidiaries	**–**	(1,094)
Change in fair value of available-for-sale financial assets	**(58,840)**	35,455
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	**(199)**	(371)
Total other comprehensive loss that may be reclassified subsequently to profit and loss	**(155,372)**	(5,435)
Item that may not be reclassified subsequently to profit and loss:		
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	**54,188**	–
Total other comprehensive loss for the year	**(101,184)**	(5,435)
Total comprehensive income for the year	**525,930**	521,066
Total comprehensive income attributable to:		
Equity holders	**539,939**	486,837
Non-controlling interests	**(14,009)**	34,229
	525,930	521,066

CONSOLIDATED BALANCE SHEET

As at 31st March, 2016

	Note	**2016** **HK$'000**	2015 HK$'000
Non-current assets			
Property, plant and equipment		**676,503**	768,066
Investment properties		**6,777,007**	5,969,808
Leasehold lands and land use rights		**883,580**	938,207
Properties for/under development		**588,828**	778,800
Cemetery assets		**545,870**	561,692
Associated companies		**64,738**	48,782
Joint ventures		**351,465**	66,215
Available-for-sale financial assets		**179,736**	243,708
Loans and receivables		**159,007**	12,553
		10,226,734	9,387,831
Current assets			
Properties for sale		**2,321,074**	2,569,602
Inventories		**176,827**	185,912
Cemetery assets		**103,265**	108,064
Debtors and prepayments	*13*	**461,068**	528,267
Financial assets at fair value through profit or loss		**506,943**	85,621
Pledged bank balances		**40,173**	55,269
Cash and bank balances		**1,627,886**	1,972,173
		5,237,236	5,504,908
Current liabilities			
Creditors and accruals	*14*	**360,095**	505,257
Sales deposits received		**364,830**	213,389
Short-term bank borrowings		**15,098**	243,466
Current portion of long-term bank borrowings		**842,847**	919,241
Taxation payable		**313,232**	348,808
		1,896,102	2,230,161
Net current assets		**3,341,134**	3,274,747
Total assets less current liabilities		**13,567,868**	12,662,578

	2016	2015
	HK$'000	*HK$'000*
Equity		
Share capital	**423,479**	433,432
Reserves	**8,191,233**	7,770,692
Shareholders' funds	**8,614,712**	8,204,124
Non-controlling interests	**1,437,706**	1,526,873
Total equity	**10,052,418**	9,730,997
Non-current liabilities		
Long-term bank borrowings	**3,113,127**	2,538,079
Deferred taxation liabilities	**367,977**	361,405
Loans and payables with non-controlling interests	**34,346**	32,097
	3,515,450	2,931,581
	13,567,868	12,662,578

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31st March, 2016

	Note	2016 HK$'000	2015 HK$'000
Cash flows from operating activities			
Cash used in operations	18(a)	**(72,077)**	(501,982)
Interest paid		**(102,948)**	(100,964)
Tax paid		**(172,940)**	(55,051)
Net cash used in operating activities		**(347,965)**	(657,997)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(14,926)**	(47,518)
Additions to investment properties		**(143,501)**	(134,985)
Acquisition of an associated company		**(1)**	–
Purchase of available-for-sale financial assets		**(560)**	(4,099)
Proceeds from disposal of property, plant and equipment		**6,642**	13,316
Net proceeds from disposal of an investment property		**–**	38,284
Net proceeds from disposal of available-for-sale financial assets		**2,778**	5,516
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	18(c)	**–**	69,304
Increase in net amounts due from associated companies		**(15,326)**	(3,233)
Increase in amounts due from joint ventures		**(2,750)**	(2,309)
Decrease in pledged bank balances		**15,096**	171
(Increase)/decrease in bank deposits maturing more than three months from date of placement		**(130,108)**	43,877
Interest income received		**16,436**	31,664
Dividend income received		**8,690**	4,217
Net cash (used in)/from investing activities		**(257,530)**	14,205
Cash flows from financing activities			
New bank borrowings		**798,148**	796,627
Repayment of bank borrowings		**(506,963)**	(325,376)
Redemption of convertible note		**–**	(61,750)
Dividends paid to shareholders		**(83,114)**	(75,840)
Dividends paid to non-controlling interests		**(22,008)**	(28,691)
Capital injection by non-controlling interests		**–**	43,408
Loans from non-controlling interests		**2,266**	–
Acquisition of interest in a subsidiary		**(271)**	–
Repurchase of shares		**(44,300)**	–
Net cash from financing activities		**143,758**	348,378
Net decrease in cash and cash equivalents		**(461,737)**	(295,414)
Cash and cash equivalents at the beginning of the year		**1,971,404**	2,276,633
Exchange difference on cash and cash equivalents		**(12,658)**	(9,815)
Cash and cash equivalents at the end of the year	18(b)	**1,497,009**	1,971,404

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 "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.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development, investment and trading, hotel operation and management, manufacturing, sales and trading of printed products, home finishing products, watch components and merchandises, securities investment and trading, development and operation of cemetery and information technology business.

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 significant accounting policies adopted for the preparation of the consolidated financial statements have been consistently applied to all the years presented, unless otherwise stated.

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

For the financial year ended 31st March, 2016, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2015 and relevant to the operations of the Group:

HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contributions
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011-2013 Cycle

The Group has assessed the impact of the adoption of these amendments to standards 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.

The following amendments to standards were early adopted by the Group from 1st April, 2015:

HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The early adoption of HKFRS 10 and HKAS 28 (Amendments) did not have any impact to the Group in prior periods as the Group did not have any material associated companies or joint ventures. During the year ended 31st March, 2016, a subsidiary became a joint venture of the Group. The change itself involved accounting transfer of assets and did not constitute a business combination. No gain or loss was recognized by the Group as there was no change in substance and equity interest in the entity, and no consideration was involved.

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, 2016, 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 7 (Amendment)	Cash Flow Statements – Disclosure Initiative (effective from 1st January, 2017)
HKAS 12 (Amendment)	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (effective from 1st January, 2017)
HKAS 16 and HKAS 38 (Amendments)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
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, 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, 2018)
HKFRS 16	Leases (effective from 1st January, 2019)
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 requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year ended 31st March, 2016 and as a result, there are changes to the presentation and disclosures of certain information in the consolidated financial statements.

3. REVENUES

Revenues recognized during the year are as follows:

	2016	2015
	HK$'000	*HK$'000*
Sales of properties	**1,251,755**	993,778
Rental income and management fees	**175,893**	164,593
Income from hotel operation and management	**98,779**	6,185
Sales of goods and merchandises	**303,048**	345,401
Securities trading	**5,135**	(1,942)
Interest income from financial assets at fair value through profit or loss	**11,970**	986
Dividend income from listed investments	**292**	236
Sales of cemetery assets	**22,300**	12,472
	1,869,172	1,521,709

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, investment and trading, hotel operation and management, sales of goods and merchandises, securities investment and trading, cemetery and others (including information technology business). The CODM assesses the performance of the operating segments based on the measure of segment result.

The segment information by business lines is as follows:

	Property development, investment and trading *HK$'000*	Hotel operation and management *HK$'000*	Sales of goods and merchandises *HK$'000*	Securities investment and trading *HK$'000*	Cemetery *HK$'000*	Others and corporate *HK$'000*	2016 Total *HK$'000*
Revenues	1,427,648	98,779	303,048	17,397	22,300	–	1,869,172
Other income and net gain/(loss)	92,204	–	20,510	(986)	40	15,108	126,876
Operating profit/(loss)	1,094,993	(66,030)	(24,807)	16,411	(5,558)	(206,367)	808,642
Finance (costs)/income	(69,151)	(14,749)	(3,513)	–	414	–	(86,999)
Share of results of associated companies	77	1,783	–	–	–	(1,818)	42
Share of results of joint ventures	64,265	–	–	–	–	–	64,265
Profit/(loss) before taxation	1,090,184	(78,996)	(28,320)	16,411	(5,144)	(208,185)	785,950
Taxation (charge)/credit	(160,261)	–	(158)	–	1,583	–	(158,836)
Profit/(loss) for the year	929,923	(78,996)	(28,478)	16,411	(3,561)	(208,185)	627,114
Segment assets	10,609,275	1,403,524	330,477	506,943	670,095	1,527,453	15,047,767
Associated companies	180	42,837	–	–	–	21,721	64,738
Joint ventures	351,465	–	–	–	–	–	351,465
Total assets	10,960,920	1,446,361	330,477	506,943	670,095	1,549,174	15,463,970
Total liabilities	4,390,479	728,486	90,965	–	161,046	40,576	5,411,552
Other segment items are as follows:							
Capital expenditure	760,597	3,530	8,087	–	3,881	618	776,713
Depreciation	2,300	27,427	19,069	–	775	13,621	63,192
Amortization of leasehold lands and land use rights							
– charged to the consolidated income statement	32	40,791	711	–	72	–	41,606
– capitalized into properties	4,000	–	–	–	–	–	4,000
Provision for impairment of properties for sale	2,263	–	–	–	–	–	2,263
Provision for impairment of inventories	–	–	5,521	–	–	–	5,521
Provision for impairment of trade debtors	481	–	235	–	209	–	925
Provision for impairment of other deposits	6,500	–	–	–	–	–	6,500
Reversal of provision for impairment of properties for sale	(2,392)	–	–	–	–	–	(2,392)
Reversal of provision for impairment of inventories	–	–	(1,644)	–	–	–	(1,644)
Reversal of provision for impairment of trade debtors	–	–	(269)	–	–	–	(269)

	Property development, investment and trading HK$'000	Hotel operation and management HK$'000	Sales of goods and merchandises HK$'000	Securities investment and trading HK$'000	Cemetery HK$'000	Others and corporate HK$'000	2015 Total HK$'000
Revenues	1,158,371	6,185	345,401	(720)	12,472	–	1,521,709
Other income and net gain/(loss)	17,380	(4)	41,260	(165)	10,393	34,816	103,680
Operating profit/(loss)	958,173	(67,648)	(29,119)	(885)	5,466	(165,651)	700,336
Finance (costs)/income	(55,229)	(7,087)	(4,474)	–	21	–	(66,769)
Share of results of associated companies	80	(656)	–	–	–	(774)	(1,350)
Share of results of joint ventures	(44)	–	–	–	–	–	(44)
Profit/(loss) before taxation	902,980	(75,391)	(33,593)	(885)	5,487	(166,425)	632,173
Taxation (charge)/credit	(107,513)	–	(2,797)	–	4,638	–	(105,672)
Profit/(loss) for the year	795,467	(75,391)	(36,390)	(885)	10,125	(166,425)	526,501
Segment assets	10,139,465	1,463,380	422,258	86,356	689,348	1,976,935	14,777,742
Associated companies	153	41,053	–	–	–	7,576	48,782
Joint ventures	66,215	–	–	–	–	–	66,215
Total assets	10,205,833	1,504,433	422,258	86,356	689,348	1,984,511	14,892,739
Total liabilities	4,046,056	748,647	121,569	–	164,820	80,650	5,161,742
Other segment items are as follows:							
Capital expenditure	960,513	100,754	8,772	–	5,490	4,637	1,080,166
Depreciation	3,111	12,170	25,760	–	644	13,978	55,663
Amortization of leasehold lands and land use rights							
– charged to the consolidated income statement	32	20,395	1,002	–	74	–	21,503
– capitalized into properties	4,000	–	–	–	–	–	4,000
Provision for impairment of inventories	–	–	2,855	–	–	–	2,855
Provision for impairment of trade debtors	91	–	697	–	1,066	–	1,854
Provision for impairment of other deposits	29,000	–	–	–	–	–	29,000
Reversal of provision for impairment of trade debtors	–	–	(523)	–	–	–	(523)
Write-back of provision for expenses undertaking	–	–	–	–	(10,224)	–	(10,224)

(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**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**1,069,553**	156,801	**377,978**	706,684
The People's Republic of China (the "PRC")	**485,607**	1,019,777	**354,908**	303,959
Other countries	**314,012**	345,131	**43,827**	69,523
	1,869,172	1,521,709	**776,713**	1,080,166

	Non-current assets *(Note)*		**Total assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**7,700,657**	7,260,475	**10,763,925**	9,942,201
The PRC	**1,598,538**	1,355,657	**3,754,742**	4,051,567
Other countries	**588,796**	515,438	**945,303**	898,971
	9,887,991	9,131,570	**15,463,970**	14,892,739

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

	2016	2015
	HK$'000	*HK$'000*
Interest income from bank deposits	**15,641**	32,261
Dividend income from available-for-sale financial assets	**8,640**	3,784
Sales of scraped materials	**4,171**	3,237
Write-back of provision for indemnity *(Note a(i))*	**58,546**	–
Gain on disposal of subsidiaries *(Note a(ii))*	**–**	17,107
Write-back of provision for expenses undertaking *(Note b)*	**–**	10,224
Fair value gain on transfer of properties from properties for sale to investment properties	**21,187**	4,283
Reversal of provision for impairment of properties for sale	**2,392**	–
Reversal of provision for impairment of trade debtors	**269**	523
Gain on disposal of an investment property	**–**	11,252
Net gain on disposal of property, plant and equipment	**4,718**	11,948
Loss on disposal of leasehold lands and land use rights	**–**	(333)
Gain on disposal of available-for-sale financial assets	**285**	868
Net exchange loss	**(1,539)**	(2,794)
Sundries	**12,566**	11,320
	126,876	103,680

Notes:

(a) (i) *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$58.5 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. The write-back of provision for indemnity was related to this as the indemnity was expired during the year ended 31st March, 2016.*

(ii) *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. The whole consideration was received on 21st May, 2014 and the transaction was completed during the year ended 31st March, 2015. Details of the transaction were set out in the announcement of Midas International Holdings Limited ("Midas")(a listed subsidiary of the Group) dated 14th May, 2014.*

(b) *The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries by the Midas group in September 2007 as the respective undertaking expired in September 2014.*

6. OPERATING PROFIT

	2016	2015
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Net realized gain of financial assets at fair value through profit or loss	**3,653**	4,188
Fair value gain of financial assets at fair value through profit or loss	**1,482**	–
Reversal of provision for impairment of inventories	**1,644**	–
and after charging:		
Cost of properties sold	**632,466**	605,047
Cost of inventories sold	**177,139**	210,478
Fair value loss of financial assets at fair value through profit or loss	**–**	6,130
Depreciation	**63,192**	55,663
Amortization of leasehold lands and land use rights	**41,606**	21,503
Provision for impairment of properties for sale	**2,263**	–
Provision for impairment of inventories	**5,521**	2,855
Provision for impairment of trade debtors	**925**	1,854
Provision for impairment of other deposits	**6,500**	29,000
Staff costs, including Directors' emoluments		
Wages and salaries	**256,429**	235,185
Retirement benefit costs	**9,490**	8,476

7. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**80,772**	67,095
Bank borrowings wholly repayable after five years	**22,906**	32,960
Bank overdraft wholly repayable within five years	**689**	326
Convertible note wholly repayable within five years	**–**	2,688
	104,367	103,069
Fair value adjustment of trade debtors	**(414)**	(21)
Amounts capitalized into		
Investment properties	**(4,183)**	(5,799)
Properties under development	**(12,771)**	(27,792)
Cemetery assets	**–**	(2,688)
	(16,954)	(36,279)
	86,999	66,769

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 1.58% to 8.08% (2015: 1.59% to 7.20%) per annum, whereas the capitalized effective rate for cemetery assets was 14.86% per annum for 2015.

8. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures includes a share of fair value gain (net of the related deferred taxation) of HK$64,320,000 (2015: Nil) on transfer of properties from properties under development to investment properties during the year ended 31st March, 2016.

9. TAXATION

	2016	2015
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**24,500**	(75,458)
Overseas profits tax	**158**	79
PRC corporate income tax	**44,781**	64,544
PRC land appreciation tax	**80,437**	118,153
Deferred taxation	**8,960**	(1,646)
	158,836	105,672

Hong Kong profits tax has been provided at the rate of 16.5% (2015: Nil) on the estimated assessable profits for the year (2015: No provision for Hong Kong profits tax was made as the Group had sufficient tax losses brought forward to set off against the estimated assessable profits for the 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, 2016 of HK$4,000 (2015: HK$99,000) is included in the consolidated income statement as share of results of associated companies. Share of taxation charge of joint ventures for the year ended 31st March, 2016 of HK$21,440,000 (2015: Nil) is included in the consolidated income statement as share of results of joint ventures.

10. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Interim dividend of 2.0 HK cents (2015: interim scrip dividend with a cash option of 2.0 HK cents) per share	**34,766**	34,538
Proposed final dividend of 3.0 HK cents (2015: final scrip dividend with a cash option of 3.0 HK cents) per share	**50,663**	52,012
	85,429	86,550

On 29th June, 2016, the board of Directors proposed a final dividend of 3.0 HK cents (2015: final scrip dividend with a cash option of 3.0 HK cents) per share amounting to HK$50,663,000 (2015: HK$52,012,000). The amount of HK$50,663,000 is calculated based on 1,688,777,104 issued shares as at 29th June, 2016. 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, 2017 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$597,759,000 (2015: HK$502,952,000) and the weighted average number of 1,732,275,529 (2015: 1,724,432,370) 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 were anti-dilutive.

12. CAPITAL EXPENDITURE

On 21st April, 2015, Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) and its wholly-owned subsidiary entered into a sale and purchase agreement with Midas 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$123.4 million). The transaction was completed on 21st August, 2015. Details of the transaction were set out in the announcements of the Company dated 21st April, 2015 and 21st August, 2015 respectively. After the completion of this transaction, the property was leased out before the period ended 30th September, 2015, and accordingly the Group had reclassified the property, plant and equipment and the leasehold lands and land use rights to investment properties.

For the year ended 31st March, 2016, the Group incurred acquisition and development costs on property, plant and equipment of HK$14,926,000 (2015: HK$47,068,000), and property projects, properties, investment properties and cemetery assets of HK$761,787,000 (2015: HK$1,033,098,000) respectively.

13. 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 hotel income and sales of goods and merchandises mainly range from 30 days to 45 days and 30 days to 180 days respectively. The aging analysis of the trade debtors of the Group is as follows:

	2016	2015
	HK$'000	*HK$'000*
Below 30 days	**31,034**	48,637
31 to 60 days	**12,267**	23,339
61 to 90 days	**9,492**	11,767
Over 90 days	**24,071**	17,132
	76,864	100,875

Debtors and prepayments include net deposits of HK$270,774,000 (2015: HK$286,008,000) for property projects and acquisition of properties and leasehold lands and land use rights in Hong Kong, the PRC and Vietnam after the accumulated provision for impairment of HK$73,772,000 (2015: HK$67,272,000) as at 31st March, 2016.

14. CREDITORS AND ACCRUALS

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

	2016	2015
	HK$'000	*HK$'000*
Below 30 days	**24,814**	32,484
31 to 60 days	**4,421**	11,287
Over 60 days	**16,375**	23,677
	45,610	67,448

Creditors and accruals include the construction cost payables and accruals of HK$121,563,000 (2015: HK$189,295,000) for the property projects of the Group.

15. FINANCIAL GUARANTEES

As at 31st March, 2016, the Company had provided a guarantee of HK$117,000,000 (2015: HK$117,000,000) for the banking facility granted to a joint venture, and subsidiaries had provided guarantees of HK$1,079,858,000 (2015: HK$795,441,000) 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, 2016, the Group had commitments contracted but not provided for in respect of property projects and property, plant and equipment of HK$364,000,000 (2015: HK$428,034,000) and available-for-sale financial assets of HK$47,964,000 (2015: HK$49,964,000) respectively.

17. PLEDGE OF ASSETS

As at 31st March, 2016, the Group had pledged certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for sale, trade debtors and bank deposits, with an aggregate carrying value of HK$8,458,371,000 (2015: HK$8,259,166,000), to secure banking and financial guarantee facilities granted to the subsidiaries.

18. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to cash used in operations:

	2016	2015
	HK$'000	*HK$'000*
Operating profit	**808,642**	700,336
Interest income from bank deposits	**(15,641)**	(32,261)
Dividend income from available-for-sale financial assets	**(8,640)**	(3,784)
Write-back of provision for indemnity	**(58,546)**	–
Gain on disposal of subsidiaries	**–**	(17,107)
Write-back of provision for expenses undertaking	**–**	(10,224)
Fair value gain on transfer of properties from properties for sale to investment properties	**(21,187)**	(4,283)
Reversal of provision for impairment of properties for sale	**(2,392)**	–
Reversal of provision for impairment of trade debtors	**(269)**	(523)
Gain on disposal of an investment property	**–**	(11,252)
Net gain on disposal of property, plant and equipment	**(4,718)**	(11,948)
Loss on disposal of leasehold lands and land use rights	**–**	333
Gain on disposal of available-for-sale financial assets	**(285)**	(868)
Change in fair value of investment properties	**(446,143)**	(593,253)
Reversal of provision for impairment of inventories	**(1,644)**	–
Depreciation	**63,192**	55,663
Amortization of leasehold lands and land use rights	**41,606**	21,503
Provision for impairment of properties for sale	**2,263**	–
Provision for impairment of inventories	**5,521**	2,855
Provision for impairment of trade debtors	**925**	1,854
Provision for impairment of other deposits	**6,500**	29,000
Operating profit before working capital changes	**369,184**	126,041
Increase in loans and receivables	**(157,000)**	–
Increase in properties for/under development and properties for sale	**(62,431)**	(350,644)
Decrease/(increase) in inventories	**5,208**	(60,045)
(Increase)/decrease in cemetery assets	**(1,593)**	1,853
Decrease in debtors and prepayments	**57,694**	3,120
Increase in financial assets at fair value through profit or loss	**(421,322)**	(7,723)
(Decrease)/increase in creditors and accruals	**(13,258)**	51,877
Increase/(decrease) in sales deposits received	**151,441**	(266,461)
Cash used in operations	**(72,077)**	(501,982)

(b) Analysis of cash and cash equivalents

	2016	2015
	HK$'000	*HK$'000*
Cash and bank balances	**1,627,886**	1,972,173
Bank deposits maturing more than three months from date of placement	**(130,877)**	(769)
Cash and cash equivalents	**1,497,009**	1,971,404

(c) Disposal of subsidiaries with assets and liabilities classified as held for sale

	2015
	HK$'000
Consideration	78,219
Less: Transaction costs	(821)
Net proceeds	77,398
Net assets disposed of	
Leasehold lands and land use rights	46,216
Property, plant and equipment	7,669
Other deposits	40
Cash and bank balances	8,094
Other creditors and accrued expenses	(634)
Net assets disposed of	61,385
Realization of exchange reserve upon disposal of subsidiaries	(1,094)
	60,291
Gain on disposal of subsidiaries before taxation *(Note 5(a)(ii))*	17,107
Less: PRC withholding corporate income tax	(6,300)
Add: Write-back of deferred taxation liabilities	3,294
Gain on disposal of subsidiaries after taxation	14,101

Analysis of net cash flow in respect of the disposal of subsidiaries is as follows:

Net cash consideration received	77,398
Less: Cash and cash balances disposed of	(8,094)
Net cash flow from disposal of subsidiaries	69,304

19. EVENTS AFTER THE REPORTING PERIOD

(a) On 17th March, 2016, a wholly-owned subsidiary of the Company entered into an irrevocable undertaking with Chuang's China (the "Irrevocable Undertaking") in relation to the proposed rights issue of Chuang's China on the basis of one rights share for every two existing ordinary shares at the subscription price of HK$0.28 per share to raise approximately HK$227.0 million, before expenses (the "Rights Issue"). According to the Irrevocable Undertaking, the Group had undertaken to subscribe in full for its entitlement under the Rights Issue in the amount of approximately HK$127.1 million. The Rights Issue was subsequently completed on 3rd May, 2016 and Chuang's China continues to be a 56.0% owned subsidiary of the Group. Details of the Rights Issue were set out in the announcement of the Company dated 17th March, 2016.

(b) On 9th June, 2016, a wholly-owned subsidiary of the Group entered into a conditional agreement with an independent third party for the disposal of its wholly-owned subsidiary which held an investment property under construction in Hong Kong for a consideration of HK$2.1 billion (subject to adjustments). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a PRC property to the Group. The proposed disposal is subject to the approval of the shareholders of the Company and, if approved, is expected to be completed in the third quarter of 2018. Details of the disposal were set out in the announcement of the Company dated 15th June, 2016 and a circular containing more information on the disposal is expected to be despatched to shareholders of the Company on or before 20th July, 2016.

FINANCIAL REVIEW

For the year ended 31st March, 2016, revenues of the Group amounted to HK$1,869.2 million (2015: HK$1,521.7 million), representing an increase of 22.8% compared to that of the last year. This was mainly due to the increase in property sales in Hong Kong recognized by the Group as a result of the completion of Parkes Residence and the increase in revenues generated from hotel operation in Hong Kong as the hotel had been in operation for full year during the year whereas in the last year the hotel was only in operation for less than two months. Revenues of the Group comprised revenues from sales of properties of HK$1,251.8 million (2015: HK$993.8 million), revenues from rental and other income of investment properties of HK$175.9 million (2015: HK$164.5 million), revenues from hotel operation of HK$98.8 million (2015: HK$6.2 million), revenues from sales of goods and merchandises of HK$303.0 million (2015: HK$345.4 million), revenues from cemetery business of HK$22.3 million (2015: HK$12.5 million) and revenues from securities investment and trading business of HK$17.4 million (2015: loss of HK$0.7 million).

As a result of increase in revenues generated from sales of properties and hotel operation, gross profit during the year increased to HK$873.6 million (2015: HK$571.1 million), representing an increase of 53.0% compared to that of the last year. Gross profit margin increased to 46.7% (2015: 37.5%) which was mainly due to higher profit margin generated from disposal of properties in Hong Kong. Other income and net gain increased to HK$126.9 million (2015: HK$103.7 million). A breakdown of other income and net gain is shown in note 5 on page 11 of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK$446.1 million (2015: HK$593.3 million) for its investment properties, mainly reflecting the continued improvement in property prices of our investment properties in Hong Kong and in the People's Republic of China (the "PRC") during the year.

On the costs side, selling and marketing expenses increased to HK$141.6 million (2015: HK$96.9 million) mainly due to selling expenses incurred for the completion of Parkes Residence. Administrative and other operating expenses increased to HK$496.4 million (2015: HK$470.8 million) mainly due to a general increase in overheads and the full year amortization/depreciation of the hotel property of the Group amounting in aggregate to about HK$68.2 million whereas in last year such expense was only for a period of six months. Finance costs increased to HK$87.0 million (2015: HK$66.8 million) mainly due to the increase of bank borrowings of the Group and the decrease in capitalization of interest expenses into property development projects. Share of results of associated companies and joint ventures amounted to HK$64.3 million (2015: loss of HK$1.4 million) mainly due to revaluation gain arising on properties owned by a joint venture. Taxation amounted to HK$158.8 million (2015: HK$105.7 million) mainly relating to net tax paid or payable on sales of properties.

Taking all the above into account, profit attributable to equity holders of the Company amounted to HK$597.8 million (2015: HK$503.0 million), representing an increase of 18.8% compared to that of the last year. Earnings per share was 34.51 HK cents (2015: 29.17 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 (2015: final scrip dividend with a cash option of 3.0 HK cents) per share for the year ended 31st March, 2016. The final dividend, if approved, will be paid on or before 21st October, 2016 to the shareholders whose names appear on the Company's register of members on 13th September, 2016.

An interim dividend of 2.0 HK cents (2015: interim scrip dividend with a cash option of 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 (2015: 5.0 HK cents) per share, and the total amount will be HK$85.4 million (2015: HK$86.6 million).

BUSINESS REVIEW

(A) Investment/Hotel Properties

(i) Hong Kong

(a) Investment Properties

The Group owns a high-quality portfolio of investment properties in Hong Kong which generate strong recurrent income stream to the Group. The total gross area of the Group's investment properties in Hong Kong amounted to about 190,000 *sq. ft.* comprising retail, office and high-class residential spaces. Rental and other income from investment properties in Hong Kong during the year amounted to HK$135.4 million, representing an increase of about 4% over that of the last year. The Group's major investment properties in Hong Kong are as follows:

(1) Chuang's Tower, Nos. 30-32 Connaught Road Central, Hong Kong (100% owned)

The property is a commercial/office building and is strategically located at the heart of Central District and next to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. Currently, the Group is studying plans to upgrade the property with a view to further enhance the rental yield.

(2) Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, Kowloon (100% owned)

Strategically located at the heart of shopping centres in Tsim Sha Tsui, Kowloon, and next to the exit of the Mass Transit Railway, the property is a shopping and entertainment complex. In order to improve the rental yield and thus the capital value of the property, 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. Building plans for the renovation and upgrading works have been approved and the Group is still evaluating the best timing to carry out such works.

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

The redevelopment of the property into a single house with unique architectural design has been progressing satisfactorily. Site formation and foundation works are in progress which will be followed by superstructure works. On 9th June, 2016, the Group entered into a conditional agreement with an independent third party for the disposal of the property holding subsidiary that holds this property for a consideration of HK$2.1 billion (subject to adjustments). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a property located in Shenzhen, the PRC to the Group. The proposed disposal is subject to the approval of the shareholders of the Company and is expected to be completed in the third quarter of 2018. The disposal, upon completion, is expected to generate a net gain (including subsequent revaluation gain on the property, if any) of about HK$1.07 billion to the Group. Details of the disposal are set out in the announcement of the Company dated 15th June, 2016 and a circular containing more information on the disposal is expected to be despatched to shareholders of the Company on or before 20th July, 2016.

(4) House A, No. 37 Island Road, Deep Water Bay, Hong Kong (100% owned)

Located at Deep Water Bay, a prestigious residential area, the property enjoys a glamourous sea-view. The property is currently being leased out.

(b) Hotel Property

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

Hotel sáv, which commenced operation in mid-February 2015, is located at the heart of Hunghom and comprises of 388 rooms together with shopping units at the ground floor level. The shopping units have been fully leased out and total revenues from the hotel operation during the year amounted to HK$98.4 million. The average room rate of the hotel was about HK$620 and the average occupancy rate of the hotel was about 88%. The hotel is managed by Sav Hospitality Limited, the hotel management arm of the Group.

(ii) 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 gross floor area ("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$20.3 million, equivalent to Malaysian Ringgit 10.5 million (2015: HK$22.4 million, equivalent to Malaysian Ringgit 9.7 million). The decrease in income in Hong Kong dollar is mainly due to the depreciation of the Malaysian Ringgit.

(iii) Taiwan

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

The property is a residential complex developed by the Group and is located nearby the city centre of Taipei City. It comprises of a villa and 6 apartment units (of which 2 are duplex) with a total GFA of about 20,600 *sq. ft.*. During the year, 5 apartment units have been leased out (including 1 duplex) and the internal decoration works of the villa have just been finished. The leased apartment units have been reclassified as investment properties during the year and the remaining vacant apartment unit and the villa will be reclassified as investment properties from properties for sale once they are leased out in the future. Rental income from this property during the year amounted to HK$1.1 million.

(iv) Philippines

Pacific Cebu Resort, Cebu (40% owned)

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.*. During the year, renovation works to upgrade the villas and the rooms together with the facilities have all been completed which resulted in an improvement in both the average room rate and the average occupancy rate to about US$60 and about 72%, respectively.

(B) Properties Under Development/Held For Sale

(i) Hong Kong

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

The property is close to the Jordan Station of the Mass Transit Railway and has been developed into a 25-storey commercial/residential building comprising 114 fully furnished studio units with clubhouse facilities and shopping units at the podium levels (G/F to 2/F). Occupation permit for the development was issued in December 2015 and the sold properties were handed over to the buyers gradually from January 2016. During the year, net revenues amounting to approximately HK$806.2 million were generated from this project, representing sales of 88 residential units and certain shopping units at the ground, first and second floors. Subsequent to the balance sheet date, 1 residential unit was sold and the Group will continue to market the remaining 25 residential units and 3 units of the ground floor shops. In order to generate additional income to the Group, certain of the unsold residential units and the ground floor shops were leased out.

(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 GFA of about 40,662 *sq. ft.*. Demolition works of the project have been completed. Plans for the site formation and foundation works have been approved and the Group is currently evaluating tenders for such works.

(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 vacant and construction permit has been obtained. Currently, the Group is holding discussion with a third party for a possible joint venture of this project on a 50:50 basis.

(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 disclosed in various announcements of the Company, an arbitral award had been granted in favour of the Group by the Vietnam International Arbitration Centre in May 2013 and upheld by the court of Vietnam in October 2013 for specific performance against the joint venture partner. The Group is still enforcing the arbitral award in accordance with its terms and will seek further legal advice as to any alternative courses of action in order to speed up the return of this investment. As part of the enforcement action, the Group had reported to the relevant authorities in Vietnam that the joint venture partner may have misappropriated the funds of the joint venture by mortgaging the land use rights of the project for its own financing. The investment cost of the Group in this project as at the balance sheet date, after provisions, amounted to about HK$55 million.

(iii) 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 with GFA of about 40,000 *sq. m.* will be developed. Detailed building plans have been approved. Site formation and foundation works have been completed while the Group is currently evaluating tenders for the superstructure works.

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

The project is located in the city centre within the embassy district. It is planned that two towers of apartments will be developed. Superstructure works for the first tower of apartments with GFA of about 19,000 *sq. m.* have been topped off and internal and external finishing works are in progress. Development works for the first tower are expected to be completed in the first quarter of 2017 and marketing works will commence soon.

(C) Chuang's China Investments Limited ("Chuang's China", stock code: 298)

Chuang's China is a 56.0% owned listed subsidiary of the Group and Chuang's China and its subsidiaries (the "Chuang's China Group") are principally engaged in, inter alia, property development and investment. For the year ended 31st March, 2016, the Chuang's China Group recorded revenues of HK$470.0 million (2015: HK$1,008.6 million) (which comprised revenues from sales of properties in the PRC of HK$440.5 million (2015: HK$993.8 million), revenues from rental and other income of investment properties in the PRC of HK$19.1 million (2015: HK$11.7 million), revenues from trading business of HK$1.0 million (2015: HK$2.9 million) and revenues from securities investment and trading business of HK$9.4 million (2015: HK$0.2 million)) and profit attributable to equity holders of HK$85.0 million (2015: HK$94.5 million).

(i) Investment/Hotel Properties

(a) Investment Properties

The Chuang's China Group holds the following portfolio of investment properties in the PRC with an aggregate GFA of approximately 87,557 *sq. m.*, of which approximately 60% were completed properties and approximately 40% were under construction. Book value of these investment properties as at 31st March, 2016 amounted to approximately HK$539 million. Rental and related income during the year was about HK$11 million.

(1) Chengdu Digital Plaza Level 6 at Wuhou District (武侯區), Chengdu, having a GFA of 4,255 *sq. m.*, is subject to a new lease expiring in 2019.

(2) Chuang's New City at Dongguan has two completed commercial properties with aggregate GFA of about 12,435 *sq. m.*. About 7,935 *sq. m.* of these properties are subject to various leases expiring from 2016 to 2025. The remaining 4,500 *sq. m.* of these commercial properties were not leased out as at 31st March, 2016 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 5,173 *sq. m.*.

(3) The Chuang's China Group acquired the industrial property located at Changan, Dongguan, with a GFA of about 39,081 *sq. m.* at RMB101.6 million (equivalent to approximately HK$123.4 million) during the year under review. The property was leased for a term of eight years at an annual rental of about RMB6.4 million.

(4) 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, 2016 and is therefore recorded in the financial statements as "Properties for sale".

(5) The Chuang's China Group holds five office units at R&F Yingkai Square (富力盈凱廣場), which is located in the CBD of Zhujiang New Town (珠江新城) in Guangzhou. It has a total GFA of 896 *sq. m.* and is subject to a new lease expiring in 2018.

(6) Chuang's Mid-town at Tie Dong Qu (鐵東區) in 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. Marketing has commenced on pre-leasing of the commercial podium.

The Chuang's China 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 property sales as a result of reducing GFA under development in the PRC.

(b) Hotel Properties

(1) The Xiamen Mingjia Hotel (廈門佲家酒店) is developed by the Chuang's China Group and 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. The project provides 30 villas with an aggregate GFA of about 8,300 *sq. m.* and a 6-storey hotel building with 100 guest-rooms (total GFA of 9,700 *sq. m.*).

As the construction works and interior renovation works of the hotel have been completed, this hotel project has currently entered into the operation stage. In view of the local partner of this project is affiliated with the Xiamen Travel Bureau (廈門旅遊局), the Chuang's China Group has decided to jointly control this project with the local partner in order to capitalize on its expertise in Xiamen. In addition, the management has decided to lease out the 30 villas and the hotel which will generate steady recurring income stream. Marketing for leasing is in progress.

Book value of this joint venture (in which the Chuang's China Group owns an effective 59.5% interest) as at 31st March, 2016 amounted to approximately HK$283 million.

(2) The Chuang's China Group owns an effective interest of 54% of a property development project in Changsha. As at 31st March, 2016, the Chuang's China Group's total investment costs amounted to about HK$80 million. Unsold properties (total residential GFA of 18,400 *sq. m.* and commercial GFA of 11,600 *sq. m.*) of this project have a total book costs of about HK$114 million. Within the commercial area, the Group is planning for a hotel with 117 guest-rooms. The Group will liaise with the local government authorities in renewing the operating license of the joint venture company which has expired since 2012.

(ii) Property Development

The PRC property market is boosted by supportive policies including successive interest rate cuts, promoting urbanization and inventory de-stocking measures. During the year, the Chuang's China Group explored various investment opportunities mainly focusing on first tier cities including Shenzhen, Guangzhou, Xiamen and in Hong Kong. As for the existing portfolio of development projects, an update of their progress is as follows:

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

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.

All the high-rise blocks of Phases I and II of Chuang's Le Papillon have largely been sold out and properties are handed over to buyers. At present, marketing of the 22 villas (Block P) for leasing has been launched. As of to-date, unsold residential properties of this project excluding Block P amounted to about RMB26 million.

The Group intended to kick off Phase III of Chuang's Le Papillon with a total GFA of about 54,000 *sq. m.*. However, the approval process from the relevant authorities is lengthy and is progressing slow. Preparatory construction works have commenced, and superstructure works will commence once the approvals from the relevant authorities for Phase III are obtained. As for the future plan of the remaining development, the Group will adopt a medium to long term planning approach while awaiting for land quota to be allocated.

(2) 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.* and is divided into different phases. Phase I and II (Block 1 to 14) of Imperial Garden 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 Phase I and II were handed over to buyers in previous financial years. As of to-date, unsold residential properties of Imperial Garden (Phases I and II) amounted to about RMB48 million.

Phase III of Imperial Garden (comprising Blocks 29 to 31) has a total GFA of approximately 40,000 *sq. m.* and has been completely pre-sold at about RMB298 million (equivalent to approximately HK$352 million). During the year under review, these sales cannot be recorded as revenues because properties are not yet ready to handover to buyers. It is expected that occupancy will be handed over to buyers before the end of December 2016.

Phase IV of Imperial Garden (comprising Blocks 15 to 20) has a total GFA of about 83,000 *sq. m.*. Foundation works for Phase IV have been completed. The Group will decide on the appropriate time to carry out the superstructure works in order for presales of Phase IV to be launched in the first half of 2017. Development plan for the remaining GFA of about 234,000 *sq. m.* will be carried out by phases in the next few years.

Subject to the prevailing market conditions, the Group will also consider other option which may be available, such as the possibility of disposing of its entire interests in this project with total GFA of about 317,000 *sq. m.* in its existing state. This option will allow the Group to unlock the stored value in this project and to accelerate the return in this investment.

(3) 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) 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 29,616 *sq. m.*. Above the podium will be a twin tower (Block AB and C) 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 and the twin tower have topped off in November 2015. Internal and external finishing works are in satisfactory progress.

The residential property market in Anshan is relatively weak, thus the selling price and pace of property sales will not be as strong as the Group's two projects in the Guangdong Province. However, in view of the prime location of Chuang's Mid-town which is adjacent to the train station in city centre, the Group will emphasize on brand building, quality and the market niche of the project. Discussions to lease the entire Block A is in progress, whereas marketing to lease out the commercial podium and Block C has also been launched.

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

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 planning is in progress and the Group will adopt a longer term planning for this project.

(5) Yip Wong Road, Tuen Mun Town Lot No. 514, Tuen Mun, New Territories, Hong Kong (100% owned by Chuang's China)

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.

Building plans of the development project have been approved. Contract for excavation and lateral support works and foundation works has been awarded. Excavation and lateral support works have recently commenced and it is expected that foundation works will be completed in the third quarter of 2017.

(6) Other property project in the PRC

The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. As at 31st March, 2016, the Chuang's China Group's total investment costs in this project was about RMB146.8 million (equivalent to approximately HK$173.2 million). In view of the unresolved problems that hindered the development since 2007, the Chuang's China Group decided to proceed with legal proceeding as one of the exit strategies to this project. On 31st May, 2016, the Chuang's China Group received notification from the Sichuan Court that the claims lodged by the Chuang's China Group have been accepted. The aggregate amounts demanded by the Chuang's China Group is approximately RMB435 million (equivalent to approximately HK$513 million), which comprise: (i) payment of an amount representing the Chuang's China Group's 51% share in the market value of the project; (ii) payment of an amount representing the Chuang's China Group's 51% share of the rental income within the projects together with interest accrued thereon up to 31st May, 2016; and (iii) repayment of the advances by the Chuang's China Group's in relation to the project together with interest accrued thereon up to 31st May, 2016. Further announcement(s) about the legal proceeding will be made by the Company as and when appropriate.

(7) Sales and revenues recognition for PRC projects

The Group has contracted sales in the PRC of about RMB340 million (equivalent to approximately HK$401 million). Amongst this, contracted sales relating to completed properties amounted to about RMB42 million (equivalent to approximately HK$49 million) whereas contracted sales related to properties under construction amounted to about RMB298 million (equivalent to approximately HK$352 million), which are entirely related to Blocks 29 to 31 of Imperial Garden at Dongguan. Contracted sales will only be recognized as revenues of the Group when they are completed and properties are handed over to buyers.

At present, the Chuang's China Group's projects in Guangzhou and Dongguan have unsold completed residential properties for sale of about RMB74 million (equivalent to approximately HK$87 million) and carparks of about RMB175 million (equivalent to approximately HK$207 million). For the financial year ending 31st March, 2017, the Chuang's China Group will determine the strategy for the Dongguan project and if the Phase IV development is to proceed, presales of Blocks 15 to 20 of Imperial Garden at Dongguan will be launched in the first half of 2017, with sales value of about RMB993 million (equivalent to approximately HK$1,172 million).

(D) Midas International Holdings Limited ("Midas", stock code: 1172)

Midas is a 60.8% owned listed subsidiary of the Group and Midas and its subsidiaries (the "Midas Group") are principally engaged in, inter alia, the printing business and property business. For the year ended 31st March, 2016, the Midas Group recorded revenues of HK$256.0 million (2015: HK$274.6 million) (which comprised revenues from the printing business of HK$225.2 million (2015: HK$262.1 million), revenues from the cemetery business of HK$22.3 million (2015: HK$12.5 million), revenues from property investment business of HK$35,000 (2015: Nil) and revenues from securities investment and trading business of HK$8.5 million (2015: Nil)) and profit attributable to equity holders of HK$93.1 million (2015: loss of HK$16.6 million). Such profit included the gain of HK$108.7 million relating to the disposal of a property holding subsidiary to the Chuang's China Group.

(i) Printing Business

With the slowdown in recovery of the global economy, customers were still cautious in placing orders and, as a result, the Group recorded a lower than expected printing revenues. Revenues of the printing business of the Group during the year amounted to HK$225.2 million, representing a decrease of 14.1% compared to that of the last year. In order to cope with this adverse market condition, the Group will continue its effort to solidify existing customers and broaden its clientele through proactive promotion of creative product design to customers.

In the cost aspects, the Group deployed various cost reduction measures to enhance profitability. In view of rising labour cost, the Group continued to invest in automated equipments so as to reduce reliance on labour force while maintaining the production capacity. Tight inventory control and effective cash flow management ensured proper allocation of financial resources to higher return sector. All these measures achieved savings in both production costs and administrative expenses, and despite reduction in revenues, the printing gross profit margin increased.

Taking into account the anticipated printing demand, the Midas Group considered that the current production facilities at Boluo, Huizhou is sufficient for its requirement in the coming years. Accordingly, in April 2015, the Midas Group entered into an agreement to dispose of the Midas Group's factory premise at Changan, Dongguan for RMB101.6 million (equivalent to approximately HK$123.4 million) to the Chuang's China Group. The transaction was completed on 21st August, 2015.

(ii) Property for Sale – Cemetery Operation

The Group operates a cemetery – "Fortune Wealth Memorial Park" in Sihui, Guangdong which comprises a site of 518 mu, of which 100 mu are substantially completed and remaining 418 mu have commenced design work, and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

In the sales aspect, as the Guangzhou district was a major market for our cemetery, the Group concentrated its resources to develop this market. The Group has, during the year, set up two new sales offices in Guangzhou, making a total of six sales offices. In order to further expand its market presence, the Group has also, during the year, organized a large scale promotion campaign in Guangzhou. All these efforts boosted cemetery sales and as a result, sales during the year increased by 78.4% from HK$12.5 million in the last year to HK$22.3 million in this year.

In the development aspect, the Group has completed 12 graveyards (area M1 to M12) and a mausoleum which can accommodate niches on the 100 mu of land. As of to-date, there are 5,430 grave plots already built, of which 1,430 grave plots are sold, leaving 4,000 grave plots available for sales.

In anticipation of the growing demand of prestigious grave plots, the Midas Group is now in final stage of negotiation with the local government with a view to expand the cemetery by phases within the 418 mu.

(iii) Property for Investment

In order to diversify the income base of the Midas Group and to generate a steady and recurrent income stream, the Midas Group had during the year acquired a property located at Shop D, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon. The property is for commercial use and has a total gross area of about 1,588 square feet. The property is now leased to a third party with the tenancy agreement expiring in August 2018. Annual rental of this property amounted to about HK$1.0 million. Details of the acquisition were set out in the announcement issued by Midas dated 2nd February, 2016. The Midas Group may in future acquire more investment properties so as to generate additional recurrent income.

(iv) Information Technology Business

As disclosed in the 2015 annual report, leveraging on the Midas Group's experience in the information technology business and the substantial growth potential in such business, the Midas Group will continue to explore investment opportunities, in particular, in the e-commerce, e-publishing and e-auction businesses, in order to generate additional source of revenues to the Midas Group.

(v) Prospects of the Midas Group

The Group believes that economic uncertainty and harsh operating environment will continue to confront the Group's printing business. Moving forward, the Group will continue to solidify its customer base, strengthen partnership with major customers while expanding domestic sales in the PRC. Internally, the Group will reinforce its cost saving measures to enhance cost efficiency. While fully cognizant of the challenge ahead, the Group is confident to achieve better result on its printing business on the strength of a professional service team and efficient production infrastructure.

The rapid growth of aged population in the PRC increases the demand of prestigious grave plots and niches. Coupled with improvements in infrastructure in the area nearby the cemetery, and our continuous investment in marketing, the Group is confident that this investment will provide solid and long term contributions.

In order to generate new sources of revenues to the Midas Group, in addition to investing in the bond market and looking into new business opportunities in the property investment and information technology sector, the Midas Group will continue to review the development strategies of its printing and cemetery businesses and such development strategies may include enticement of new investor, formation of strategic partnership, or disposing part or whole of such businesses in order to realize their intrinsic values.

(E) Other Businesses

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

Sintex is engaged in the sales 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$76.9 million (2015: HK$80.4 million) and incurred a slight loss of about HK$0.5 million.

(ii) Securities Investment and Trading

During the year, securities investment and trading business of the Group recorded a profit of HK$16.4 million, comprising realized gain on disposal of investments of HK$3.6 million, dividend and interest income from investments of HK$12.3 million, fair value gain on investments of HK$1.5 million as a result of mark to market valuations as at the balance sheet date and exchange loss of HK$1.0 million. As at 31st March, 2016, investments of the Group amounted to HK$506.9 million, of which HK$226.3 million were held by the Chuang's China Group and HK$109.5 million were held by the Midas Group, and mainly comprised of high yield bonds and listed securities.

FINANCIAL POSITION

Net asset value

As at 31st March, 2016, net assets attributable to equity holders of the Company was HK$8,614.7 million. Net asset value per share was HK$5.09, which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

Financial resources

As at 31st March, 2016, the Group's cash, bank balances (including pledged bank balances) and investments held for trading amounted to HK$2,175.0 million (2015: HK$2,113.1 million). Bank borrowings as at the same date amounted to HK$3,971.1 million (2015: HK$3,700.8 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 20.8% (2015: 19.4%).

Approximately 63.1% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar, 20.5% were in United States dollar, 15.9% were in Renminbi and the balance of 0.5% were in other currencies. Approximately 89.9% of the Group's bank borrowings were denominated in Hong Kong dollar, 6.0% were in Renminbi and the balance of 4.1% were in Malaysian Ringgit and Singapore dollar.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 17.9% of the Group's bank borrowings were repayable within the first year, 5.5% were repayable within the second year, 58.5% were repayable within the third to fifth years and the balance of 18.1% were repayable after the fifth year.

Foreign exchange risk

As disclosed in the "Business Review" section of this report, the Group also conducts its businesses in other places outside Hong Kong, with the income and the major costs items in those places being denominated in their local foreign currencies. Therefore, it is expected that any fluctuation of these foreign currencies' exchange rates would not have material effect on the operations of the Group. However, as the Group's consolidated financial statements are presented in Hong Kong dollar, the Group's financial position is subject to exchange exposure to these foreign currencies. The Group would closely monitor this risk exposure from time to time.

PROSPECTS

The Hong Kong SAR Government had in the past few years implemented a number of regulatory measures to curb speculative activities in the property market and there is no sign that these regulatory measures will be relaxed in the near term. On the other hand, the Central Government had recently adjusted its regulatory policies and introduced certain stimulus policies to ensure the long term healthy development of the property market in the PRC. The Group will monitor the above situations closely and will take appropriate steps to further replenish our land bank when opportunities arise.

In the current financial year, the Group has completed Parkes Residence and handed over sold units to end-purchasers. In June 2016, the Group entered into a conditional agreement to dispose of the property holding company that holds the property located at No. 15 Gough Hill Road, The Peak. Such disposals not only have generated/will generate substantial cashflow and profits to the Group but also laid a solid foundation for the continual growth of the Group. In the coming financial years, the Group will continue our mission to take steps to further enhance rental yield and return of our investment/hotel properties and thus their capital values, to unlock the store value of our other 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, and to identify opportunities for business development of the Group, including, inter alia, land acquisitions and property investments so as to further create value for our shareholders.

CLOSING OF REGISTER

The AGM is scheduled on Wednesday, 31st August, 2016. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 25th August, 2016 to Wednesday, 31st August, 2016, 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 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 August, 2016.

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 Tuesday, 13th September, 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 7th September, 2016 to Tuesday, 13th September, 2016, 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 Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 6th September, 2016.

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, 2016, the Group (excluding the Chuang's China Group and the Midas Group) employed 407 staff, the Chuang's China Group employed 287 staff and the Midas Group employed 1,208 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.

CORPORATE GOVERNANCE

Due to other commitments, two Independent Non-Executive Directors had not attended the 2015 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 (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Except as mentioned hereof, the Company has complied throughout the year ended 31st March, 2016 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, 2016. 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.

CHANGES IN THE COMPOSITION OF THE CORPORATE GOVERNANCE COMMITTEE AND AUTHORIZED REPRESENTATIVE OF THE COMPANY

The Board further announces that Mr. Chan Chun Man, an Executive Director of the Company, has been appointed as a member of the corporate governance committee of the Company and an authorized representative of the Company for acting as the principal channel of communication with the Stock Exchange (the "Authorized Representative") with effect from 29th June, 2016. Mr. Chong Ka Fung ceased to be the Authorized Representative with effect from 29th June, 2016.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31st March, 2016 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.

DEALING IN THE COMPANY'S SECURITIES

During the year ended 31st March, 2016 and up to the date of this announcement, the Company repurchased a total of 49,500,000 shares on the Stock Exchange at an aggregate cash consideration of approximately HK$49,466,600 (excluding expenses). All the repurchased shares were then cancelled and the number of issued shares of the Company was reduced accordingly. Particulars of the repurchases are as follows:

Period of repurchase	Total number of shares repurchased	Price per share paid Highest	Price per share paid Lowest	Aggregate consideration
		HK$	*HK$*	*HK$*
January 2016	10,088,000	0.88	0.85	8,680,360
February 2016	15,136,000	1.03	0.88	14,396,400
March 2016	19,136,000	1.14	1.02	21,070,640
April 2016	5,140,000	1.05	1.03	5,319,200
Total	49,500,000			49,466,600

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31st March, 2016 and up to the date of this announcement.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The annual report of the Company for the year ended 31st March, 2016 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
Albert Chuang Ka Pun
Joint Managing Director

Hong Kong, 29th June, 2016

As at the date of this announcement, Mr. Alan Chuang Shaw Swee, Mr. Albert Chuang Ka Pun, Mr. Chong Ka Fung, Mrs. Candy Kotewall Chuang Ka Wai, Mr. Wong Chung Wai and Mr. Chan Chun Man 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.