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, 2017

The board of Directors (the "Board") of Chuang's Consortium International Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31st March, 2017 as follows:

HIGHLIGHTS OF THE YEAR

Business

This financial year is an important and fruitful year for the Group as we achieved not only a net profit attributable to equity holders of the Company of HK$1,264.3 million, representing an increase of about 112% over that of the last year, but we also implemented a number of strategic moves as follows:

- *Disposal of the investment project at No. 15 Gough Hill Road, The Peak, Hong Kong*

  The Group has successfully captured the rising trend of the prestigious residential property market in Hong Kong by entering into an agreement to dispose of the property holding company that holds the property investment project located at No. 15 Gough Hill Road, The Peak for HK$2.1 billion. The transaction represented a record high in Hong Kong in terms of the monetary amount per square foot. The disposal is expected to be completed in the third quarter of 2018 and will generate an aggregate net gain of over HK$1 billion to the Group.

- *Disposal of the development project in Dongguan, the People's Republic of China (the "PRC")*

  At the same time, the Group also grasped the opportunity in the PRC rising property market and completed the disposal of the property holding companies that hold the property development project at Dongguan, the PRC for RMB1.3 billion (equivalent to approximately HK$1.5 billion), generating a net gain after taxation of about HK$1.2 billion (before deducting non-controlling interests of HK$0.5 billion) to the Group.

- *Expansion to property investment in London, United Kingdom*

  The Group diversified geographically into the United Kingdom market by acquiring a prime office building at 6–12 Fenchurch Street, located at the prime location of City of London for GBP79 million (equivalent to approximately HK$764 million), which represented about GBP1,017 (equivalent to approximately HK$9,845) per *sq. ft.*. London, being one of the world's leading financial marketplaces, is well sought-after by global investors for its market liquidity and transparency. The acquisition of this prime office property provides the Group with steady rental income stream and potential increase in capital value over time.

- *Replenishing land bank by acquiring Posco Building*

  In April 2017, the Group entered into an agreement to acquire Posco Building at Sham Shui Po, Kowloon for HK$301.2 million. The acquisition is expected to be completed on or before 31st July, 2017 and will increase the recurrent rental income and enhance the land bank of the Group.

- *Completion of a group rationalization exercise regarding burial business*

  The Group completed a group rationalization exercise whereby the burial business was transferred from Midas International Holdings Limited to Chuang's China Investments Limited so that resources within our Group can be better deployed.

- *Repurchase of shares*

  With a view to increase value for our shareholders, during the past two financial years, the Company had repurchased a total of about 61 million shares on The Stock Exchange of Hong Kong Limited at an aggregate cash consideration of approximately HK$68 million, equivalent to about HK$1.11 per share.

Financial and Shareholders' Value

We delivered solid financial results for the year ended 31st March, 2017 and key financial indicators of the Group are set out as follows:

- Profit attributable to equity holders of the Company escalated by about 112% to HK$1,264.3 million

- Earnings per share enhanced by 118% to 75.19 HK cents

- Total assets of the Group increased by 24% to HK$19.2 billion

- Net assets attributable to equity holders of the Company increased by 14% to HK$9.8 billion

- Net asset value per share enhanced by 15% to HK$5.84

- Total cash resources of the Group (including investments held for trading) increased by 121% to HK$4.8 billion

- Net debt to equity ratio improved to 14.2%

- Total dividend per share for the year (including special dividend) increased by 60% to 8.0 HK cents per share

Going Forward

Going forward, we will actively improve rental yield of our investment properties and speed up the development of our projects located at Po Shan Road and Tuen Mun in Hong Kong, Chuang's Mid-town in Anshan, the PRC, and International Finance Centre and sáv Residence in Mongolia. We are confident that, with the completion of the above development projects, further value can be created for our shareholders. At the same time, the Group is keen to pursue the state policy of "One belt, One road" initiatives as it will bring about vast opportunities from the creation of economic belt involving many countries from Asia to Europe.

CONSOLIDATED INCOME STATEMENT

For the year ended 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000
Revenues and net gain	3	**1,137,910**	1,869,172
Revenues		**1,066,225**	1,864,037
Net gain of financial assets at fair value through profit or loss		**71,685**	5,135
Cost of sales		**(585,055)**	(995,589)
Gross profit		**552,855**	873,583
Other income and net gain	5	**53,155**	126,876
Gain on disposal of subsidiaries	6	**1,340,681**	–
Selling and marketing expenses		**(73,765)**	(141,558)
Administrative and other operating expenses		**(557,730)**	(496,402)
Change in fair value of investment properties		**751,336**	446,143
Operating profit	7	**2,066,532**	808,642
Finance costs	8	**(90,308)**	(86,999)
Share of results of associated companies		**(210)**	42
Share of results of joint ventures	9	**25,905**	64,265
Profit before taxation		**2,001,919**	785,950
Taxation	10	**(226,754)**	(158,836)
Profit for the year		**1,775,165**	627,114
Attributable to:			
Equity holders		**1,264,279**	597,759
Non-controlling interests		**510,886**	29,355
		1,775,165	627,114
		HK cents	*HK cents*
Earnings per share (basic and diluted)	12	**75.19**	34.51

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31st March, 2017

	2017	2016
	HK$'000	*HK$'000*
Profit for the year	**1,775,165**	627,114
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss:		
Net exchange differences	**(111,992)**	(96,333)
Share of exchange reserve of a joint venture	**(6,562)**	–
Realization of exchange reserves upon disposal/liquidation of subsidiaries	**616**	–
Change in fair value of available-for-sale financial assets	**95,895**	(58,840)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	**(549)**	(199)
Total other comprehensive loss that may be reclassified subsequently to profit and loss	**(22,592)**	(155,372)
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	**34,710**	54,188
Total other comprehensive income/(loss) for the year	**12,118**	(101,184)
Total comprehensive income for the year	**1,787,283**	525,930
Total comprehensive income attributable to:		
Equity holders	**1,283,792**	539,939
Non-controlling interests	**503,491**	(14,009)
	1,787,283	525,930

CONSOLIDATED BALANCE SHEET

As at 31st March, 2017

	Note	2017 HK$'000	2016 HK$'000
Non-current assets			
Property, plant and equipment		**617,968**	676,503
Investment properties	*13*	**8,333,540**	6,777,007
Leasehold lands and land use rights		**813,487**	883,580
Properties for/under development		**593,071**	588,828
Cemetery assets	*14*	**495,550**	545,870
Associated companies		**67,610**	64,738
Joint ventures		**401,475**	351,465
Available-for-sale financial assets		**235,907**	179,736
Loans and receivables		**156,290**	159,007
		11,714,898	10,226,734
Current assets			
Properties for sale		**1,882,939**	2,321,074
Cemetery assets	*14*	**201,463**	103,265
Inventories		**172,029**	176,827
Debtors and prepayments	*15*	**459,237**	461,068
Financial assets at fair value through profit or loss		**1,657,389**	506,943
Pledged bank balances		**–**	40,173
Cash and bank balances		**3,140,744**	1,627,886
		7,513,801	5,237,236
Current liabilities			
Creditors and accruals	*16*	**628,766**	360,095
Sales deposits received		**3,703**	364,830
Short-term bank borrowings		**158,377**	15,098
Current portion of long-term bank borrowings		**803,324**	842,847
Taxation payable		**277,543**	313,232
		1,871,713	1,896,102
Net current assets		**5,642,088**	3,341,134
Total assets less current liabilities		**17,356,986**	13,567,868

	2017	2016
	HK$'000	*HK$'000*
Equity		
Share capital	**419,298**	423,479
Reserves	**9,369,133**	8,191,233
Shareholders' funds	**9,788,431**	8,614,712
Non-controlling interests	**1,955,529**	1,437,706
Total equity	**11,743,960**	10,052,418
Non-current liabilities		
Long-term bank borrowings	**5,222,864**	3,113,127
Deferred taxation liabilities	**284,136**	367,977
Loans and payables with non-controlling interests	**47,484**	34,346
Other non-current liabilities	**58,542**	–
	5,613,026	3,515,450
	17,356,986	13,567,868

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, development and operation of cemetery, manufacturing, sales and trading of printed products, home finishing products, watch components and merchandises, securities investment and trading, money lending business 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 value, and in accordance with all applicable 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 new standard and amendments to standards

For the financial year ended 31st March, 2017, the Group adopted the following new standard and amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2016 and relevant to the operations of the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities – Applying the Consolidation Exception
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle

The Group has assessed the impact of the adoption of these new standard and 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.

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, 2017, but have not yet been early adopted by the Group:

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)
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions (effective from 1st January, 2018)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2018)
HKFRS 15 (Amendment)	Clarifications to HKFRS 15 (effective from 1st January, 2018)
HKFRS 16	Leases (effective from 1st January, 2019)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014–2016 Cycle (effective from 1st January, 2017 or 1st January, 2018, as appropriate)

Key developments of these new standards and amendments to standards which may have an impact to the Group's accounting policies and presentation of the consolidated financial statements are described below:

HKFRS 15 will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. HKFRS 15 is based on the principle that revenue is recognized when control of a good or service transfers to a customer. Management is currently assessing the effects of adoption of HKFRS 15 on the Group's consolidated financial statements and anticipated that the timing of the recognition of revenue on certain property sales may be affected. At this stage, the Group is not yet able to estimate the impact of the adoption of HKFRS 15 on the Group's consolidated financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

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.

3. REVENUES AND NET GAIN

Revenues and net gain recognized during the year are as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenues		
Sales of properties	**453,306**	1,251,755
Rental income and management fees	**194,882**	175,893
Income from hotel operation and management	**90,052**	98,779
Sales of cemetery assets	**17,574**	22,300
Sales of goods and merchandises	**251,248**	303,048
Interest income from money lending business	**7,837**	–
Interest income from financial assets at fair value through profit or loss	**50,116**	11,970
Dividend income from listed investments	**1,210**	292
	1,066,225	1,864,037
Net gain		
Net realized gain of financial assets at fair value through profit or loss	**9,098**	3,653
Net fair value gain of financial assets at fair value through profit or loss	**62,587**	1,482
	71,685	5,135
Revenues and net gain	**1,137,910**	1,869,172

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. For the year ended 31st March, 2017, the CODM considers the money lending business as a new business segment. Accordingly, business segments include property development, investment and trading, hotel operation and management, cemetery, sales of goods and merchandises, securities investment and trading, money lending business 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*	Cemetery *HK$'000* *(Note)*	Sales of goods and merchandises *HK$'000*	Securities investment and trading *HK$'000*	Money lending business *HK$'000*	Others and corporate *HK$'000*	2017 Total *HK$'000*
Revenues and net gain	648,188	90,052	17,574	251,248	123,011	7,837	–	1,137,910
Other income and net gain	15,997	74	564	7,364	3,343	–	25,813	53,155
Operating profit/(loss)	2,234,895	(58,646)	(2,297)	(13,759)	125,048	5,408	(224,117)	2,066,532
Finance (costs)/income	(73,858)	(14,661)	127	(1,672)	(244)	–	–	(90,308)
Share of results of associated companies	68	2,625	–	–	–	–	(2,903)	(210)
Share of results of joint ventures	25,905	–	–	–	–	–	–	25,905
Profit/(loss) before taxation	2,187,010	(70,682)	(2,170)	(15,431)	124,804	5,408	(227,020)	2,001,919
Taxation (charge)/credit	(189,963)	–	(36,954)	163	–	–	–	(226,754)
Profit/(loss) for the year	1,997,047	(70,682)	(39,124)	(15,268)	124,804	5,408	(227,020)	1,775,165
Segment assets	11,291,402	1,293,231	722,590	311,499	1,659,319	158,143	3,323,430	18,759,614
Associated companies	199	45,461	–	–	–	–	21,950	67,610
Joint ventures	401,475	–	–	–	–	–	–	401,475
Total assets	11,693,076	1,338,692	722,590	311,499	1,659,319	158,143	3,345,380	19,228,699
Total liabilities	6,356,723	701,399	256,756	84,013	136	–	85,712	7,484,739
Other segment items are as follows:								
Capital expenditure	1,179,497	5,933	13,418	12,449	–	–	2,679	1,213,976
Depreciation	1,553	29,756	714	16,242	–	–	11,879	60,144
Amortization of leasehold lands and land use rights	32	40,316	59	520	–	–	–	40,927
Provision for impairment of properties for sale	3,054	–	–	–	–	–	–	3,054
Provision for impairment of trade debtors	2,693	–	–	–	–	–	–	2,693
Provision for impairment of other deposits	54,707	–	–	–	–	–	–	54,707
Reversal of provision for impairment of inventories	–	–	–	(1,420)	–	–	–	(1,420)
Gain on disposal of subsidiaries	(1,340,681)	–	–	–	–	–	–	(1,340,681)

Note: Taxation in relation to the restructuring of the cemetery business as mentioned in note 14 is included in the "cemetery" segment.

	Property development, investment and trading HK$'000	Hotel operation and management HK$'000	Cemetery HK$'000	Sales of goods and merchandises HK$'000	Securities investment and trading HK$'000	Others and corporate HK$'000	2016 Total HK$'000
Revenues and net gain	1,427,648	98,779	22,300	303,048	17,397	–	1,869,172
Other income and net gain/(loss)	92,204	–	40	20,510	(986)	15,108	126,876
Operating profit/(loss)	1,094,993	(66,030)	(5,558)	(24,807)	16,411	(206,367)	808,642
Finance (costs)/income	(69,151)	(14,749)	414	(3,513)	–	–	(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)	(5,144)	(28,320)	16,411	(208,185)	785,950
Taxation (charge)/credit	(160,261)	–	1,583	(158)	–	–	(158,836)
Profit/(loss) for the year	929,923	(78,996)	(3,561)	(28,478)	16,411	(208,185)	627,114
Segment assets	10,609,275	1,403,524	670,095	330,477	506,943	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	670,095	330,477	506,943	1,549,174	15,463,970
Total liabilities	4,390,479	728,486	161,046	90,965	–	40,576	5,411,552
Other segment items are as follows:							
Capital expenditure	760,597	3,530	3,881	8,087	–	618	776,713
Depreciation	2,300	27,427	775	19,069	–	13,621	63,192
Amortization of leasehold lands and land use rights							
– charged to the consolidated income statement	32	40,791	72	711	–	–	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	–	209	235	–	–	925
Provision for impairment of other deposits	6,500	–	–	–	–	–	6,500
Reversal of provision for impairment of properties for sales	(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)

(b) Geographical segment information

The business of the Group operates in different geographical areas. Revenues and net gain 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 and net gain		**Capital expenditure**	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**418,080**	1,069,553	**98,808**	377,978
The People's Republic of China (the "PRC")	**447,632**	485,607	**265,851**	354,908
United Kingdom	**41,493**	48,689	**802,278**	–
Other countries	**230,705**	265,323	**47,039**	43,827
	1,137,910	1,869,172	**1,213,976**	776,713

	Non-current assets *(Note)*		**Total assets**	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**8,433,868**	7,700,657	**14,513,635**	10,763,925
The PRC	**1,518,262**	1,598,538	**3,013,761**	3,754,742
United Kingdom	**804,685**	–	**812,321**	–
Other countries	**565,886**	588,796	**888,982**	945,303
	11,322,701	9,887,991	**19,228,699**	15,463,970

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

	2017	2016
	HK$'000	*HK$'000*
Interest income from bank deposits	**14,674**	15,641
Dividend income from available-for-sale financial assets	**3,243**	8,640
Sales of scraped materials	**2,977**	4,171
Write-back of provision for indemnity *(Note a)*	**–**	58,546
Fair value gain on transfer of properties from properties for sale to investment properties	**18,829**	21,187
Negative goodwill on acquisition of a property business, net of transaction costs *(Note b)*	**(4,640)**	–
Reversal of provision for impairment of properties for sale	**–**	2,392
Reversal of provision for impairment of trade debtors	**–**	269
Net gain on disposal of property, plant and equipment	**3,867**	4,718
Gain on disposal of available-for-sale financial assets	**19,313**	285
Realization of exchange reserves upon disposal/liquidation of subsidiaries	**(16,904)**	–
Net exchange gain/(loss)	**3,129**	(1,539)
Sundries	**8,667**	12,566
	53,155	126,876

Notes:

(a) *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 approximately 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. The transaction was announced by the Company on 27th May, 2013. The write-back of provision for indemnity in 2016 was related to this as the indemnity was expired during the year ended 31st March, 2016.*

(b) *On 4th November, 2016, a wholly-owned subsidiary of Chuang's China Investments Limited ("Chuang's China") (a listed subsidiary of the Group) entered into a sale and purchase agreement with an independent third party to acquire an office property in London, United Kingdom, at a net consideration of approximately GBP79 million (equivalent to approximately HK$764 million) (the "UK Acquisition"). The UK Acquisition was announced by the Company on 6th November, 2016 and published in the circular on 9th December, 2016 respectively. The transaction was completed on 24th November, 2016. The property was recorded as an investment property and a negative goodwill on acquisition of the property business amounting to HK$38.9 million (before netting of transaction costs) was recorded upon completion.*

6. GAIN ON DISPOSAL OF SUBSIDIARIES

On 25th August, 2016, Chuang's China and its wholly-owned subsidiary entered into a sale and purchase agreement with independent third parties to dispose of its wholly-owned subsidiaries which held a property development project at Dongguan, the PRC, for a net consideration of approximately RMB1.3 billion (equivalent to approximately HK$1.5 billion) (the "Dongguan Disposal"). The Chuang's China group retains the administration building and certain completed properties upon completion. The Dongguan Disposal was announced by the Company on 28th August, 2016 and published in the circular on 26th September, 2016 respectively. The transaction was completed on 27th October, 2016. A gain on disposal of subsidiaries of the Dongguan Disposal and the related PRC withholding corporate income tax were shown in this note and "Taxation" (note 10) respectively.

7. OPERATING PROFIT

	2017	2016
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Reversal of provision for impairment of inventories	**1,420**	1,644
and after charging:		
Cost of properties sold	**295,120**	632,466
Cost of inventories sold	**131,955**	177,139
Depreciation	**60,144**	63,192
Amortization of leasehold lands and land use rights	**40,927**	41,606
Provision for impairment of properties for sale	**3,054**	2,263
Provision for impairment of inventories	**–**	5,521
Provision for impairment of trade debtors	**2,693**	925
Provision for impairment of other deposits	**54,707**	6,500
Staff costs, including Directors' emoluments		
Wages and salaries	**224,363**	256,429
Retirement benefit costs	**8,515**	9,490

8. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings	**106,234**	103,678
Bank overdraft	**575**	689
	106,809	104,367
Fair value adjustment of trade debtors	**(127)**	(414)
Amounts capitalized into		
Investment properties	**(6,685)**	(4,183)
Properties under development	**(9,689)**	(12,771)
	(16,374)	(16,954)
	90,308	86,999

The capitalization rates applied to funds borrowed for the development of properties range from 1.57% to 8.08% (2016: 1.58% to 8.08%) per annum.

9. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures of HK$25,905,000 (2016: HK$64,265,000) in the consolidated income statement is the share of results of joint ventures for the year ended 31st March, 2017 which mainly includes the share of fair value gain of the investment properties (net of the related deferred taxation) of HK$30 million (2016: HK$64 million) of a joint venture.

10. TAXATION

	2017	2016
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**–**	24,500
Overseas profits tax	**–**	158
PRC corporate income tax	**46,257**	44,781
PRC withholding corporate income tax *(Notes 6 and 14)*	**151,176**	–
PRC land appreciation tax	**32,703**	80,437
Over-provision in previous years	**(272)**	–
Deferred taxation	**(3,110)**	8,960
	226,754	158,836

No provision for Hong Kong profits tax has been made as the Group has sufficient tax losses brought forward to set off against the estimated assessable profits for the year (2016: Hong Kong profits tax had been provided at the rate of 16.5% on the estimated assessable profits for that year). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC withholding corporate income tax includes the relevant tax on the disposal of subsidiaries from the Dongguan Disposal and the restructuring as mentioned in notes 6 and 14 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, 2017 of HK$2,000 (2016: HK$4,000) is included in the consolidated income statement as share of results of associated companies. Share of deferred taxation charge of joint ventures for the year ended 31st March, 2017 of HK$9,994,000 (2016: HK$21,440,000) is included in the consolidated income statement as share of results of joint ventures.

11. DIVIDENDS

	2017	2016
	HK$'000	*HK$'000*
Interim dividend of 3.0 HK cents (2016: 2.0 HK cents) per share	**50,316**	34,766
Proposed final dividend of 3.0 HK cents (2016: 3.0 HK cents) per share	**50,316**	50,663
Proposed special dividend of 2.0 HK cents (2016: Nil) per share	**33,544**	–
	134,176	85,429

On 29th June, 2017, the board of Directors proposed a final dividend of 3.0 HK cents (2016: 3.0 HK cents) per share amounting to HK$50,316,000 (2016: HK$50,663,000) and a special dividend of 2.0 HK cents (2016: Nil) per share amounting to HK$33,544,000 (2016: Nil). The amounts are calculated based on 1,677,193,104 issued shares as at 29th June, 2017. The proposed dividends are not reflected as 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, 2018 upon the approval by the shareholders.

12. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$1,264,279,000 (2016: HK$597,759,000) and the weighted average number of 1,681,341,323 (2016: 1,732,275,529) 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.

13. INVESTMENT PROPERTIES

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 adjustment) (the "HK Disposal"). 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 HK Disposal was announced by the Company on 15th June, 2016 and published in the circular on 20th July, 2016 respectively. The transaction is expected to be completed in the third quarter of 2018 upon the completion of the construction and internal decoration works and inspection by the purchaser. As at 31st March, 2017, deposits of HK$315 million were received and recorded in "Creditors and accruals" (see note 16). The said property is continued to be recorded in investment properties with the amount of HK$1,180,000,000 (31st March, 2016: HK$828,000,000) as at 31st March, 2017 as it does not qualify for the classification as "assets of disposal group held for sale" in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations".

14. CEMETERY ASSETS

On 31st March, 2017, the Group completed a group restructuring whereby the cemetery business was transferred from Midas International Holdings Limited ("Midas") (a listed subsidiary of the Group) to Chuang's China (the "Restructuring"). As a result of the Restructuring, the Group's effective interest in the cemetery business was slightly changed from 52.0% to 49.2% but without losing control and the respective effect was recognized within equity. The Restructuring was announced by the Company on 22nd January, 2017 and published in the circulars of Chuang's China and Midas on 8th March, 2017 respectively. The related PRC withholding corporate income tax of the Restructuring was recorded in "Taxation" (note 10).

15. DEBTORS AND PREPAYMENTS

Receivables from sales of properties and cemetery assets are settled in accordance with the terms of respective contracts. Rental income and management fees are received in advance. 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:

	2017	2016
	HK$'000	*HK$'000*
Below 30 days	**27,490**	31,034
31 to 60 days	**8,941**	12,267
61 to 90 days	**7,111**	9,492
Over 90 days	**21,027**	24,071
	64,569	76,864

Debtors and prepayments include net deposits of HK$264,275,000 (2016: HK$270,774,000) 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$128,479,000 (2016: HK$73,772,000) as at 31st March, 2017.

16. CREDITORS AND ACCRUALS

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

	2017	2016
	HK$'000	*HK$'000*
Below 30 days	**18,809**	24,814
31 to 60 days	**5,793**	4,421
Over 60 days	**9,991**	16,375
	34,593	45,610

Creditors and accruals include the construction cost payables and accruals of HK$115,565,000 (2016: HK$121,563,000) for the property and cemetery projects of the Group. They also include the deposits of HK$315 million (2016: Nil) received for the HK Disposal as mentioned in Note 13.

17. FINANCIAL GUARANTEES

As at 31st March, 2017, the Company had provided a guarantee of HK$117,000,000 (2016: HK$117,000,000) for the banking facility granted to a joint venture, and subsidiaries had provided guarantees of HK$421,079,000 (2016: HK$1,079,858,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

18. COMMITMENTS

As at 31st March, 2017, the Group had commitments contracted but not provided for in respect of property projects and property, plant and equipment of HK$275,655,000 (2016: HK$364,000,000). The Group had commitments contracted but not provided for in respect of available-for-sale financial assets of HK$47,964,000 as at 31st March, 2016.

19. PLEDGE OF ASSETS

As at 31st March, 2017, the Group had pledged certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for/under development, properties for sale, trade debtors and financial assets at fair value through profit or loss, with an aggregate carrying value of HK$10,361,641,000 (2016: HK$8,458,371,000, including bank deposits and portion of such was for financial guarantee facilities granted to the Group), to secure banking facilities granted to the subsidiaries.

20. EVENT AFTER THE REPORTING PERIOD

In April 2017, a wholly-owned subsidiary of the Group entered into a sale and purchase agreement with an independent third party to acquire a property (for commercial and industrial use) in Hong Kong at a consideration of HK$301.2 million. The transaction was announced by the Company on 12th April, 2017. The Group intends to hold the property for investment purpose. Deposits of HK$30.12 million have been paid as at the date of this announcement, and the transaction is expected to be completed on or before 31st July, 2017.

FINANCIAL REVIEW

Profit attributable to equity holders of the Company for the year ended 31st March, 2017 amounted to HK$1,264.3 million (2016: HK$597.8 million), representing an increase of 1.1 times when compared to that of the last year. Earnings per share was 75.19 HK cents (2016: 34.51 HK cents).

For the year ended 31st March, 2017, revenues and net gain of the Group amounted to HK$1,137.9 million (2016: HK$1,869.2 million), representing a decrease of 39.1% compared to that of the last year. This was mainly due to the decrease in property sales in Hong Kong recognized by the Group as a result of the completion of Parkes Residence last year. Revenues and net gain of the Group comprised revenues from sales of properties of HK$453.3 million (2016: HK$1,251.8 million), revenues from rental and other income of investment properties of HK$194.9 million (2016: HK$175.9 million), revenues from hotel operation of HK$90.1 million (2016: HK$98.8 million), revenues from cemetery business of HK$17.6 million (2016: HK$22.3 million), revenues from sales of goods and merchandises of HK$251.2 million (2016: HK$303.0 million), revenues from money lending business of HK$7.8 million (2016: Nil) and revenues and net gain from securities investment and trading business of HK$123.0 million (2016: HK$17.4 million).

As a result of decrease in revenues generated from sales of properties, gross profit during the year decreased to HK$552.9 million (2016: HK$873.6 million), representing a decrease of 36.7% compared to that of the last year. Gross profit margin slightly increased to 48.6% (2016: 46.7%). Other income and net gain decreased to HK$53.2 million (2016: HK$126.9 million) mainly due to the absence of a gain arising from the write-back of provision for the tax indemnity on disposal of a subsidiary recorded last year. A breakdown of other income and net gain is shown in note 5 on page 13 of this announcement. A gain on disposal of subsidiaries of HK$1,340.7 million (2016: Nil) was recorded during the year, which was related to the disposal of the subsidiaries that held a property development project at Dongguan, the People's Republic of China (the "PRC"), details of which were set out in the announcement of the Company dated 28th August, 2016 and the circular of the Company dated 26th September, 2016 respectively. Furthermore, the Group also recorded an upward revaluation surplus of HK$751.3 million (2016: HK$446.1 million) for its investment properties, mainly reflecting the continued improvement in property prices of our investment properties in Hong Kong and the PRC during the year, of which HK$331.5 million was related to No. 15 Gough Hill Road, The Peak.

On the costs side, selling and marketing expenses decreased to HK$73.8 million (2016: HK$141.6 million) due to the decrease in property sales. Administrative and other operating expenses increased to HK$557.7 million (2016: HK$496.4 million) mainly due to a general increase in overheads and business activities of the Group, and the provision for diminution in value of a property project in Vietnam. Finance costs slightly increased to HK$90.3 million (2016: HK$87.0 million) mainly due to the increase of bank borrowings of the Group. Share of results of associated companies and joint ventures amounted to HK$25.7 million (2016: HK$64.3 million) mainly due to the share of revaluation gain arising on investment properties owned by a joint venture. Taxation amounted to HK$226.8 million (2016: HK$158.8 million) mainly relating to net tax paid or payable on sales of properties and subsidiaries.

DIVIDENDS

As regards payment of dividend, it is the policy of the Group to pay a recurrent and stable dividend to its shareholders. In view of the healthy financial position of the Group and the progress that the Group has made during the year, 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 (2016: 3.0 HK cents) per share and a special dividend of 2.0 HK cents (2016: Nil) per share for the year ended 31st March, 2017. The final dividend and the special dividend, if approved, will be paid on or before 20th October, 2017 to the shareholders whose names appear on the Company's register of members on 20th September, 2017.

An interim dividend of 3.0 HK cents (2016: 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 8.0 HK cents (2016: 5.0 HK cents) per share, representing an increase of 60% over that of the last year. Total dividends paid and to be paid in respect of the current financial year will amount to HK$134.2 million (2016: HK$85.4 million).

BUSINESS REVIEW

(A) Investment Properties

(1) Hong Kong

The Group owns a high-quality portfolio of investment properties in Hong Kong, comprising retail, office, high-class residential, industrial and carparking spaces, which generates strong recurrent income stream to the Group. Rental and other income from investment properties in Hong Kong during the year amounted to HK$141.2 million, representing an increase of about 4.3% over that of the last year. The Group's major investment properties in Hong Kong are as follows:

(i) 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 close to the exits of both the Central Station of the Mass Transit Railway and the Hong Kong Station of the Airport Express Line. The property has a site area of about 3,692 *sq. ft.* and total gross floor area ("GFA") of about 55,367 *sq. ft.*. With the limited supply of quality office spaces in Central and the recent record successful tender price of the government tender at Murray Road, the Group believes that the market value and rental of commercial and office buildings in Central would continue to be strong. The Group will closely monitor the market and will take appropriate steps to further improve the rental yield and capital value of the property.

(ii) 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 near the exit of the Mass Transit Railway, the property is a shopping and entertainment complex. The property has a site area of about 9,145 *sq. ft.* and total GFA of about 103,070 *sq. ft.*. With the expected completion of the Guangzhou-Shenzhen-Hong Kong Express Rail Link Hong Kong Section (located within walking distance from the property) in the third quarter of 2018 which will generate lucrative amount of economic benefit, the Group is exploring plans and strategies to renovate and upgrade the property to grasp the opportunity to further enhance the rental yield and thus the capital value of the property.

(iii) 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. Superstructure works have recently been topped off and external stone cladding works will commence soon. Occupation permit is expected to be issued by the end of 2017 which will be followed by internal decoration works.

On 9th June, 2016, the Group entered into a sale and purchase 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 adjustment). The consideration will be satisfied as to approximately 80% by cash and as to approximately 20% by the transfer of a commercial property located in Luohu District, Shenzhen, the PRC to the Group. A cash deposit and part payment of HK$315 million had been received by the Group as of to-date. According to the current construction progress, further part payments of HK$735 million in cash together with the transfer of the Shenzhen property to the Group are expected to take place in the remaining financial year ending 2018, and the disposal is expected to be completed in the third quarter of 2018 whereby the Group will receive a final cash payment of HK$630 million. The disposal, upon completion, is expected to generate a further net gain of about HK$700 million to the Group. Details of the disposal are set out in the circular of the Company dated 20th July, 2016.

(iv) 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 had been leased out during the year. To capitalize the opportunity on the rising trend of the prestigious residential market, the Group will explore other options (including disposal) to accelerate capital return on investment in this property.

(v) Posco Building, No. 165 Un Chau Street, Sham Shui Po, Kowloon (100% owned)

In April 2017, the Group entered into a sale and purchase agreement with an independent third party for the acquisition of the property at a cash consideration of HK$301.2 million. Deposits of HK$30.12 million have been paid as of todate. The property is located in between Cheung Sha Wan and Sham Shui Po Mass Transit Railway Stations, enjoying the convenience of good transportation network. The property is for commercial and industrial use and has a site area of about 3,920 *sq. ft.* and total GFA of about 47,258 *sq. ft.*. It is currently expected that the completion of acquisition will take place on or before 31st July, 2017. The total monthly rental of the property, upon completion, will be about HK$470,000. After completion of the acquisition, the Group will take steps to enhance the rental income and capital value of the property by refurbishing and upgrading the quality of the property.

(2) Malaysia

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

Central Plaza, located at the heart of central business district and prestigious shopping area of Kuala Lumpur, has a total GFA of 380,000 *sq. ft.* of retail, office and carparking spaces. During the year, rental and other income from this property amounted to about HK$20.0 million.

(3) 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, the apartment units have been leased out. The internal decoration works of the villa have just been finished and marketing work for leasing has commenced. Rental income from this property during the year amounted to about HK$1.9 million.

(B) Investment in Hotels

(1) Hong Kong

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, Kowloon and comprises 388 rooms together with shopping units at the ground floor level. Total revenues from the hotel operation during the year amounted to HK$90.1 million, representing a decrease of 8.8% compared to that of the last year. This was mainly attributable to the decrease in revenues generated from the food and beverage operation. The average room rate of the hotel during the year improved by about 10% from that of the last year to about HK$680 whereas the average occupancy rate was about 86% which was similar to that of the last year.

As the food and beverage operation of the hotel had not been profitable, the Group had in October 2016 ceased the operation of one of the two restaurants located on the first floor and leased out the premises to a third party in order to generate additional income. Furthermore, as the hotel had been in operation for more than one year and has gained recognition in the industry by winning a number of awards, the Group has since October 2016 gradually increased the room rates of the hotel. With all these measures, together with the recent opening of the Ho Man Tin Station and the Whampoa Station of the Kwun Tong Line Extension of the Mass Transit Railway, the Group achieved a better result for its hotel operation with EBITDA amounted to about HK$11.4 million for this financial year compared to EBITDA of about HK$2.2 million in the last corresponding year. Currently, the Group also plans to cease the operation of the second restaurant located on the first floor and lease the premises to a third party to generate additional income. With the recovery of the tourism industry, the Group believes that the operating results of the hotel will be further improved in the medium to long term.

(2) Philippines

Pacific Cebu Resort, Cebu (40% owned)

Pacific Cebu Resort is a resort established in 1992 with 136 rooms and abundant diving facilities. It is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*. The average room rate and the average occupancy rate of the hotel during the year were about US$60 and 73%, respectively. Currently, the Group is conducting feasibility studies to expand the scale of the resort by about 80 rooms to 216 rooms and to develop a vacant land within the resort (about 20,000 *sq. m.*) into hotels/condominiums/villas/shops in order to create more value for this investment.

(C) Properties Under Development/For Sale

(1) Hong Kong

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

The property is close to the Jordan Station of the Mass Transit Railway and had 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). The occupation permit was issued in December 2015 and 88 residential units and certain shops were handed over to end-purchasers in the last financial year. During the current financial year, sales of 5 residential units with net sales value of HK$29.0 million were completed while sales of another 3 residential units with sales value of HK$19.6 million have been completed subsequent to the year ended 31st March, 2017. As to the remaining 18 residential units and 3 units of the ground floor shops, the Group has leased out most of them in order to generate additional income.

(ii) 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, with a site area of about 10,000 *sq. ft.*, 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.*. Meanwhile, the Group is evaluating the benefits and the possibility of developing the property into a single residence. Demolition works of the project have been completed. Plans for site formation and foundation works have been approved and the Group is in the process of evaluating tenders for such works with the view of awarding such contract soon.

(2) Mongolia

(i) 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. Basement works have been completed up to the ground floor level while the superstructure works have just commenced.

(ii) sáv Residence, Sukhbaatar District, Ulaanbaatar (53% owned)

The project is located in the city centre within the embassy district and has a site area of about 3,600 *sq. m.*. It is planned that a serviced apartment of about 142 units with clubhouse facilities and a ground floor shop with total GFA of about 19,000 *sq. m.* and 48 carparking spaces will be developed. Total development cost of this project (including land cost) is expected to be about US$22 million. Superstructure works have been topped off and internal and external finishing works are in progress. The project is expected to be completed in the second half of 2017. Marketing work will commence soon. Currently, the Group is holding discussion with the joint venture partner of this project with a view to acquire its 47% interest in this project to make the project wholly-owned by the Group.

(3) Vietnam

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

The project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of 94,000 *sq. m.* will be developed on the site. The site is currently vacant and construction permit has been obtained. The Group is currently considering the disposal of this project and, in this respect, an international real estate agency has been appointed as the sales agent.

(ii) 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 and previous years' annual reports of the Company, the Group is still in the process of enforcing the arbitral award in accordance with its terms. As the enforcement action takes longer time than expected, for prudence purpose, the Group made full provision for this project and accordingly the remaining investment value in this project amounting to about HK$55 million had been written off in the current financial year. Despite the above provision being made, the Group will continue to actively seek further legal advice as to any alternative courses of action in order to recoup the investment made in this project.

(D) Chuang's China Investments Limited ("Chuang's China", stock code: 298) (57.5% owned as at 31st March, 2017)

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, 2017, the Chuang's China Group recorded profit attributable to equity holders of HK$1,452.0 million (2016: HK$85.0 million) and revenues and net gain of HK$491.3 million (2016: HK$470.0 million) (which comprised revenues from sales of properties in the PRC of HK$408.3 million (2016: HK$440.5 million), revenues from rental and other income of investment properties of HK$30.8 million (2016: HK$19.1 million), revenues from sales and trading business of HK$0.9 million (2016: HK$1.0 million) and revenues and net gain from securities investment and trading business of HK$51.3 million (2016: HK$9.4 million)).

(1) Investment Properties

The Chuang's China Group holds a portfolio of investment properties in the PRC and the United Kingdom for steady recurring rental income. A summary is as follows:

(i) Xiamen Mingjia (廈門佲家), Xiamen, Fujian (59.5% owned by Chuang's China)

The Xiamen Mingjia (廈門佲家) comprises a 6-storey hotel building with 100 guest-rooms (gross area of 9,780 *sq. m.*) and 30 villas (aggregate GFA of about 9,376 *sq. m.*). As at 31st March, 2017, the properties were recorded in the financial statements at valuation of RMB414 million (comprising RMB169 million for the hotel and RMB245 million for the 30 villas). The valuation attributable to the Chuang's China Group was about RMB246 million (equivalent to approximately HK$278 million), whereas the total estimated investment costs of the Chuang's China Group are about HK$185 million in this project.

In January 2017, Xiamen Mingjia entered into a 10-year lease with 廈門鷺江賓館 (Xiamen Lujiang Harbourview Hotel*), for the lease of the hotel building at an initial rental of RMB9 million per annum, representing rental yield of about 5.3% based on the valuation. As the tenant is a subsidiary of the Chuang's China Group's joint venture partner, the tenancy arrangement constituted a continuing connected transaction, details of which was contained in the announcement of Chuang's China dated 19th January, 2017.

Marketing on leasing of the 30 villas is in satisfactory progress. Up to date, 4 villas have been leased to independent third parties, each for a term of 10 years, at aggregate rental of RMB3 million per annum. On the basis that the 30 villas are fully leased out, gross annual rental income will amount to about RMB18 million, representing a rental yield of over 7.3% based on the valuation.

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

Chuang's Mid-town at Tie Dong Qu (鐵東區) is a modern, well-designed architectural project situated at the core city centre of Anshan, consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.*. Above the podium stands a twin tower (Block AB and C) with 27 and 33-storey respectively, offering total GFA of about 62,700 *sq. m.*.

Superstructure works of the commercial podium and the twin tower have been completed. Internal and external finishing works are in satisfactory progress. It is expected that occupancy permit will be obtained in the second half of 2017.

Chuang's Mid-town combines retail, residential, service apartments, entertainment and business with great accessibility. The Chuang's China Group will appoint an international real estate agency as leasing agent to carry out marketing campaign on this project.

The Chuang's China Group's total investments in this project upon completion will be approximately HK$433 million. The estimated market value of Chuang's Mid-town is approximately RMB639 million (equivalent to approximately HK$721 million) on completed basis, comprising RMB235 million for the commercial podium and RMB404 million for Block AB and C. On an estimated rental income of about RMB25 million per annum, Chuang's Mid-town will generate a rental yield of 4%. As at 31st March, 2017, the commercial podium was stated as "investment properties" in the Group's financial statements whereas Block AB and C were stated as "properties for sale".

(iii) Office property in Fenchurch Street, London, United Kingdom (100% owned by Chuang's China)

6–12 Fenchurch Street is a freehold property in the City of London, the United Kingdom. It is an 11-storey commercial building providing 77,652 *sq. ft.* of office and retail usage. As at 31st March, 2017, the Chuang's China Group's total investments cost of this property is stated at the property valuation of approximately GBP83 million (equivalent to approximately HK$805 million).

The property is fully leased out to multi tenants and is earning annual rental income of approximately GBP3.9 million (equivalent to approximately HK$37.8 million), representing a rental yield of approximately 4.7% based on valuation. The rental income will be further enhanced after the rent review on existing tenancies in the next few months.

(2) Property Development

Following the disposal of the development project in Dongguan, the Chuang's China Group retains the following property development in the PRC and in Hong Kong:

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

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

Currently, there are 14 units of unsold properties of about RMB60.6 million (equivalent to approximately HK$68.9 million) and unsold carparks of about RMB129.9 million (equivalent to approximately HK$147.7 million). The Chuang's China Group intends to lease the 22 villas (Block P) with GFA of approximately 6,987 *sq. m.* to benefit from asset appreciation in future.

For the remaining development (Phase III), the Chuang's China Group owns a land of over 92,000 *sq. m.* and its GFA was about 166,000 *sq. m.*. Land quota for development of about 54,300 *sq. m.* has been obtained, and that for another 60,000 *sq. m.* will be approved by the PRC authorities in a few months. The Chuang's China Group will closely follow-up with the relevant PRC authorities for the land quota of the remaining 51,700 *sq. m.* and will also explore means to raise the plot ratio of the site. To capitalize on market opportunities on the rising land costs in Guangzhou, the Chuang's China Group will also explore other options (including disposal) to accelerate capital return on investment in this project.

(ii) Changan, Dongguan, Guangdong (100% owned by Chuang's China)

The Chuang's China Group owns a site area of about 20,000 *sq. m.* in city centre of Changan (長安), Dongguan, on which an industrial building with GFA of about 39,081 *sq. m.* was erected. Driven by the urbanization in Changan and its proximity to Shenzhen, Changan is well located to attract property buyers from Shenzhen. Recently, the town planning of the site has been rezoned to "residential usage" by the local PRC authorities. With the rezoning, the site in Changan will be a prime land bank for future development. The Chuang's China Group will liaise with the local authorities regarding the requisite procedures and strategize on the optimal timing for the usage conversion application.

The industrial property on the site is currently leased to an independent third party until 2023. As at 31st March, 2017, the industrial property was recorded in the financial statements at valuation of RMB104 million. The gross rental income amounted to about RMB6.4 million per annum, representing a rental yield of about 6%.

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

Adjacent to Chuang's Mid-town, the Chuang's China Group holds the second site 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 Chuang's China Group will adopt a longer term planning for this project.

(iv) Yip Wong Road, Tuen Mun, New Territories, Hong Kong (100% owned by Chuang's China)

The site has an area of about 26,135 *sq. ft.* and has developable GFA of 116,897 *sq. ft.* for residential purpose and 25,102 *sq. ft.* for commercial purpose with 47 carparking spaces. 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. Excavation and lateral support works have commenced. It is expected that foundation works will be completed in the third quarter of 2017. Soft marketing will be launched in coming months and pre-sales are planned to commence in the first quarter of 2018.

(v) Other property projects in the PRC

(a) During the year under review, the non-wholly-owned subsidiaries of the Chuang's China Group that hold the property project in Changsha completed a rights issue to raise working capital. The Chuang's China Group supported the rights issue and as a result, the Chuang's China Group's effective interests increased from 54% to 69%. As at 31st March, 2017, the Chuang's China Group's total investment costs amounted to about HK$82.5 million, including shareholder's loan of about HK$55 million.

As the business license of the PRC project subsidiary has expired since 2012, the normal operation of sale of properties was halted. The Chuang's China Group has made keen efforts to reactivate the business license but the minority shareholders of this project do not agree to renew the business license. The Chuang's China Group will consider all rightful actions (including lawsuit against the minority shareholders) in order to resolve the matter. Meanwhile, with the grant of court orders, public auctions were conducted during the year under review to orderly dispose of the unsold properties so as to repay the shareholder's loan owed to the Chuang's China Group. After the public auctions, as at 31st March, 2017, the unsold total GFA of this project was about 22,700 *sq. m.* (residential GFA of 11,100 *sq. m.* and commercial GFA of 11,600 *sq. m.*). It is expected that further public auctions will be held in 2017 to facilitate the repayment of shareholder's loan.

(b) The Chuang's China Group holds a 51% development interest in a project in Wuhou District, Chengdu. As at 31st March, 2017, the Chuang's China Group's total investment costs in this project was about RMB146.8 million (equivalent to approximately HK$165.9 million). The Chuang's China Group has launched legal proceedings in May 2016 in order to recoup the investment in this project. The aggregate amounts demanded by the Chuang's China Group is approximately RMB435 million (equivalent to approximately HK$491.6 million). Further announcement(s) about the legal proceeding will be made by the Company as and when appropriate.

(vi) Fortune Wealth, Sihui, Guangdong (85.5% owned by Chuang's China)

The Fortune Wealth Memorial Park operates a cemetery in Sihui with a site area of approximately 518 mu agreed by the local government authorities. At present, land use rights certificates of approximately 146.8 mu of land have been obtained. The local government has recently confirmed that land quota for about 23.4 mu is allocated to Fortune Wealth and the relevant procedures for the grant of land will be carried out in the coming few months. In addition, Fortune Wealth will liaise with the local authorities for land resumption in respect of the remaining 347.8 mu. For the area encompassing the land resumption, about 150 mu will be designated for road access and greenbelts. As for the balance of 197.8 mu, Fortune Wealth shall intensively follow-up with the local authorities to allocate land quota for the grant of land use rights.

During the initial phase, Fortune Wealth has completed the development of 100 mu with an administrative building, 12 graveyards with 5,485 grave plots and a mausoleum with 550 niches. For the next phase of development, the Chuang's China Group will plan to construct the road access to the new site, and at the same time review the master layout plan for the 46.8 mu together with the forthcoming 23.4 mu.

On the sale aspects, Fortune Wealth has full license for sale not only in the PRC, but also includes overseas Chinese as well as residents of Hong Kong, Macau and Taiwan. As at 31st March, 2017, about 3,911 grave plots and 539 niches were available for sale. Fortune Wealth will review its sales and marketing strategy and will take more proactive steps in its brand building and customer services.

(3) Investment

During the year under review, the Chuang's China Group increased its shareholding interests in CNT Group Limited ("CNT"), a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), through on-market purchases. As at the date hereof, the Chuang's China Group owns about 19.2% shareholding interests in CNT. CNT and its subsidiaries are principally engaged, inter alia, in the manufacture and sale of paint products under its own brand names with focus on the PRC market and the property business.

With reference to the closing share price of CNT as at 31st March, 2017 of HK$0.6 (2016: HK$0.295), the book value of the Chuang's China Group in this investment increased to over HK$215 million (2016: HK$96.0 million). The gain in book value is accounted for as "Reserve" in the financial statements. During the year under review, dividend income from CNT was about HK$3.2 million.

On 22nd June, 2017, the Company announced that a wholly-owned subsidiary of the Chuang's China Group has filed a petition against CNT and Prime Surplus Limited. Further announcement(s) about the petition will be made by the Company as and when appropriate.

(E) Midas International Holdings Limited ("Midas", stock code: 1172) (60.8% owned as at 31st March, 2017)

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, 2017, the Midas Group recorded profit attributable to equity holders of HK$50.4 million (2016: HK$93.1 million) and revenues and net gain of HK$197.6 million (2016: HK$233.7 million) (which comprised revenues from the printing business of HK$186.0 million (2016: HK$225.2 million), revenues from rental of investment property business of HK$1.0 million (2016: HK$35,000), and revenues and net gain from securities investment and trading business of HK$10.6 million (2016: HK$8.5 million)).

(1) Printing Business

The Midas Group started an aggressive sales approach in the middle of 2016 and broadened its marketing and sales effort extensively. Despite a push of sales effort late in the year, the revenues of printing business during the year amounted to HK$186.0 million, representing a decrease of 17.4% compared to that of the last year. It is true that there are external factors such as uncertainty of economic outlook and the general trend of moving printing back to Europe hindering the Midas Group's business growth.

In order to cope with this adverse market condition, the Midas Group is focusing its efforts not only on improving relationships with its core customers but is reaching out to a broader range of customers across the paper product spectrum. The Midas Group has gained substantial interest from new customer base especially with the establishment of its newly created design group which is capable of graphic, product and paper structure design. In terms of cooperation, the Midas Group is looking to strengthen and expand sales channel by developing new product idea with various players globally.

In the cost aspects, throughout the year, a tremendous amount of effort has been put forth to lay the foundations going forward. The Midas Group has completed extensive production data analysis and machinery feasibility studies to identify ways to significantly lower cost and improve efficiency. As a result, there had been significant reduction in labour while maintaining capacity. All these measures contributed to reduction in production costs and administrative expenses, and despite reduction in revenues, the profit contribution for the year of printing segment amounted to HK$0.5 million as compared to the loss of HK$15.5 million (net of a one-off gain of HK$108.7 million from the disposal of a subsidiary) in the last year. Moreover, a complete computer system overhaul is underway and the Midas Group expects the resulting system will facilitate managers at all levels to make faster and better decisions so at to achieve further cost reduction.

(2) *Property Business*

The Midas Group owns a property located at Shop D, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon as a long term investment. The property is for commercial use and has a total gross area of about 1,588 *sq. ft.*. The property is leased to a third party with the tenancy agreement expiring in August 2018. During this financial year, the Midas Group recorded a rental income of about HK$1.0 million and an upward revaluation surplus of HK$4.0 million from this property.

During the year, the Midas Group operated a cemetery – "Fortune Wealth Memorial Park" in Sihui, Guangdong, the PRC and recorded revenues of HK$17.6 million (2016: HK$22.3 million). In order to enable the management of the Midas Group to deploy more resources towards its printing business and properties that generate stable and recurrent income, the Midas Group has, in March 2017, completed the disposal of the cemetery operation to its fellow subsidiary, Chuang's China, for a consideration of RMB398 million (equivalent to approximately HK$449 million). Upon completion, the Midas Group received cash consideration of RMB174 million (equivalent to approximately HK$196 million) and the investment properties located in Chengdu and Guangzhou, the PRC with total valuation of RMB124 million (equivalent to approximately HK$140 million). As to the remaining RMB100 million (equivalent to approximately HK$113 million), Chuang's China will pay to the Midas Group a combination of cash and/or a maximum of 40 villas in Changsha, the PRC within 3 years.

The property located in Chengdu is a commercial premises at 6th Floor, Chengdu Digital Plaza, No. 1 Renmin South Road Forth Portion, Wuhou District, Chengdu, Sichuan Province, the PRC with a gross area of approximately 4,255 *sq. m.* and is currently leased to a third party for a monthly rent of RMB260,000. Such monthly rent will be increased to RMB273,000 in October 2017 and RMB286,650 in October 2018. The lease will expire in September 2019.

The property located in Guangzhou comprises five commercial units in R&F Yingkai Square, No. 16 Huaxia Road, Tianhe District, Guangzhou, Guangdong Province, the PRC with a total gross area of approximately 895 *sq. m.* and is currently leased to a third party for a monthly rent of RMB180,441. The lease will expire in May 2018.

In order to further expand the investment property portfolio, in May 2017, the Midas Group acquired a property located at Shop B, Ground Floor, Wuhu Residence, No. 111 Wuhu Street, Hunghom, Kowloon. The property is for commercial use and has a total gross area of about 1,247 *sq. ft.*. The property is leased to a third party with the tenancy agreement expiring in February 2019. Annual rental of this property amounted to about HK$1.0 million.

All the above investment properties are expected to contribute an aggregate annual rental income of approximately HK$8.1 million to the Midas Group for the financial year 2017/18. Along with the existing strategy of the Midas Group, the Midas Group will continue to look for opportunities to acquire further investment properties with a view to strengthen its properties portfolio so as to further enhance its recurrent income and benefit from the long term capital appreciation in values of these investment properties.

(3) Information Technology Business

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.

(4) Prospects of the Midas Group

This fiscal year has been a purposeful year for the Midas Group's printing business. This marks the first profit making year for an extended period of losses. Going into 2017, the Midas Group continues to invest in latest machineries to compete, lower labour dependency, innovate in areas of automation and use available technologies and software to better manage the factory resources and operation. In addition to technology enhancement, in a competitive printing industry, the Midas Group continues to create value added services to differentiate it from pure manufacturing. This year serves as a foundation of future progress and the Midas Group is optimistic that despite all the challenges externally and within, the printing business will continue to grow.

In order to enhance its recurrent income base, in addition to investing in the bond market, the Midas Group will continue to expand its investment properties portfolio. The Midas Group will continue to look for suitable investment opportunities in the property sector with a view to increase stable rental income and the shareholders' value of the Midas Group in the medium to long term.

(F) Other Businesses

(1) 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$64.4 million (2016: HK$76.9 million), and incurred a loss of about HK$2.4 million (2016: HK$0.5 million). In order to restore the business to profitability, Sintex has taken steps to broaden its customer bases through internet sale and implement effective cost control.

(2) Securities Investment and Trading Business

During the year, securities investment and trading business of the Group recorded revenues and net gain of HK$123.0 million, comprising realized net gain on disposal of investments of HK$9.1 million, dividend and interest income from investments of HK$51.3 million, and fair value gain on investments of HK$62.6 million as a result of mark to market valuations as at the balance sheet date. As at 31st March, 2017, investments of the Group amounted to HK$1,657.4 million, of which HK$940.4 million were held by the wholly-owned subsidiaries of the Group, HK$604.9 million were held by the Chuang's China Group and HK$112.1 million were held by the Midas Group, and comprised as to HK$1,543.9 million for investments in high yield bonds and as to HK$113.5 million for investments in securities listed on the Stock Exchange.

Set out below is further information of the investments of the Group as at 31st March, 2017:

(i) Bonds investments

Stock code	Bond issuer	Face value of bonds held as at 31st March, 2017 *US$'000*	Market value as at 31st March, 2017 *HK$'000*	Percentage of market value to the Group's net assets as at 31st March, 2017	Fair value gain for the year ended 31st March, 2017 *HK$'000*	Interest income for the year ended 31st March, 2017 *HK$'000*
813	Shimao Property Holdings Limited (8.375%)	34,000	298,530	3.05%	3,725	20,262
3333	China Evergrande Group			2.61%	13,529	14,692
	(a) 8.75%	3,200	26,799			
	(b) 12%	25,950	228,708			
2007	Country Garden Holdings Company Limited			5.17%	18,459	11,934
	(a) 4.75%	10,000	76,447			
	(b) 5.625%	34,000	278,428			
	(c) 7.5%	18,000	151,068			
2777	Easy Tactic Limited, a wholly-owned subsidiary of Guangzhou R&F Properties Company Limited (5.75%)	50,000	402,800	4.12%	17,581	–
1813	KWG Property Holding Limited (6%)	10,000	81,142	0.83%	3,435	–
	Bonds disposed of during the year	–	–	–	–	3,228
		185,150	1,543,922	15.78%	56,729	50,116

(ii) Securities investments

Stock code	Investee company	Number of shares held as at 31st March, 2017	Market value as at 31st March, 2017	Percentage of market value to the Group's net assets as at 31st March, 2017	Fair value gain/ (loss) for the year ended 31st March, 2017	Dividend income for the year ended 31st March, 2017
			HK$'000		*HK$'000*	*HK$'000*
1113	Cheung Kong Property Holdings Limited	2,000,000	104,700	1.07%	3,385	1,210
1638	Kaisa Group Holdings Limited	2,000,000	5,500	0.06%	2,380	–
276	Mongolia Energy Corporation Limited	4,349,500	1,131	0.01%	322	–
8439	Somerley Capital Holdings Limited	1,142,000	2,136	0.02%	(229)	–
			113,467	1.16%	5,858	1,210

(iii) Brief description of principal business of the respective bond issuers and investee companies held as at 31st March, 2017

Name of company	Principal business
Shimao Property Holdings Limited	Property development, property investment and hotel operation
China Evergrande Group	Property development, property investment, property management, property construction, hotel operations, finance business, internet business, health industry business and fast consuming product business
Country Garden Holdings Company Limited	Property development, construction, fitting and decoration, property investment, property management and hotel operation
Guangzhou R&F Properties Company Limited	Development and sale of properties, property investment, hotel operations and other property development related services
KWG Property Holding Limited	Property development, property investment, hotel operation and property management
Cheung Kong Property Holdings Limited	Property development and investment, hotel and serviced suite operation and property and project management
Kaisa Group Holdings Limited	Property development, property investment, property management and hotel and catering operations
Mongolia Energy Corporation Limited	Energy and related resources business
Somerley Capital Holdings Limited	Provision of corporate finance advisory services

Fair value gain was recorded by the Group principally as a result of the higher market value of the bonds as at 31st March, 2017, as well as accrued interests up to that date. In general, bond prices and interest rates will carry an inverse relationship, i.e. if interest rates rise, the price of bonds tends to fall. Also, for the financial year ending 31st March, 2018, one of the bonds held by the Group will be callable by bond issuer at a price below the market value as at 31st March, 2017. If all the above happen, the high interest income will be offset by the effects of increase in interest rates and early redemption. The Group intends to continue investing in high yield bonds, which is a great tool to generate steady income stream, and will monitor the performance of the portfolio from time to time.

(3) Money Lending Business

During the year, Chuang's Credit Limited, a wholly-owned subsidiary of the Group holding a money lender's licence, had advanced loans to customers. Revenues generated from this business during the year amounted to HK$7.8 million. As at 31st March, 2017, outstanding amount of loans due from customers amounted to HK$157.9 million, which were mainly relating to mortgage loans.

FINANCIAL POSITION

Net asset value

As at 31st March, 2017, net assets attributable to equity holders of the Company was HK$9,788.4 million (2016: HK$8,614.7 million). Net asset value per share was HK$5.84 (2016: 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, 2017, the Group's cash, bank balances and investments held for trading amounted to HK$4,798.1 million (2016: HK$2,175.0 million). Bank borrowings as at the same date amounted to HK$6,184.6 million (2016: HK$3,971.1 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 14.2% (2016: 20.8%).

Approximately 95.9% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, 3.8% were in Renminbi and the balance of 0.3% were in other currencies. Approximately 88.5% of the Group's bank borrowings were denominated in Hong Kong dollar and United States dollar, 1.0% were in Renminbi, 8.2% were in British Pound Sterling and the balance of 2.3% were in Malaysian Ringgit and other currencies. Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 9.1% of the Group's bank borrowings were repayable within the first year, 9.8% were repayable within the second year, 77.3% were repayable within the third to fifth years and the balance of 3.8% 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

Looking ahead, the Group will continue our mission (i) to take steps to further enhance rental yield and return of our investment/hotel properties and thus their capital values by constantly reviewing the portfolio mix and yield with reference to their market prices; (ii) to unlock the store value of our development projects by speeding up their development and sales in accordance with local market conditions; (iii) to identify new business opportunities including land acquisitions and property investments; and (iv) to actively further review our group structure so that resources can be deployed in a more effective and efficient manner, all with a view to continue to create value for our shareholders.

CLOSING OF REGISTER

The AGM is scheduled on Friday, 8th September, 2017. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 4th September, 2017 to Friday, 8th September, 2017, 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 Friday, 1st September, 2017.

The proposed final dividend and the special dividend are subject to the approval of the shareholders of the Company at the AGM. The record date for entitlement to the proposed final dividend and the special dividend is Wednesday, 20th September, 2017. For determining the entitlement to the proposed final dividend and the special dividend, the register of members of the Company will be closed from Friday, 15th September, 2017 to Wednesday, 20th September, 2017, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and the special 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 Thursday, 14th September, 2017.

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, 2017, the Group (excluding the Chuang's China Group and the Midas Group) employed 346 staff, the Chuang's China Group employed 214 staff and the Midas Group employed 743 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

During the year ended 31st March, 2017 and up to the date of this announcement, the Company repurchased a total of 16,724,000 shares on the Stock Exchange at an aggregate cash consideration of approximately HK$23,540,520 (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$*	*HK$*
April 2016	5,140,000	1.05	1.03	5,319,200
June 2016	4,812,000	1.45	1.38	6,829,680
July 2016	1,084,000	1.50	1.49	1,625,920
September 2016	5,688,000	1.80	1.65	9,765,720
Total	16,724,000			23,540,520

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, 2017 and up to the date of this announcement.

CORPORATE GOVERNANCE

Due to other commitments, one or more Independent Non-Executive Directors had not attended the 2016 annual general meeting or the special 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, 2017 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, risk management 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, 2017. 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.

REVIEW OF PRELIMINARY ANNOUNCEMENT

The figures in this preliminary announcement of the Group's results for the year ended 31st March, 2017 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, 2017 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, 2017

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. Richard Hung Ting Ho, 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, Mr. David Chu Yu Lin and Mr. Tony Tse Wai Chuen are the Independent Non-Executive Directors of the Company.

* *English translation only*