

RESULTS

The directors announce that the audited consolidated loss attributable to shareholders of the Company and its subsidiaries (the "Group") for the year ended 31st March, 2001 amounted to HK\$69.0 million (2000: profit of HK\$114.3 million). Loss per share amounted to 5.76 HK cents as compared with earnings per share of 10.31 HK cents in 2000.

MANAGEMENT DISCUSSIONS ON RESULTS

Turnover of the Group decreased from HK\$487.2 million in last year to HK\$342.1 million in this year, representing a decrease of approximately 29.8%. This decrease was mainly attributable to the reduction in turnover from securities investment activities by about HK\$130.2 million as the Group has reduced its securities investment activities due to weak market sentiment during the year. Turnover from property investment and development activities and manufacturing and trading businesses were about HK\$152.4 million and HK\$119.2 million respectively, representing a decrease of 13.3% and an increase of 6.2% respectively when compared with last year.

Gross profit decreased by 47.1% to HK\$107.6 million (2000: HK\$203.4 million), which was principally due to a reduction in profits from disposal of quoted investments during the year. Operating profit decreased to HK\$3.5 million (2000: HK\$277.8 million) as a result of the reduction in gross profit coupled with a decrease in other income and an increase in other operating expenses. Loss attributable to shareholders amounted to HK\$69.0 million (2000: profit of HK\$114.3 million).

DIVIDENDS

The directors propose to declare a final dividend of 0.5 HK cent per share (2000: 1.0 HK cent per share) payable on or before 21st September, 2001 to shareholders whose names appear on the Company's register of members on 28th August, 2001. No interim dividend has been declared in respect of the current financial year (2000: 1.0 HK cent per share). Total dividend for the year amounted to 0.5 HK cent per share (2000: 2.0 HK cents per share).

REVIEW OF OPERATIONS

Reports of the Group's major business units are as follows:

1. CHUANG'S PROPERTIES LIMITED (100% OWNED)

During the year, rental and other income from investment properties amounted to HK\$116.6 million. Rental income was derived mainly from Chuang's London Plaza, Chuang's Hung Hom Plaza, Chuang's City Tower, a portion of Chuang's Enterprises Building, Park Villa and Chuang's Tower in Hong Kong and Central Plaza in Kuala Lumpur, Malaysia.

On the property development front, the Group has entered into an agreement with a third party to dispose of the companies that held the property located at No. 9 Middle Gap Road, Hong Kong during the year and the agreement was completed after the balance sheet date. Subsequent to the balance sheet date, the Group also launched The Notting Hill project located at No. 21 Tung Shan Terrace for presale. The proceeds received from the sale of these two properties have further strengthened the cash flow position of the Group.

The followings are major property investments of the Group:

(a) Investment Properties

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

Located at the heart of shopping centre in Tsim Sha Tsui, Kowloon, and next to the exit of the Mass Transit Railway, this property is a shopping and entertainment complex having a total area of 112,704 sq.ft.. Due to its strategic location, the Plaza is occupied by quality tenants such as Standard Chartered Bank, Fortress, Body Shop, Circle K Convenience Store and a number of famous restaurants. To attract more passenger



Chuang's London Plaza, Tsim Sha Tsui

flow and create additional income sources, a LED advertising displayer has been installed outside the Plaza and the Group is also studying plans to create additional external signages. The occupancy rate of the property has improved to approximately 91%, compared with about 88% last year.



Chuang's Hung Hom Plaza, Hunghom

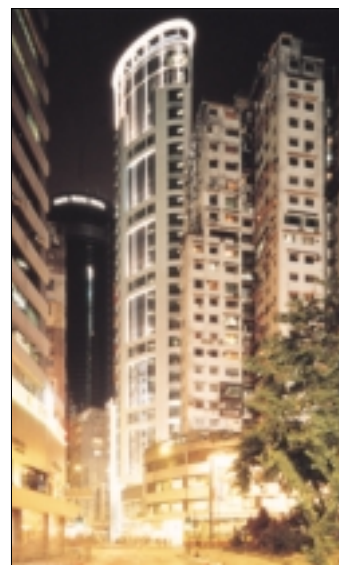
(ii) *Chuang's Hung Hom Plaza, No. 83 Wuhu Street, Hunghom, Kowloon (100% owned)*

The property, located at the heart of Hunghom, has a total area of 173,092 sq.ft. of commercial, office and car parking spaces. The occupancy rate of the property has been maintained at approximately 85%. Major tenants of the

property include the Government of the Hong Kong Special Administrative Region, Hongkong Bank as well as a famous restaurant and a bakery shop.

(iii) *Chuang's City Tower, No. 39 Morrison Hill Road, Wanchai, Hong Kong (100% owned)*

Developed by the Group, Chuang's City Tower is a 27-storey building with a total area of approximately 56,000 sq.ft. of commercial and office spaces. Due to its outstanding design, the property was awarded the Certificate of Merits by the Hong Kong Institute of Architects. The occupancy rate of the building has improved to approximately 82% from about 79% last year.



Chuang's City Tower, Wanchai



*Chuang's Enterprises Building,
Wanchai*

(iv) *Portion of Chuang's Enterprises Building, No. 382 Lockhart Road, Wanchai, Hong Kong (100% owned)*

Located at the heart of Wanchai, the property is a premier commercial and office building developed by the Group. After the disposal of the podium (G/F to 3/F) and a portion of the office floors at substantial profit, the Group owns the remaining eleven office floors of the building with a total area of approximately 27,000 sq.ft. for long term investment. At present, approximately 82% of the rentable area have been leased compared with about 61% last year.

(v) *Park Villa, No. 37 Island Road, Deep Water Bay, Hong Kong (100% owned)*

Located in Deep Water Bay, a prestigious residential area, this property has a total area of approximately 17,300 sq.ft.. The Group is studying plans to enhance the value of the property.



Park Villa, Deep Water Bay

(vi) *Chuang's Tower, Nos. 30-32 Connaught Road Central, Central, Hong Kong*

(100% owned by China Cyberworld Limited)

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 to the Hong Kong International Airport at Chek Lap Kok, the property has a total area of 60,587 sq.ft. of commercial and office spaces. The occupancy rate of the property is about 72%.



Chuang's Tower, Central



Central Plaza, Kuala Lumpur, Malaysia

(vii) *Central Plaza, No. 34 Jalan Sultan*

Ismail, 50250 Kuala Lumpur, Malaysia

(100% owned)

Developed by the Group, Central Plaza won the Architecture Award for Commercial Building from the Malaysian Institute of Architects due to its outstanding design. Located in the "Golden Triangle" of Kuala Lumpur, the property has a total area of approximately 380,000 sq.ft. of commercial, office and car parking spaces. The occupancy

rate of the property has improved to approximately 85% from about 76% last year.

(b) Properties For Sale/Under Development

(i) *No. 9 Middle Gap Road, Hong Kong (100% owned)*

The property, with a site area of 16,700 sq.ft., has been developed into a single bungalow with a total area of approximately 8,350 sq.ft.. The occupation permit was issued on 5th January, 2001. During the year, the Group has entered into an agreement with a third party to dispose of the companies that held the property. The agreement was completed subsequent to the balance sheet date. Profit derived therefrom will be recorded in the first half of the next financial year.