



CHUANG'S  
CHINA  
INVESTMENTS LIMITED

2015

INTERIM REPORT

(Incorporated in Bermuda with limited liability)  
Stock Code: 298



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# CORPORATE INFORMATION

<b>Honorary Chairman</b>	Alan Chuang Shaw Swee
<b>Directors</b>	Abraham Shek Lai Him, G.B.S., J.P.* ( <i>Chairman</i> ) Albert Chuang Ka Pun ( <i>Deputy Chairman</i> ) Ann Li Mee Sum ( <i>Managing Director</i> ) Chong Ka Fung Sunny Pang Chun Kit Wong Chung Wai David Chu Yu Lin, S.B.S., J.P.* Andrew Fan Chun Wah*

\* *Independent Non-Executive Directors*

<b>Audit Committee/ Nomination Committee/ Remuneration Committee</b>	Abraham Shek Lai Him, G.B.S., J.P.# David Chu Yu Lin, S.B.S., J.P. Andrew Fan Chun Wah
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<b>Corporate Governance Committee</b>	Albert Chuang Ka Pun Ann Li Mee Sum# Chong Ka Fung
	# <i>Chairman of the relevant committee</i>

<b>Company Secretary</b>	Lee Wai Ching
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<b>Auditor</b>	PricewaterhouseCoopers 22nd Floor, Prince's Building 10 Chater Road Central, Hong Kong
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<b>Registrars</b>	<b>Bermuda:</b> MUFG Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
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**Hong Kong:**  
Tricor Progressive Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## CORPORATE INFORMATION (*Continued*)

<b>Principal Bankers</b>	The Hongkong and Shanghai Banking Corporation Limited HSBC Bank (China) Company Limited Hang Seng Bank Limited Hang Seng Bank (China) Limited Bank of China (Hong Kong) Limited China Construction Bank Corporation
<b>Registered Office</b>	Clarendon House, 2 Church Street Hamilton HM 11, Bermuda
<b>Principal Office in Hong Kong</b>	25th Floor, Alexandra House 18 Chater Road, Central, Hong Kong Telephone: (852) 2522 2013 Facsimile: (852) 2810 6213 Email address: <a href="mailto:chuangs@chuangs.com.hk">chuangs@chuangs.com.hk</a> Website: <a href="http://www.chuang-s-china.com">www.chuang-s-china.com</a>
<b>Other Offices in Hong Kong and in the People's Republic of China (the "PRC")</b>	<b>Tsuen Wan Office</b> Yuen Sang Watch Industries Limited 1st Floor, 100 Texaco Road Tsuen Wan, New Territories, Hong Kong  <b>Beijing Office</b> Chuang's (Beijing) Investment Services Limited Unit 608B, 6th Floor, China Resources Building No. 8 Jianguomenbei Avenue Beijing, the PRC  <b>Guangzhou Office</b> Guangzhou Panyu Chuang's Real Estate Development Company Limited Liangang Road, Guangzhou Guangdong, the PRC  <b>Dongguan Office</b> Dongguan Chuang's Real Estate Development Company Limited 1st Floor, Chuang's New City Administrative Centre No. 8 Chuang's Road, Dongguan Guangdong, the PRC

## CORPORATE INFORMATION *(Continued)*

**Other Offices in  
Hong Kong and  
in the PRC**  
*(Continued)*

**Anshan Office**

Anshan Chuang's Property Development  
Company Limited  
Anshan Chuang's Real Estate Development  
Company Limited  
No. 738 Jian Guo Road  
Tie Dong Qu, Anshan  
Liaoning, the PRC

**Xiamen Office**

Xiamen Mingjia Binhai Resort Company Limited  
Room F, 24th Floor  
International Bank Building  
No. 8 Lujiang Road, Xiamen  
Fujian, the PRC

**Chengdu Office**

Chengdu Chuang's Investment Services Limited  
Room 1204, Block B  
Air China Century Centre  
No. 1 Hangkong Road  
Chengdu, Sichuan, the PRC

**Stock Code**

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## MANAGEMENT DISCUSSION ON RESULTS

The board of Directors (the “Board”) of Chuang’s China Investments Limited (the “Company”) presents the interim report including the condensed consolidated interim financial information of the Company and its subsidiaries (collectively as the “Group”) for the six months ended 30th September, 2014. The condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement and the condensed consolidated statement of changes in equity for the six months ended 30th September, 2014 and the condensed consolidated balance sheet as at 30th September, 2014 along with the notes thereon, are set out on pages 17 to 34 of this report.

### FINANCIAL REVIEW

Revenues of the Group for the six months ended 30th September, 2014 increased by approximately 83.1% compared to that of the last correspondence period to HK\$604.2 million (2013: HK\$330.1 million), comprising sales of properties in the People’s Republic of China (the “PRC”) of HK\$596.4 million (2013: HK\$318.8 million), rental and management fees income in the PRC of HK\$5.3 million (2013: HK\$5.0 million) and income from trading and manufacturing business of HK\$2.5 million (2013: HK\$6.3 million).

During the period under review, gross profit increased to HK\$243.0 million (2013: HK\$116.2 million) and was mainly attributable to the increase in sales of properties in the PRC. Other income and net gain decreased to HK\$26.0 million (2013: HK\$51.3 million) due to the absence of the one-off gain on disposal of a subsidiary recorded in the last corresponding period. A breakdown of other income and net gain is shown in note 7 on page 30 of this report. For the period under review, the Group recorded a slight gain on change in fair value of investment properties in the PRC of HK\$0.6 million (2013: HK\$0.3 million).

On the costs side, selling and marketing expenses increased to HK\$26.1 million (2013: HK\$21.6 million) as a result of a rise in sales of properties during the period. Administrative and other operating expenses decreased to about HK\$64.4 million (2013: HK\$68.6 million) as a result of effective cost control.

Finance costs slightly increased to HK\$0.9 million (2013: HK\$0.2 million) during the period. Share of result of an associated company amounted to HK\$0.3 million (2013: HK\$0.9 million) was in relation to the Group’s 25% interest in Treasure Auctioneer International Limited (“Treasure Auctioneer”). Taxation increased to HK\$102.8 million (2013: HK\$14.4 million) and was mainly due to the increase of sales of properties with higher profit margin in the PRC.

## **MANAGEMENT DISCUSSION ON RESULTS** *(Continued)*

### **FINANCIAL REVIEW** *(Continued)*

Taking these factors into account, profit attributable to equity holders of the Company for the six months ended 30th September, 2014 increased to HK\$77.1 million (2013: HK\$66.2 million). Earnings per share was 4.83 HK cents (2013: 4.24 HK cents).

### **INTERIM DIVIDEND**

The Board has resolved to pay an interim dividend of 1.0 HK cent (2013: 1.0 HK cent) per share payable on or before Tuesday, 13th January, 2015 to the shareholders whose names appear on the Company's register of members on Tuesday, 30th December, 2014.

### **BUSINESS REVIEW**

#### **Property Development**

The PRC property market was full of challenges, despite adjustments by some cities to relax the home purchase restrictions, but such relaxation was not widely adopted, for example in Guangzhou, only restriction on mortgage is relaxed. The followings are the progress of our major property projects in the PRC:

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

The development has a total gross floor area ("GFA") of 420,000 *sq. m.* and is divided into different phases. Phase I and II (Block A to P) have an aggregate GFA of 260,800 *sq. m.*, providing an aggregate of 2,077 residential flats and 22 villas, commercial podium and club houses with total GFA of 8,780 *sq. m.* and 1,497 carparking spaces. Occupancy of Block A to I, K, M and N were handed over to buyers in previous financial years. During the period under review, occupancy of Block J and L were handed over to buyers. Superstructure works of Block P, comprising 22 villas of about 7,000 *sq. m.*, are completed and external auxiliary services works are proceeding satisfactorily. Renovation works of the villa's show flat will be completed shortly.



## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### Property Development *(Continued)*

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

Phase III (Block Q to X) has a total GFA of about 166,000 *sq. m.*. Foundation works for Block Q and R with total GFA of about 50,000 *sq. m.* are in progress. For the remaining development, the Group will review the plot ratio and product mix and will implement the development schedule in accordance with local conditions.

Regarding the sales progress for Phase I and II, all high-rise blocks have been launched to the market for sale. Marketing of Block P (22 villas) will be launched when its show flat is completed. As of to-date, properties available for sales (including Block P, commercial properties and carparking spaces) amounted to about RMB640 million. Total sales of this project which have not yet been completed amounted to about RMB227 million (equivalent to approximately HK\$284 million), and will be recognized as revenues when these sales are completed and properties are handed over to buyers.

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

Imperial Garden has a total GFA of 520,000 *sq. m.* and is divided into different phases. Phase I (Block 1 to 8) has been completed and provides 665 residential units with an aggregate GFA of approximately 89,000 *sq. m.*, a modern commercial shopping complex of about 6,666 *sq. m.* and 184 carparking spaces.

Phase II (Block 9 to 14) has total GFA of 61,272 *sq. m.*, providing 574 flats ranging from 56 *sq. m.* to 127 *sq. m.*. During the period under review, occupancy of Block 9 to 11 were handed over to buyers. For Block 12 to 14, external landscaping works will be completed shortly. Foundation works for Phase III (Block 29 to 31) with total GFA of about 40,000 *sq. m.* have also commenced.

As of to-date, residential properties available for sales (Block 1 to 14) amounted to about RMB211 million, and commercial properties available for sale amounted to about RMB117 million. Total sales of the project which have not yet been completed amounted to about RMB126 million (equivalent to approximately HK\$158 million), and will be recognized as revenues when these sales are completed and properties are handed over to buyers.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### Property Development *(Continued)*

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

Our luxurious hotel and resort development occupies a site with an area of about 27,574 *sq. m.*. Focusing on a low density development, the project has 18,000 *sq. m.* in GFA and stands out in its master planning, architectural and landscape design. It comprises a 7-storey boutique hotel providing 100 keys, and a total of 30 villas. Superstructure works of the development are completed, while interior and fitting out works are in progress. It is expected that soft opening of the hotel will be held in mid 2015.

##### *Chuang's Mid-town, Anshan, Liaoning (100% owned)*

The development will provide integrated community with residential, shopping areas, specialty business activities, SOHO and office space with total GFA of about 100,000 *sq. m.*. Master planning for the project has been approved by the relevant PRC bureau. Foundation works are in progress and superstructure works will be closely following. Marketing of the project has commenced.

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

Adjacent to Chuang's Mid-town, the second site of the Group has developable GFA of 390,000 *sq. m.*, and will provide a mega integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Master planning for the project is in progress.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### Property Development *(Continued)*

##### *Others*

The Group holds a 54% interest in a property development project in Changsha. As at 30th September, 2014, the total investment costs of the Group in this project amounted to about HK\$80 million. Properties available for sales (total residential GFA of 19,000 *sq. m.* and commercial GFA of 11,600 *sq. m.*) of this project have a total book costs of about HK\$121 million. The operating license of the joint venture company in the PRC has expired since 2012 and the Group will take appropriate steps with a view to orderly dissolve this joint venture company in the PRC.

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

#### Property Investment

The Group holds an aggregate GFA of about 50,000 *sq. m.* of commercial properties in Guangzhou, Dongguan, Chengdu and Anshan for investment purpose. As at 30th September, 2014, the aggregate book value of these investment properties amounted to approximately HK\$236.0 million. In June 2014, the Group entered into an agreement to dispose of an investment property in Guangzhou with GFA of about 1,804 *sq. m.* at a consideration of approximately RMB32.4 million (equivalent to approximately HK\$40.5 million). The transaction was completed in July 2014 and realized a net gain after taxation of approximately RMB3.7 million (equivalent to approximately HK\$4.6 million) to the Group. Details of the transaction were set out in the announcement of the Company dated 12th June, 2014.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### Other Businesses

As at 30th September, 2014, the aggregate net book value of the Group's other businesses amounted to approximately HK\$214.2 million. These include: (a) the 25% interest in Treasure Auctioneer; (b) the 17.2% interest in a quoted investment in CNT Group Limited; and (c) the 3.4% interest in Shenzhen Harmony Investment Funds Co., Ltd. (深圳市同心投資基金股份公司).

### FINANCIAL POSITION

During the period under review, the Group maintained strong financial position. As at 30th September, 2014, the Group's cash and bank balances (including pledged bank balances) amounted to HK\$1,288.1 million (31st March, 2014: HK\$1,145.1 million). As at the same date, bank borrowings of the Group amounted to HK\$397.9 million (31st March, 2014: HK\$404.7 million). The Group has net cash of HK\$890.2 million (31st March, 2014: HK\$740.4 million). The calculation of net debt to equity ratio was therefore not applicable (31st March, 2014: Not applicable).

Approximately 29.1% of the Group's cash and bank balances were in Hong Kong dollar and United States dollar with the remaining 70.9% in Renminbi. Approximately 27.9% of the Group's bank borrowings were in Hong Kong dollar with the remaining 72.1% in Renminbi. Accordingly, risk in exchange rate fluctuation would not be material.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 49.1% of the Group's bank borrowings were repayable within the first year, 10.1% were repayable within the second year and the balance of 40.8% were repayable within the third to fifth years.

As at 30th September, 2014, the net asset value attributable to equity holders of the Company was HK\$2,590.0 million. Net asset value per share amounted to HK\$1.62, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

## **MANAGEMENT DISCUSSION ON RESULTS** *(Continued)*

### **PROSPECTS**

The PRC property market is embracing a new phase of consolidation period. The PRC government has introduced micro stimulus policy to improve liquidity and will adjust its regulatory policies to promote the long term healthy development of the property market. We remain cautiously optimistic with the long term prospect of the real estate industry.

Looking forward, the Group will actively look for opportunities in replenishing its land bank in the PRC as well as in Hong Kong in order to broaden the business coverage and to bring greater return to shareholders.

## OTHER INFORMATION

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September, 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

#### (a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Lee Sai Wai ("Mr. Lee")	808,000	Beneficial owner	0.05
Mr. Sunny Pang Chun Kit	620,000	Beneficial owner	0.04

#### (b) Interests in Chuang's Consortium International Limited ("CCIL")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Lee	208,331,296	<i>Note</i>	12.10
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,272,599	Beneficial owner	0.07

*Note: Interests in 207,608,072 shares in CCIL arose by attribution through Mr. Lee's spouse who is a discretionary object and the trustee of a discretionary trust which owned such shares. The remaining interests in 723,224 shares in CCIL is beneficially owned by Mr. Lee.*

## OTHER INFORMATION *(Continued)*

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

#### (c) Interests in Midas International Holdings Limited

<b>Name of Director</b>	<b>Number of shares</b>	<b>Capacity</b>	<b>Percentage of shareholding</b>
Mr. Abraham Shek Lai Him	30,000	Beneficial owner	0.0014

During the period under review, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

Other than as disclosed herein, as at 30th September, 2014, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION (Continued)

### SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures” above, as at 30th September, 2014, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Profit Stability Investments Limited (“PSI”)	907,869,949	Beneficial owner	56.90
CCIL	907,869,949	<i>Note 1</i>	56.90
Evergain Holdings Limited (“Evergain”)	907,869,949	<i>Note 1</i>	56.90
Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”)	907,869,949	<i>Note 1</i>	56.90
Mrs. Chong Ho Pik Yu	907,869,949	<i>Note 2</i>	56.90

*Note 1: Interests in 907,869,949 shares of the Company arose through the interests in the relevant shares owned by PSI, a wholly-owned subsidiary of CCIL. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL through Evergain, a company beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang and Mr. Chong Ka Fung are directors of CCIL and Evergain, and Mr. Albert Chuang is also a director of PSI.*

*Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang.*

Save as disclosed above, as at 30th September, 2014, there was no other person who was recorded in the register of the Company as having interests and short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.



## **OTHER INFORMATION** *(Continued)*

### **CORPORATE GOVERNANCE**

Due to other commitments, an Independent Non-Executive Director had not attended the 2014 annual general meeting of the Company as required by Code A.6.7 of the 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 six months ended 30th September, 2014 with the code provisions set out in the CG Code.

An audit committee has been established by the Company to review and supervise the Company’s financial reporting process and internal controls and review the relationship with the auditor. The audit committee has held meetings in accordance with the relevant requirements. The Group’s condensed consolidated interim financial information for the period ended 30th September, 2014 have been reviewed by the audit committee of the Company and by the Company’s independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The current members of the audit committee are Mr. Abraham Shek Lai Him, Mr. David Chu Yu Lin and Mr. Andrew Fan Chun Wah, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code 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.

### **UPDATE ON INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES**

Changes in the information of Director since the date of the 2014 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Mr. Andrew Fan Chun Wah (“Mr. Fan”) has been appointed as an independent non-executive director of Sinomax Group Limited (“Sinomax”) and Fulum Group Holdings Limited (“Fulum”) with effect from 4th March, 2014 and 28th October, 2014 respectively. The shares of Sinomax and Fulum were listed on the Stock Exchange in July 2014 and November 2014 respectively. Mr. Fan is also an independent non-executive director of LT Holdings Limited (“LT Holdings”), a company listed on the Stock Exchange. LT Holdings changed its name to LT Commercial Real Estate Limited in June 2014.

## **OTHER INFORMATION** *(Continued)*

### **DEALING IN THE COMPANY'S SECURITIES**

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the period.

### **CLOSING OF REGISTER**

The register of members of the Company will be closed from Monday, 22nd December, 2014 to Tuesday, 30th December, 2014, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar in Hong Kong, Tricor Progressive Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 19th December, 2014.

### **SHARE OPTION SCHEME**

On 31st August, 2012, a share option scheme (the "Share Option Scheme") was adopted by the Company. The purpose of the Share Option Scheme is to recognize the contribution of the eligible persons as defined in the scheme including, inter alia, any Directors, employees or business consultants of the Group (the "Eligible Persons"), to the growth of the Group and to further motivate the Eligible Persons to continue to contribute to the Group's long-term prosperity. No options have been granted under the Share Option Scheme since its adoption.

### **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 30th September, 2014, the Group employed 283 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.

By order of the Board of  
**Chuang's China Investments Limited**  
**Albert Chuang Ka Pun**  
*Deputy Chairman*

Hong Kong, 25th November, 2014

## CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

*For the six months ended 30th September, 2014*

	<i>Note</i>	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Revenues	5	<b>604,248</b>	330,090
Cost of sales		<b>(361,250)</b>	(213,940)
Gross profit		<b>242,998</b>	116,150
Other income and net gain	7	<b>25,973</b>	51,324
Selling and marketing expenses		<b>(26,067)</b>	(21,573)
Administrative and other operating expenses		<b>(64,443)</b>	(68,643)
Change in fair value of investment properties		<b>638</b>	258
Operating profit	8	<b>179,099</b>	77,516
Finance costs	9	<b>(885)</b>	(152)
Share of result of an associated company		<b>271</b>	854
Profit before taxation		<b>178,485</b>	78,218
Taxation	10	<b>(102,805)</b>	(14,376)
Profit for the period		<b>75,680</b>	63,842
Attributable to:			
Equity holders		<b>77,099</b>	66,200
Non-controlling interests		<b>(1,419)</b>	(2,358)
		<b>75,680</b>	63,842
Interim dividend	11	<b>16,077</b>	15,957
Earnings per share (basic and diluted)	12	<b>4.83</b>	4.24

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30th September, 2014

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Profit for the period</b>	<b>75,680</b>	63,842
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Net exchange differences	<b>11,356</b>	21,619
Realization of exchange reserve upon disposal of a subsidiary	–	(423)
Change in fair value of available-for-sale financial assets	<b>8,027</b>	(4,216)
Other comprehensive income for the period	<b>19,383</b>	16,980
<b>Total comprehensive income for the period</b>	<b>95,063</b>	80,822
Total comprehensive income attributable to:		
Equity holders	<b>95,774</b>	81,963
Non-controlling interests	<b>(711)</b>	(1,141)
	<b>95,063</b>	80,822

# CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2014

	<b>30th September, 2014</b>	31st March, 2014
<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	<b>89,289</b>	92,871
Investment properties	<b>235,982</b>	257,690
Land use right	<b>1,618</b>	1,632
Properties for/under development	<b>381,829</b>	352,446
Associated company	<b>8,621</b>	8,350
Available-for-sale financial assets	<b>205,590</b>	193,934
Loans and receivables	<b>12,638</b>	12,550
	<b>935,567</b>	919,473
<b>Current assets</b>		
Properties for sale	<b>1,555,300</b>	1,691,323
Inventories	<b>47,881</b>	4,760
Debtors and prepayments	<b>299,822</b>	309,135
Pledged bank balances	<b>30,319</b>	30,440
Cash and bank balances	<b>1,257,751</b>	1,114,628
	<b>3,191,073</b>	3,150,286
<b>Current liabilities</b>		
Creditors and accruals	<b>347,621</b>	277,710
Sales deposits received	<b>199,807</b>	368,575
Current portion of long-term bank borrowings	<b>377,610</b>	259,508
Dividend payable	<b>63,827</b>	–
Taxation payable	<b>292,656</b>	211,909
	<b>1,281,521</b>	1,117,702
<b>Net current assets</b>	<b>1,909,552</b>	2,032,584
<b>Total assets less current liabilities</b>	<b>2,845,119</b>	2,952,057

**CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)** *(Continued)*  
*As at 30th September, 2014*

		<b>30th September, 2014</b>	31st March, 2014
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Equity</b>			
Share capital	17	<b>79,784</b>	79,784
Reserves		<b>2,510,239</b>	2,414,465
Proposed final dividend		–	63,827
		<hr/>	<hr/>
Shareholders' funds		<b>2,590,023</b>	2,558,076
Non-controlling interests		<b>57,796</b>	58,507
		<hr/>	<hr/>
<b>Total equity</b>		<b>2,647,819</b>	2,616,583
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Long-term bank borrowings	16	<b>20,279</b>	145,155
Deferred taxation liabilities		<b>166,743</b>	180,144
Loans and payables with non-controlling interests		<b>10,278</b>	10,175
		<hr/>	<hr/>
		<b>197,300</b>	335,474
		<hr/>	<hr/>
		<b>2,845,119</b>	2,952,057
		<hr/>	<hr/>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30th September, 2014

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Net cash from operating activities	<u>103,389</u>	<u>151,276</u>
<b>Cash flows from investing activities</b>		
Proceed from disposal of an investment property	38,247	–
Purchase of available-for-sale financial assets	(3,107)	(25,280)
Others, net	<u>10,511</u>	<u>165</u>
Net cash from/(used in) investing activities	<u>45,651</u>	<u>(25,115)</u>
<b>Cash flows from financing activities</b>		
New bank borrowings	41,214	27,480
Repayment of bank borrowings	(50,022)	(25,280)
Others	<u>100</u>	<u>–</u>
Net cash (used in)/from financing activities	<u>(8,708)</u>	<u>2,200</u>
<b>Net increase in cash and cash equivalents</b>	<b>140,332</b>	128,361
Cash and cash equivalents at the beginning of the period	<b>1,108,191</b>	965,777
Exchange difference on cash and cash equivalents	<u>2,675</u>	<u>5,375</u>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>1,251,198</u></b>	<b><u>1,099,513</u></b>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	<b>1,257,751</b>	1,121,635
Bank deposits maturing more than three months from date of placement	<u>(6,553)</u>	<u>(22,122)</u>
<b>Cash and cash equivalents</b>	<b><u>1,251,198</u></b>	<b><u>1,099,513</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30th September, 2014

	Attributable to equity holders of the Company						Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Proposed final dividend HK\$'000	Shareholders' funds HK\$'000	Non- controlling interests HK\$'000	
At 1st April, 2014	79,784	2,277,907	136,558	63,827	2,558,076	58,507	2,616,583
Profit/(loss) for the period	-	-	77,099	-	77,099	(1,419)	75,680
Other comprehensive income:							
Net exchange differences	-	10,648	-	-	10,648	708	11,356
Change in fair value of available-for-sale financial assets	-	8,027	-	-	8,027	-	8,027
Total comprehensive income/(loss) for the period	-	18,675	77,099	-	95,774	(711)	95,063
Transaction with owners:							
Dividend	-	-	-	(63,827)	(63,827)	-	(63,827)
At 30th September, 2014	<b>79,784</b>	<b>2,296,582</b>	<b>213,657</b>	<b>-</b>	<b>2,590,023</b>	<b>57,796</b>	<b>2,647,819</b>
At 1st April, 2013	78,092	2,257,703	106,074	31,237	2,473,106	62,363	2,535,469
Profit/(loss) for the period	-	-	66,200	-	66,200	(2,358)	63,842
Other comprehensive income:							
Net exchange differences	-	20,402	-	-	20,402	1,217	21,619
Realization of exchange reserve upon disposal of a subsidiary	-	(423)	-	-	(423)	-	(423)
Change in fair value of available-for-sale financial assets	-	(4,216)	-	-	(4,216)	-	(4,216)
Total comprehensive income/(loss) for the period	-	15,763	66,200	-	81,963	(1,141)	80,822
Transaction with owners:							
Dividend	-	-	-	(31,237)	(31,237)	-	(31,237)
At 30th September, 2013	<b>78,092</b>	<b>2,273,466</b>	<b>172,274</b>	<b>-</b>	<b>2,523,832</b>	<b>61,222</b>	<b>2,585,054</b>



# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 1. General information

Chuang's China Investments Limited (the "Company") is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

As at 30th September, 2014, the Company was a 56.9% owned subsidiary of Profit Stability Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Chuang's Consortium International Limited ("CCIL"), a limited liability company incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Directors regard CCIL as the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property development and investment, hotel operation and management, manufacturing, sales and trading of goods and merchandises, including watch components and art pieces, and securities investment and trading.

## 2. Basis of preparation

The condensed consolidated interim financial information has been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets at fair values, and in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31st March, 2014 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated annual financial statements of the Group for the year ended 31st March, 2014, except as stated below.

### Effect of adopting amendments to standards and interpretation

For the six months ended 30th September, 2014, the Group adopted the following amendments to standards and interpretation that are effective for the accounting periods beginning on or after 1st April, 2014 and relevant to the operations of the Group:

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 2. Basis of preparation *(Continued)*

#### **Effect of adopting amendments to standards and interpretation *(Continued)***

The Group has assessed the impact of the adoption of these amendments to standards and interpretation and considered that there was no significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies and presentation of the condensed consolidated interim financial information.

#### **New standards and amendments to standards that are not yet effective**

The following new standards and amendments to standards have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2015, but have not yet been early adopted by the Group:

HKAS 16 (Amendment) and HKAS 38 (Amendment)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 19 (Amendment)	Defined Benefit Plans – Employee Contributions (effective from 1st July, 2014)
HKFRS 7 and HKFRS 9 (Amendment)	Financial Instruments: Disclosures – Mandatory Effective Date and Transition Disclosures (effective from 1st January, 2015)
HKFRS 9	Financial Instruments (to be determined)
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2017)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendment)	Annual Improvements to HKFRSs 2011–2013 Cycle (effective from 1st July, 2014)

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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 3. Financial risk management

#### (a) Financial risk factors

The activities of the Group expose it to a variety of financial risks including credit risk, liquidity risk, cash flow and fair value interest rate risk, foreign exchange risk and price risk. The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the consolidated annual financial statements and it should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31st March, 2014. There has been no material change in the Group's financial risk management policies since the year ended 31st March, 2014.

#### (b) Liquidity risk

Compared to the year ended 31st March, 2014, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

#### (c) Fair value estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date, whereas the fair values of other financial assets and financial liabilities are determined in accordance with the generally accepted pricing models based on discounted cash flow analysis.

The Directors considered that the carrying values of financial assets and financial liabilities recorded at amortized costs in the condensed consolidated interim financial information approximate their fair values.

During the six months ended 30th September, 2014, there were no significant change in the business or economic circumstances that affect the fair values of the Group's financial assets and financial liabilities, no transfers of financial assets or financial liabilities between the levels in the hierarchy, and no reclassifications of financial assets.

### 4. Critical accounting estimates and judgments

Estimates and judgments used in preparing the condensed consolidated interim financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions applied in the preparation of the condensed consolidated interim financial information are consistent with those used in the consolidated annual financial statements of the Group for the year ended 31st March, 2014.

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION** *(Continued)*

**5. Revenues**

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

	<b>2014</b>	2013
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Sales of properties	<b>596,391</b>	318,773
Rental income and management fees	<b>5,313</b>	5,033
Sales of goods and merchandises	<b>2,544</b>	6,284
	<b><u>604,248</u></b>	<u>330,090</u>

**6. Segment information**

**(a) Segment information by business lines**

The chief operating decision maker (the “CODM”) has been identified as the Executive Directors and senior management. The CODM reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The CODM considers the business from a business perspective, including property development and investment, sales of goods and merchandises, and others (including hotel operation and management, and securities investment and trading). The CODM assesses the performance of the operating segments based on a measure of segment result.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

## 6. Segment information (Continued)

### (a) Segment information by business lines (Continued)

The segment information by business lines is as follows:

	Property development and investment <i>HK\$'000</i>	Sales of goods and merchandises <i>HK\$'000</i>	Others and corporate <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>2014</b>				
Revenues	601,704	2,544	–	604,248
Other income and net gain	12,199	226	13,548	25,973
	<u>206,914</u>	<u>(477)</u>	<u>(27,338)</u>	<u>179,099</u>
Operating profit/(loss)	206,914	(477)	(27,338)	179,099
Finance costs	(885)	–	–	(885)
Share of result of an associated company	–	–	271	271
	<u>206,029</u>	<u>(477)</u>	<u>(27,067)</u>	<u>178,485</u>
Profit/(loss) before taxation	206,029	(477)	(27,067)	178,485
Taxation	(102,805)	–	–	(102,805)
	<u>103,224</u>	<u>(477)</u>	<u>(27,067)</u>	<u>75,680</u>
	<u>103,224</u>	<u>(477)</u>	<u>(27,067)</u>	<u>75,680</u>
<b>As at 30th September, 2014</b>				
Segment assets	2,970,628	3,532	1,143,859	4,118,019
Associated company	–	–	8,621	8,621
	<u>2,970,628</u>	<u>3,532</u>	<u>1,152,480</u>	<u>4,126,640</u>
Total assets	2,970,628	3,532	1,152,480	4,126,640
	<u>1,403,584</u>	<u>1,032</u>	<u>74,205</u>	<u>1,478,821</u>
Total liabilities	1,403,584	1,032	74,205	1,478,821
	<u>1,403,584</u>	<u>1,032</u>	<u>74,205</u>	<u>1,478,821</u>
<b>2014</b>				
Other segment items are as follows:				
Capital expenditure	200,450	4	2,067	202,521
Depreciation	1,054	1	4,895	5,950
Amortization of land use rights				
– charged to the consolidated income statement	16	–	–	16
– capitalized into properties	2,000	–	–	2,000
	<u>2,016</u>	<u>–</u>	<u>–</u>	<u>2,016</u>

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**6. Segment information (Continued)**

**(a) Segment information by business lines (Continued)**

	Property development and investment <i>HK\$'000</i>	Sales of goods and merchandises <i>HK\$'000</i>	Others and corporate <i>HK\$'000</i>	Total <i>HK\$'000</i>
2013				
Revenues	323,806	6,284	–	330,090
Other income and net gain	42,884	91	8,349	51,324
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Operating profit/(loss)	113,471	(4,638)	(31,317)	77,516
Finance costs	–	–	(152)	(152)
Share of result of an associated company	–	–	854	854
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Profit/(loss) before taxation	113,471	(4,638)	(30,615)	78,218
Taxation	(14,376)	–	–	(14,376)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Profit/(loss) for the period	99,095	(4,638)	(30,615)	63,842
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
As at 31st March, 2014				
Segment assets	3,425,669	2,383	633,357	4,061,409
Associated company	–	–	8,350	8,350
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	3,425,669	2,383	641,707	4,069,759
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	1,438,306	6,023	8,847	1,453,176
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
2013				
Other segment items are as follows:				
Capital expenditure	189,288	433	531	190,252
Depreciation	1,154	158	4,281	5,593
Amortization of land use rights				
– charged to the consolidated income statement	16	–	–	16
– capitalized into properties	2,000	–	–	2,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 6. Segment information (Continued)

#### (b) Geographical segment information

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

	Revenues		Capital expenditure	
	2014 HK\$'000	2013 HK\$'000	2014 HK\$'000	2013 HK\$'000
Hong Kong	2,112	5,523	3,665	1,802
The People's Republic of China (the "PRC")	601,704	323,806	198,856	188,450
Other countries	432	761	-	-
	<u>604,248</u>	<u>330,090</u>	<u>202,521</u>	<u>190,252</u>
	Non-current assets (Note)		Total assets	
	30th September, 2014 HK\$'000	31st March, 2014 HK\$'000	30th September, 2014 HK\$'000	31st March, 2014 HK\$'000
Hong Kong	74,989	77,543	700,262	643,222
The PRC	642,350	635,446	3,425,669	3,425,945
Other countries	-	-	709	592
	<u>717,339</u>	<u>712,989</u>	<u>4,126,640</u>	<u>4,069,759</u>

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

**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**7. Other income and net gain**

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Interest income from bank deposits	<b>10,338</b>	6,925
Dividend income from available-for-sale financial assets	<b>3,784</b>	2,776
Gain on disposal of an investment property	<b>11,241</b>	–
Gain on disposal of a subsidiary ( <i>Note</i> )	–	40,491
Fair value gain on transfer of properties from properties for sale to investment properties	<b>455</b>	673
Net gain on disposal of property, plant and equipment	<b>454</b>	86
Net exchange loss	<b>(305)</b>	(155)
Sundries	<b>6</b>	528
	<b>25,973</b>	51,324

*Note:* On 27th May, 2013, a wholly-owned subsidiary (the “Vendor”) of the Group entered into an agreement with an independent third party (the “Purchaser”) to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million (equivalent to HK\$61.3 million) in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013. Details of the transaction were set out in the announcement of the Company dated 27th May, 2013.

**8. Operating profit**

	<b>2014</b>	2013
	<b>HK\$'000</b>	HK\$'000
Operating profit is stated after charging:		
Amortization of land use right	<b>16</b>	16
Cost of properties sold	<b>356,068</b>	200,956
Cost of inventories sold	<b>1,545</b>	9,139
Depreciation	<b>5,950</b>	5,593
Staff costs, including Directors’ emoluments		
Wages and salaries	<b>25,974</b>	24,956
Retirement benefit costs	<b>1,468</b>	575



**NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION (Continued)**

**9. Finance costs**

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interest expenses		
Bank borrowings wholly repayable within five years	<u>12,631</u>	<u>9,318</u>
Amount capitalized into		
Properties for/under development	(1,594)	(1,272)
Properties for sale	<u>(10,152)</u>	<u>(7,894)</u>
	<u>(11,746)</u>	<u>(9,166)</u>
	<u>885</u>	<u>152</u>

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalization rates applied to funds borrowed for the development of properties range from 3.15% to 7.38% (2013: 3.11% to 6.15%) per annum.

**10. Taxation**

	<b>2014</b> <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current taxation		
PRC corporate income tax	40,920	17,865
PRC land appreciation tax	75,494	1,570
Deferred taxation	<u>(13,609)</u>	<u>(5,059)</u>
	<u>102,805</u>	<u>14,376</u>

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the period (2013: Nil). PRC corporate income tax has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC. 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 an associated company for the six months ended 30th September, 2014 of HK\$91,000 (2013: HK\$172,000) is included in the consolidated income statement as share of result of an associated company.

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

## 11. Interim dividend

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interim dividend of 1.0 HK cent (2013: 1.0 HK cent) per share	<u>16,077</u>	<u>15,957</u>

On 25th November, 2014, the board of Directors declared an interim dividend of 1.0 HK cent (2013: 1.0 HK cent) per share amounting to HK\$16,077,000 (2013: HK\$15,957,000). The amount of HK\$16,077,000 is calculated based on 1,607,694,567 issued shares as at 25th November, 2014. This dividend is not reflected as a dividend payable in the condensed consolidated interim financial information, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2015.

## 12. Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$77,099,000 (2013: HK\$66,200,000) and the weighted average number of 1,595,683,140 (2013: 1,561,840,530) shares in issue during the period.

The diluted earnings per share is equal to the basic earnings per share since there are no dilutive potential shares in issue during the periods.

## 13. Capital expenditure

For the six months ended 30th September, 2014, the Group acquired property, plant and equipment of HK\$2,208,000 (2013: HK\$2,178,000) and incurred development costs on property projects of HK\$200,313,000 (2013: HK\$188,074,000).

## 14. Debtors and prepayments

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

	30th September, 2014 <i>HK\$'000</i>	31st March, 2014 <i>HK\$'000</i>
Below 30 days	20,322	17,703
31 to 60 days	181	141
61 to 90 days	449	1,036
Over 90 days	<u>1,475</u>	<u>2,071</u>
	<u>22,427</u>	<u>20,951</u>

Debtors and prepayments include net deposits of HK\$222,519,000 (31st March, 2014: HK\$220,902,000) for property projects and acquisition of land use rights in the PRC after the accumulated provision for impairment of HK\$11,272,000 (31st March, 2014: HK\$11,272,000) as at 30th September, 2014.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

### 15. Creditors and accruals

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

	<b>30th September, 2014</b>	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	33	364
31 to 60 days	4	258
Over 60 days	154	568
	<u>191</u>	<u>1,190</u>

Creditors and accruals include the construction cost payables and accruals of HK\$220,872,000 (31st March, 2014: HK\$156,340,000) for the property projects of the Group.

### 16. Borrowings

	<b>30th September, 2014</b>	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unsecured long-term bank borrowings	188,625	178,616
Secured long-term bank borrowings	209,264	226,047
	<u>397,889</u>	<u>404,663</u>

The long-term bank borrowings are analyzed as follows:

	<b>30th September, 2014</b>	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long-term bank borrowings wholly repayable within five years*	397,889	404,663
Current portion included in current liabilities		
Portion due within one year	(195,272)	(14,952)
Portion due after one year which contains a repayment on demand clause	(182,338)	(244,556)
	<u>(377,610)</u>	<u>(259,508)</u>
	<u>20,279</u>	<u>145,155</u>

\* Ignoring the effect of any repayment on demand clause

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(Continued)*

### 16. Borrowings *(Continued)*

The bank borrowings are repayable in the following periods based on the agreed scheduled repayment dates set out in the loan agreements:

	<b>30th September, 2014</b>	31st March, 2014
	<b>HK\$'000</b>	HK\$'000
Within the first year	<b>195,272</b>	14,952
Within the second year	<b>40,260</b>	223,183
Within the third to fifth years	<b>162,357</b>	166,528
	<b>397,889</b>	404,663

### 17. Share capital

	<b>30th September, 2014</b>	31st March, 2014
	<b>HK\$'000</b>	HK\$'000
Authorized:		
18,000,000,000 shares of HK\$0.05 each	<b>900,000</b>	900,000
Issued and fully paid:		
1,595,683,140 shares of HK\$0.05 each	<b>79,784</b>	79,784

### 18. Financial guarantees

As at 30th September, 2014, the subsidiaries had provided guarantees of HK\$744,376,000 (31st March, 2014: HK\$593,591,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

### 19. Commitments

As at 30th September, 2014, the Group had commitments contracted but not provided for in respect of property projects and property, plant and equipment of HK\$65,325,000 (31st March, 2014: HK\$212,471,000) and available-for-sale financial assets of HK\$50,300,000 (31st March, 2014: HK\$49,952,000) respectively.

### 20. Pledge of assets

As at 30th September, 2014, the Group had pledged certain assets including properties for sale and bank deposits, with an aggregate carrying value of HK\$125,948,000 (31st March, 2014: HK\$202,539,000, including investment properties), to secure banking and financial guarantee facilities granted to the subsidiaries.