



CHUANG'S
CONSORTIUM
INTERNATIONAL LIMITED

2015

INTERIM REPORT

(Incorporated in Bermuda with limited liability)
Stock Code: 367

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CORPORATE INFORMATION

Directors

Alan Chuang Shaw Swee (*Chairman*)
Alice Siu Chuang Siu Suen (*Vice-Chairman*)
Ko Sheung Chi (*Managing Director*)
Albert Chuang Ka Pun
Candy Chuang Ka Wai
Chong Ka Fung
Lui Lop Kay
Wong Chung Wai
Abraham Shek Lai Him, G.B.S., J.P.*
Fong Shing Kwong*
Yau Chi Ming*
David Chu Yu Lin, S.B.S., J.P.*

** Independent Non-Executive Directors*

Audit Committee

Abraham Shek Lai Him, G.B.S., J.P.#
Fong Shing Kwong
Yau Chi Ming

**Nomination Committee/
Remuneration Committee**

Abraham Shek Lai Him, G.B.S., J.P.#
Fong Shing Kwong
David Chu Yu Lin, S.B.S., J.P.

**Corporate Governance
Committee**

Ko Sheung Chi#
Albert Chuang Ka Pun
Candy Chuang Ka Wai

Chairman of the relevant committee

Company Secretary

Lee Wai Ching

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Registrars

Bermuda:
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The Belvedere Building
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Bermuda

Hong Kong:
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Level 22, Hopewell Centre
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Hong Kong

CORPORATE INFORMATION *(Continued)*

Principal Bankers	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 CIMB Bank Berhad
Registered Office	Clarendon House, 2 Church Street Hamilton HM 11, Bermuda
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Malaysia Office	16th Floor, Central Plaza 34 Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia
Vietnam Office	Room 704, 7th Floor Capital Place Building 6 Thai Van Lung Street, District 1 Ho Chi Minh City, Vietnam
Mongolia Office	3rd Floor, Eastern Section New Century Plaza Chinggis Avenue-15 Sukhbaatar District-1 14251 Ulaanbaatar, Mongolia
Stock Code	367

MANAGEMENT DISCUSSION ON RESULTS

The board of Directors (the “Board”) of Chuang’s Consortium International Limited (the “Company”) presents the interim report including the condensed 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 27 to 50 of this report.

FINANCIAL REVIEW

Revenues of the Group for the six months ended 30th September, 2014 amounted to HK\$879.8 million (2013: HK\$632.7 million), representing an increase of 39.1% compared to that of the last corresponding period. This was mainly due to a higher level of property sales in the People’s Republic of China (the “PRC”) recognized by the Group during the period under review. Revenues of the Group comprised income from sales of properties of HK\$596.4 million (2013: HK\$333.6 million), income from rental of investment properties of HK\$82.1 million (2013: HK\$71.8 million), income from sales of goods and merchandises of HK\$191.2 million (2013: HK\$213.8 million), income from cemetery business of HK\$5.2 million (2013: HK\$5.5 million) and income from securities investment and trading business of HK\$4.9 million (2013: HK\$8.0 million).

As a result of the increase in the level of property sales, gross profit of the Group during the period amounted to HK\$340.8 million (2013: HK\$225.6 million), representing an increase of 51.1% compared to that of the last corresponding period. Other income and net gain amounted to HK\$67.3 million (2013: HK\$63.1 million) and a detailed breakdown is shown in note 7 on page 40 of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK\$176.8 million (2013: HK\$297.2 million) for its investment properties, reflecting the continued improvement in property prices in Hong Kong during the period under review.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL REVIEW *(Continued)*

On the costs side, selling and marketing expenses decreased to HK\$50.4 million (2013: HK\$61.3 million) as the majority of the marketing expenses relating to the launching of a project in Hong Kong were incurred in the last corresponding period. Administrative and other operating expenses increased to HK\$189.5 million (2013: HK\$181.2 million) mainly due to an increase in business activities of the Group and a general increase in overheads. Finance costs increased to HK\$31.5 million (2013: HK\$24.7 million) as a result of the increase of bank borrowings to finance ongoing projects of the Group. Share of net loss of associated companies and a joint venture amounted to HK\$0.4 million (2013: net profit of HK\$0.8 million). Taxation amounted to HK\$26.7 million (2013: HK\$14.2 million) mainly relating to net tax paid or payable on sales of properties.

Taking all the above into account, profit attributable to equity holders of the Company for the six months ended 30th September, 2014 amounted to HK\$255.7 million (2013: HK\$286.9 million). Earnings per share was 14.85 HK cents (2013: 17.07 HK cents).

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of 2.0 HK cents (2013: 2.0 HK cents) per share payable on or before Friday, 27th February, 2015 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on Tuesday, 30th December, 2014.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlements will be calculated by reference to the par value of the shares of the Company, being HK\$0.25, or the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including Tuesday, 30th December, 2014, whichever is the higher. A circular giving full details of the scrip dividend scheme and a form of election will be sent to the shareholders as soon as practicable.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW

(A) Hong Kong Property Division

(i) Investment Properties

Major investment properties of the Group in Hong Kong comprise (a) Chuang's London Plaza in Tsim Sha Tsui, (b) Chuang's Tower in Central, (c) House A, No. 37 Island Road in Deep Water Bay and (d) No. 15 Gough Hill Road in The Peak (which is now under redevelopment). The total gross area of the Group's investment property portfolio in Hong Kong amounted to approximately 190,000 *sq. ft.* comprising retail, office, high-class residential and carparking spaces. Rental and other income from investment properties in Hong Kong during the period amounted to HK\$65.4 million, representing an increase of about 16.2% compared to that of the last corresponding period.

In order to further improve the rental yield and thus the capital value of Chuang's London Plaza, the Group is exploring plans and strategies to renovate and upgrade the property with a view to increase the gross area of the shops at the ground floor and the first floor levels and to improve the accessibility of the shops at the basement levels. In order to achieve the above objectives, building plans have been submitted to the relevant authorities pending approval. Once all approvals are obtained, the Group will evaluate the best timing to carry out the renovation and the upgrading works.

The redevelopment of No. 15 Gough Hill Road, The Peak into a single house with unique architectural design has been progressing satisfactorily. Site formation and foundation works are in progress and are expected to be completed in the fourth quarter of 2015 which will be closely followed by the superstructure works. The project is expected to be completed in the fourth quarter of 2016. In view of the limited supply of this type of luxury property in that area, it is envisaged that rental and capital value of the property will be significantly enhanced upon completion of the development.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(A) Hong Kong Property Division *(Continued)*

(ii) Properties Under Development/Held For Sale

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

The property is close to the Jordan Station of the mass transit railway and will be 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). Superstructure works are in progress and has been completed up to the eighteenth level. The project is expected to be completed in the third quarter of 2015. Pre-sale of the project has been commenced and up to the date of this report, 75 residential units and certain shopping units have been pre-sold with an aggregate sales value of HK\$748.6 million, and deposits of about HK\$124 million have been received. The Group will continue to market the remaining residential units and ground floor shops.

(b) Villa 28 and Villa 30, Po Shan Road, Hong Kong (50% owned)

The Group owns a 50% interest in the project and is the project manager of the development. The property is located in a prestigious mid-level area that enjoys a glamorous sea-view. Demolition works have been completed and building plans have been approved to develop the property into two semi-detached residences with a gross floor area (“GFA”) of about 40,632 *sq. ft.*. However, in order to increase the supply of land in the short to medium term, the Hong Kong SAR Government has indicated that it will actively consider relaxing or lifting a moratorium currently in force which restricts the modification of lease in the mid-level area. In light of this development, the Group has engaged consultants and liaised with relevant authorities in order to determine the best development strategy of this project with a view to maximizing its development potential.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(A) Hong Kong Property Division *(Continued)*

(iii) Hotel Operation

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

Hotel sáv is located at the heart of Hunghom and comprises 388 rooms together with shopping units at the ground floor and first floor levels. Application for hotel licence has been made and it is expected that the hotel will be in operation by the end of 2014. The hotel will be managed by Sav Hospitality Limited, the hotel management arm of the Group.

(B) International Property Division

(i) Malaysia

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

Central Plaza, located in 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 period, rental and other income from this property amounted to HK\$11.4 million, representing an increase of 8.6% over that of the last corresponding period. Currently, the Group is carrying out feasibility study for upgrading the property or converting the property into hotel/apartment usage in order to further enhance the yield and thus the capital value.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(B) International Property Division *(Continued)*

(ii) Vietnam

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

The project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of 94,000 *sq. m.* will be developed on the site. The site is currently vacant and the Group is still carrying out studies on the development strategy of this project.

- (b) Duc Hoa District, Long An Province

The Group had participated in a 70% interest in the project pursuant to an agreement entered into between the Group and the joint venture partner. As disclosed in various announcements published by the Company, an arbitral award has been granted in favour of the Group for specific performance against the joint venture partner. The Group is now in the process of taking steps to enforce the arbitral award in accordance with local laws and regulations.

(iii) Taiwan

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

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and 6 apartment units (of which 2 are duplex apartments). Occupation permit has been issued by the relevant authorities and internal decoration works for the apartments have been completed. Marketing works for leasing out the apartments are in progress.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(B) International Property Division *(Continued)*

(iv) *Mongolia*

- (a) International Finance Centre, Sukhbaatar District, Ulaanbaatar (100% owned)

The project has a site area of about 3,272 *sq. m.* and is located within the central business district. It is planned that a retail/office building will be developed. Concept design has been approved and detailed building plans have been submitted to the relevant authorities pending approval. Foundation works are completed while application for commencement of superstructure works will be made when the detailed building plans are approved.

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

The project has a site area of about 5,600 *sq. m.* and is located nearby the city centre within the embassy district. It is planned that two towers of apartments will be developed. Detailed building plans for the first tower of apartments with GFA of about 19,800 *sq. m.* have been approved by the relevant authorities. Excavation works have been completed and contracts for foundation and superstructure works of the first tower of apartments will be awarded soon.

(v) *Philippines*

- Pacific Cebu Resort, Cebu (40% owned)

Pacific Cebu Resort is a resort established in 1992 with 136 rooms and abundant diving facilities, and is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*. Recently, renovation works to upgrade the rooms and the facilities have been completed. Furthermore, the Group is also carrying out feasibility studies to develop the vacant land within the resort (about 20,000 *sq. m.*) into hotel/condominiums/villas/shops in order to create more value. The resort is managed by Sav Hospitality Limited.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) PRC Property Division

All property activities of the Group in the PRC are conducted through Chuang's China Investments Limited ("Chuang's China" and together with its subsidiaries as the "Chuang's China Group"), a 57% owned listed subsidiary of the Group. For the six months ended 30th September, 2014, Chuang's China recorded revenues of HK\$604.2 million (2013: HK\$330.1 million) (which comprised revenues from sales of properties in the PRC of HK\$596.4 million (2013: HK\$318.8 million), revenues from rental of investment properties and management fees in the PRC of HK\$5.3 million (2013: HK\$5.0 million) and revenues from trading and manufacturing business of HK\$2.5 million (2013: HK\$6.3 million)) and profit attributable to equity holders of HK\$77.1 million (2013: HK\$66.2 million).

(i) Development Properties

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:

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

The development has a total 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)*

(C) PRC Property Division *(Continued)*

(i) *Development Properties (Continued)*

- (a) Chuang's Le Papillon, Guangzhou, Guangdong (100% owned by Chuang's China) *(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.

- (b) Imperial Garden, Chuang's New City, Dongguan, Guangdong (100% owned by Chuang's China)

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.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) PRC Property Division *(Continued)*

(i) *Development Properties (Continued)*

- (b) Imperial Garden, Chuang's New City, Dongguan, Guangdong (100% owned by Chuang's China) *(Continued)*

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.

- (c) sáv Resort & Spa, Xiamen, Fujian (59.5% owned by Chuang's China)

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.

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

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.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) PRC Property Division *(Continued)*

(i) *Development Properties (Continued)*

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

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.

- (f) Others

The Chuang's China Group holds a 54% interest in a property development project in Changsha. As at 30th September, 2014, the total investment costs of the Chuang's China 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 Chuang's China Group will take appropriate steps with a view to orderly dissolve this joint venture company in the PRC.

The Chuang's China 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 Chuang's China Group is in continuous discussion with the partner of this project for the repayment of the total investments of the Chuang's China Group in this project by the partner and such discussion may or may not be materialized.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) PRC Property Division *(Continued)*

(ii) Investment Properties

The Chuang's China Group holds an aggregate GFA of about 50,000 *sq. m.* of commercial properties in Guangzhou, Dongguan, Chengdu and Anshan for investments purposes. As at 30th September, 2014, the aggregate book value of these investment properties amounted to approximately HK\$236.0 million. In June 2014, the Chuang's China 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 Chuang's China Group. Details of the transaction were set out in the announcement of Chuang's China dated 12th June, 2014.

(D) Midas International Holdings Limited ("Midas")

Midas is a 60.8% owned listed subsidiary of the Group and is principally engaged in the printing business and the property business focusing on the development and operation of cemetery in the PRC. For the six months ended 30th September, 2014, Midas recorded revenues of HK\$161.2 million (2013: HK\$186.0 million) (which comprised revenues from the printing business of HK\$156.0 million (2013: HK\$180.5 million) and revenues from the cemetery business of HK\$5.2 million (2013: HK\$5.5 million)) and profit attributable to equity holders of HK\$10.7 million (2013: loss of HK\$14.3 million).

In November 2014, Midas completed a rights issue to raise about HK\$107.4 million (net of expenses) to provide working capital for its printing operations and to reduce its bank borrowings. In order to support the future development of Midas, the Group has subscribed in full its entitlement under the rights issue.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(D) Midas *(Continued)*

(i) *Printing Business*

The uncertain global economic environment continued to dampen the printing demand for multinational publishers. This affected customers' purchasing sentiment, causing some of them to shift to orders with smaller quantities and shorter lead time. This unsteady order trend, along with intensified market competition, dampened the printing revenue of the Group. As a result, during the period under review, Midas recorded a decrease of sales of 13.6% in the printing division.

In the cost aspect, labour and operating costs continued to rise in the southern China region. In order to mitigate the cost pressure, Midas continued to search for materials with lower costs and reinforce the system for lean manufacturing so as to streamline the production process.

With sufficient working capital support from the recent rights issue, Midas is capable of keeping a higher level of indent paper stock so as to fulfill the tight delivery schedules of the customers. Furthermore, by purchasing indent paper in bulk, Midas can earn extra discount from paper suppliers. With enriched cash resources, Midas will also be able to source alternatives for production materials from new suppliers at lower cost. Midas believes that by implementing all these measures, Midas can further improve its price competitiveness and will be in a better position to secure more orders from customers.

Taking into account the anticipated printing demand, Midas considered that the current production facilities at Boluo, Huizhou is sufficient for the requirement of Midas in the coming years. In order to maximize the value, Midas disposed of the subsidiaries that held the industrial land located at Coastal Industry Zone in Shatian, Dongguan in May 2014 for a consideration of HK\$78.2 million. The net proceeds from this disposal were applied as general working capital of the Midas group.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(D) Midas *(Continued)*

(i) *Printing Business (Continued)*

Midas's another factory premise is located at the city centre of Changan, Dongguan. Its surrounding area is well developed and occupied by premium residential and commercial buildings. In view of its premium location, the local government is considering to rezone and develop the nearby area into an integrated commercial and residential district. Once the final rezoning decision from the local government is obtained, Midas will explore alternative usage plans, including redevelopment or disposal of this property. In the meantime, Midas has obtained expansion of the business scope of the land owner to include warehouse operations and will consider to lease out wholly or partially this property in the short run in order to enhance income. The site area at Changan is about 19,000 *sq. m.* and the buildings have a total GFA of about 39,000 *sq. m.*. As at 30th September, 2014, net book value of this property recorded in the Midas group was about HK\$13.8 million.

(ii) *Property Business – Cemetery Operations*

Midas operates a cemetery – “Fortune Wealth Memorial Park” in Sihui, Guangdong which comprises a site of 518 mu, of which 100 mu have commenced development and an adjacent site of 4,482 mu, which has been reserved, making up a total of 5,000 mu.

During the period under review, local government has approved to establish a martyr memorial cemetery within the 100 mu of land for commemorating martyrs. Construction work of the martyr memorial cemetery commenced in July 2014 and is expected to be completed in early 2015. Midas believes that this martyr memorial cemetery can enhance customer awareness and improve sales of the cemetery in the long run.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(D) Midas *(Continued)*

(ii) *Property Business – Cemetery Operations (Continued)*

In the development aspect, Midas has completed an additional 1,042 grave plots, and is in the process of constructing a further of 711 grave plots, on the 100 mu of land located near the entrance of the cemetery. In order to enhance the value of the cemetery, Midas continues to investigate into various proposals so as to increase the number of grave plots for sales within this area. Furthermore, in anticipation of the growing demand of grave plots, Midas is now in negotiation with the local government with a view to expand the cemetery by phases.

As majority of the customers of the cemetery are from cities located nearby the cemetery in Pearl River Delta, improvements in infrastructure in these areas are important to the development of the cemetery. In this respect, the Group noted that certain major infrastructural development projects, such as 廣佛肇城際軌道系統, 港珠澳大橋 and 廣深港客運鐵路, are currently in progress and are expected to be completed in the coming years. Accordingly, the Group believes that, with the completion of such infrastructural development projects, the accessibility and marketability of the cemetery would be enhanced in the long run.

(E) Other Businesses

(i) *Sintex Nylon and Cotton Products (Pte) Limited (“Sintex”)*

Sintex is engaged in the sale of home finishing products under its brand names in Singapore and is 88.2% owned by the Group. During the period, Sintex recorded revenues of HK\$32.7 million (2013: HK\$27.0 million) and incurred a slight net loss of HK\$0.6 million (2013: HK\$0.1 million).

(ii) *Securities Investment and Trading*

During the period, securities investment and trading business of the Group recorded a profit of HK\$4.9 million, comprising realized gain on disposal of investments of HK\$3.9 million, and dividend and interest income from investments of HK\$1.0 million. As at 30th September, 2014, investments of the Group amounted to HK\$6.5 million, which were securities listed on the Stock Exchange.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL POSITION

As at 30th September, 2014, net assets attributable to equity holders of the Company was HK\$8,007.0 million. Net asset value per share was approximately HK\$4.65, which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

As at 30th September, 2014, the Group's cash, bank balances (including pledged bank balances) and investments held for trading amounted to HK\$2,476.1 million (31st March, 2014: HK\$2,454.6 million, including those in assets held for sale). Bank borrowings as at the same date amounted to HK\$3,335.0 million (31st March, 2014: HK\$3,252.3 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 10.7% (31st March, 2014: 10.2%).

Approximately 62.5% of the Group's cash, bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, 37.1% were in Renminbi and the balance of 0.4% were in other currencies. Approximately 84.6% of the Group's bank borrowings were denominated in Hong Kong dollar, 9.7% were in Renminbi and the balance of 5.7% were in Malaysian Ringgit. Accordingly, there should not be material risk in foreign exchange fluctuation.

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 10.5% of the Group's bank borrowings were repayable within the first year, 22.4% were repayable within the second year, 42.1% were repayable within the third to fifth years and the balance of 25.0% were repayable after the fifth year.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

PROSPECTS

As a result of implementation of a number of regulatory measures to curb speculative activities in the property markets by the Hong Kong SAR Government and the Central Government, the Hong Kong and the PRC property markets have shown signs of corrections. The Group will continue to monitor the situation closely and will take steps to replenish our land bank when suitable opportunities arise.

With the opening of Hotel *sáv* in Hunghom soon, and the completion of Parkes Residence in Jordan and No. 15 Gough Hill Road in The Peak in 2015 and 2016 respectively, the Group is confident that its value will be further enhanced. Furthermore, the Group will continue our mission to take steps to enhance rental yield of our investment properties and thus their capital values, and to unlock the store value of our remaining development projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales so as to further create value for our 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. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	924,237,404	<i>Note 1</i>	53.67
Mrs. Alice Siu Chuang Siu Suen ("Mrs. Siu")	283,611,089	<i>Note 2</i>	16.47
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,272,599	Beneficial owner	0.07
Mr. Lui Lop Kay ("Mr. Lui")	119,602	Beneficial owner	0.007

Note 1: Such interests comprised 716,629,332 shares in the Company owned by Evergain Holdings Limited ("Evergain"), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 shares in the Company. Mr. Alan Chuang, Mr. Albert Chuang, Miss Candy Chuang Ka Wai ("Miss Candy Chuang") and Mr. Chong Ka Fung are directors of Evergain.

Note 2: Such interests comprised 76,003,017 shares in the Company owned by Hilltop Assets Limited, a company beneficially owned by Mrs. Siu, and the remaining interests arose as a result of Mrs. Siu being a discretionary object of a discretionary trust, the trustee of which held 207,608,072 shares in the Company.

OTHER INFORMATION (Continued)

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

(b) Interests in Chuang's China Investments Limited ("Chuang's China")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	907,869,949	Notes 3 & 6	56.90
Mrs. Siu	2,000,000	Beneficial owner	0.13
Miss Candy Chuang	1,092,366	Beneficial owner	0.07
Mr. Lui	12,838	Beneficial owner	0.001

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	2,011,573,887	Notes 4 & 6	91.14
Mr. Abraham Shek Lai Him	30,000	Beneficial owner	0.0014

(d) Interests in Treasure Auctioneer International Limited ("Treasure")

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	800,000	Notes 5 & 6	80.0

Note 3: Such interests are held by Profit Stability Investments Limited, a wholly-owned subsidiary of the Company.

Note 4: Such interests comprised 1,341,049,258 ordinary shares in Midas held by Gold Throne Finance Limited ("Gold Throne") and 670,524,629 rights shares to be subscribed by Gold Throne pursuant to the irrevocable undertaking executed by Gold Throne under the rights issue of Midas as announced on 2nd September, 2014. Gold Throne is a wholly-owned subsidiary of the Company.

Note 5: Such interests comprised 550,000 shares in Treasure owned by a corporation beneficially owned by Mr. Alan Chuang and 250,000 shares in Treasure beneficially owned by a wholly-owned subsidiary of Chuang's China. Chuang's China is a subsidiary of the Company.

Note 6: Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of the Company.

OTHER INFORMATION *(Continued)*

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

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
Evergain	716,629,332	Beneficial owner, <i>Note 1</i>	41.61
Mrs. Chong Ho Pik Yu	716,629,332	<i>Note 2</i>	41.61
Madam Chuang Shau Har (“Madam Chuang”)	208,331,296	<i>Note 3</i>	12.10
Mr. Lee Sai Wai (“Mr. Lee”)	208,331,296	<i>Note 4</i>	12.10

Note 1: Such interests have been mentioned in Note 1 to the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures”.

Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang, whose interests have been mentioned in Note 1 to the section headed “Directors’ Interests and Short Positions in Shares, Underlying Shares and Debentures”.

Note 3: Interests in 207,608,072 shares in the Company arose as a result of Madam Chuang being the trustee and a discretionary object of a discretionary trust which owned such shares in the Company. The remaining interests in 723,224 shares in the Company arose by attribution through her spouse, Mr. Lee.

Note 4: Interests in 207,608,072 shares in the Company arose by attribution through his spouse, Madam Chuang, whose interests have been mentioned in Note 3 above. The remaining interests in 723,224 shares in the Company are beneficially owned by Mr. Lee.

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 or 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, two Independent Non-Executive Directors 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. Fong Shing Kwong and Mr. Yau Chi Ming, 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.

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 Standard 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.

OTHER INFORMATION *(Continued)*

SHARE OPTION SCHEMES

Pursuant to the ordinary resolutions passed in the annual general meeting of the Company held on 31st August, 2012, a share option scheme of the Company (the “Scheme”) had been adopted, and the share option scheme adopted by Chuang’s China on 31st August, 2012 (the “Chuang’s China Scheme”) and the share option scheme adopted by Midas on 29th August, 2012 (the “Midas Scheme”) had been approved respectively.

The purposes of the Scheme, the Chuang’s China Scheme and the Midas Scheme are to recognize the contribution of the eligible persons as defined in the respective schemes including, inter alia, any directors, employees or business consultants of the Company, Chuang’s China and Midas and their respective subsidiaries (the “Eligible Persons”) to the growth of the Group, the Chuang’s China group and the Midas group and to further motivate the Eligible Persons to continue to contribute to the respective group’s long-term prosperity. No options have been granted under the Scheme, the Chuang’s China Scheme and the Midas Scheme since their adoption or approval.

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 (excluding Chuang’s China, Midas and their subsidiaries) employed 335 staff, the Chuang’s China group employed 283 staff and the Midas group employed 1,575 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 Consortium International Limited
Ko Sheung Chi
Managing Director

Hong Kong, 27th November, 2014

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30th September, 2014

	Note	2014 HK\$'000	2013 HK\$'000
Revenues	5	879,788	632,665
Cost of sales		<u>(538,977)</u>	<u>(407,107)</u>
Gross profit		340,811	225,558
Other income and net gain	7	67,282	63,076
Selling and marketing expenses		(50,353)	(61,276)
Administrative and other operating expenses		(189,507)	(181,196)
Change in fair value of investment properties		<u>176,826</u>	<u>297,214</u>
Operating profit	8	345,059	343,376
Finance costs	9	(31,535)	(24,706)
Share of results of associated companies		(373)	879
Share of result of a joint venture		<u>(6)</u>	<u>(35)</u>
Profit before taxation		313,145	319,514
Taxation	10	<u>(26,713)</u>	<u>(14,160)</u>
Profit for the period		<u>286,432</u>	<u>305,354</u>
Attributable to:			
Equity holders		255,748	286,942
Non-controlling interests		<u>30,684</u>	<u>18,412</u>
		<u>286,432</u>	<u>305,354</u>
Interim dividend	11	<u>34,538</u>	<u>34,077</u>
Earnings per share (basic and diluted)	12	<u>HK cents 14.85</u>	<u>HK cents 17.07</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30th September, 2014

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Profit for the period	286,432	305,354
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss		
Net exchange differences	13,339	11,131
Realization of exchange reserve upon disposal of subsidiaries	(1,094)	(423)
Change in fair value of available-for-sale financial assets	8,027	(4,216)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	(269)	–
Other comprehensive income for the period	20,003	6,492
Total comprehensive income for the period	306,435	311,846
Total comprehensive income attributable to:		
Equity holders	265,545	284,433
Non-controlling interests	40,890	27,413
	306,435	311,846

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2014

	30th September, 2014	31st March, 2014
Note	HK\$'000	HK\$'000
Non-current assets		
Property, plant and equipment	766,952	263,242
Investment properties	5,547,260	6,746,278
Leasehold lands and land use rights	959,793	32,749
Properties for/under development	806,077	740,330
Cemetery assets	565,595	558,300
Associated companies	52,392	52,765
Joint venture	–	–
Amount due from a joint venture	65,222	63,950
Available-for-sale financial assets	217,841	209,155
Loans and receivables	12,638	12,550
	<u>8,993,770</u>	<u>8,679,319</u>
Current assets		
Properties for sale	2,165,564	2,274,623
Inventories	172,503	128,722
Cemetery assets	108,164	110,142
Debtors and prepayments	14 600,406	558,338
Tax recoverable	339	339
Financial assets at fair value through profit or loss	6,483	77,898
Pledged bank balances	45,319	55,440
Cash and bank balances	2,424,325	2,313,185
	<u>5,523,103</u>	<u>5,518,687</u>
Assets of disposal group classified as held for sale	15 –	61,529
	<u>5,523,103</u>	<u>5,580,216</u>

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED) (Continued)

As at 30th September, 2014

	30th September, 2014	31st March, 2014
Note	HK\$'000	HK\$'000
Current liabilities		
Creditors and accruals	16 603,268	502,899
Sales deposits received	342,520	479,850
Short-term bank borrowings	17 41,983	29,335
Current portion of long-term bank borrowings	17 706,444	505,939
Convertible note	–	59,682
Dividend payable	51,662	–
Taxation payable	306,079	297,852
	2,051,956	1,875,557
Liabilities of disposal group classified as held for sale	15 –	3,294
	2,051,956	1,878,851
Net current assets	3,471,147	3,701,365
Total assets less current liabilities	12,464,917	12,380,684
Equity		
Share capital	18 430,515	430,515
Reserves	7,576,495	7,310,950
Proposed final dividend	–	51,662
Shareholders' funds	8,007,010	7,793,127
Non-controlling interests	1,491,407	1,478,027
Total equity	9,498,417	9,271,154
Non-current liabilities		
Long-term bank borrowings	17 2,586,545	2,716,983
Deferred taxation liabilities	347,855	360,550
Loans and payables with non-controlling interests	32,100	31,997
	2,966,500	3,109,530
	12,464,917	12,380,684

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30th September, 2014

	<i>Note</i>	2014 HK\$'000	2013 HK\$'000
Net cash from operating activities		43,763	31,352
Cash flows from investing activities			
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	22	69,304	–
Proceed from disposal of an investment property		38,247	–
Purchase of investment properties		(90,989)	(17,336)
Purchase of available-for-sale financial assets		(3,778)	(25,807)
Decrease/(increase) in bank deposits maturing more than three months from date of placement		37,324	(6,899)
Others, net		23,814	5,429
Net cash from/(used in) investing activities		73,922	(44,613)
Cash flows from financing activities			
New bank borrowings		272,997	457,380
Repayment of bank borrowings		(191,891)	(115,147)
Repayment of convertible note		(61,750)	–
Others		100	–
Net cash from financing activities		19,456	342,233
Net increase in cash and cash equivalents		137,141	328,972
Cash and cash equivalents at the beginning of the period (<i>note</i>)		2,276,633	1,787,097
Exchange difference on cash and cash equivalents		3,229	4,395
Cash and cash equivalents at the end of the period		2,417,003	2,120,464
Analysis of cash and cash equivalents			
Cash and bank balances		2,424,325	2,143,353
Bank deposits maturing more than three months from date of placement		(7,322)	(22,889)
Cash and cash equivalents		2,417,003	2,120,464

Note: The cash and cash equivalents as at 1st April, 2014 consisted of the cash and bank balances included in "Assets of disposal group classified as held for sale" of HK\$8,094,000 (see also note 15).

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	430,515	1,270,060	6,040,890	51,662	7,793,127	1,478,027	9,271,154
Profit for the period	-	-	255,748	-	255,748	30,684	286,432
Other comprehensive income:							
Net exchange differences	-	6,163	-	-	6,163	7,176	13,339
Realization of exchange reserve upon disposal of subsidiaries	-	(664)	-	-	(664)	(430)	(1,094)
Change in fair value of available-for-sale financial assets	-	4,567	-	-	4,567	3,460	8,027
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	-	(269)	-	-	(269)	-	(269)
Total comprehensive income for the period	-	9,797	255,748	-	265,545	40,890	306,435
Transactions with owners:							
Dividend	-	-	-	(51,662)	(51,662)	-	(51,662)
Dividend to non-controlling interests	-	-	-	-	-	(27,510)	(27,510)
At 30th September, 2014	430,515	1,279,857	6,296,638	-	8,007,010	1,491,407	9,498,417
At 1st April, 2013	420,138	1,249,436	5,658,099	50,417	7,378,090	1,465,272	8,843,362
Profit for the period	-	-	286,942	-	286,942	18,412	305,354
Other comprehensive income:							
Net exchange differences	-	132	-	-	132	10,999	11,131
Realization of exchange reserve upon disposal of a subsidiary	-	(241)	-	-	(241)	(182)	(423)
Change in fair value of available-for-sale financial assets	-	(2,400)	-	-	(2,400)	(1,816)	(4,216)
Total comprehensive (loss)/income for the period	-	(2,509)	286,942	-	284,433	27,413	311,846
Transactions with owners:							
Dividend	-	-	-	(50,417)	(50,417)	-	(50,417)
Dividend to non-controlling interests	-	-	-	-	-	(13,820)	(13,820)
At 30th September, 2013	420,138	1,246,927	5,945,041	-	7,612,106	1,478,865	9,090,971

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 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 and investment, hotel operation and management, manufacturing, sales and trading of printed products, home finishing products, watch components and merchandises, securities investment and trading, and the development and operation of cemetery.

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, available-for-sale financial assets and financial assets at fair value through profit or loss 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 (Amendments)	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 (Amendments)	Annual Improvements to HKFRSs 2010–2012 Cycle (effective from 1st July, 2014)
HKFRSs (Amendments)	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.

As at 30th September, 2014, the Group had transferred an investment property at its fair value of HK\$1,445,000,000 to hotel property, and accordingly HK\$517,000,000 and HK\$928,000,000 were recorded as property, plant and equipment, and leasehold lands and land use rights respectively.

During the six months ended 30th September, 2014, except as stated, there was 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:

	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of properties	596,391	333,619
Rental income and management fees	82,119	71,782
Sales of goods and merchandises	191,196	213,751
Securities trading	3,887	7,117
Interest income from financial assets at fair value through profit or loss	748	748
Dividend income from listed investments	236	119
Sales of cemetery assets	5,211	5,529
	879,788	632,665

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, hotel operation and management, sales of goods and merchandises, securities investment and trading, cemetery and others. 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 HK\$'000	Hotel operation and management HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	Total HK\$'000
2014							
Revenues	678,510	-	191,196	4,871	5,211	-	879,788
Other income and net gain	12,289	-	23,768	-	10,191	21,034	67,282
Operating profit/(loss)	429,713	(15,490)	(4,437)	4,871	7,239	(76,837)	345,059
Finance (costs)/income	(29,748)	-	(1,964)	-	177	-	(31,535)
Share of results of associated companies	31	(675)	-	-	-	271	(373)
Share of result of a joint venture	(6)	-	-	-	-	-	(6)
Profit/(loss) before taxation	399,990	(16,165)	(6,401)	4,871	7,416	(76,566)	313,145
Taxation (charge)/credit	(27,805)	-	(2,995)	-	4,087	-	(26,713)
Profit/(loss) for the period	372,185	(16,165)	(9,396)	4,871	11,503	(76,566)	286,432
As at 30th September, 2014							
Segment assets	9,430,253	1,626,435	415,846	6,483	693,859	2,226,383	14,399,259
Associated companies	2,737	41,034	-	-	-	8,621	52,392
Joint venture	-	-	-	-	-	-	-
Amount due from a joint venture	65,222	-	-	-	-	-	65,222
Total assets	9,498,212	1,667,469	415,846	6,483	693,859	2,235,004	14,516,873
Total liabilities	3,977,290	568,143	130,516	-	165,622	176,885	5,018,456
2014							
Other segment items are as follows:							
Capital expenditure	356,845	-	5,951	-	3,135	2,695	368,626
Depreciation	1,600	-	13,138	-	322	6,832	21,892
Amortization of leasehold lands and land use rights - charged to the consolidated income statement	16	-	506	-	37	-	559
- capitalized into properties	2,000	-	-	-	-	-	2,000
Provision for impairment of inventories	-	-	558	-	-	-	558
Provision for impairment of trade debtors	52	-	-	-	528	-	580
Write-back of provision for expenses undertaking	-	-	-	-	10,224	-	10,224

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6. Segment information (Continued)

(a) Segment information by business lines (Continued)

	Property development and investment HK\$'000	Hotel operation and management HK\$'000	Sales of goods and merchandises HK\$'000	Securities investment and trading HK\$'000	Cemetery HK\$'000	Others and corporate HK\$'000	Total HK\$'000
2013							
Revenues	405,401	–	213,751	7,984	5,529	–	632,665
Other income and net gain/ (loss)	42,902	–	8,144	–	(29)	12,059	63,076
Operating profit/(loss)	433,865	–	(13,598)	7,984	(1,788)	(83,087)	343,376
Finance costs	(21,871)	–	(2,463)	–	(220)	(152)	(24,706)
Share of results of associated companies	25	–	–	–	–	854	879
Share of result of a joint venture	(35)	–	–	–	–	–	(35)
Profit/(loss) before taxation	411,984	–	(16,061)	7,984	(2,008)	(82,385)	319,514
Taxation (charge)/credit	(14,377)	–	(166)	–	383	–	(14,160)
Profit/(loss) for the period	397,607	–	(16,227)	7,984	(1,625)	(82,385)	305,354
As at 31st March, 2014							
Segment assets	11,119,069	4,037	453,948	85,724	688,734	1,791,308	14,142,820
Associated companies	2,706	41,709	–	–	–	8,350	52,765
Joint venture	–	–	–	–	–	–	–
Amount due from a joint venture	63,950	–	–	–	–	–	63,950
Total assets	11,185,725	45,746	453,948	85,724	688,734	1,799,658	14,259,535
Total liabilities	4,548,075	486	112,730	–	178,135	148,955	4,988,381
2013							
Other segment items are as follows:							
Capital expenditure	324,646	–	6,448	–	3,723	1,097	335,914
Depreciation	1,996	–	14,591	–	346	6,114	23,047
Amortization of leasehold lands and land use rights – charged to the consolidated income statement	16	–	1,217	–	37	–	1,270
– capitalized into properties	2,000	–	–	–	–	–	2,000
Provision for impairment of trade debtors	–	–	158	–	–	–	158
Reversal of provision for impairment of trade debtors	–	–	919	–	–	–	919

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	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	85,777	84,743	142,585	115,150
The People's Republic of China (the "PRC")	607,720	337,939	204,553	197,999
Other countries	186,291	209,983	21,488	22,765
	879,788	632,665	368,626	335,914
	Non-current assets (Note)		Total assets	
	30th September,	31st March,	30th September,	31st March,
	2014	2014	2014	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	6,819,695	6,534,791	9,280,229	8,983,771
The PRC	1,348,185	1,344,472	4,310,974	4,380,030
Other countries	595,411	578,351	925,670	895,734
	8,763,291	8,457,614	14,516,873	14,259,535

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

	2014 HK\$'000	2013 HK\$'000
Interest income from bank deposits	17,742	9,612
Dividend income from available-for-sale financial assets	3,784	2,776
Sales of scraped materials	1,680	2,752
Reversal of provision for impairment of trade debtors	–	919
Gain on disposal of subsidiaries (Note a)	17,107	40,491
Write-back of provision for expenses undertaking (Note b)	10,224	–
Fair value gain on transfer of properties from properties for sale to investment properties	455	673
Gain on disposal of an investment property	11,241	–
Net gain/(loss) on disposal of property, plant and equipment	2,130	(5)
Loss on disposal of leasehold lands and land use rights	(333)	–
(Loss)/gain on disposal of available-for-sale financial assets	(164)	1,092
Net exchange loss	(1,703)	(365)
Sundries	5,119	5,131
	67,282	63,076

Note:

- (a) (i) On 27th May, 2013, a subsidiary (the “Vendor”) of the Group entered into an agreement with an independent third party (the “Purchaser”) to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million (equivalent to HK\$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 on 27th May, 2013.
- (ii) On 14th May, 2014, a subsidiary of the Group entered into an agreement with an independent third party to dispose of its investment in the wholly-owned subsidiaries at a consideration of approximately HK\$78.2 million. The whole consideration was received on 21st May, 2014 and the transaction was completed during the period ended 30th September, 2014. Details of the transaction were set out in the announcement of Midas International Holdings Limited (“Midas”) (a listed subsidiary of the Group) dated 14th May, 2014, note 15 and note 22.
- (b) The write-back of provision for expenses undertaking was related to the disposal of certain subsidiaries by the Midas group in September 2007 as the respective undertaking expired in September 2014.

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

8. Operating profit

	2014	2013
	HK\$'000	HK\$'000
Operating profit is stated after crediting:		
Net realized gain of financial assets at fair value through profit or loss	3,914	1,268
Fair value gain of financial assets at fair value through profit or loss	–	5,849
	—————	—————
and after charging:		
Cost of properties sold	356,068	210,206
Cost of inventories sold	112,417	124,716
Depreciation	21,892	23,047
Amortization of leasehold lands and land use rights	559	1,270
Provision for impairment of inventories	558	–
Provision for impairment of trade debtors	580	158
Fair value loss of financial assets at fair value through profit or loss	27	–
Staff costs, including Directors' emoluments		
Wages and salaries	119,915	112,243
Retirement benefit costs	3,983	2,708
	—————	—————

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

9. Finance costs

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Interest expenses		
Bank borrowings wholly repayable within five years	33,162	25,914
Bank borrowings wholly repayable after five years	15,697	9,347
Bank overdraft wholly repayable within five years	64	56
Convertible note wholly repayable within five years	2,688	3,721
	<u>51,611</u>	<u>39,038</u>
Fair value adjustment of trade debtors	<u>(177)</u>	<u>220</u>
Amount capitalized into		
Investment properties	(3,715)	(61)
Properties for/under development	(1,594)	(1,272)
Properties for sale	(11,902)	(9,498)
Cemetery assets	(2,688)	(3,721)
	<u>(19,899)</u>	<u>(14,552)</u>
	<u>31,535</u>	<u>24,706</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 1.59% to 7.38% (2013: 2.36% to 6.15%) per annum, whereas the capitalized effective rate for cemetery assets is 14.86% (2013: 14.86%) per annum.

10. Taxation

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Current taxation		
Hong Kong profits tax – over-provision in previous years	(75,000)	(160)
Overseas profits tax	(11)	(19)
PRC corporate income tax	43,667	18,211
PRC land appreciation tax	75,494	1,570
Deferred taxation	<u>(17,437)</u>	<u>(5,442)</u>
	<u>26,713</u>	<u>14,160</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

10. Taxation (Continued)

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 period (2013: Nil). PRC corporate income tax and overseas profits tax have been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC and the countries in which the Group operates respectively. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of associated companies for the six months ended 30th September, 2014 of HK\$97,000 (2013: HK\$178,000) is included in the consolidated income statement as share of results of associated companies. There is no taxation charge/credit of the joint venture for the period (2013: Nil).

11. Interim dividend

	2014 HK\$'000	2013 HK\$'000
Interim scrip dividend with a cash option of 2.0 HK cents (2013: 2.0 HK cents) per share	<u>34,538</u>	<u>34,077</u>

On 27th November, 2014, the board of Directors declared an interim scrip dividend with a cash option of 2.0 HK cents (2013: 2.0 HK cents) per share amounting to HK\$34,538,000 (2013: HK\$34,077,000). The amount of HK\$34,538,000 is calculated based on 1,726,887,907 issued shares as at 27th 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\$255,748,000 (2013: HK\$286,942,000) and the weighted average number of 1,722,060,190 (2013: 1,680,550,531) 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 and the convertible notes issued by a subsidiary were anti-dilutive.

13. Capital expenditure

For the six months ended 30th September, 2014, the Group incurred acquisition and development costs on property, plant and equipment and cemetery assets of HK\$12,015,000 (2013: HK\$12,772,000) and property projects of HK\$356,611,000 (2013: HK\$323,142,000) respectively.

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

14. Debtors and prepayments

Rental income and management fees are received in advance whereas receivables from cemetery operation are settled in accordance with the terms of respective contracts. Credit terms of sales of goods and merchandises mainly range from 30 days to 180 days. The aging analysis of the trade debtors of the Group is as follows:

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	65,811	61,053
31 to 60 days	28,430	10,495
61 to 90 days	19,809	20,559
Over 90 days	23,565	20,907
	<hr/> 137,615 <hr/>	<hr/> 113,014 <hr/>

Debtors and prepayments include net deposits of HK\$316,437,000 (31st March, 2014: HK\$321,515,000) 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\$38,272,000 (31st March, 2014: HK\$38,272,000) as at 30th September, 2014.

15. Assets and liabilities of disposal group classified as held for sale

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Assets		
Leasehold lands and land use rights	–	46,216
Property, plant and equipment	–	7,219
Cash and bank balances	–	8,094
	<hr/> – <hr/>	<hr/> 61,529 <hr/>
Liabilities		
Deferred taxation liabilities	–	(3,294)
	<hr/> – <hr/>	<hr/> 58,235 <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

15. Assets and liabilities of disposal group classified as held for sale (Continued)

On 14th May, 2014, a subsidiary of the Group entered into an agreement with an independent third party to dispose of its investment in the wholly-owned subsidiaries at a consideration of approximately HK\$78.2 million. All the related assets and liabilities had been reclassified as “assets of disposal group classified as held for sale” and “liabilities of disposal group classified as held for sale” respectively as at 31st March, 2014. The transaction was completed during the period ended 30th September, 2014 and a gain on disposal was recorded by the Group in “Other income and net gain” (note 7(a)(ii) and note 22).

16. Creditors and accruals

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

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	25,585	16,397
31 to 60 days	14,316	13,777
Over 60 days	29,900	21,095
	<hr/> 69,801 <hr/>	<hr/> 51,269 <hr/>

Creditors and accruals include the construction cost payables and accruals of HK\$274,353,000 (31st March, 2014: HK\$225,361,000) for the property projects of the Group.

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

17. Borrowings

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unsecured bank borrowings		
Short-term bank borrowings	23,486	16,676
Long-term bank borrowings	195,585	189,536
	<u>219,071</u>	<u>206,212</u>
Secured bank borrowings		
Short-term bank borrowings	18,497	12,659
Long-term bank borrowings	3,097,404	3,033,386
	<u>3,115,901</u>	<u>3,046,045</u>
Total bank borrowings	<u>3,334,972</u>	<u>3,252,257</u>

The total bank borrowings are analyzed as follows:

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short-term bank borrowings	41,983	29,335
Long-term bank borrowings	3,292,989	3,222,922
	<u>3,334,972</u>	<u>3,252,257</u>

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

17. Borrowings *(Continued)*

The long-term bank borrowings are analyzed as follows:

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long-term bank borrowings		
Wholly repayable within five years*	1,853,869	1,851,532
Wholly repayable after five years*	1,439,120	1,371,390
	<u>3,292,989</u>	<u>3,222,922</u>
Current portion included in current liabilities		
Portion due within one year	(307,385)	(122,997)
Portion due after one year which contains a repayment on demand clause	(399,059)	(382,942)
	<u>(706,444)</u>	<u>(505,939)</u>
	<u>2,586,545</u>	<u>2,716,983</u>

* *Ignoring the effect of any repayment on demand clause*

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

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within the first year	349,368	152,332
Within the second year	746,056	888,589
Within the third to fifth years	1,402,642	1,400,209
After the fifth year	836,906	811,127
	<u>3,334,972</u>	<u>3,252,257</u>

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

18. Share capital

	30th September, 2014	31st March, 2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorized:		
2,500,000,000 shares of HK\$0.25 each	625,000	625,000
Issued and fully paid:		
1,722,060,190 shares of HK\$0.25 each	430,515	430,515

19. Financial guarantees

As at 30th September, 2014, the Company had provided a guarantee of HK\$117,000,000 (31st March, 2014: HK\$117,000,000) for the banking facility granted to a joint venture, and 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.

20. 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\$228,502,000 (31st March, 2014: HK\$402,393,000) and available-for-sale financial assets of HK\$50,300,000 (31st March, 2014: HK\$49,952,000) respectively.

21. Pledge of assets

As at 30th September, 2014, the Group had pledged certain assets including property, plant and equipment, investment properties, leasehold lands and land use rights, properties for sale and bank deposits, with an aggregate carrying value of HK\$7,354,021,000 (31st March, 2014: HK\$7,083,739,000), to secure banking and financial guarantee facilities granted to the subsidiaries.

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

22. Disposal of subsidiaries with assets and liabilities classified as held for sale

	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
Consideration	78,219	–
Less: Transaction costs	(821)	–
	<hr/>	<hr/>
Net proceeds	77,398	–
	<hr/>	<hr/>
Net assets disposed of		
Leasehold lands and land use rights	46,216	–
Property, plant and equipment	7,669	–
Other deposits	40	–
Cash and bank balances	8,094	–
Other creditors and accrued expenses	(634)	–
	<hr/>	<hr/>
Net assets disposed of	61,385	–
Realization of exchange reserve upon disposal of subsidiaries	(1,094)	–
	<hr/>	<hr/>
	60,291	–
	<hr/>	<hr/>
Gain on disposal of subsidiaries before taxation <i>(note 7(a)(ii))</i>	17,107	–
Less: PRC corporate income tax	(6,300)	–
Add: Write-back of deferred taxation	3,294	–
	<hr/>	<hr/>
Gain on disposal of subsidiaries after taxation	14,101	–
	<hr/>	<hr/>
Analysis of net cash flow in respect of the disposal of subsidiaries is as follows:		
Net cash consideration received	77,398	–
Less: Cash and cash balances disposed of	(8,094)	–
	<hr/>	<hr/>
Net cash flow from disposal of subsidiaries	69,304	–
	<hr/>	<hr/>

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

23. Event after the reporting period

On 2nd September, 2014, a wholly-owned subsidiary of the Company entered into an irrevocable undertaking with Midas (the “Irrevocable Undertaking”) in relation to the proposed rights issue of Midas on the basis of one rights share for every two existing ordinary shares at the subscription price of HK\$0.10 per share to raise a net proceed of approximately HK\$107.4 million (the “Rights Issue”). According to the Irrevocable Undertaking, the Group had undertaken to subscribe in full for its entitlement under the Rights Issue in the amount of approximately HK\$67.1 million. The Rights Issue was completed after the period ended 30th September, 2014 and Midas continues to be a 60.8% owned subsidiary of the Group. Details of the transaction were set out in the announcements of Midas dated 2nd September, 2014 and 4th November, 2014, and the circular of Midas dated 14th October, 2014 respectively.