



# CHUANG'S CONSORTIUM INTERNATIONAL LIMITED

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

INTERIM REPORT 2016



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# CORPORATE INFORMATION

<b>Directors</b>	Alan Chuang Shaw Swee ( <i>Chairman</i> ) Ko Sheung Chi ( <i>Managing Director</i> ) Albert Chuang Ka Pun ( <i>Deputy Managing Director</i> ) Chong Ka Fung ( <i>Deputy Managing Director</i> ) Candy Chuang Ka Wai Lui Lop Kay Wong Chung Wai Chan Chun Man Abraham Shek Lai Him, G.B.S., J.P.* Fong Shing Kwong* Yau Chi Ming* David Chu Yu Lin, S.B.S., J.P.*
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*\* Independent Non-Executive Directors*

<b>Audit Committee</b>	Abraham Shek Lai Him, G.B.S., J.P.# Fong Shing Kwong Yau Chi Ming
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<b>Nomination Committee/ Remuneration Committee</b>	Abraham Shek Lai Him, G.B.S., J.P.# Fong Shing Kwong David Chu Yu Lin, S.B.S., J.P.
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<b>Corporate Governance Committee</b>	Ko Sheung Chi# Albert Chuang Ka Pun Candy Chuang Ka Wai
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*# Chairman of the relevant committee*

<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> MUGF Fund Services (Bermuda) Limited The Belvedere Building 69 Pitts Bay Road Pembroke HM08 Bermuda
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**Hong Kong:**  
Tricor Standard 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 CIMB Bank Berhad
<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-consortium.com">www.chuang-consortium.com</a>
<b>Singapore Office</b>	245 Jalan Ahmad Ibrahim, Jurong Town Singapore 629144 Republic of Singapore
<b>Malaysia Office</b>	16th Floor, Central Plaza 34 Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia
<b>Vietnam Office</b>	Room 704, 7th Floor Capital Place Building 6 Thai Van Lung Street, District 1 Ho Chi Minh City, Vietnam
<b>Mongolia Office</b>	3rd Floor, Eastern Section New Century Plaza Chinggis Avenue-15 Sukhbaatar District-1 14251 Ulaanbaatar, Mongolia
<b>Stock Code</b>	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, 2015. 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, 2015, and the condensed consolidated balance sheet as at 30th September, 2015 along with the notes thereon, are set out on pages 29 to 50 of this report.

### FINANCIAL REVIEW

For the six months ended 30th September, 2015, revenues of the Group amounted to HK\$678.7 million (2014: HK\$879.8 million), representing a decrease of 22.9% compared to that of the last corresponding period. This was mainly due to the decrease in property sales in the People’s Republic of China (the “PRC”) recognized by the Group during the period. Revenues of the Group comprised revenues from sales of properties of HK\$363.0 million (2014: HK\$596.4 million), revenues from rental and other income of investment properties of HK\$85.0 million (2014: HK\$82.1 million), revenues from hotel operation of HK\$46.7 million (2014: Nil), revenues from sales of goods and merchandises of HK\$174.4 million (2014: HK\$191.2 million), revenues from cemetery business of HK\$10.4 million (2014: HK\$5.2 million) and loss from securities investment and trading business of HK\$0.8 million (2014: profit of HK\$4.9 million).

As a result of the decrease in revenues generated from sales of properties, gross profit during the period decreased to HK\$263.2 million (2014: HK\$340.8 million), representing a decrease of 22.8% compared to that of the last corresponding period. Gross profit margin was 38.8% (2014: 38.7%) which was similar to that of the last corresponding period. Other income and net gain increased to HK\$106.5 million (2014: HK\$67.3 million) mainly due to the gain of HK\$58.5 million arising from the write-back of a provision for tax indemnity on disposal of a subsidiary as the indemnity had expired (details of the transaction were set out in the announcement of the Company on 27th May, 2013). A breakdown of other income and net gain is shown in note 7 on page 42 of this report. Furthermore, the Group also recorded an overall upward revaluation surplus of HK\$166.6 million (2014: HK\$176.8 million) for its investment properties, mainly reflecting the continued improvement in property prices of certain of our investment properties in Hong Kong and the PRC during the period.

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

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

On the costs side, selling and marketing expenses increased slightly to HK\$51.2 million (2014: HK\$50.4 million). Administrative and other operating expenses increased to HK\$231.8 million (2014: HK\$189.5 million) mainly due to a general increase in overheads and the inclusion of an amortization/depreciation charge of the hotel property of the Group during the period amounting to HK\$34.0 million. Finance costs increased to HK\$43.5 million (2014: HK\$31.5 million) mainly due to the increase of bank borrowings of the Group and the decrease in capitalization of interest expenses into property development projects. Share of loss of associated companies amounted to HK\$0.3 million (2014: HK\$0.4 million). Taxation, which mainly relates to tax paid or payable on sales of properties, increased to HK\$99.5 million (2014: HK\$26.7 million) mainly due to the absence of a reversal of an over-provision of profits tax recorded in the last corresponding period.

Taking all the above into account, profit attributable to equity holders of the Company for the six months ended 30th September, 2015 amounted to HK\$94.7 million (2014: HK\$255.7 million), representing a decrease of 63.0% compared to that of the last corresponding period. Earnings per share was 5.46 HK cents (2014: 14.85 HK cents).

### **INTERIM DIVIDEND**

After taking into account the need to maintain sufficient financial resources for the working capital of the Group's projects and businesses, the Board has resolved to pay an interim dividend of 2.0 HK cents (2014: interim scrip dividend with a cash option of 2.0 HK cents) per share on or before Monday, 1st February, 2016 to the shareholders whose names appear on the Company's register of members on Monday, 28th December, 2015.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW

#### (A) Investment Properties

The Group owns a high-quality portfolio of investment properties in Hong Kong which generates strong recurrent income stream to the Group. Major investment properties of the Group in Hong Kong comprise (a) Chuang's Tower in Central, (b) Chuang's London Plaza in Tsim Sha Tsui, (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 properties in Hong Kong amounted to about 190,000 *sq. ft.* comprising retail, office and high-class residential spaces. Rental and other income from investment properties in Hong Kong during the period amounted to HK\$67.0 million, representing an increase of 2.4% over 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 ground floor and the first floor levels shops and to improve the accessibility of the basement levels shops. Building plans for the renovation and upgrading works have been approved and the Group is evaluating the best timing to carry out such works. Subject to the prevailing market conditions and on the basis of the new building plans, the Group will also consider other options which may be available, such as the possibility of disposing of a portion or whole of the property either before or after the aforesaid renovation or upgrading works (if any). Further announcement may be made by the Company regarding the progress of the above as and when required.

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 substantially completed which will be followed closely by the superstructure works. The project is expected to be completed in the fourth quarter of 2016.

In Malaysia, the Group owns Central Plaza which is located at the heart of central business district and prestigious shopping area of Kuala Lumpur. The property has a total gross floor area ("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\$10.0 million, equivalent to Malaysian Ringgit 5.0 million (2014: HK\$11.4 million, equivalent to Malaysian Ringgit 4.7 million). The decrease in income in Hong Kong dollar is mainly due to the depreciation of the Malaysian Ringgit.



## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (A) Investment Properties *(Continued)*

In Taiwan, the Group owns sáv Residence which is located nearby the city centre of Taipei City. The property is a residential complex developed by the Group and comprises a villa and 6 apartment units (of which 2 are duplex). As of to-date, 4 apartment units (including 1 duplex) have been leased out and internal decoration works for the villa are in progress. The leased apartment units have been reclassified as investment properties during the period and the remaining vacant apartment units and the villa will be reclassified as investment properties from properties for sale once they are leased out in the future.

#### (B) Investment in Hotels

Hotel sáv, which commenced operation in mid-February 2015, is located at the heart of Hunghom, Kowloon and comprises 388 rooms together with shopping units at the ground floor level. The shopping units have been fully leased and total revenues from the hotel operation during the period amounted to HK\$46.7 million. The average room rate of the hotel during the period was about HK\$570 and the average occupancy rate of the hotel was about 87%. For October 2015, the average room rate improved to about HK\$730 and the average occupancy rate also improved to about 98%. The hotel is managed by Sav Hospitality Limited, the hotel management arm of the Group.

Pacific Cebu Resort, which is 40% owned by the Group, is a resort established in 1992 with 136 keys and abundant diving facilities. It is located at Lapu-Lapu City, Mactan Island in Cebu of Philippines occupying a site area of about 64,987 *sq. m.*. Renovation works to upgrade the rooms and the facilities have been completed in the last financial year whereas renovation works to upgrade the villas are in progress. As a result of the upgrading works, both room rate and occupancy rate of the resort had improved. The resort is managed by Sav Hospitality Limited.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (C) Properties Under Development

- (i) *Parkes Residence, No. 101 Parkes Street, Kowloon, Hong Kong (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). Applications to the relevant authorities for the issue of occupation permit have been made and the sold units are expected to be handed over to end purchasers in the second half of the current financial year. Up to the date of this report, 90 residential units and certain shopping units have been pre-sold with an aggregate sales value of HK\$837.1 million, and deposits of about HK\$149 million have been received. The Group will continue to market the remaining residential units and the ground floor shops.

- (ii) *Villa 28 and Villa 30, Po Shan Road, Hong Kong (50% owned)*

The Group owns a 50% interest in the project and is the project manager of the development. The property is located in a prestigious mid-level area that enjoys a glamorous sea-view. Building plans have been approved to develop the property into two semi-detached residences with GFA of about 40,632 *sq. ft.*. Demolition works of the project have been completed. Plans for the site formation and foundation works have been approved and the Group is in the process of evaluating tenders for such works.

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

The project covers a site area of 20,300 *sq. m.* and it is planned that a commercial/residential complex with GFA of 94,000 *sq. m.* will be developed on the site. The site is currently vacant and construction permit has been obtained. The Group will embark on the development of villas as an initial phase of the development which will then be followed by the development of high-rise apartments.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (C) Properties Under Development *(Continued)*

(iv) *Duc Hoa District, Long An Province, Vietnam*

As disclosed in the 2015 annual report of the Company, the Group is still in the process of enforcing the arbitral award in accordance with its terms and seeking further legal advice as to any alternative courses of action in order to speed up the return of this investment. As part of the enforcement action, the Group had reported to the relevant authorities in Vietnam that the joint venture partner may have misappropriated the funds of the joint venture by mortgaging the land use rights of the project for its own financing.

(v) *International Finance Centre, Sukhbaatar District, Ulaanbaatar, Mongolia (100% owned)*

The project has a site area of about 3,272 *sq. m.* and is located within the central business district. It is planned that a retail/office building with GFA of about 40,000 *sq. m.* will be developed. Detailed building plans have been approved. Site formation and foundation works have been completed while the Group is currently evaluating tenders for the superstructure works.

(vi) *The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar, Mongolia (53% owned)*

The project is located in the city centre within the embassy district. It is planned that two towers of apartments will be developed. Superstructure works for the first tower of apartments with GFA of about 19,000 *sq. m.* are approaching completion which will be followed by internal and external finishing works. The first tower of apartments is expected to be completed in the first half of 2017. Show flat has been completed and marketing work will commence soon.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### **(D) Chuang's China Investments Limited (“Chuang's China”, stock code: 298) (56.5% owned)**

Chuang's China and its subsidiaries (the “Chuang's China Group”) are principally engaged in, inter alia, property development and investment. For the six months ended 30th September, 2015, the Chuang's China Group recorded revenues of HK\$368.5 million (2014: HK\$604.2 million) (which comprised revenues from sales of properties in the PRC of HK\$358.7 million (2014: HK\$596.4 million), revenues from rental of investment properties and other related income in the PRC of HK\$7.5 million (2014: HK\$5.3 million), revenues from sales and trading business of HK\$0.9 million (2014: HK\$2.5 million) and revenues from securities investment and trading business of HK\$1.4 million (2014: Nil)) and profit attributable to equity holders of HK\$65.4 million (2014: HK\$77.1 million).

#### ***(i) Investment/Hotel Properties***

The Chuang's China Group holds a portfolio of investment properties in the PRC as follows:

- (a) 6th floor of Chengdu Digital Plaza;
- (b) 5 office units at Guangzhou R&F Yingkai Square;
- (c) the Chuang's China Group acquired the industrial property located at Changan, Dongguan, with a GFA of about 39,000 *sq. m.* at RMB101.6 million (equivalent to approximately HK\$123.4 million) during the period under review. In September 2015, the property was leased for a term of eight years at an annual rental of about RMB6.4 million;
- (d) commercial properties of Dongguan Imperial Garden;
- (e) commercial properties of Guangzhou Chuang's Le Papillon; and
- (f) commercial podium of Anshan Chuang's Mid-town.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### (i) **Investment/Hotel Properties** *(Continued)*

As at 30th September, 2015, the investment properties held by the Chuang's China Group in the PRC had an aggregate GFA of about 88,410 *sq. m.*, of which 60% were completed properties and 40% were under construction. Rental and related income during the period was HK\$3.8 million.

The Chuang's China Group owns 59.5% of *sáv Resort & Spa*, Xiamen, Fujian, which is a luxurious hotel and resort development occupying a site with an area of about 27,574 *sq. m.* and has 18,000 *sq. m.* in GFA. It comprises 30 villas with an aggregate GFA of about 8,300 *sq. m.* which will be rented out on long lease. An exclusive resort with 100 keys (total GFA of 9,700 *sq. m.*) will be operated as hotel and leased apartments. Marketing for leasing out the villas and the apartments has commenced. It is expected that the development will be completed in the first quarter of 2016.

##### (ii) **Properties Under Development**

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

The project comprises an integrated community with Phase I and II (Block A to P), having an aggregate GFA of 260,800 *sq. m.*, being completed. There are 34 high-rise residential towers with a total of 2,077 flats and 22 villas, commercial podium and club houses with a total GFA of 8,780 *sq. m.* and 1,497 carparking spaces.

All high-rise blocks of Phase I and II have been launched for sale and soft marketing of Block P (22 villas) has also commenced. As of to-date, this project has unsold residential properties (including Block P) of about RMB248 million.

For Phase III, it will initially comprise two high-rise residential towers and 14 villas with total GFA of about 54,000 *sq. m.*. Applications have been submitted to the relevant authorities for land quota to be allocated. Preparatory construction works have commenced, and superstructure works will kick off once the approvals from the relevant authorities for this part of Phase III are obtained.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### *(ii) Properties Under Development (Continued)*

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

As regards the business plans for the remaining development of Phase III, the Group will adopt a medium to long term planning approach while awaiting for land quota to be allocated. In this respect, the Group will maintain close liaison with the relevant authorities in Guangzhou in order to speed up the process.

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

Chuang's New City has a total GFA of about 520,000 *sq. m.* and is divided into different phases. Phase I and II (Block 1 to 14), having an aggregate GFA of about 150,300 *sq. m.*, have been completed. It provides 1,239 residential flats, a modern commercial shopping complex and 184 carparking spaces. As of to-date, completed residential properties of this project (Block 1 to 14) available for sales amounted to about RMB61 million.

Phase III (Block 29 to 31) has total GFA of about 40,000 *sq. m.*. Superstructure works are progressing satisfactorily and has topped off in October 2015. Completion of construction works will be before the second quarter of 2016. Pre-sales of Block 29 to 31 were launched in October 2015 with encouraging results. More than 95% are presold and the average selling price is about RMB7,300 per *sq. m.* with the remaining about RMB13 million available for sales.

Phase IV (Block 15 to 20) has total GFA of about 83,000 *sq. m.*. Master plans have been approved. Site formation works have completed and foundation works have recently commenced.

As for the remaining development with GFA of about 233,000 *sq. m.*, the Group will embark on development plan in accordance with local market sentiments and sales progress.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### *(ii) Properties Under Development (Continued)*

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

It consists of a 6-level commercial podium providing an aggregate GFA of about 29,600 *sq. m.*. Above the podium will be a twin tower (Block AB and C) with 27 and 33-storey respectively, offering total GFA of about 63,000 *sq. m.* as residential and service apartments.

Superstructure works of the commercial podium and the twin tower are in satisfactory progress and have topped off in November 2015. The residential property market in Anshan is relatively weak and there are a number of local developers pursuing cut-throat pricing. However, in view of the prime location of Chuang's Mid-town which is adjacent to the train station in city centre, the Group will emphasize on brand building, quality and the market niche of the project. Soft marketing for Block A will be launched in the coming months.

- (d) *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 an integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Master planning is in progress and the Group will adopt a longer term planning for this project.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) Chuang's China *(Continued)*

##### (ii) *Properties Under Development (Continued)*

###### (e) *Beverly Hills, Changsha, Hunan (54% owned by Chuang's China)*

As at 30th September, 2015, the Chuang's China Group's total investment costs 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\$118 million. The business license of the joint venture company in the PRC has expired since 2012. The Group plans to reactivate the business license of this joint venture company in the PRC and will institute necessary legal actions in order to achieve the reactivation.

###### (f) *Joint development interest in Chengdu (51% owned by Chuang's China)*

In view of the complexity of the project that involves resettlements, the Chuang's China Group has discussions with the local partner regarding disposal of this development interest. However, the discussions have not materialized. The Chuang's China Group will assess and evaluate our legal rights and procedures on unwinding the investment.

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

The site at Yip Wong Road has an area of about 2,428 *sq. m.* and has developable GFA of 10,862 *sq. m.* for residential purpose and 2,428 *sq. m.* for commercial purpose.

The site is located along the riverside recreation park, overlooking Tuen Mun River. Along the promenade right in front of the site, it is within leisure walking distance to the nearby landmark commercial mall. The site is easily accessible to the light rail station and Tuen Mun West Rail and is close to (i) the Tuen Mun-Chek Lap Kok Link under construction, which will connect Tuen Mun to the Hong Kong-Zhuhai-Macao Bridge Hong Kong port and the Hong Kong International Airport; and (ii) Shenzhen via the Hong Kong-Shenzhen Western Corridor (深港西部通道).



## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (D) **Chuang's China** *(Continued)*

##### *(ii) Properties Under Development (Continued)*

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

Building plans of the development have been approved. Site formation and foundation works will commence soon.

- (h) *Sales and revenues recognition for properties in the PRC*

As of to-date, the Group has contracted sales pending completion in the PRC of about RMB355 million (equivalent to approximately HK\$433 million). Amongst this, contracted sales relating to completed properties amounted to about RMB72 million (equivalent to approximately HK\$88 million) whereas contracted sales related to properties under construction amounted to about RMB283 million (equivalent to approximately HK\$345 million), which are entirely related to Block 29 to 31 of Imperial Garden at Dongguan. Contracted sales will only be recognized as revenues of the Group when they are completed and properties are handed over to buyers.

In the remaining second half of this financial year, the Chuang's China Group has properties available for sales in the PRC of about RMB578 million (equivalent to approximately HK\$706 million). It comprises: (i) completed residential properties amounted to about RMB309 million in Guangzhou and Dongguan; (ii) carparks of about RMB186 million in Guangzhou and Dongguan; (iii) residential properties under construction of about RMB13 million in Dongguan and (iv) pre-sale to be launched for Block A of Anshan project with sale value of over RMB70 million.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### **(E) Midas International Holdings Limited (“Midas”, stock code: 1172) (60.8% owned)**

Midas and its subsidiaries (the “Midas Group”) are principally engaged in, inter alia, the printing business and property business focusing on the development and operation of cemetery in the PRC. For the six months ended 30th September, 2015, the Midas Group recorded revenues of HK\$152.0 million (2014: HK\$161.2 million) (which comprised revenues from printing business of HK\$141.5 million (2014: HK\$156.0 million), revenues from property business of HK\$10.4 million (2014: HK\$5.2 million) and revenues from securities investment and trading business of HK\$0.1 million (2014: Nil)) and profit attributable to equity holders of HK\$94.6 million (2014: HK\$10.7 million). Such profit included the gain of HK\$108.7 million relating to the disposal of a property holding subsidiary to the Chuang’s China Group.

##### ***(i) Printing Business***

With the slowdown in recovery of the global economy, customers were still cautious in placing orders and, as a result, the Group recorded lower than expected printing revenues. Revenues of the printing business of the Group during the period amounted to HK\$141.5 million, representing a decrease of 9.3% compared to that of the last period. In order to cope with this adverse market condition, the Group will continue its effort to solidify existing customers and broaden its clientele.

In the cost aspects, the Group achieved solid progress in the implementation of cost reduction measures. In striving for lean manufacturing, the Group added automated equipments to improve efficiency and continues to search for materials with lower costs. Tight inventory control and effective cash flow management ensured proper allocation of financial resources to higher return sector. All these measures increased the Group’s cost efficiency and enhanced its profit margin.

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

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (E) Midas *(Continued)*

##### *(ii) Property Business – Cemetery Operation*

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

In the sales aspect, as the Guangzhou district was a major market for our cemetery, the Group concentrated its resources to develop this market. The Group has, during the period, set up two new sales offices in Guangzhou, making a total of six sales offices. In order to further expand its market presence, the Group has also, during the period, organized a large scale promotion campaign in Guangzhou. All these efforts boosted cemetery sales and as a result, sales during the period increased by 100.0% from HK\$5.2 million in the last period to HK\$10.4 million in this period. Furthermore, the Group also achieved sales in October 2015 of HK\$3.2 million, representing an increase of approximately 105.0% compared to October 2014.

In the development aspect, the Group has completed 10 graveyards (area M1 to M10) and a mausoleum which can accommodate niches on the 100 mu of land. As of to-date, there are 4,165 grave plots already built, of which 1,239 grave plots are sold, leaving 2,926 grave plots available for sales. The Group is in the process of constructing two new graveyards (area M11 and M12) which will consist of 1,236 grave plots. These new graveyards are expected to be completed in early 2016 and the Group will launch them into the market once completed. Upon completion of the above development, there will be 4,162 grave plots available for sale in the initial 100 mu of land.

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

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### (E) Midas *(Continued)*

##### *(iii) Information Technology Business*

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

##### *(iv) Prospects of the Midas Group*

The Group believes that a harsh operating environment will continue to confront the Group's printing business in the coming years. Moving forward, the Group will continue to solidify its customer base while expanding domestic sales in the PRC. Internally, the Group will reinforce its cost saving measures to enhance cost efficiency. While fully cognizant of the challenge ahead, the Group is confident to achieve better result on the strength of experience in the printing industry and our commitment to provide quality total solutions to customers.

The rapid growth of aged population in the PRC increases the demand of prestigious grave plots and niches. Coupled with improvements in infrastructure in the area nearby the cemetery, and our continuous investment in marketing, the Group believes that steady growth in cemetery sales will continue in the future.

In order to maintain profitability of the Midas Group in the future, in addition to investing in the bond market and looking into new business opportunities, the Midas Group will continue to review the development strategies of its existing printing and property business.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### BUSINESS REVIEW *(Continued)*

#### **(F) Other Businesses**

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

Sintex is engaged in the sales of home finishing products under its own brand names in Singapore and is 88.2% owned by the Group. During the period, Sintex recorded revenues of HK\$32.0 million (2014: HK\$32.2 million), and incurred a loss of HK\$1.4 million (2014: HK\$0.6 million).

##### *(ii) Securities Investment and Trading*

During the period, securities investment and trading business of the Group recorded a loss of HK\$0.8 million, comprising realized gain on disposal of investments of HK\$1.9 million, interest income from investments of HK\$3.9 million, and fair value loss on investments of HK\$6.6 million as a result of mark to market valuations as at the balance sheet date. As at 30th September, 2015, investments of the Group amounted to HK\$255.3 million, of which HK\$24.3 million were held by the Chuang’s China Group and HK\$101.7 million were held by the Midas Group, and mainly comprised of listed securities and high yield bonds.

## FINANCIAL POSITION

### Financial resources

As at 30th September, 2015, the Group’s cash, bank balances (including pledged bank balances) and investments held for trading amounted to HK\$2,042.3 million (31st March, 2015: HK\$2,113.1 million). Bank borrowings as at the same date amounted to HK\$3,895.4 million (31st March, 2015: HK\$3,700.8 million). The Group’s net debt to equity ratio, expressed as a percentage of bank borrowings net of cash, bank balances and investments held for trading over net assets attributable to equity holders of the Company, was 22.6% (31st March, 2015: 19.4%).

Approximately 85.4% of the Group’s cash, bank balances and investments held for trading were denominated in Hong Kong dollar and United States dollar, 14.2% were in Renminbi and the balance of 0.4% were in other currencies. Approximately 90.9% of the Group’s bank borrowings were denominated in Hong Kong dollar, 5.4% were in Renminbi and the balance of 3.7% were in Malaysian Ringgit and Singapore Dollar.

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

### **FINANCIAL POSITION** *(Continued)*

#### **Financial resources** *(Continued)*

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, approximately 27.0% of the Group's bank borrowings were repayable within the first year, 11.1% were repayable within the second year, 43.0% were repayable within the third to fifth years and the balance of 18.9% were repayable after the fifth year.

#### **Foreign exchange risk**

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

#### **Net asset value**

As at 30th September, 2015, net assets attributable to equity holders of the Company was HK\$8,186.2 million. During the period under review, the net asset value slightly decreased after taking into account the change in exchange rates and the change in fair value of the available-for-sale financial assets. Net asset value per share was HK\$4.72, which is calculated based on the book costs of the Group's properties for sale before taking into account their appreciated values.

## MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

### PROSPECTS

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

With the completion of Parkes Residence in Jordan and No. 15 Gough Hill Road at The Peak in the current and next financial years respectively, the Group is confident that its value will be further enhanced. Furthermore, in the coming financial years, the Group will continue our mission to take steps to enhance rental yield and return of our investment/hotel properties and thus their capital values, and to unlock the store value of our other development projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales in accordance with local market conditions 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, 2015, 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")	955,045,316	Notes 1 & 2	55.09
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	1,342,998	Beneficial owner, Note 2	0.08
Mr. Lui Lop Kay ("Mr. Lui")	123,588	Beneficial owner, Note 2	0.007

*Note 1: Such interests comprised 740,516,975 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 214,528,341 shares in the Company. Mr. Alan Chuang, Mr. Albert Chuang, Mr. Chong Ka Fung and Miss Candy Chuang Ka Wai ("Miss Candy Chuang") are directors of Evergain.*

*Note 2: Such interests included entitlements under the scrip dividend scheme of the Company (the "Scheme"), details of which were set out in the circular of the Company dated 22nd September, 2015.*



## 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	967,729,504	Notes 3, 4 & 7	60.19
Miss Candy Chuang	1,255,004	Beneficial owner, Note 4	0.08
Mr. Lui	13,684	Beneficial owner, Note 4	0.001

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	2,013,573,887	Notes 5 & 7	60.82
Mr. Abraham Shek Lai Him ("Mr. Shek")	30,000	Beneficial owner	0.0009

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	800,000	Notes 6 & 7	80.0

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

Note 4: Such interests included entitlements under the scrip dividend scheme of Chuang's China, details of which were set out in the circular of Chuang's China dated 21st September, 2015.

Note 5: Such interests are held by Gold Throne Finance Limited, a wholly-owned subsidiary of the Company.

Note 6: 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 7: 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)*

Save as disclosed, 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, 2015, 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, 2015, 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	740,516,975	Beneficial owner, <i>Notes 1 &amp; 5</i>	42.71
Mrs. Chong Ho Pik Yu	740,516,975	<i>Notes 2 &amp; 5</i>	42.71
Madam Chuang Shau Har (“Madam Chuang”)	215,298,832	<i>Notes 3 &amp; 5</i>	12.42
Mr. Lee Sai Wai (“Mr. Lee”)	215,298,832	<i>Notes 4 &amp; 5</i>	12.42

*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 214,528,341 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 770,491 shares in the Company arose by attribution through her spouse, Mr. Lee.*

*Note 4: Interests in 214,528,341 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 770,491 shares in the Company are beneficially owned by Mr. Lee.*

*Note 5: Such interests included entitlements under the Scheme.*

Save as disclosed above, as at 30th September, 2015, 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 2015 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, 2015 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, 2015 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. Shek, 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.

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

Changes in the information of Directors since the date of the 2015 annual report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- (i) Mr. Chong Ka Fung had been appointed as the deputy managing director of Chuang’s China with effect from 25th September, 2015; and
- (ii) Mr. Shek is an independent non-executive director of Dorsett Hospitality International Limited (“Dorsett”). The shares of Dorsett were withdrawn from listing on the Stock Exchange as from the close of trading on 16th October, 2015.

## **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**

For the purpose of determining entitlements to the interim dividend, the register of members of the Company will be closed from Monday, 21st December, 2015 to Monday, 28th December, 2015, 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, 18th December, 2015.

### **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 "Share Option 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 Share Option 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 Share Option Scheme, the Chuang's China Scheme and the Midas Scheme since their adoption or approval.

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

### **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, 2015, the Group (excluding Chuang's China, Midas and their subsidiaries) employed 430 staff, the Chuang's China group employed 292 staff and the Midas group employed 1,148 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**  
**Alan Chuang Shaw Swee**  
*Chairman*

Hong Kong, 27th November, 2015

## CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30th September, 2015

	Note	2015 HK\$'000	2014 HK\$'000
Revenues	5	678,677	879,788
Cost of sales		<u>(415,460)</u>	<u>(538,977)</u>
Gross profit		263,217	340,811
Other income and net gain	7	106,520	67,282
Selling and marketing expenses		(51,156)	(50,353)
Administrative and other operating expenses		(231,760)	(189,507)
Change in fair value of investment properties		<u>166,633</u>	<u>176,826</u>
Operating profit	8	253,454	345,059
Finance costs	9	(43,515)	(31,535)
Share of results of associated companies		(292)	(373)
Share of results of joint ventures		<u>(7)</u>	<u>(6)</u>
Profit before taxation		209,640	313,145
Taxation	10	<u>(99,502)</u>	<u>(26,713)</u>
Profit for the period		<u>110,138</u>	<u>286,432</u>
Attributable to:			
Equity holders		94,662	255,748
Non-controlling interests		<u>15,476</u>	<u>30,684</u>
		<u>110,138</u>	<u>286,432</u>
Earnings per share (basic and diluted)	12	<u>HK cents 5.46</u>	<u>HK cents 14.85</u>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30th September, 2015

	<b>2015</b> <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Profit for the period</b>	<b>110,138</b>	286,432
Other comprehensive income:		
Items that may be reclassified subsequently to profit and loss:		
Net exchange differences	<b>(87,353)</b>	13,339
Realization of exchange reserve upon disposal of subsidiaries	–	(1,094)
Change in fair value of available-for-sale financial assets	<b>(45,219)</b>	8,027
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	<b>(133)</b>	(269)
Total other comprehensive (loss)/income that may be reclassified subsequently to profit and loss	<b>(132,705)</b>	20,003
Item that may not be reclassified subsequently to profit and loss:		
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	<b>54,188</b>	–
Total other comprehensive (loss)/income for the period	<b>(78,517)</b>	20,003
<b>Total comprehensive income for the period</b>	<b>31,621</b>	306,435
Total comprehensive income attributable to:		
Equity holders	<b>36,001</b>	265,545
Non-controlling interests	<b>(4,380)</b>	40,890
	<b>31,621</b>	306,435



# CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2015

	<i>Note</i>	<b>30th September, 2015</b>	31st March, 2015
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment	<i>13</i>	<b>698,478</b>	768,066
Investment properties	<i>13</i>	<b>6,349,169</b>	5,969,808
Leasehold lands and land use rights	<i>13</i>	<b>903,929</b>	938,207
Properties for/under development		<b>805,241</b>	778,800
Cemetery assets		<b>550,951</b>	561,692
Associated companies		<b>58,945</b>	48,782
Joint ventures		–	–
Amounts due from joint ventures		<b>67,321</b>	66,215
Available-for-sale financial assets		<b>195,469</b>	243,708
Loans and receivables		<b>12,270</b>	12,553
		<hr/> <b>9,641,773</b>	<hr/> 9,387,831
<b>Current assets</b>			
Properties for sale		<b>2,421,642</b>	2,569,602
Inventories		<b>184,050</b>	185,912
Cemetery assets		<b>106,842</b>	108,064
Debtors and prepayments	<i>14</i>	<b>614,343</b>	528,267
Financial assets at fair value through profit or loss		<b>255,324</b>	85,621
Pledged bank balances		<b>40,215</b>	55,269
Cash and bank balances		<b>1,746,763</b>	1,972,173
		<hr/> <b>5,369,179</b>	<hr/> 5,504,908

**CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)** *(Continued)**As at 30th September, 2015*

		<b>30th September, 2015</b>	31st March, 2015
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Current liabilities</b>			
Creditors and accruals	15	433,527	505,257
Sales deposits received		202,760	213,389
Short-term bank borrowings	16	253,486	243,466
Current portion of long-term bank borrowings	16	1,100,309	919,241
Dividend payable		52,012	–
Taxation payable		335,883	348,808
		<u>2,377,977</u>	<u>2,230,161</u>
<b>Net current assets</b>		<u>2,991,202</u>	<u>3,274,747</u>
<b>Total assets less current liabilities</b>		<u>12,632,975</u>	<u>12,662,578</u>
<b>Equity</b>			
Share capital	17	433,432	433,432
Reserves		7,752,744	7,718,680
Proposed final dividend		–	52,012
		<u>8,186,176</u>	<u>8,204,124</u>
Shareholders' funds		8,186,176	8,204,124
Non-controlling interests		1,503,164	1,526,873
		<u>9,689,340</u>	<u>9,730,997</u>
<b>Total equity</b>		<u>9,689,340</u>	<u>9,730,997</u>
<b>Non-current liabilities</b>			
Long-term bank borrowings	16	2,541,587	2,538,079
Deferred taxation liabilities		369,810	361,405
Loans and payables with non-controlling interests		32,238	32,097
		<u>2,943,635</u>	<u>2,931,581</u>
		<u>12,632,975</u>	<u>12,662,578</u>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30th September, 2015

	<i>Note</i>	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
Net cash (used in)/from operating activities		<b>(411,580)</b>	43,763
<b>Cash flows from investing activities</b>			
Purchase of investment properties		<b>(39,497)</b>	(90,989)
Proceeds from disposal of subsidiaries, net of cash and bank balances disposed of	21	–	69,304
Proceed from disposal of an investment property		–	38,247
Decrease in bank deposits maturing more than three months from date of placement		–	37,324
Others, net		<b>15,480</b>	20,036
Net cash (used in)/from investing activities		<b>(24,017)</b>	73,922
<b>Cash flows from financing activities</b>			
New bank borrowings		<b>438,168</b>	272,997
Repayment of bank borrowings		<b>(210,943)</b>	(191,891)
Redemption of convertible note		–	(61,750)
Others, net		<b>62</b>	100
Net cash from financing activities		<b>227,287</b>	19,456
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(208,310)</b>	137,141
Cash and cash equivalents at the beginning of the period ( <i>Note</i> )		<b>1,971,404</b>	2,276,633
Exchange difference on cash and cash equivalents		<b>(17,100)</b>	3,229
<b>Cash and cash equivalents at the end of the period</b>		<b>1,745,994</b>	2,417,003
<b>Analysis of cash and cash equivalents</b>			
Cash and bank balances		<b>1,746,763</b>	2,424,325
Bank deposits maturing more than three months from date of placement		<b>(769)</b>	(7,322)
<b>Cash and cash equivalents</b>		<b>1,745,994</b>	2,417,003

*Note: The cash and cash equivalents as at 1st April, 2014 consisted of cash and bank balances included in "Assets of disposal group classified as held for sale" of HK\$8,094,000 (see also note 21).*

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30th September, 2015

	Attributable to equity holders of the Company					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Non-controlling interests HK\$'000	
At 1st April, 2015	433,432	1,261,388	6,509,304	8,204,124	1,526,873	9,730,997
Profit for the period	-	-	94,662	94,662	15,476	110,138
Other comprehensive income:						
Net exchange differences	-	(63,737)	-	(63,737)	(23,616)	(87,353)
Change in fair value of available-for-sale financial assets	-	(25,391)	-	(25,391)	(19,828)	(45,219)
Realization of investment revaluation reserve upon disposal of available-for-sale financial assets	-	(133)	-	(133)	-	(133)
Fair value gain on transfer of property from property, plant and equipment and leasehold lands and land use rights to investment properties, net of deferred tax	-	30,600	-	30,600	23,588	54,188
Total comprehensive (loss)/income for the period	-	(58,661)	94,662	36,001	(4,380)	31,621
Transfer to statutory reserve	-	21,413	(21,413)	-	-	-
Transactions with owners:						
Dividend	-	-	(52,012)	(52,012)	-	(52,012)
Dividend to non-controlling interests	-	-	-	-	(20,995)	(20,995)
Increase of interests in a subsidiary	-	-	-	-	(271)	(271)
Increase of interests in a subsidiary by non-controlling interests	-	-	(1,937)	(1,937)	1,937	-
At 30th September, 2015	<b>433,432</b>	<b>1,224,140</b>	<b>6,528,604</b>	<b>8,186,176</b>	<b>1,503,164</b>	<b>9,689,340</b>
At 1st April, 2014	430,515	1,270,060	6,092,552	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	<b>430,515</b>	<b>1,279,857</b>	<b>6,296,638</b>	<b>8,007,010</b>	<b>1,491,407</b>	<b>9,498,417</b>

# 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 "Stock Exchange"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is 25th Floor, Alexandra House, 18 Chater Road, Central.

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

## 2. Basis of preparation

The 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, 2015 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, 2015, except as stated below.

### Effect of adopting amendments to standards

For the six months ended 30th September, 2015, the Group adopted the following amendments to standards that are effective for the accounting periods beginning on or after 1st April, 2015 and relevant to the operations of the Group:

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

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

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

### 2. Basis of preparation (Continued)

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

The following new standards and amendments to standards have been published which are relevant to the Group's operations and are mandatory for the Group's accounting periods beginning on or after 1st April, 2016, but have not yet been early adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Disclosure Initiative (effective from 1st January, 2016)
HKAS 16 and HKAS 38 (Amendments)	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization (effective from 1st January, 2016)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method in Separate Financial Statements (effective from 1st January, 2016)
HKFRS 9	Financial Instruments (effective from 1st January, 2018)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective from 1st January, 2016)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective from 1st January, 2016)
HKFRS 11 (Amendment)	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations (effective from 1st January, 2016)
HKFRS 14	Regulatory Deferral Accounts (effective from 1st January, 2016)
HKFRS 15	Revenue from Contracts with Customers (effective from 1st January, 2018)
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012-2014 Cycle (effective from 1st January, 2016)

The Group will adopt the above new standards and amendments to standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

# 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, 2015. There has been no material change in the Group's financial risk management policies since the year ended 31st March, 2015.

### (b) Liquidity risk

Compared to the year ended 31st March, 2015, 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, 2015, 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, 2015.

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

### 5. Revenues

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

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Sales of properties	<b>363,032</b>	596,391
Rental income and management fees	<b>85,004</b>	82,119
Income from hotel operation and management	<b>46,695</b>	–
Sales of goods and merchandises	<b>174,376</b>	191,196
Securities trading	<b>(4,718)</b>	3,887
Interest income from financial assets at fair value through profit or loss	<b>3,860</b>	748
Dividend income from listed investments	–	236
Sales of cemetery assets	<b>10,428</b>	5,211
	<b>678,677</b>	879,788

### 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 (including information technology business). 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	Hotel operation and management	Sales of goods and merchandises	Securities investment and trading	Cemetery	Others and corporate	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>2015</b>							
Revenues	448,036	46,695	174,376	(858)	10,428	-	678,677
Other income and net gain	82,821	-	11,189	68	2	12,440	106,520
Operating profit/(loss)	391,111	(36,762)	(15,052)	(790)	(3,328)	(81,725)	253,454
Finance (costs)/income	(34,216)	(7,378)	(2,128)	-	207	-	(43,515)
Share of results of associated companies	36	694	(54)	-	-	(968)	(292)
Share of results of joint ventures	(7)	-	-	-	-	-	(7)
Profit/(loss) before taxation	356,924	(43,446)	(17,234)	(790)	(3,121)	(82,693)	209,640
Taxation (charge)/credit	(100,211)	-	(159)	-	868	-	(99,502)
Profit/(loss) for the period	256,713	(43,446)	(17,393)	(790)	(2,253)	(82,693)	110,138
<b>As at 30th September, 2015</b>							
Segment assets	10,301,562	1,432,220	373,539	256,924	677,803	1,842,638	14,884,686
Associated companies	189	41,747	10,401	-	-	6,608	58,945
Joint ventures	-	-	-	-	-	-	-
Amounts due from joint ventures	67,321	-	-	-	-	-	67,321
Total assets	10,369,072	1,473,967	383,940	256,924	677,803	1,849,246	15,010,952
Total liabilities	4,160,763	740,637	99,250	-	165,560	155,402	5,321,612
<b>2015</b>							
Other segment items are as follows:							
Capital expenditure	242,377	2,191	2,802	-	400	618	248,388
Depreciation	1,336	13,619	10,989	-	341	7,173	33,458
Amortization of leasehold lands and land use rights - charged to the consolidated income statement	16	20,396	452	-	36	-	20,900
- capitalized into properties	2,000	-	-	-	-	-	2,000
Provision for impairment of trade debtors	-	-	-	-	209	-	209

# 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
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 31st March, 2015							
Segment assets	10,139,465	1,463,380	422,258	86,356	689,348	1,976,935	14,777,742
Associated companies	153	41,053	–	–	–	7,576	48,782
Joint ventures	–	–	–	–	–	–	–
Amounts due from joint ventures	66,215	–	–	–	–	–	66,215
Total assets	10,205,833	1,504,433	422,258	86,356	689,348	1,984,511	14,892,739
Total liabilities	4,046,056	748,647	121,569	–	164,820	80,650	5,161,742
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)

### (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	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	119,154	85,777	74,853	142,585
The People's Republic of China (the "PRC")	383,172	607,720	155,325	204,553
Other countries	176,351	186,291	18,210	21,488
	<b>678,677</b>	879,788	<b>248,388</b>	368,626
	Non-current assets (Note)		Total assets	
	30th September,	31st March,	30th September,	31st March,
	2015	2015	2015	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	7,375,349	7,260,475	10,608,399	9,942,201
The PRC	1,537,418	1,355,657	3,534,218	4,051,567
Other countries	521,267	515,438	868,335	898,971
	<b>9,434,034</b>	9,131,570	<b>15,010,952</b>	14,892,739

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

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

### 7. Other income and net gain

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Interest income from bank deposits	10,753	17,742
Dividend income from available-for-sale financial assets	3,889	3,784
Sales of scraped materials	2,683	1,680
Write-back of provision for indemnity <i>(Note a(i))</i>	58,546	–
Gain on disposal of subsidiaries <i>(Note a(ii))</i>	–	17,107
Write-back of provision for expenses undertaking <i>(Note b)</i>	–	10,224
Fair value gain on transfer of properties from properties for sale to investment properties	18,168	455
Reversal of provision for impairment of properties for sale	3,163	–
Gain on disposal of an investment property	–	11,241
Net gain on disposal of property, plant and equipment	2,579	2,130
Loss on disposal of leasehold lands and land use rights	–	(333)
Gain/(loss) on disposal of available-for-sale financial assets	818	(164)
Net exchange gain/(loss)	111	(1,703)
Sundries	5,810	5,119
	106,520	67,282

*Notes:*

- (a) (i) *On 27th May, 2013, a subsidiary (the “Vendor”) of the Group entered into an agreement with an independent third party (the “Purchaser”) to dispose of its investment in a wholly-owned subsidiary at a consideration of HK\$1. The Vendor also executed an indemnity deed amounting to RMB48.8 million (equivalent to approximately HK\$58.5 million) in favour of the Purchaser for a period of two years from the date of completion of the disposal on 15th August, 2013. Details of the transaction were set out in the announcement of the Company on 27th May, 2013. The write-back of provision for indemnity was related to this as the indemnity was expired during the period ended 30th September, 2015.*
- (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.*
- (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**

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Operating profit is stated after crediting:		
Net realized gain of financial assets at fair value through profit or loss	<b>1,879</b>	3,914
Reversal of provision for impairment of inventories	<b>447</b>	–
	<b>2,326</b>	3,914
and after charging:		
Cost of properties sold	<b>217,996</b>	356,068
Cost of inventories sold	<b>94,731</b>	112,417
Depreciation	<b>33,458</b>	21,892
Amortization of leasehold lands and land use rights	<b>20,900</b>	559
Fair value loss of financial assets at fair value through profit or loss	<b>6,597</b>	27
Provision for impairment of inventories	–	558
Provision for impairment of trade debtors	<b>209</b>	580
Staff costs, including Directors' emoluments		
Wages and salaries	<b>134,486</b>	119,915
Retirement benefit costs	<b>4,579</b>	3,983
	<b>174,344</b>	127,485

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

**9. Finance costs**

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Interest expenses		
Bank borrowings wholly repayable within five years	<b>40,166</b>	33,162
Bank borrowings wholly repayable after five years	<b>11,963</b>	15,697
Bank overdraft wholly repayable within five years	<b>252</b>	64
Convertible note wholly repayable within five years	<b>–</b>	2,688
	<b>52,381</b>	51,611
Fair value adjustment of trade debtors	<b>(207)</b>	(177)
Amounts capitalized into		
Investment properties	<b>(2,059)</b>	(3,715)
Properties under development	<b>(6,600)</b>	(13,496)
Cemetery assets	<b>–</b>	(2,688)
	<b>(8,659)</b>	(19,899)
	<b>43,515</b>	31,535

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 1.61% to 3.16% (2014: 1.59% to 7.38%) per annum, whereas the capitalized effective rate for cemetery assets was 14.86% per annum for 2014.

**10. Taxation**

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Current taxation		
Hong Kong profits tax – over-provision in previous years	<b>–</b>	(75,000)
Overseas profits tax	<b>160</b>	(11)
PRC corporate income tax	<b>44,133</b>	43,667
PRC land appreciation tax	<b>59,054</b>	75,494
Deferred taxation	<b>(3,845)</b>	(17,437)
	<b>99,502</b>	26,713

# 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 (2014: 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, 2015 of HK\$23,000 (2014: HK\$97,000) is included in the consolidated income statement as share of results of associated companies. There is no taxation charge/credit of the joint ventures for the period (2014: Nil).

## 11. Interim dividend

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim dividend of 2.0 HK cents (2014: interim scrip dividend with a cash option of 2.0 HK cents) per share	<u>34,766</u>	<u>34,538</u>

On 27th November, 2015, the board of Directors declared an interim dividend of 2.0 HK cents (2014: interim scrip dividend with a cash option of 2.0 HK cents) per share amounting to HK\$34,766,000 (2014: HK\$34,538,000). The amount of HK\$34,766,000 is calculated based on 1,738,277,104 issued shares as at 27th November, 2015. 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, 2016.

## 12. Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$94,662,000 (2014: HK\$255,748,000) and the weighted average number of 1,733,729,517 (2014: 1,722,060,190) 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.

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

### 13. Capital expenditure

On 21st April, 2015, Chuang's China Investments Limited (a listed subsidiary of the Group) and its wholly-owned subsidiary entered into a sale and purchase agreement with Midas and its wholly-owned subsidiary to acquire the entire registered capital of a PRC wholly-owned subsidiary of Midas (the major assets are the land and property in the PRC) at a consideration of RMB101.6 million (equivalent to approximately HK\$123.4 million). The transaction was completed on 21st August, 2015. Details of the transaction were set out in the announcements of the Company dated 21st April, 2015 and 21st August, 2015 respectively. After the completion of this transaction, the property was leased out before the period ended 30th September, 2015, and accordingly the Group had reclassified the property from property, plant and equipment and leasehold lands and land use rights to investment properties.

For the six months ended 30th September, 2015, the Group incurred acquisition and development costs on property, plant and equipment and cemetery assets of HK\$6,362,000 (2014: HK\$12,015,000), and property projects and investment properties of HK\$242,026,000 (2014: HK\$356,611,000) respectively.

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

	<b>30th September, 2015 HK\$'000</b>	31st March, 2015 HK\$'000
Below 30 days	<b>46,185</b>	48,637
31 to 60 days	<b>25,083</b>	23,339
61 to 90 days	<b>20,700</b>	11,767
Over 90 days	<b>27,302</b>	17,132
	<b>119,270</b>	100,875

Debtors and prepayments include net deposits of HK\$305,554,000 (31st March, 2015: HK\$286,008,000) for property projects and acquisition of properties and leasehold lands and land use rights in Hong Kong, the PRC and Vietnam after the accumulated provision for impairment of HK\$67,272,000 (31st March, 2015: HK\$67,272,000) as at 30th September, 2015.



**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, 2015</b>	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	<b>31,555</b>	32,484
31 to 60 days	<b>7,236</b>	11,287
Over 60 days	<b>15,792</b>	23,677
	<hr/> <b>54,583</b> <hr/>	<hr/> 67,448 <hr/>

Creditors and accruals include the construction cost payables and accruals of HK\$172,345,000 (31st March, 2015: HK\$189,295,000) for the property projects of the Group.

**16. Borrowings**

	<b>30th September, 2015</b>	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unsecured bank borrowings		
Short-term bank borrowings	<b>35,798</b>	4,045
Long-term bank borrowings	<b>470,926</b>	190,245
	<hr/> <b>506,724</b> <hr/>	<hr/> 194,290 <hr/>
Secured bank borrowings		
Short-term bank borrowings	<b>217,688</b>	239,421
Long-term bank borrowings	<b>3,170,970</b>	3,267,075
	<hr/> <b>3,388,658</b> <hr/>	<hr/> 3,506,496 <hr/>
Total bank borrowings	<hr/> <b>3,895,382</b> <hr/>	<hr/> 3,700,786 <hr/>

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

**16. Borrowings** *(Continued)*

The total bank borrowings are analyzed as follows:

	<b>30th September, 2015</b>	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Short-term bank borrowings	<b>253,486</b>	243,466
Long-term bank borrowings	<b>3,641,896</b>	3,457,320
	<b><u>3,895,382</u></b>	<b><u>3,700,786</u></b>

The long-term bank borrowings are analyzed as follows:

	<b>30th September, 2015</b>	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Long-term bank borrowings		
Wholly repayable within five years*	<b>2,723,714</b>	1,859,504
Wholly repayable after five years*	<b>918,182</b>	1,597,816
	<b><u>3,641,896</u></b>	<b><u>3,457,320</u></b>
Current portion included in current liabilities		
Portion due within one year	<b>(799,651)</b>	(579,415)
Portion due after one year which contains a repayment on demand clause	<b>(300,658)</b>	(339,826)
	<b><u>(1,100,309)</u></b>	<b><u>(919,241)</u></b>
	<b><u>2,541,587</u></b>	<b><u>2,538,079</u></b>

\* *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, 2015</b>	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within the first year	<b>1,053,137</b>	822,881
Within the second year	<b>433,310</b>	639,087
Within the third to fifth years	<b>1,676,155</b>	1,133,374
After the fifth year	<b>732,780</b>	1,105,444
	<b><u>3,895,382</u></b>	<u>3,700,786</u>

### 17. Share capital

	<b>30th September, 2015</b>	31st March, 2015
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorized:		
2,500,000,000 shares of HK\$0.25 each	<b><u>625,000</u></b>	<u>625,000</u>
Issued and fully paid:		
1,733,729,517 shares of HK\$0.25 each	<b><u>433,432</u></b>	<u>433,432</u>

### 18. Financial guarantees

As at 30th September, 2015, the Company had provided a guarantee of HK\$117,000,000 (31st March, 2015: HK\$117,000,000) for the banking facility granted to a joint venture, and subsidiaries had provided guarantees of HK\$885,852,000 (31st March, 2015: HK\$795,441,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

### 19. Commitments

As at 30th September, 2015, the Group had commitments contracted but not provided for in respect of property projects, property, plant and equipment and cemetery assets of HK\$632,811,000 (31st March, 2015: HK\$428,034,000) and available-for-sale financial assets of HK\$48,836,000 (31st March, 2015: HK\$49,964,000) respectively.

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

**20. Pledge of assets**

As at 30th September, 2015, 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\$8,275,802,000 (31st March, 2015: HK\$8,259,166,000), to secure banking and financial guarantee facilities granted to the subsidiaries.

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

	<b>2015</b> <b>HK\$'000</b>	2014 HK\$'000
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 (note 7(a)(ii))	–	17,107
Less: PRC withholding corporate income tax	–	(6,300)
Add: Write-back of deferred taxation liabilities	–	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
Cash and bank balances disposed of	–	(8,094)
	<hr/>	<hr/>
Net cash flow from disposal of subsidiaries	–	69,304
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