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Chuang's Consortium International Limited

（莊 士 機 構 國 際 有 限 公 司）

(incorporated in Bermuda with limited liability)

(Stock Code: 367)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2012

RESULTS

The Board of Directors (the "Board") of Chuang's Consortium International Limited (the "Company") announces the interim financial information of the Company and its subsidiaries (collectively as the "Group") for the six months ended 30th September, 2012 as follows:

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30th September, 2012

	Note	2012 *HK$'000*	2011 *HK$'000*
Revenues		**463,933**	735,800
Cost of sales		**(290,744)**	(346,703)
Gross profit		**173,189**	389,097
Other income and net gain	*6*	**45,621**	211,715
Selling and marketing expenses		**(30,469)**	(44,387)
Administrative and other operating expenses		**(173,402)**	(130,551)
Change in fair value of investment properties		**328,906**	473,461
Operating profit	*7*	**343,845**	899,335
Finance costs	*8*	**(27,256)**	(26,522)
Share of results of associated companies		**(294)**	(4,897)
Share of result of a jointly controlled entity		**(13)**	(31)
Profit before taxation		**316,282**	867,885
Taxation	*9*	**(24,383)**	(50,380)
Profit for the period		**291,899**	817,505
Attributable to:			
Equity holders		**293,143**	670,919
Non-controlling interests		**(1,244)**	146,586
		291,899	817,505
Interim dividend	*10*	**33,050**	31,597
		HK cents	*HK cents*
Earnings per share (basic and diluted)	*11*	**18.40**	42.55

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six months ended 30th September, 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the period	**291,899**	817,505
Other comprehensive income:		
Net exchange differences	**(4,468)**	(34,680)
Share of exchange reserve of an associated company	**–**	(19)
Realisation of reserves upon disposal of an associated company	**–**	(3,723)
Change in fair value of available-for-sale financial assets	**(2,142)**	(3,542)
Other comprehensive loss for the period	**(6,610)**	(41,964)
Total comprehensive income for the period	**285,289**	775,541
Total comprehensive income attributable to:		
Equity holders	**290,406**	649,419
Non-controlling interests	**(5,117)**	126,122
	285,289	775,541

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2012

	Note	30th September, 2012 HK$'000	31st March, 2012 HK$'000
Non-current assets			
Property, plant and equipment		**309,040**	323,420
Investment properties		**5,185,829**	4,830,675
Leasehold land and land use rights		**85,207**	83,534
Properties for/under development		**431,204**	421,502
Cemetery assets		**532,213**	536,209
Associated companies		**10,375**	10,669
Jointly controlled entity		**–**	–
Amount due from a jointly controlled entity		**59,887**	58,685
Available-for-sale financial assets		**91,697**	92,984
Loans and receivables		**14,359**	14,408
		6,719,811	6,372,086
Current assets			
Properties for sale		**2,047,716**	1,849,084
Inventories		**128,304**	124,713
Cemetery assets for sale		**112,664**	112,679
Debtors and prepayments	*13*	**628,748**	575,670
Tax recoverable		**117**	117
Financial assets at fair value through profit or loss		**197,504**	330,494
Pledged bank balances		**31,171**	–
Cash and bank balances		**1,984,543**	1,890,245
		5,130,767	4,883,002
Current liabilities			
Creditors and accruals	*14*	**483,966**	341,377
Sales deposits received		**215,991**	136,282
Derivative financial instruments		**33,367**	3,500
Short-term bank borrowings	*15*	**42,857**	14,511
Current portion of long-term bank borrowings	*15*	**459,294**	437,814
Dividend payable		**55,750**	–
Taxation payable		**306,547**	310,142
		1,597,772	1,243,626
Net current assets		**3,532,995**	3,639,376
Total assets less current liabilities		**10,252,806**	10,011,462
Equity			
Share capital	*16*	**398,211**	398,211
Reserves		**6,078,101**	5,787,695
Proposed final dividend		**–**	55,750
Shareholders' funds		**6,476,312**	6,241,656
Non-controlling interests		**1,458,856**	1,477,061
Total equity		**7,935,168**	7,718,717
Non-current liabilities			
Long-term bank borrowings	*15*	**1,898,814**	1,883,409
Convertible note		**49,002**	46,343
Deferred taxation liabilities		**359,653**	352,824
Loans from non-controlling interests		**10,169**	10,169
		2,317,638	2,292,745
		10,252,806	10,011,462

NOTES TO THE 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 investment and development, hotel operation, manufacturing and sale of watch components, merchandise, bonded polyester fabrics, home finishing products and printed products, securities investment and trading, and development and operation of cemetery.

2. BASIS OF PREPARATION

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, derivative financial instruments 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 interim financial information should be read in conjunction with the annual financial statements for the year ended 31st March, 2012 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 interim financial information are consistent with those used in the annual financial statements for the year ended 31st March, 2012, except as stated below.

The adoption of revised HKFRSs
For the six months ended 30th September, 2012, the Group adopted the following amendment that is effective for the Group's accounting periods beginning on 1st April, 2012 and relevant to the operations of the Group:

HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Transfers of Financial Assets

The Group has assessed the impact of the adoption of this amendment 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 interim financial information.

Standards and amendments to existing standards that are not yet effective
The following new and revised standards and amendments have been published which are relevant to the Group's operation and are mandatory for the Group's accounting periods beginning on or after 1st April, 2013, but have not yet been adopted by the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements (effective from 1st July, 2012)
HKAS 19 (Revised)	Employee Benefits (effective from 1st January, 2013)
HKAS 27 (Revised)	Separate Financial Statements (effective from 1st January, 2013)
HKAS 28 (Revised)	Investments in Associates and Joint Ventures (effective from 1st January, 2013)
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2014)
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1st January, 2013)
HKFRS 9	Financial Instruments (effective from 1st January, 2015)
HKFRS 10	Consolidated Financial Statements (effective from 1st January, 2013)
HKFRS 11	Joint Arrangements (effective from 1st January, 2013)
HKFRS 12	Disclosures of Interests in Other Entities (effective from 1st January, 2013)
HKFRS 13	Fair Value Measurement (effective from 1st January, 2013)

The Group will adopt the above new and revised standards and amendments as and when they become effective and is not yet in a position to state whether any substantial changes to the Group's results of operations and financial position will be resulted.

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 interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and it should be read in conjunction with the annual financial statements for the year ended 31st March, 2012. There has been no material change in the Group's financial risk management policies since the year ended 31st March, 2012.

(b) Liquidity risk

Compared to the year ended 31st March, 2012, there was no material change in the contractual undiscounted cash flows of 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 amounts of financial assets and financial liabilities recorded at amortised cost in the interim financial information approximate to their fair values.

During the six months ended 30th September, 2012, 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 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 interim financial information are consistent with those used in the annual financial statements for the year ended 31st March, 2012, except that some parameters used in the cash flow projections for the value-in-use calculation to determine the recoverable amount of the impairment review of the cash generating unit of the Group's cemetery business (the "Cemetery CGU") are slightly changed to be in line with the latest circumstance. The cash flow projections are based on the financial budgets approved by the management covering a 10-year period with a discount rate of 20.89%, and cash flows beyond the 10-year period are extrapolated using a steady growth rate with a range of 4% to 30% depending on the types of the products for another 30-year period. The management determined that there was no impairment of the Cemetery CGU as at 30th September, 2012.

5. SEGMENT INFORMATION

(a) Segment information by business lines

The chief operating decision maker has been identified as the Board of Directors (the "Board"). The Board 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 Board considers the business from a business perspective, including property investment and development, sale of goods and services, securities investment and trading, cemetery and others (including hotel operation). The Board assesses the performance of the operating segments based on a measure of segment result.

The segment information by business lines is as follows:

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Securities investment and trading *HK$'000*	Cemetery *HK$'000*	Others and corporate *HK$'000*	Total *HK$'000*
2012						
Revenues	285,298#	188,586	(13,621)	3,670	–	463,933
Other income and net gain	21,825	13,199	–	3	10,594	45,621
Operating profit/(loss)	457,800	(18,281)	(13,621)	(3,400)	(78,653)	343,845
Finance costs	(21,655)	(1,571)	–	–	(4,030)	(27,256)
Share of results of associated companies	8	–	–	–	(302)	(294)
Share of result of a jointly controlled entity	(13)	–	–	–	–	(13)
Profit/(loss) before taxation	436,140	(19,852)	(13,621)	(3,400)	(82,985)	316,282
Taxation (charge)/credit	(24,731)	(121)	–	401	68	(24,383)
Profit/(loss) for the period	411,409	(19,973)	(13,621)	(2,999)	(82,917)	291,899
As at 30th September, 2012						
Segment assets	8,467,998	514,022	197,504	661,628	1,939,164	11,780,316
Associated companies	2,706	–	–	–	7,669	10,375
Jointly controlled entity	–	–	–	–	–	–
Amount due from a jointly controlled entity	59,887	–	–	–	–	59,887
Total assets	8,530,591	514,022	197,504	661,628	1,946,833	11,850,578
Total liabilities	3,378,001	111,772	37,414	175,761	212,462	3,915,410
2012						
Other segment items are as follows:						
Capital expenditure	320,251	7,621	–	8	257	328,137
Depreciation	2,546	14,480	–	372	6,218	23,616
Amortisation of leasehold land and land use rights						
– charged to income statement	16	1,336	–	37	–	1,389
– capitalised into properties	2,000	–	–	–	–	2,000
Write off of trade debtors	21	2,000	–	–	–	2,021
Recovery of trade debtors written off	–	1,436	–	–	–	1,436

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Securities investment and trading *HK$'000*	Cemetery *HK$'000*	Others and corporate *HK$'000*	Total *HK$'000*
2011						
Revenues	779,409#	130,303	(175,561)	1,649	–	735,800
Other income and net gain	40,216	3,748	–	–	167,751	211,715
Operating profit/(loss)	982,450	(8,710)	(175,561)	(3,243)	104,399	899,335
Finance costs	(23,452)	(133)	–	–	(2,937)	(26,522)
Share of results of associated companies	25	(6,928)	–	–	2,006	(4,897)
Share of result of a jointly controlled entity	(31)	–	–	–	–	(31)
Profit/(loss) before taxation	958,992	(15,771)	(175,561)	(3,243)	103,468	867,885
Taxation (charge)/credit	(51,147)	–	–	291	476	(50,380)
Profit/(loss) for the period	907,845	(15,771)	(175,561)	(2,952)	103,944	817,505
As at 31st March, 2012						
Segment assets	8,023,607	496,917	330,494	666,116	1,668,600	11,185,734
Associated companies	2,699	–	–	–	7,970	10,669
Jointly controlled entity	–	–	–	–	–	–
Amount due from a jointly controlled entity	58,685	–	–	–	–	58,685
Total assets	8,084,991	496,917	330,494	666,116	1,676,570	11,255,088
Total liabilities	3,119,149	119,167	3,500	175,975	118,580	3,536,371
2011						
Other segment items are as follows:						
Capital expenditure	362,951	8,565	–	–	78,522	450,038
Depreciation	2,416	7,235	–	260	3,364	13,275
Amortisation of leasehold land and land use rights						
– charged to income statement	97	565	–	22	–	684
– capitalised into properties	2,000	–	–	–	–	2,000
Write off of trade debtors	15	–	–	–	–	15

The amounts include sales of properties under development and land use rights for sale in the People's Republic of China (the "PRC") of HK$33.7 million (2011: HK$625.4 million).

(b) Geographical segment information

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

	Revenues		**Capital expenditure**	
	2012	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**89,909**	(100,131)	**51,027**	223,894
The PRC	**193,768**	713,768	**260,184**	188,380
The United States of America	**56,457**	27,517	**–**	–
Other countries	**123,799**	94,646	**16,926**	37,764
	463,933	735,800	**328,137**	450,038

	Non-current assets *(Note)*		**Total assets**	
	30th September, 2012	31st March, 2012	**30th September, 2012**	31st March, 2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**4,941,324**	4,638,633	**7,465,643**	6,974,598
The PRC	**1,205,614**	1,147,743	**3,681,290**	3,596,739
Other countries	**466,817**	478,318	**703,645**	683,751
	6,613,755	6,264,694	**11,850,578**	11,255,088

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

6. OTHER INCOME AND NET GAIN

	2012 *HK$'000*	2011 *HK$'000*
Interest income from		
Bank deposits	**11,477**	10,570
Loans and receivables	**550**	1,379
Dividend income from available-for-sale financial assets	**977**	1,954
Sale of scraped material	**2,375**	1,386
Recovery of trade debtors written off	**1,436**	–
Negative goodwill arising from the purchase of a subsidiary	**–**	290,570
Loss on remeasurement of previously held equity interest in an associated company	**–**	(135,560)
Gain on transfer of properties from properties for sale to investment properties	**18,234**	–
(Loss)/gain on disposal of investment property	**(41)**	38,160
Net gain/(loss) on disposal of property, plant and equipment	**4,141**	(363)
Gain on disposal of available-for-sale financial assets	**685**	204
Net exchange gain/(loss)	**83**	(2,467)
Sundries	**5,704**	5,882
	45,621	211,715

7. OPERATING PROFIT

	2012 *HK$'000*	2011 *HK$'000*
Operating profit is stated after crediting:		
Dividend income from listed investments	**3,024**	2,497
Interest income of financial assets at fair value through profit or loss	**748**	752
Net realised gain of financial assets at fair value through profit or loss	**67,124**	12,527
and after charging:		
Cost of properties sold	**109,413**	219,889
Cost of inventories sold	**121,953**	88,131
Depreciation	**23,616**	13,275
Amortisation of leasehold land and land use rights	**1,389**	684
Write off of trade debtors	**2,021**	15
Fair value loss of financial assets at fair value through profit or loss	**54,650**	71,337
Fair value loss on derivative financial instruments	**29,867**	120,000
Staff costs, including Directors' emoluments		
Wages and salaries	**92,694**	73,980
Retirement benefit costs	**2,300**	2,235

8. FINANCE COSTS

	2012	2011
	HK$'000	*HK$'000*
Interest expenses		
Bank borrowings wholly repayable within five years	**9,151**	12,693
Bank borrowings wholly repayable after five years	**15,106**	14,394
Convertible note wholly repayable within five years	**4,030**	1,515
	28,287	28,602
Amount capitalised into		
Properties for/under development	**–**	(688)
Properties for sale	**(1,031)**	(1,392)
	27,256	26,522

The above analysis shows the finance costs in accordance with the agreed scheduled repayment dates set out in the agreements. The capitalisation rates applied to funds borrowed for the development of properties range from 1.64% to 6.15% (2011: 1.40% to 5.85%) per annum.

9. TAXATION

	2012	2011
	HK$'000	*HK$'000*
Current taxation		
Overseas profits tax	**12**	(2)
PRC corporate income tax	**11,768**	50,264
PRC land appreciation tax	**4,728**	3,039
Deferred taxation	**7,875**	(2,921)
	24,383	50,380

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit for the period (2011: Nil). Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates. PRC land appreciation tax is levied at the 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 credit of associated companies for the six months ended 30th September, 2012 amounting to HK$46,000 (2011: HK$40,000) is included in the income statement as share of results of associated companies. There is no taxation charge/credit of the jointly controlled entity during the period (2011: Nil).

10. INTERIM DIVIDEND

	2012	2011
	HK$'000	*HK$'000*
Interim scrip dividend with a cash option of 2.0 HK cents (2011: 2.0 HK cents) per share	**33,050**	31,597

On 29th November, 2012, the Board declared an interim scrip dividend with a cash option of 2.0 HK cents (2011: 2.0 HK cents) per share amounting to HK$33,050,000 (2011: HK$31,597,000). The amount of HK$33,050,000 is calculated based on 1,652,476,935 issued shares as at 29th November, 2012. This dividend is not reflected as a dividend payable in the interim financial information, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2013.

11. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$293,143,000 (2011: HK$670,919,000) and 1,592,844,917 (2011: 1,576,872,150) shares in issue during the period.

The dilutive earnings per share is equal to the basic earnings per share since there are no diluted potential shares in issue during the periods and the convertible notes issued by a subsidiary are anti-dilutive.

12. CAPITAL EXPENDITURE

For the six months ended 30th September, 2012, the Group has acquired property, plant and equipment amounting to HK$8,775,000 (2011: HK$88,245,000) and incurred acquisition and development costs of properties amounting to HK$319,362,000 (2011: HK$361,793,000).

13. DEBTORS AND PREPAYMENTS

Rental income and management fees are receivable in advance whereas receivables from cemetery operation are settled in accordance with the terms of respective contracts. Credit terms of sales of goods mainly ranged from 30 days to 90 days. The aging analysis of the trade debtors of the Group is as follows:

	30th September, 2012	31st March, 2012
	HK$'000	*HK$'000*
Below 30 days	**41,525**	44,948
31 to 60 days	**29,586**	19,790
61 to 90 days	**19,115**	13,186
Over 90 days	**29,367**	24,651
	119,593	102,575

Debtors and prepayments include net deposits of HK$422,286,000 (31st March, 2012: HK$392,459,000) for property development projects and acquisition of properties and leasehold land and land use rights in Hong Kong, the PRC and Vietnam.

14. CREDITORS AND ACCRUALS

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

	30th September, 2012 HK$'000	31st March, 2012 HK$'000
Below 30 days	**20,973**	26,876
31 to 60 days	**15,306**	11,163
Over 60 days	**14,001**	15,980
	50,280	54,019

Other creditors and accruals are mainly related to the construction cost payables and accruals of HK$253,291,000 (31st March, 2012: HK$127,409,000) for the property development projects of the Group.

15. BORROWINGS

	30th September, 2012 HK$'000	31st March, 2012 HK$'000
Unsecured bank borrowings		
Short-term bank borrowings	**42,857**	14,511
Long-term bank borrowings	**22,800**	26,760
	65,657	41,271
Secured long-term bank borrowings	**2,335,308**	2,294,463
Total bank borrowings	**2,400,965**	2,335,734

The long-term bank borrowings are analysed as follows:

	30th September, 2012 HK$'000	31st March, 2012 HK$'000
Long-term bank borrowings		
Wholly repayable within five years*	**1,020,120**	961,419
Wholly repayable after five years*	**1,337,988**	1,359,804
	2,358,108	2,321,223
Current portion included in current liabilities		
Portion due within one year	**(409,494)**	(424,374)
Portion due after one year which contains a repayment on demand clause	**(49,800)**	(13,440)
	(459,294)	(437,814)
	1,898,814	1,883,409

* *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, 2012 *HK$'000*	31st March, 2012 *HK$'000*
Within the first year	**452,351**	438,885
Within the second year	**79,900**	388,925
Within the third to fifth years	**936,138**	511,159
After the fifth year	**932,576**	996,765
	2,400,965	2,335,734

16. SHARE CAPITAL

	30th September, 2012 *HK$'000*	31st March, 2012 *HK$'000*
Authorised		
2,500,000,000 shares of HK$0.25 each	**625,000**	625,000
Issued and fully paid		
1,592,844,917 shares of HK$0.25 each	**398,211**	398,211

17. FINANCIAL GUARANTEES

As at 30th September, 2012, the Company has provided a guarantee of HK$117,000,000 (31st March, 2012: HK$117,000,000) for the banking facility granted to a jointly controlled entity, and subsidiaries have provided guarantees amounting to HK$381,618,000 (31st March, 2012: HK$351,573,000) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries in the PRC.

18. COMMITMENTS

As at 30th September, 2012, the Group has commitments contracted but not provided for in respect of property development and property, plant and equipment amounting to HK$689,863,000 (31st March, 2012: HK$560,027,000).

19. PLEDGE OF ASSETS

As at 30th September, 2012, the Group has pledged certain assets including property, plant and equipment, investment properties, leasehold land and land use rights, properties for sale and bank deposits, with an aggregate carrying value of HK$5,345,037,000 (31st March, 2012: HK$4,930,105,000), to secure general banking and financial guarantee facilities granted to the subsidiaries. The Group has also pledged certain financial assets at fair value through profit or loss of HK$97,157,000 (31st March, 2012: HK$57,707,000) for the commitments to purchase certain listed security in Hong Kong.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation.

FINANCIAL REVIEW

Revenues of the Group for the six months ended 30th September, 2012 amounted to HK$463.9 million (2011: HK$735.8 million), representing a decrease of 37.0% compared to that of the last corresponding period. Revenues of the Group comprise income from sales of properties of HK$209.6 million (2011: HK$710.0 million), income from rental of investment properties of HK$75.6 million (2011: HK$69.5 million), income from sales of goods and services of HK$188.6 million (2011: HK$130.3 million), income from sales of grave plots and niches of HK$3.7 million (2011: HK$1.6 million) and net loss from securities investment and trading business of HK$13.6 million (2011: net loss of HK$175.6 million). The decrease in the sales of properties of the Group is mainly due to the absence of the disposal of the property development project in Xingsha, the People's Republic of China (the "Xingsha Project") recorded in the last corresponding period.

Gross profit of the Group during the period amounted to HK$173.2 million (2011: HK$389.1 million), representing a decrease of 55.5% compared to that of the last corresponding period, mainly due to the absence of profit generated from the disposal of the Xingsha Project. Other income and net gain decreased to HK$45.6 million (2011: HK$211.7 million) mainly due to the absence of an one-off non-recurring net gain recorded in the last corresponding period relating to the negative goodwill arising from the acquisition of Midas International Holdings Limited ("Midas") as a subsidiary of the Group after netting off the loss on deemed disposal of Midas as an associated company of the Group. A breakdown of other income and net gain is shown in note 6 on page 9 of this report. Furthermore, the Group also recorded an upward revaluation surplus of HK$328.9 million (2011: HK$473.5 million) for its investment properties, reflecting the continued improvement in property prices in Hong Kong.

On the costs side, selling and marketing expenses decreased to HK$30.5 million (2011: HK$44.4 million) mainly due to the decrease in revenues. Administrative and other operating expenses increased to HK$173.4 million (2011: HK$130.6 million) mainly due to the general increase in overheads and the full period consolidation of relevant expenses of Midas whereas in the last corresponding period only three months' relevant expenses of Midas were being consolidated. Finance costs increased slightly to HK$27.3 million (2011: HK$26.5 million). Share of losses of associated companies and a joint controlled entity amounted to HK$0.3 million (2011: HK$4.9 million). Taxation amounted to HK$24.4 million (2011: HK$50.4 million) mainly relating to tax 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, 2012 amounted to HK$293.1 million (2011: HK$670.9 million). Earnings per share was 18.40 HK cents (2011: 42.55 HK cents).

INTERIM DIVIDEND

The Board has resolved to pay an interim dividend of 2.0 HK cents (2011: 2.0 HK cents) per share payable on or before 27th February, 2013 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 4th January, 2013.

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 4th January, 2013, 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.

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) Chuang's Hung Hom Plaza in Hunghom and (d) House A, No. 37 Island Road in Deep Water Bay. The total gross floor area ("GFA") of the Group's investment property portfolio in Hong Kong amounted to about 340,000 *sq. ft.* comprising retail, office, high-class residential and carparking spaces. During the period under review, occupancy rate of our investment properties maintained at high level and rental and other income from investment properties in Hong Kong amounted to HK$61.9 million, representing an increase of about 5.6% over that of the last corresponding period.

(ii) Investment Properties Under Development/Conversion

(a) No. 15 Gough Hill Road, The Peak, Hong Kong

The property is in the process of being developed into a single house with unique architectural design. Demolition works are almost completed which will be followed by site formation and foundation works. In view of the limited supply of this type of luxurious property in that area, it is expected that rental and capital value of the property will be significantly enhanced upon completion of the development.

(b) Chuang's Hung Hom Plaza, No. 83 Wuhu Street, Hunghom, Kowloon

The property is currently a commercial/office building. Rezoning has been obtained from the Town Planning Board to permit the property to be operated as hotel. The Group has been conducting detailed feasibility studies for such conversion and is of the opinion that income and thus capital value of the property after the conversion will be significantly improved. Accordingly, the Group has submitted building plans to the Buildings Department and approval has been obtained to convert the property into a hotel with 399 rooms. In order to facilitate the conversion, the Group has served notices to the relevant tenants of the property to vacate the premises. Conversion works will commence once vacant possession of the property has been obtained and are expected to be completed by the first quarter of 2014.

(iii) Properties Under Development/Held For Sale

During the period under review, property sales in Hong Kong amounted to HK$25.1 million and were mainly related to the sales of the remaining residential units in Wuhu Residence in Hunghom. Progress of the other major development projects are as follows:

(a) Parkes Residence, Nos. 91-103 Parkes Street, Jordan, Kowloon

The property is located next to the Jordan Station of the mass transit railway and will be developed into a commercial/residential building comprising 114 studio apartment units with clubhouse facilities and shopping units having an aggregate GFA of about 44,000 *sq. ft.*. Demolition works are almost completed which will be followed by site formation and foundation works. Marketing of the project will commence soon.

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

The Group owns 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 and will be developed for residential purpose with GFA of about 40,365 *sq. ft.*. Revised building plans have been submitted to the relevant authorities and are pending approval. Demolition works for the project have been completed.

(B) International Property Division

(i) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

Central Plaza, located in the heart of central business district and prestigious shopping area of Kuala Lumpur, is owned by the Group for investment purpose. The property has a total GFA of 380,000 *sq. ft.* of retail, office and carparking spaces. In order to enhance the yield and capital value of the property, the Group has obtained approvals from the relevant authorities to convert one level of carpark into office use resulting in an increase in office space by about 10,907 *sq. ft.*. Alteration works have commenced and are expected to be completed by the end of 2012. During the period, rental and other income from the property amounted to HK$10.2 million, representing an increase of about 3.0% over that of the last corresponding period.

(ii) Vietnam

(a) Greenview Garden, Thu Duc District, Ho Chi Minh City

The project covers a site area of 20,300 *sq. m.* and it is planned that a residential/commercial complex with GFA of about 94,000 *sq. m.* will be developed on the site. During the period, the Group has entered into a conditional agreement with the joint venture partner to acquire its 30% interest in the project at a consideration of about US$1.0 million, making this project wholly-owned by the Group. The Group is now in the process of obtaining approvals from the relevant authorities for the increase in interest in the project and the detailed building plans. Initial phase of the development will commence once all approvals have been obtained.

(b) Saigon Beverly Hills, 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 the announcement of the Company dated 8th October, 2012, the Group has fulfilled its obligation in advancing capital for the project but, despite repeated negotiations and demands, the joint venture partner has still failed to fulfil its obligation by contributing the land use rights of the project into the joint venture. Accordingly, the Group has made an application to the Vietnam International Arbitration Centre for specific performance of the joint venture partner and the guarantors pursuant to the terms of the agreement. However, as certain guarantors have not acknowledged receipt of the notice of arbitration, the Group may decide to pursue the specific performance application against these guarantors through the court of Vietnam.

(iii) Taiwan

Chuang's Lodge, Xinyi District, Taipei City

The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and 6 apartment units with a total building area of about 19,700 *sq. ft.*. Superstructure works have been completed and external finishing works are in progress. The project will be completed in the first quarter of 2013 and marketing works have commenced.

(iv) Mongolia

(a) International Finance Centre, Chinggis Avenue, Sukhbaatar District, Ulaanbaatar

The project, which is wholly-owned by the Group, has a site area of about 3,272 *sq. m.* and is located within the central business district. It is planned that an office building with GFA of about 39,120 *sq. m.* will be developed. Both foundations works and marketing works of the project have commenced.

(b) The Edelweiss Residence, Sukhbaatar District, Ulaanbaatar

The Group owns 53% interest in the project that covers a site area of about 5,600 *sq. m.*. The project is located nearby the city centre and is within the embassy district. The Group is still conducting market studies to determine whether to develop the project into residential, office or office/apartment complex in order to maximise the return.

(C) People's Republic of China ("PRC") Property Division

All the PRC Property Division's activities are conducted through Chuang's China Investments Limited ("Chuang's China" and together with its subsidiaries, the "Chuang's China Group"), a 57% owned listed subsidiary of the Group.

(i) Property Development

There are signs of stabilisation of measures in the PRC property sector, including banks extending favorable mortgage rates to first-time home buyers, the two cuts in bank reserve rate, and cut lending rates twice for the first time. The above fine-tuning policies have contributed to overall market sentiment and transaction volume has improved in property markets.

The Chuang's China Group maintains a strong net cash position of over HK$800 million and will closely monitor the land market to replenish its land reserve in cities with focus in Shenzhen, Guangzhou, Xiamen, Beijing and Shanghai.

(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 three phases. Phase I (Block A to E) comprises completed residential properties of 113,400 *sq. m.*, providing 789 flats, commercial podium and club houses. Block A, C, D and E are virtually sold out. Block B consists of 98 flats providing 4-bedroom ranging from 202 *sq. m.* as well as duplex flats of over 400 *sq. m.*. Marketing of Block B has commenced.

Phase II (Block F, G, H, I, J, K, L, M, N and P) has an aggregate GFA of about 147,300 *sq. m.*. Block F is completed and consists of 97 flats with 95% sold. Occupancy of Block F was handed over to buyers in September 2012. Block G and H have 253 flats with total GFA of 26,610 *sq. m.*, and has 66% sold. It is expected to handover Block G and H to buyers in February 2013.

Block I, J, K, L, M and N have total GFA of about 106,500 *sq. m.*. External wall finishing works and interior partitioning works are in progress. Pre-sales for Block I and M with 436 flats were launched in July 2012 with encouraging results of 94% sold. Pre-sales for Block J, K, L and N will be launched very soon.

Phase III (Block Q, R, S, T, U, V and X) has total residential GFA of about 163,000 *sq. m.*, and Block W (GFA of 2,639 *sq. m.*) for commercial use. Foundation works of Block Q and R with total GFA of 50,154 *sq. m.* have commenced.

Pursuant to new regulations issued by the Guangzhou Land Bureau, the local authorities charged additional land premium for property developments in Panyu district with plot ratio in excess of 1.8 times. As our project in this district has an approved plot ratio of 2.13, the Group has to pay about RMB119 million as additional land premium, which has been fully settled subsequent to the period under review. Taking this into account, the land cost of this project is about RMB1,200 per *sq. m.*.

As of to-date, contracted sales of this project which have not yet been recognised as revenues amounted to RMB514,930,000, of which about RMB217,908,000 are expected to be booked as revenues in the year ending 31st March, 2013 and the remaining RMB297,022,000 are expected to be booked as revenues in the year ending 31st March, 2014.

(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.*. Phase I comprises 8 residential towers 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. Block 1 to Block 8 provides 665 residential units with flat sizes ranging from 80 *sq. m.* to 160 *sq. m.*, executive duplex units of 280 *sq. m.* and unique simplex units of 445 *sq. m.*. Up to date, a total of 554 flats have been sold.

Phase II comprises Block 9 to Block 14 providing 6 residential towers (total GFA of 61,272 *sq. m.*) with flat sizes ranging from 56 *sq. m.* to 127 *sq. m.*. Construction works have kicked off and foundation works are progressing.

As of to-date, contracted sales of this project which have not yet recognised as revenues amounted to RMB29,636,000 and are expected to be booked as revenues during the year ending 31st March, 2013.

(c) Xiamen Mingjia Binhai, Xiamen, Fujian (59.5% owned by Chuang's China)

Our luxurious resort development occupies a site with an area of about 27,574 *sq. m.*. Focusing on a low density development of just 0.3 time, the development has 18,000 *sq. m.* in GFA and stands out in its master planning, architectural and landscape design.

Foundation works are generally completed. Superstructure works will be closely following and are expected to be completed in the second quarter of 2013. Within this development, 27 private pool villas with aggregate GFA of about 8,400 *sq. m.* will either be rented out on long lease or for sale. An exclusive resort with 80 keys and 3 private pool villas (total GFA of 9,600 *sq. m.*) will be operated as hotel and resort.

(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 100,000 *sq. m.*. Master planning for the project is progressing.

Relocation of underground utilities pipes are almost completed by the local authorities. Works for excavation and lateral support are in progress and will be completed by the end of November 2012. Tendering of the foundation works are underway and will be finalised shortly.

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

Adjacent to Chuang's Mid-town, the second site acquired by the Group is located in the prime city centre of Tie Dong Qu (鐵東區). With developable GFA of 390,000 *sq. m.*, the site will provide a mega integrated development including office towers, retail, food and beverage and entertainment facilities together with residential blocks. Ground investigation works will commence once the site is delivered by the local government.

(f) Beverly Hills, Changsha, Hunan (54% owned by Chuang's China)

Beverly Hills has total GFA of about 80,200 *sq. m.*. It comprises 172 low-rise villas and 144 high-rise flats with total GFA of 70,000 *sq. m.*. Commercial and SOHO properties have a total GFA of about 10,200 *sq. m.*. Portion of properties has been sold and properties remain available for sales have a total book costs of about HK$120 million. As at 30th September, 2012, the total investments costs of the Chuang's China Group in this project amounted to about HK$69 million. As the 10-year operating license of the joint venture company in the PRC has expired, the Group is taking advice from consultants, including legal advisers, as to the next courses of action which may include dissolution of this joint venture company.

(g) Chuang's Le Printemps, Chengdu, Sichuan (51% owned by Chuang's China)

Situated in the prominent district within the second-ring road, Wu Hou Qu (武侯區) of Chengdu, the Group has a 51% joint development interest in a site at Hong Pai Lou (紅牌樓). As the development will involve resettlements and will take longer planning time, the Group is considering various strategy for this investment.

(ii) Property Sales

For the six months ended 30th September, 2012, the Group's sales of properties in the PRC amounted to HK$167.9 million. In the coming financial years, the Group will actively launch our projects in Guangzhou, Dongguan and Anshan for sales. The total sales value of these projects amounts to over HK$10 billion.

(D) Midas

Midas is listed on the Stock Exchange and is 60.8% owned by the Group. Midas and its subsidiaries are principally engaged in the printing business and the operation of cemetery in the PRC. Due to the global economic slowdown and weak consumer confidence, the results of Midas have been adversely affected. For the six months ended 30th September, 2012, Midas recorded revenues of HK$157.4 million (of which HK$153.7 million was from the printing business and HK$3.7 million was from the cemetery business) and loss attributable to equity holders of HK$22.0 million.

In order to alleviate the difficult trading environment of the printing business, Midas will continue to take steps to strengthen sales, improve profit margin and enhance costs control. As for the cemetery business, Midas will spend greater effort in marketing and establishing an extensive sales and agency network with a view to boost sales.

As at 30th September, 2012, cash and bank balances of Midas amounted to HK$113.5 million and bank borrowings as at same date amounted to HK$73.6 million, resulting in a net cash position of HK$39.9 million. Shareholders' funds of Midas as at 30th September, 2012 amounted to HK$524.4 million.

(E) Other Businesses

(i) Sintex Nylon and Cotton Products (Pte) Limited ("Sintex")

The Group's other business includes investment in Sintex, a 88.2% owned subsidiary of the Group, which is engaged in the sale of home finishing products under its own brand names in Singapore. During the period, Sintex generated revenues of HK$27.6 million (2011: HK$27.5 million) and recorded a slight net loss of approximately HK$0.2 million.

(ii) Securities Investment and Trading

During the period, the securities investment and trading business of the Group incurred a net loss of HK$13.6 million arising mainly from the mark to market valuations of securities investments held by the Group. As at 30th September, 2012, the Group held quoted investments with market values of HK$197.5 million. As at the same date, the Group also held financial instruments relating to commitments to purchase certain stock listed on the Stock Exchange amounting to about HK$153 million, and such commitments were reduced to about HK$27 million as at the date of this report and will expire in December 2012.

FINANCIAL POSITIONS

As at 30th September, 2012, net assets attributable to equity holders was HK$6,476.3 million. Net asset value per share was approximately HK$4.07, 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, 2012, cash and bank balances (including pledged bank balances) and quoted investments of the Group amounted to HK$2,213.2 million (31st March, 2012: HK$2,220.7 million). Bank borrowings as at the same date amounted to HK$2,401.0 million (31st March, 2012: HK$2,335.7 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and quoted investments over net assets attributable to equity holders of the Company, was about 2.9% (31st March, 2012: 1.8%).

Approximately 87.7% of the Group's cash and bank balances and quoted investments were denominated in Hong Kong dollar, United States dollar and Malaysian Ringgit with the balance of 12.3% in Renminbi. Approximately 87.9% of the Group's bank borrowings were denominated in Hong Kong dollar, 4.0% in Renminbi and the balance of 8.1% 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, approximately 18.8% of the Group's bank borrowings were repayable within the first year, 3.3% repayable within the second year, 39.0% repayable within the third to fifth years and the balance of 38.9% repayable after the fifth year.

PROSPECT

With the deepening of Euro Zone sovereign debt crisis since the third quarter of last year, there are increasing signs that the global economic growth is facing a slowdown. Furthermore, in order to cool down the property markets, the Hong Kong SAR Government and the Central Government have implemented a number of regulatory measures to curb speculative activities. Undoubtedly, these factors and measures have negative impact on the property markets in Hong Kong and the PRC in the short term. Given all these uncertainties, the Group will monitor the situation closely and will be cautious and selective in making new investments.

Despite the above, looking ahead, the Group will continue our mission to take steps to further enhance rental yield of our investment properties and thus their capital values, and to unlock the store values of our property projects in Hong Kong, the PRC and elsewhere in the region by speeding up their development and sales in accordance with market conditions so as to further create value for our shareholders.

CLOSING OF REGISTER

The register of members of the Company will be closed from Friday, 28th December, 2012 to Friday, 4th January 2013, both days 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Thursday, 27th December 2012.

STAFF

As at 30th September, 2012, the Group (excluding Chuang's China, Midas and their subsidiaries) employed 260 staff, the Chuang's China Group employed 553 staff and the Midas group employed 1,781 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

DEALING IN THE COMPANY'S SECURITIES

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.

CORPORATE GOVERNANCE

Due to other commitments, an independent non-executive director had not attended the 2012 annual general meeting of the Company pursuant to 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, 2012 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 interim financial information for the period ended 30th September, 2012 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 Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong, the Independent Non-Executive Directors of the Company.

The Company has also adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. Having made specific enquiries of all Directors of the Company, the Company received confirmations from all Directors that they have complied with the required standard as set out in the Model Code.

PUBLICATION OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim report of the Company for the six months ended 30th September, 2012 containing all applicable information required by Paragraph 46 of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

GENERAL

As at the date of this announcement, Mr. Alan Chuang Shaw Swee, Mrs. Alice Siu Chuang Siu Suen, Mr. Ko Sheung Chi, Mr. Albert Chuang Ka Pun, Miss Candy Chuang Ka Wai, Mr. Lui Lop Kay and Mr. Wong Chung Wai are the Executive Directors, and Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him, Mr. Fong Shing Kwong and Mr. Yau Chi Ming are the Independent Non-Executive Directors of the Company.

By order of the Board of
Chuang's Consortium International Limited
Alan Chuang Shaw Swee
Chairman

Hong Kong, 29th November, 2012