Chuang's China Investments Limited
(莊 士 中 國 投 資 有 限 公 司)
(Incorporated in Bermuda with limited liability)
(Stock Code: 298)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2014

RESULTS

The board of Directors (the "Board") of Chuang's China Investments Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (collectively as the "Group") for the six months ended 30th September, 2014 as follow:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
For the six months ended 30th September, 2014

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six months ended 30th September, 2014

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

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2014

	Note	**30th September, 2014** ***HK$'000***	31st March, 2014 *HK$'000*
Non-current assets			
Property, plant and equipment		**89,289**	92,871
Investment properties		**235,982**	257,690
Land use right		**1,618**	1,632
Properties for/under development		**381,829**	352,446
Associated company		**8,621**	8,350
Available-for-sale financial assets		**205,590**	193,934
Loans and receivables		**12,638**	12,550
		935,567	919,473
Current assets			
Properties for sale		**1,555,300**	1,691,323
Inventories		**47,881**	4,760
Debtors and prepayments	*14*	**299,822**	309,135
Pledged bank balances		**30,319**	30,440
Cash and bank balances		**1,257,751**	1,114,628
		3,191,073	3,150,286
Current liabilities			
Creditors and accruals	*15*	**347,621**	277,710
Sales deposits received		**199,807**	368,575
Current portion of long-term bank borrowings	*16*	**377,610**	259,508
Dividend payable		**63,827**	–
Taxation payable		**292,656**	211,909
		1,281,521	1,117,702
Net current assets		**1,909,552**	2,032,584
Total assets less current liabilities		**2,845,119**	2,952,057

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

NOTES:

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

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

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

Effect of adopting amendments to standards and interpretation

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

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

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

New standards and amendments to standards that are not yet effective

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

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

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

3. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

(b) Liquidity risk

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

(c) Fair value estimation

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

5. REVENUES

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

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

6. SEGMENT INFORMATION

(a) Segment information by business lines

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

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

The segment information by business lines is as follows:

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

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

(b) Geographical segment information

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

	Revenues		**Capital expenditure**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**2,112**	5,523	**3,665**	1,802
The People's Republic of China (the "PRC")	**601,704**	323,806	**198,856**	188,450
Other countries	**432**	761	**–**	–
	604,248	330,090	**202,521**	190,252

	Non-current assets *(Note)*		**Total assets**	
	30th September, 2014	31st March, 2014	**30th September, 2014**	31st March, 2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**74,989**	77,543	**700,262**	643,222
The PRC	**642,350**	635,446	**3,425,669**	3,425,945
Other countries	**–**	–	**709**	592
	717,339	712,989	**4,126,640**	4,069,759

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

7. OTHER INCOME AND NET GAIN

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

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

8. OPERATING PROFIT

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

9. FINANCE COSTS

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

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

10. TAXATION

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

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits for the period (2013: Nil). PRC corporate income tax has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the PRC. PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including costs of land and development expenditures.

Share of taxation charge of an associated company for the six months ended 30th September, 2014 of HK$91,000 (2013: HK$172,000) is included in the consolidated income statement as share of result of an associated company.

11. INTERIM DIVIDEND

	2014	2013
	HK$'000	*HK$'000*
Interim dividend of 1.0 HK cent (2013: 1.0 HK cent) per share	**16,077**	15,957

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

12. EARNINGS PER SHARE

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

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

13. CAPITAL EXPENDITURE

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

14. DEBTORS AND PREPAYMENTS

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

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

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

15. CREDITORS AND ACCRUALS

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

	30th September, 2014 *HK$'000*	31st March, 2014 *HK$'000*
Below 30 days	**33**	364
31 to 60 days	**4**	258
Over 60 days	**154**	568
	191	1,190

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

16. BORROWINGS

	30th September, 2014 *HK$'000*	31st March, 2014 *HK$'000*
Unsecured long-term bank borrowings	**188,625**	178,616
Secured long-term bank borrowings	**209,264**	226,047
Total bank borrowings	**397,889**	404,663

The long-term bank borrowings are analyzed as follows:

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

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

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

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

17. SHARE CAPITAL

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

18. FINANCIAL GUARANTEES

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

19. COMMITMENTS

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

20. PLEDGE OF ASSETS

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

FINANCIAL REVIEW

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

During the period under review, gross profit increased to HK$243.0 million (2013: HK$116.2 million) and was mainly attributable to the increase in sales of properties in the PRC. Other income and net gain decreased to HK$26.0 million (2013: HK$51.3 million) due to the absence of the one-off gain on disposal of a subsidiary recorded in the last corresponding period. A breakdown of other income and net gain is shown in note 7 on page 10 of this report. For the period under review, the Group recorded a slight gain on change in fair value of investment properties in the PRC of HK$0.6 million (2013: HK$0.3 million).

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

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

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

INTERIM DIVIDEND

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

BUSINESS REVIEW

Property Development

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Others

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

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

Property Investment

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

Other Businesses

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

FINANCIAL POSITION

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

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

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

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

PROSPECTS

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

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

CLOSING OF REGISTER

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

STAFF

The Group puts emphasis on training and cultivating elite talent. We are committed to providing a dynamic and enthusiastic working atmosphere and increase hiring talents of all fields. As at 30th September, 2014, the Group employed 283 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

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 2014 annual general meeting of the Company as required by Code A.6.7 of the Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Except as mentioned hereof, the Company has complied throughout the six months ended 30th September, 2014 with the code provisions set out in the CG Code.

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

The Company has also adopted the Model Code 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 INTERIM RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The interim report of the Company for the six months ended 30th September, 2014 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.

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

Hong Kong, 25th November, 2014

As at the date of this announcement, Mr. Albert Chuang Ka Pun, Miss Ann Li Mee Sum, Mr. Chong Ka Fung, Mr. Sunny Pang Chun Kit and Mr. Wong Chung Wai are the Executive Directors of the Company, and Mr. Abraham Shek Lai Him, Mr. David Chu Yu Lin and Mr. Andrew Fan Chun Wah are the Independent Non-Executive Directors of the Company.