



俊和發展集團
CHUN WO DEVELOPMENT HOLDINGS LIMITED

[For Immediate Release]

CHUN WO ANNOUNCES 2012 INTERIM RESULTS

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CONSTRUCTION & PROPERTY DEVELOPMENT CONTINUE TO ACHIEVE STABLE GROWTH

HIGHLIGHTS

- ◇ Revenue increased by 12% to HK\$2.44 billion
- ◇ Profit attributable to owners grew by 10% to HK\$37.2 million, hitting the target of a 10% annual growth rate
- ◇ Awarded nine major construction projects with a total contract sum of HK\$2.71 billion, mainly from the Hong Kong Government
- ◇ On-going projects including Central-Wan Chai Bypass proceeded well and delivered a higher revenue contribution to the Group
- ◇ Remains optimistic about securing construction prospects, benefiting from the “Ten Major Infrastructure Projects” in Hong Kong

(Hong Kong, 26 November 2012) — **Chun Wo Development Holdings Limited (“Chun Wo” or “the Group”)** (stock code: 711) is pleased to announce its 2012 interim results for the six months ended 30 September 2012 (the “review period”).

For the six months ended 30 September 2012, Chun Wo recorded revenue of approximately HK\$2.44 billion, which included the Group’s share of revenue from jointly controlled entities. This represents an increase of 12% over HK\$2.18 billion for the last corresponding period. Profit attributable to owners of the Company rose to approximately HK\$37.2 million, up from HK\$33.8 million for the corresponding period of last year, hitting the target of achieving 10% annual growth in profitability.

Construction

The Group has continued to capitalise on opportunities created by the Hong Kong SAR Government, which is committed to developing major infrastructure and cross-boundary projects. As at 30 September 2012, the Group has on hand contracts worth approximately HK\$22.01 billion of which HK\$10.64 billion remain outstanding, representing increases of 7% and 4% respectively over the figures recorded as at 31 March 2012.

During the review period, the Group was awarded with nine new major projects worth a total contract sum of approximately HK\$2.71 billion. These involved a number of important and lucrative new construction projects from different government departments, including the Drainage Services Department, the Water Supplies Department and the Architectural Services Department.

All projects are proceeding according to schedule, including three contracts for the Central-Wan Chai Bypass. All railway contracts with the MTRC are progressing satisfactorily, including trackwork and overhead line system for the Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section), construction of the Whampoa Station and the overrun tunnel on the Kwun Tong Line

Extension, and the site formation and piling works for the Wong Chuk Hang Depot, South Island Line (East).

Property Development and Investment

The Group's property development projects in Mainland China reported satisfactory sales performance in the period under review. With respect to the Group's Arc de Royal development in Shijiazhuang, Hebei Province, 16% of the units in Tower 8 and 76% of the units in Tower 9, representing the final residential phase of the project, have been sold as at 30 September 2012. At Le Palais Royal in Shanwei, Guangdong Province, 64% of the residential units and 88% of the retail units have been sold as at 30 September 2012.

The "Infinity 8" shopping mall in Choi Hung, Hong Kong, represents one of Chun Wo's major property investments. The performance of this property has been satisfactory, with rental revenue achieving a double-digit growth as compared with the last corresponding period.

As for the Group's property development in Abu Dhabi, United Arab Emirates, Reem Diamond, the 10-storey low-rise residential project has been topped out and the building is scheduled for completion by the second quarter of 2013.

Outlook & Prospects

Benefiting from the "Ten Major Infrastructure Projects" and a golden age in the construction industry as a whole, the management remains optimistic about prospects for the Group's construction segment. The total value of infrastructure and logistics projects approved by the Legislative Council of the Hong Kong SAR Government is expected to increase by almost threefold – up from HK\$62 billion in 2007-08 to HK\$184 billion in 2012-13, while annual actual expenditure on capital works has risen from HK\$20.5 billion in 2007-08 to HK\$62.3 billion in 2012-13. To capture these opportunities, the Group has already started to bid for many large-scale public projects, such as the MTR Shatin-Central Link, the Tuen Mun-Chek Lap Kok Link, the remainder of the Central-Wan Chai Bypass, the Liantang/Heung Yuen Wai Boundary Control Point and other infrastructure projects.

The Hong Kong property market continues to realise stable growth, driven by solid demand and limited land supply. The management expects the local market to sustain growth, thus creating good opportunities for the Group in the coming years. Thus, the Group is directing its property development focus principally on Hong Kong, with a secondary focus on Southern China. It also intends to capitalise on measures proposed by the Hong Kong Government to relieve pent-up demand, such as the redevelopment of industrial buildings into residential flats or commercial offices.

Mr. Dominic Pang, Chairman of Chun Wo, said "The management remains optimistic about the Group's outlook and generally bullish about the construction business. Large-scale construction projects have the potential to appreciably bolster the Group's growth and ability to diversify. With regards to property development, the Group is focusing on enhancing its presence in the more mature and stable Hong Kong and Southern China markets. The primary objective of the Group is to achieve an annual net profit growth rate of approximately 10%."

New major projects secured in the six months ended 30 September 2012

Project Name		Project Commencement Date	Expected Completion Date	Attributable Contract Value (HK\$' Million)
Building Construction				
1	Superstructure Main Contract Works for the Proposed Composite Development at N.K.I.L. 6499, Yuet Wah Street and Hip Wo Street, Kwun Tong, Kowloon	Apr 2012	Jan 2014	541
2	Proposed Residential Development at 106-114 Kwok Shui Road, Tsuen Wan	May 2012	May 2014	344.9
3.	Proposed Residential Development at 380, 38 Repulse Bay Road, Hong Kong	Apr 2012	May 2013	78.7
Special Projects				
4	DC/2012/03 - Happy Valley Underground Stormwater Storage Scheme	Sep 2012	Apr 2018	678
Civil Engineering Works				
5	SS A506 - Construction of Open Space in Area 117, Tin Shui Wai	Aug 2012	Dec 2013	165
6	ELS, Pile Cap and Piled Foundation Works for Proposed Office Development at No 17 Cheung Shun Street, Cheung Sha Wan	Jul 2012	Oct 2013	104.3
Fitting Out Works				
7	Fitting Out Direct Contract for Clubhouse and Tower Entrance Lobbies of Proposed Residential Development at TPTL No. 186 Pak Shek Kok	Jul 2012	Nov 2012	47.3
8	Proposed Residential Development at TPTL,188, Pak Shek Kok, Tai Po, New Territories	Aug 2012	Dec 2012	51.7
Maintenance Works				
9	1/WSD/12(E) - Term Contract for Waterworks District E-New Territories East	Sep 2012	Apr 2015	700

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Chun Wo Development Holdings Limited (Stock code: 711)

Chun Wo was founded in 1968 and listed on the Main Board of the Hong Kong Stock Exchange in 1993. Apart from developing its core property development and construction businesses, Chun Wo has been diversifying its business into property investment, property management and security services in recent years. The projects are widely distributed in Hong Kong, Mainland China, Macau, Vietnam and the United Arab Emirates. Possessing the expertise required for large-scale integrated construction projects, the Group is capable of undertaking a wide range of activities which include civil engineering, building construction, foundation works, fitting out and interior design, electrical and mechanical engineering, track-work engineering and maintenance works. Its signature projects included the Central-Wan Chai Bypass Tunnel, Guangzhou-Shenzhen-Hong Kong Express Rail Link, Expansion of Tseung Kwan O Hospital, Tuen Mun Western Trunk Sewerage, MTR Corporation - South Island Line and The Kwun Tong Line Extension. Chun Wo has also seized opportunities involving property development in the PRC, with presence in Shijiazhuang, Hebei Province; Shanwei, Guangdong Province; Yangzhou, Jiangsu Province and Shenyang, Liaoning Province.

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