



CHUANG'S
CONSORTIUM
INTERNATIONAL LIMITED
ANNUAL REPORT 2008

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

..... in the past years, the Group has secured low cost land bank in Hong Kong, the PRC and Vietnam

in the coming few years, the Group will be taking all the steps necessary to expedite the development and sales of our projects in Hong Kong, the PRC and Vietnam with a view to unlock the stored value of these investments and bring satisfactory return to shareholders

Financial Highlight

Revenues HK\$'000



Profit Attributable to Equity Holders HK\$'000



Dividend per Share HK cents



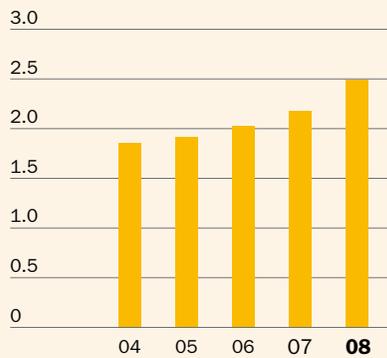
Total Assets HK\$'000



Shareholders' Funds HK'000



Net Asset Value per Share HK\$



Five Years' Summary

Results

	2004 HK\$'000	2005 HK\$'000	2006 HK\$'000	2007 HK\$'000	2008 HK\$'000
Revenues	404,405	500,405	798,314	719,873	716,272
Profit attributable to equity holders	107,795	187,200	198,572	214,866	468,889
EPS (HK cents)	7.29	12.67	13.44	14.47	31.57
Dividend per share (HK cents)					
Interim	–	0.50	0.50	0.75	1.50
Special interim	–	–	–	0.50	–
Final	1.00	1.00	1.00	1.00	2.00
Total	1.00	1.50	1.50	2.25	3.50

Assets and Liabilities

	2004 HK\$'000	2005 HK\$'000	2006 HK\$'000	2007 HK\$'000	2008 HK\$'000
Non-current assets	4,083,393	4,255,711	4,243,701	4,370,287	4,290,236
Current assets	906,505	823,588	1,245,514	1,592,367	3,065,879
Total assets	4,989,898	5,079,299	5,489,215	5,962,654	7,356,115
Total liabilities	(1,523,958)	(1,658,343)	(1,843,710)	(2,104,541)	(2,755,712)
Minority interests	(700,666)	(602,484)	(623,443)	(615,952)	(865,767)
Shareholders' funds	2,765,274	2,818,472	3,022,062	3,242,161	3,734,636
Net asset value per share (HK\$)	1.87	1.91	2.04	2.19	2.51

Net Debt to Equity Ratio

	2004 HK\$'M	2005 HK\$'M	2006 HK\$'M	2007 HK\$'M	2008 HK\$'M
Cash, bank balances and other investments	575.9	449.1	847.5	1,039.9	1,280.1
Bank borrowings	1,131.4	1,058.3	1,236.4	1,353.8	1,929.1
Net debt to equity ratio (%)	20.1	21.6	12.9	9.7	17.4

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Corporate Information

Directors

Alan Chuang Shaw Swee (*Chairman*)
Alice Siu Chuang Siu Suen (*Vice-Chairman*)
Ko Sheung Chi (*Managing Director*)
Lui Lop Kay
Albert Chuang Ka Pun
Wong Chung Wai
Peter Po Fun Chan, B.B.S., M.B.E., J.P.*
Abraham Shek Lai Him, S.B.S., J.P.*
Chan Wai Dune*

** Independent Non-Executive Directors*

Audit Committee/ Nomination Committee/ Remuneration Committee

Peter Po Fun Chan, B.B.S., M.B.E., J.P.
Abraham Shek Lai Him, S.B.S., J.P.
Chan Wai Dune

Qualified Accountant

Chan Chun Man

Company Secretary

Lee Wai Ching

Auditors

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

Registrars

Bermuda:

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road, Pembroke, HM 08, Bermuda

Hong Kong:

Tricor Standard Limited
26th Floor, Tesbury Centre,
28 Queen's Road East, Wanchai, Hong Kong

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
Bank of China (Hong Kong) Limited
China Construction Bank Corporation
Industrial and Commercial Bank of China Limited
The Development Bank of Singapore Limited

Corporate Information (continued)

Registered Office

Clarendon House, Church Street, Hamilton HM 11, Bermuda

Principal Office in Hong Kong

25th Floor, Alexandra House,
18 Chater Road, Central, Hong Kong
Telephone: (852) 2522 2013
Facsimile: (852) 2810 6213
Email address: chuangs@chuangs.com.hk
Website: <http://www.chuang-consortium.com>

Singapore Office

245 Jalan Ahmad Ibrahim, Jurong Town,
Singapore 629144,
Republic of Singapore

Vietnam Office

5th Floor, Hoa Rang Building,
32-34 Ngo Duc Ke Street, District 1,
Ho Chi Minh City, Vietnam

Malaysia Office

29th Floor, Central Plaza,
34 Jalan Sultan Ismail, 50250 Kuala Lumpur,
Malaysia

Stock Code

367

Biographical Details of Directors and Senior Management

DIRECTORS

Mr. Alan Chuang Shaw Swee (aged 56), the chairman of the Company, has extensive experience in business development and investment in Hong Kong, the People's Republic of China and Southeast Asia. With his substantial connections, he has been actively involved in development and management of investments in Hong Kong and Southeast Asia. He is also the honorary chairman of Chuang's China Investments Limited ("Chuang's China"), a subsidiary of the Company, and Midas International Holdings Limited ("Midas"), an associated company of the Company, both companies are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). He was an Adviser of Hong Kong Affairs and a member of the Selection Committee for the Government of the Hong Kong Special Administrative Region. He is a member of the National Committee of The Chinese People's Political Consultative Conference, a member of All-China Federation of Returned Overseas Chinese, a member of China Overseas Friendship Association, the Deputy Chairman of ESE Literature Fund, an economic adviser to Chengdu, Sichuan, an overseas consultant to Sichuan Provincial Overseas Exchanges Association, an Honorary Citizen of Xiamen City, Guangzhou City and Chia-Yi, Taiwan and a director of the Board of Trustees of Jimei University, Xiamen City. He is also the Vice President of the Hong Kong Factory Owners Association, the Honorary President of the Hong Kong Federation of Overseas Chinese Association, a director of the Chinese General Chamber of Commerce, the Senate of the Democratic Alliance for the Betterment and Progress of Hong Kong, the Life Honorary President and the Vice Director of the General Association of Xiamen (Hong Kong) Limited, the Permanent President of Hong Kong Hui An Natives Association, the Life Honorary President of Chuang & Yen Clansmen's General Association and a director of the Hong Kong Digestive Foundation Limited and the Friends of Hong Kong Associated Limited. He is the brother of Mrs. Alice Siu Chuang Siu Suen and the father of Mr. Albert Chuang Ka Pun. He joined the Group in 1970.

Mrs. Alice Siu Chuang Siu Suen (aged 59), the vice-chairman, has over 34 years of experience in managing investment businesses and in property development and investment. She is a sister of Mr. Alan Chuang Shaw Swee and an aunt of Mr. Albert Chuang Ka Pun. She joined the Group in 1971.

Mr. Ko Sheung Chi (aged 52), the managing director, has over 28 years of experience in general management. He is a non-executive director of CNT Group Limited, which is listed on the Stock Exchange. He holds a bachelor degree in science and a master degree in business administration and is an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1988.

Mr. Lui Lop Kay (aged 52), was appointed an executive director in 2001 and is responsible for property division of the Group. He holds a bachelor degree of science in estate management and is a fellow member of the Hong Kong Institute of Surveyors and an associate member of the Royal Institution of Chartered Surveyors. Mr. Lui has over 26 years of experience in real estate in Hong Kong and the Asia Pacific region. He joined the Group in 1996.

Mr. Albert Chuang Ka Pun (aged 28), was appointed an executive director in 2007 and is responsible for property development and investment of the Group. He has 4 years of experience in property business and general management. He holds a bachelor degree of arts with major in economics. He is an executive director of Midas. He is the son of Mr. Alan Chuang Shaw Swee and a nephew of Mrs. Alice Siu Chuang Siu Suen. He joined the Group in 2005.

Mr. Wong Chung Wai (aged 39), was appointed an executive director in 2007 and is responsible for project management of the Group. He has over 16 years of experience in architecture, project management and contract administration. He holds a bachelor degree of science in building technology and management and is an associate member of both the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. He joined the Group in 2001.

Biographical Details of Directors and Senior Management (continued)

Dr. Peter Po Fun Chan B.B.S., M.B.E., J.P., FCPA, FCPA (Australia) (aged 86), was appointed an independent non-executive director in 1997. He is an independent non-executive director of Chuang's China and China Resources Enterprise, Limited and a non-executive director of Prime Investments Holdings Limited, all are listed on the Stock Exchange. He was the chairman of the former Kowloon Stock Exchange and former Hong Kong Federation of Stock Exchanges. Dr. Chan was also a Registered Dealing Director under the Securities Ordinance. He is a member of a number of scientific institutions which include Society of Petroleum Engineers and Society of Underwater Technology.

Mr. Abraham Shek Lai Him S.B.S., J.P. (aged 63), was appointed an independent non-executive director in 2004. He is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Council of The Hong Kong University of Science & Technology and the Court of The University of Hong Kong. He holds a bachelor degree of arts. He is the chairman and an independent non-executive director of Chuang's China, an independent non-executive director of Midas, Paliburg Holdings Limited, Lifestyle International Holdings Limited, NWS Holdings Limited, See Corporation Limited, Titan Petrochemicals Group Limited, ITC Corporation Limited, Country Garden Holdings Company Limited, Hop Hing Group Holdings Limited, MTR Corporation Limited and Hsin Chong Construction Group Ltd., all are listed on the Stock Exchange, and a director of The Hong Kong Mortgage Corporation Limited. Mr. Shek is also an independent non-executive director of Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust, and Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust, both trusts are listed on the Stock Exchange.

Mr. Chan Wai Dune (aged 55), was appointed an independent non-executive director in 2006. Mr. Chan has over 27 years of experience in the finance sector, particularly in auditing and taxation areas. He is a certified public accountant and a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Taxation Institute of Hong Kong. He is an independent non-executive director of Chuang's China, Welling Holding Limited, Jinheng Automotive Safety Technology Holdings Limited, Minmetals Resources Limited, Sam Woo Holdings Limited, Hunan Nonferrous Metals Corporation Limited

and Chaoyue Group Limited, all are listed on the Stock Exchange. Mr. Chan is currently a member of CPPCC of Guangzhou Municipal Committee and the Executive Council of China Overseas Friendship Association. Mr. Chan was a member of the Selection Committee for the First Government of the Hong Kong Special Administrative Region. Mr. Chan is currently the managing director of a certified public accounting firm.

SENIOR MANAGEMENT

Mr. Lee Yiu Sing (aged 41), the senior property manager responsible for property leasing and management of the Group, has over 15 years of experience in property leasing, marketing and management. He has a bachelor degree in science and is a member of the Chartered Institute of Housing. He joined the Group in 2005.

Mr. Chan Chun Man (aged 32), the qualified accountant and financial controller, has over 9 years of experience in finance, accounting and auditing. He holds a bachelor degree in accountancy and a master degree in business administration. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in 2003.

Ms. Lee Wai Ching (aged 47), the company secretary responsible for the Group's company secretarial matters. She has over 24 years of experience in corporate services and office administration. She holds a master degree in business administration and a master degree in laws. She is a fellow of both the Institute of Chartered Secretaries and Administrators in the United Kingdom and the Hong Kong Institute of Chartered Secretaries. She joined the Group in 1998.

Mr. Cheung Loon Hoi (aged 62), a director and the general manager of the Singapore Division, holds a higher diploma in textile technology and is a member of the Textile Institute of United Kingdom. He joined the Group in 1970.

Mr. Lee Pin Boon (aged 58), a director of the Malaysia Division, holds a bachelor degree in accountancy and is a member of the Institute of Certified Public Accountants of Singapore and an associate member of the CPA Australia. Mr. Lee has 34 years of experience in accounting, company secretarial services, personnel and administration. He joined the Group in 1990.



The Group's revenues amounted to HK\$716,272,000, net profit amounted to HK\$468,889,000 and dividends per share amounted to 3.5 HK cents.





Chairman's Statement

FINANCIAL REVIEW

During the year under review, the Group's businesses have been benefited from the continuous growth in the economies of Hong Kong and the People's Republic of China (the "PRC").

Revenues of the Group during the year amounted to HK\$716.3 million (2007: HK\$719.9 million), representing a slight decrease from that of last year. Revenues of the Group comprise income from property investment and development business of HK\$563.6 million (2007: HK\$583.0 million), income from manufacturing and trading business of HK\$126.1 million (2007: HK\$104.1 million) and income from securities trading business of HK\$26.8 million (2007: HK\$32.9 million).

Gross profit increased to HK\$243.6 million (2007: HK\$203.2 million), which was principally attributable to the increase in profits from sales of properties in Hong Kong and the PRC. Other income increased to HK\$124.4 million (2007: HK\$96.0 million). Reflecting the significant improvement in office and retail property prices in Hong Kong and Malaysia, the Group recorded an upward revaluation surplus of HK\$554.8 million (2007: HK\$200.7 million). On the costs side, selling and marketing expenses remained stable at HK\$26.8 million (2007: HK\$26.7 million), administrative expenses increased to HK\$167.7 million (2007: HK\$159.9 million) and other operating expenses increased to HK\$124.7 million (2007: HK\$38.4 million). Finance costs increased to HK\$85.3 million (2007: HK\$66.5 million) and share of profits of associated companies increased to HK\$75.1 million (2007: HK\$9.6 million). Taking all these into account, profit attributable to equity holders of the Company increased by 1.2 times to HK\$468.9 million (2007: HK\$214.9 million). Earnings per share were 31.57 HK cents (2007: 14.47 HK cents).

DIVIDENDS

The Directors have resolved to recommend for the shareholders' approval at the forthcoming annual general meeting the payment of a final dividend of 2.0 HK cents (2007: 1.0 HK cent) per share for the year ended 31st March, 2008. The final dividend, if approved, will be paid on or before 22nd October, 2008 by allotment of new shares with a cash option to the shareholders whose names appear on the Company's register of members on 28th August, 2008.

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 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 28th August, 2008. 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.

An interim dividend of 1.5 HK cents (2007: 1.25 HK cents) per share have been paid in respect of the current financial year. Total dividends for the year, therefore, amounted to 3.5 HK cents (2007: 2.25 HK cents) per share, representing an increase of approximately 55.6%. Total dividends for the year amounted to HK\$52.0 million (2007: HK\$33.3 million).

BUSINESS REVIEW

The Group is principally engaged, through its subsidiaries and associated companies, in property investment and development in Asia, with concentration in Hong Kong, the PRC, Vietnam, Malaysia and Taiwan, operation of cemeteries in the PRC, manufacturing businesses and securities investments.

(A) Chuang's Properties Limited (100% owned)

All the Group's properties activities in Hong Kong are conducted through this wholly-owned subsidiary.

(i) Investment Properties

The Group owns Chuang's London Plaza in Tsim Sha Tsui, Chuang's Hung Hom Plaza in Hunghom, portion of Chuang's Enterprises Building in Wanchai and Chuang's Tower in Central (through Chuang's China Investments Limited) with a total gross floor area ("GFA") of approximately 374,000 sq. ft. of retail, office and carparking spaces for investment purposes. As stated in last year's annual report, the Group has carried out improvement works to upgrade the quality of our investment properties, reshuffled the tenant mix to attract higher quality tenants, upgraded our management services to be more user-friendly and created additional signages on our investment properties during the year so as to enhance yield of return. As a result of our effort, occupancy rate of our investment properties remains high throughout the year and rental and other income from investment properties in Hong Kong during the year increased by about 11.4% from last year to HK\$89.0 million.



Chuang's Tower

BUSINESS REVIEW

Recently, the Group has obtained approvals from relevant authorities to convert the usage of Chuang's Hung Hom Plaza in Hunghom and Chuang's Tower in Central from office to hotel usage. The Group believes that such approvals provide flexibility to the Group to enhance the value of the properties.

During the year, the Group has disposed of the following non-core properties so as to generate profits and provide additional capital to the Group for future land investment:



Chuang's Hung Hom Plaza



Chuang's Enterprises Building

- (a) The Group has disposed of all commercial units in The Harbourside, North Point and Chuang's Heights, Shaukiwan for HK\$25.9 million.
- (b) The Group has obtained approval to combine two units at 17/F and 18/F, Twin Brook, No. 43 Repulse Bay Road into a duplex with GFA of over 5,400 sq. ft.. In view of the strong demand for high quality duplex apartment with sea-view in this area, the Group has successfully disposed of the property at HK\$105 million (equivalent to about HK\$19,500 per sq. ft.) generating a profit of about HK\$42.5 million.

BUSINESS REVIEW



Chuang's London Plaza

BUSINESS REVIEW



Midas Plaza

(ii) Properties Under Development

During the year, property sales in Hong Kong amounted to HK\$71.0 million, mainly derived from sales of residential units of Reading Place in mid-level and The Notting Hill in Tung Shan Terrace. All remaining units in Reading Place have been sold during the year and the remaining 7 units with GFA of 4,695 sq. ft. in The Notting Hill will be sold in the next financial year. Currently, the Group is undertaking various development projects in Hong Kong, a summary of which is as follows:

(a) Midas Plaza, No. 1 Tai Yau Street, San Po Kong

The Group participated in a 30% interest in the redevelopment of Midas Plaza into a 22-storey high-class industrial/office building. Occupation permit of the property has been issued in December 2007. The Group's share of the development comprises six industrial/office floors (including two penthouse floors) with GFA of 59,813 sq. ft., one shopping unit with GFA of 2,924 sq. ft. and six carparking spaces. Up to the date of this report, four industrial/office floors (excluding the penthouse floors) with GFA of 42,899 sq. ft., the shopping unit and one carparking space have been sold for HK\$143.8 million, generating a net profit of about HK\$31.7 million, of which HK\$16.3 million has been recorded in the current financial year and the remaining profit of HK\$15.4 million will be recorded in the next financial year. The Group will adopt a progressive pricing strategy when disposing of the remaining penthouse floors and carparking spaces.

BUSINESS REVIEW



Park Villa

(b) Park Villa, No. 37 Island Road, Deep Water Bay

In Deep Water Bay, the redevelopment of Park Villa into 4 bungalows is progressing satisfactorily according to schedule. Superstructure works are in progress and the project is expected to be completed with occupation permit issued within financial year 2009. In view of strong demand in the luxurious residential property market in the area, the Group believes that rental yield and capital value of this property will be significantly enhanced upon completion. Marketing works for this development project have already been commenced.

(c) No. 15 Gough Hill Road, The Peak

In the Peak, the Group plans to redevelop the property into a bungalow with building area of about 19,000 sq. ft.. Building plans for the redevelopment have been approved

and site investigation works have commenced. Given the prime location of this property and the low land cost that the Group has acquired this property, the Group believes that capital value of this property will be significantly enhanced upon completion.

(d) No. 111 Wuhu Street, Hunghom

During the year, the Group acquired the property for HK\$118 million. The site is located adjacent to Chuang's Hung Hom Plaza and approvals have been obtained to redevelop the property into hotel/service apartments with 118 rooms having a total building area of about 47,000 sq. ft.. Recently, the Group has submitted revised building plans to the relevant authorities to increase the number of rooms to 140. Demolition works of the development will commence soon.

BUSINESS REVIEW

(B) Chuang's Properties International Limited (100% owned)

All the Group's property activities in Vietnam, Malaysia and Taiwan are conducted through this wholly-owned subsidiary.

(i) Vietnam

Recently, due to high inflation rate in Vietnam, there is speculation that Vietnamese Dong may depreciate and the growth of the economy of Vietnam may slow down. The Group believes that this will provide an opportunity for the Group to accumulate low cost land bank in Vietnam as the Group is confident on the long term potential of the property market in Vietnam. So far, commitment of the Group in property market in Vietnam amounts to about US\$21 million and the Group expects that total investment of the Group towards this sector will not exceed US\$50 million. A summary of the Group's development projects in Vietnam is as follows:

(a) **Saigon Beverly Hills, Duc Hoa District, Long An Province**

The Group has participated in a 70% interest in a project, Saigon Beverly Hills, for a commitment of US\$15 million. Saigon Beverly Hills covers a site area of 273 hectares (2,730,000 sq. m.) and is located in Duc Hoa District of Long An Province, which is in close proximity to, and is about 30 kilometres from, the city centre of Ho Chi Minh City. The site is for residential and commercial usage and it is intended that a new township with modern architectural design having a total GFA of about 3,300,000 sq. m. will be developed. Mine sweeping works have been completed and site investigation works are in progress. Master layout plan of the project has recently been approved by the relevant authorities. The Group is currently embarking on detailed design works of the project with a view to commence initial phase of this development soonest possible.

Adjacent to the above is a site of 220 hectares (2,200,000 sq. m.) and the Group is in the process of acquiring this adjacent site to make the development more sizable.



Saigon Beverly Hills

BUSINESS REVIEW



Greenview Gardens

(b) Greenview Gardens, Thu Duc District, Ho Chi Minh City

The Group has acquired a 70% interest in a project, Greenview Gardens, for US\$6.4 million. Land cost per sq. m. of developable area is about US\$76. Greenview Gardens covers a site area of 2.03 hectares (20,300 sq. m.) and will be developed into a high-class residential complex with apartments, villas and club house facilities having a total GFA of 120,000 sq. m.. The site is currently vacant and construction works will soon commence.

(c) Bel Air, District 11, Ho Chi Minh City

The Group has signed a memorandum of understanding to participate in an 80% interest in a project, Bel Air, located in District 11 of Ho Chi Minh City. Bel Air covers a site area of 1.63 hectares (16,300 sq. m.) and can be developed into a commercial/residential complex with a total GFA of 130,000 sq. m.. Currently, the relevant authorities in Vietnam are assessing the land premium payable for the project. Once the assessment on land premium is finalised, the Group will determine whether to proceed with the project taking into account the current market conditions of Vietnam and the feasibility of the project.



Bel Air

BUSINESS REVIEW

(ii) Malaysia

(a) Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

The Group owns Central Plaza for investment purpose which is located in "Golden Triangle" of Kuala Lumpur and adjacent to "Pavilion", a newly completed landmark in the city centre of Kuala Lumpur. The property has a total GFA of 380,000 sq. ft. of retail, office and carparking spaces. In order to enhance yield, the Group has carried out renovation and improvement

works so as to upgrade the quality of the building. As a result of such upgrading works coupled with the prime location of the property, occupancy rate of the property increased to 94% and rental income during the year increased by 9.8% from last year to HK\$12.8 million.

(b) Taman Sri Amber, Seremban

The Group is undertaking the development of Taman Sri Amber in Seremban, a low density mixed development comprising 244 single-storey and double-storey terrace houses, 406 apartments and various shopping units with a total GFA of about 690,000 sq. ft.. Phase I of the project comprising 66 single-storey terrace houses and 45 apartments with a total GFA of 94,000 sq. ft. has been completed and sold.

(iii) Taiwan

The Group is currently undertaking a development project in Taipei City, Taiwan. The project, located nearby the city centre of Taipei City, is a residential development comprising a villa and apartments with a total GFA of about 17,000 sq. ft.. The Group is in the process of submitting building plans for approval and construction works will commence soon after approval has been obtained. In view of the current development in Taiwan, in particular the strengthening of the economic and political links between Taiwan and the PRC, the Group believes that the prospects of property market in Taiwan are promising.



Central Plaza



Lobby of Central Plaza after renovation

BUSINESS REVIEW

(C) Chuang's China Investments Limited ("Chuang's China") (Stock Code: 298) (53.8% owned)

All the Group's property activities in the PRC are conducted through this 53.8% listed subsidiary.

(i) Land acquisitions and disposal

During the year, Chuang's China completed the acquisition of the 15% minority interests in the subsidiary which owns Chuang's Le Papillon in Guangzhou, and is now wholly-owned by Chuang's China. Furthermore, Chuang's China has invested in two projects, one in Chengdu and the other in Xiamen. The aggregate consideration for these acquisitions amounted to about RMB277 million.

In January 2008, Chuang's China entered into an agreement with 大亞灣經濟技術開發集團公司 (Daya Bay Economic & Technological Development Group), a state-owned enterprise, to dispose of the Group's interest in a site of 55,355 sq. m. at Huizhou for about RMB195 million with original completion date before the end of April 2008. Deposit of about RMB14 million has been received. As affected by the macro economic measures in the PRC, 大亞灣國資委 (Daya Bay State-owned Assets Supervision and Administration Commission) has proposed for deferring completion of the transaction. The Group is currently considering the proposal.

Summary of the Group's projects is as follows:

	Total developable GFA (sq. m.)
Chuang's Le Papillon, Guangzhou	450,000
Imperial Garden, Chuang's New City, Dongguan	530,000
Beverly Hills, Changsha	1,600,000*
Chuang's Palazzo Caesar, Changsha	500,000
Chuang's Le Printemps, Chengdu	130,000
Xiamen Mingjia Binhai, Xiamen	16,500
Total	3,226,500

* GFA to be developed includes 1.53 million sq. m. pending procedures for obtaining the land use rights

BUSINESS REVIEW

(ii) Property Development

With the implementation of a series of macro economic control policies in the PRC, property markets have been affected by the tightening of liquidity. The Group has cautiously reviewed the development schedule as follows:

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

Chuang's Le Papillon has total GFA of over 450,000 sq. m. and is located close to the station of Guangzhou Metro route number 4. Major improvements on city planning and infrastructures are being carried out in preparation for the 2010 Asian Games to be hosted in Guangzhou, and there will be athlete and games complex located some 3 km from Chuang's Le Papillon. Furthermore, the new Guangzhou-

Shenzhen-Hong Kong Express Rail Link that is now under construction will shorten travelling time to less than 50 minutes from Guangzhou to West Kowloon of Hong Kong and will greatly stimulate demand from property buyers. All these improvements will strengthen the sustaining growth in the local property market.

The first phase of Chuang's Le Papillon comprising 60,000 sq. m. residential GFA and 10,000 sq. m. commercial and club house is under development. It will provide 11 residential blocks of over 400 apartments with typical flats ranging from 90 sq. m. to 185 sq. m. and executive duplex units of 343 sq. m.. Marketing will commence shortly and pre-sales will be launched in the third quarter of 2008.



BUSINESS REVIEW



BUSINESS REVIEW

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

Chuang's New City has 530,000 sq. m. GFA and is located 18 km from the new Humen Station (虎門站) of the Guangzhou-Shenzhen-Hong Kong Express Rail Link that is now under construction. Furthermore, our site is just 3 minutes away from the exit of the new coastal highway under construction serving Guangzhou to Shekou, and in turn linking to Hong

Kong by way of the Hong Kong-Shenzhen Western Corridor. Situated along these exciting infrastructures, travelling from Chuang's New City to Guangzhou, Shenzhen or Hong Kong will be less than 40 minutes. To capture the advantages of the faster economic activities driven by these new infrastructures, the Group is reviewing the master plan of Chuang's New City and will incorporate a landmark complex providing luxurious hotel/service apartments and modern commercial mall.



BUSINESS REVIEW



Imperial Garden – perspective (above); under construction (below)

BUSINESS REVIEW



Imperial Garden, shopping mall

Construction has commenced on Imperial Garden, the Phase III of Chuang's New City, with foundation works for total GFA of 146,000 sq. m. being completed. Superstructure works for 8 residential blocks with total GFA of 89,000 sq. m. are in full swing and will be completed in the financial year ending 2009. There will be over 600 apartments with typical flats

ranging from 80 sq. m. to 160 sq. m., executive duplex units of about 280 sq. m. and unique simplex units of 445 sq. m.. In addition, superstructure works for another 6 residential blocks with GFA of 57,000 sq. m. will be ready for take off. Marketing of Phase III has commenced and pre-sales will be launched in the third quarter of 2008.

BUSINESS REVIEW



BUSINESS REVIEW



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

At Beverly Hills of Changsha, construction works for 70,000 sq. m. GFA are progressing satisfactorily. During the financial year ended 2008, the low density development comprising 164 link houses and semi-detached houses with about 46,000 sq. m. GFA has been completed. Development of 144 units of high rise apartments with 19,800 sq. m. GFA and 8 bungalows with 4,200 sq. m. GFA will be completed

within the next few months. Phase II development of 480 mu is under planning stage. Sales are in progress with about 90% of link houses and 42% of semi-detached houses being sold. Pre-sales of high rise apartments have commenced with 26% sold. The Group will market the remaining 11 link houses, 38 semi-detached houses and 106 high rise apartments as well as the 8 bungalows in the financial year ending 2009.

BUSINESS REVIEW



BUSINESS REVIEW

To enhance the higher value of development projects, the Group has included a boutique hotel and residence for sale with about 180 keys in the development of Changsha. It occupies a site area of about 7,800 sq. m. and total GFA is about 10,600 sq. m.. Superstructure works for the hotel development will be finished around mid July 2008. The Group will enter into management agreement with an international hotel management group for operation of this hotel, so as to enhance the quality of our hotel management service as well as to nurturing and training talents. To enhance the quality of our residential development, the concierge services and all the club facilities of the hotel will be enjoyed by the residents of Beverly Hills.



Boutique hotel and residence – perspective (below); under construction (above)

BUSINESS REVIEW

(d) *Chuang's Palazzo Caesar, Changsha, Hunan (100% owned by Chuang's China)*

The site of Chuang's Palazzo Caesar was delivered to the Group in April 2008. Master planning work for 500,000 sq. m.

GFA is almost finalising. The development will comprise low density semi-detached houses, link houses, bungalows, as well as apartments and commercial facilities. Site formation works have commenced on Phase I of 55,000 sq. m. GFA.



Bungalow



Link House



Club House

BUSINESS REVIEW

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

The site, having an area of about 30,000 sq. m., is situated in the prime area within the second ring road, in the region of 武侯區 (Wu Hou Qu). The development will comprise residential and commercial GFA of about 130,000 sq. m. and basement area of about 80,000 sq. m.. Master planning is in progress and the main theme is to create a health conscious environment with a combination of residences and commercial facilities and open spaces.

(f) Xiamen Mingjia Binhai, Xiamen, Fujian (51% owned by Chuang's China)

The site, having an area of about 27,574 sq. m., is located in 思明區 (Siming Qu) of Xiamen, and is within walking distance to the nearby beach area. It will be developed into luxurious villas and resort with GFA of about 16,500 sq. m. providing full hotel services and facilities blended with abundant greenery landscaping. Master planning work for this villa and resort is progressing. On the site, the Group will develop 40 villas with a plot ratio of just 0.3, aiming to create a secluded elegant lifestyle. A deluxe boutique hotel with 100 keys will be built and water features including waterfalls, cascades and infinity pool concept will be incorporated. The Group is in discussions with an international hotel management group regarding management and operation of this hotel.



Chuang's Le Printemps

BUSINESS REVIEW

(iii) Property Sales

For the financial year ended 2008, total properties sold in the PRC and recognised as revenues amounted to about HK\$258.7 million, representing 56% increase when compared to that of the last corresponding year. The sales are principally relating to completed properties of Gold Coast in Dongguan and Beverly Hills in Changsha.

In the financial year ending 2009, the Group will market about 241,600 sq. m. GFA relating to projects in Dongguan, Guangzhou and Changsha, and 261 carparking spaces in Dongguan:



	Completed properties sq. m.	Properties under development sq. m.	Total GFA sq. m.
Gold Coast, Chuang's New City, Dongguan	1,950	–	1,950
Imperial Garden, Chuang's New City, Dongguan	–	146,000	146,000
Chuang's Le Papillon, Guangzhou	–	60,000	60,000
Beverly Hills, Changsha	33,650	–	33,650
	35,600	206,000	241,600

Up to the date of this report, the Group has contracted sales of about HK\$86 million relating to Gold Coast and Beverly Hills which can be recognised as revenues upon handover of properties in the financial year ending 2009.

BUSINESS REVIEW

(D) Midas International Holdings Limited ("Midas") (Stock code: 1172) (46.6% owned)

The Group owns 46.6% equity interest in Midas, a listed company in Hong Kong. The trading environment of the printing business of Midas continued to be highly competitive. Major material costs and operating costs were rising which affected the profit margin of Midas. As a result, the results of Midas for the year ended 31st December, 2007 have been very disappointing with turnover dropped by 4.4% to HK\$705.4 million and Midas reported a net loss attributable to shareholders of HK\$28.3 million. In order to alleviate this difficult trading environment, Midas has taken proactive measures including broadening its customer base, developing higher margin products and implementing effective cost control measures.

In order to broaden its income base and to diversify its business, Midas has acquired an 80.5% interest in a cemetery operation in Zhaoqing, Guangdong, the PRC named Fortune Wealth Memorial Park in September 2007. The cemetery operator has acquired a site of 518 mu and reserved an adjacent site of 4,482 mu for the development

of the cemetery. The first phase of the development comprising 100 mu of land has been completed and Midas is currently embarking on the development of an additional 418 mu of land which is expected to be completed within 3 to 5 years. Upon completion of the development of 518 mu of land, there will be 18,000 grave plots and 214,000 niches available for leases of burial rights. Since the taking over of management of the cemetery operation, Midas has strengthened the management team, in particular in the sales and marketing aspect, and set up new offices and established new agency arrangements in the PRC and Hong Kong. A number of familiarisation tours have been organised for the members of the funeral business and for the general public in order to expand the market presence. The Group believes that cemetery business in the PRC has long term growth potential and will provide stable recurrent income to Midas. Furthermore, Midas intends to leverage its experience in the existing cemetery operation to identify similar projects elsewhere in the PRC.



Products of Midas

BUSINESS REVIEW



Perspective of new factory of Midas in Shatian, Dongguan

In June 2007, the Group subscribed for a convertible note due 2011 of Midas for HK\$49.5 million. During the year, the Group converted HK\$20.25 million of the convertible note into 45 million new shares of Midas. In April 2008, Midas announced a rights issue to raise approximately HK\$73 million for financing its expansion plan in the printing and the cemetery operations. The Group has subscribed in full its entitlement under the rights issue and maintained its shareholding percentage in Midas.

(E) Other Investments

The Group's other investments include Sintex Nylon and Cotton Products (Pte) Limited, a company incorporated in Singapore and engaged in the manufacture and sale of home finishing products, and Yuen Sang Hardware Company (1988)

Limited, a company owned by Chuang's China and engaged in the manufacture and sale of metalware. Total revenues generated from manufacturing and trading business during the year amounted to HK\$126.1 million.

Revenues generated from securities trading business of the Group during the year amounted to HK\$26.8 million. As at the balance sheet date, quoted investments of the Group amounted to HK\$16.1 million. During the year, the Group has invested in derivative financial instruments relating to certain blue chip stocks in Hong Kong of which the commitments will expire latest in November 2008. Due to adverse stock market condition as at the balance sheet date, fair value loss was recorded during the year as a result of mark to market valuations of these investments. As the stock market has rebounded in the months of April to June 2008, the Group expects that there will be write back of a portion of the fair value loss in the financial year ending 2009.

FINANCIAL POSITIONS

As at 31st March, 2008, net assets attributable to equity holders amounted to HK\$3,734.6 million. Net asset value per share was approximately HK\$2.51, which is calculated based on the book cost of the Group's properties for/under development and properties for sale in Hong Kong and the PRC, before taking into account the appreciated value.

As at 31st March, 2008, the Group's cash and bank balances and other investments amounted to HK\$1,280.1 million (2007: HK\$1,039.9 million). Bank borrowings as at the same date amounted to HK\$1,929.1 million (2007: HK\$1,353.8 million). The Group's net debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and other investments over total net assets attributable to equity holders of the Company, was approximately 17.4% (2007: 9.7%).

Approximately 92.4% of the Group's cash, bank balances and other investments were denominated in Hong Kong dollar or United States dollar, with the balance of 7.6% in Renminbi. Approximately 87.2% of the Group's bank borrowings were denominated in Hong Kong dollar, 9.6% in Renminbi and the balance of 3.2% in Malaysian Ringgit and Singapore dollar. Accordingly, risk in exchange rate fluctuation would not be material.

Approximately 14.7% (2007: 4.6%) of the Group's bank borrowings was repayable within one year, 18.0% (2007: 7.6%) repayable within one to two years, 55.9% (2007: 70.8%) repayable within two to five years and the balance of 11.4% (2007: 17.0%) repayable over five years.

PROSPECTS

In the past years, the Group has secured low cost land bank in Hong Kong, the PRC and Vietnam. In the coming few years, the Group will be taking all the steps necessary to expedite the development and sales of our projects in Hong Kong, the PRC and Vietnam with a view to unlock the stored value of these investments and bring satisfactory return to shareholders.

The strength of our Group is our ability to identify sound projects in good locations, design and build quality properties that meet the appetite of end users and, most important of all, market the properties at a profit. Our Group will be actively and aggressively looking for real estate business opportunities in Hong Kong, the PRC, Vietnam, Malaysia and Taiwan so as to create value for shareholders.

STAFF

As at 31st March, 2008, the Group employed 1,170 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.

APPRECIATION

On behalf of the Board, I would like to thank my fellow Directors and our dedicated staff for their hard work and contribution during the year.

Alan Chuang Shaw Swee
Chairman

Hong Kong, 14th July, 2008

Corporate Governance Report

INTRODUCTION

The Company is committed to achieving high standard of corporate governance that properly protects and promotes the interests of its shareholders.

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the “CG Code”) as set out in Appendix 14 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

REPORT ON CORPORATE GOVERNANCE PRACTICES

(A) The Board

(i) Board composition

The board of Directors (the “Board”) comprises 9 Directors as at the date of this report, the Board members are as follows:

Name	Position
Mr. Alan Chuang Shaw Swee (“Mr. Alan Chuang”)*	Chairman
Mrs. Alice Siu Chuang Siu Suen (“Mrs. Siu”)*	Vice-Chairman
Mr. Ko Sheung Chi	Managing Director
Mr. Lui Lop Kay	Executive Director
Mr. Albert Chuang Ka Pun (“Mr. Albert Chuang”)*	Executive Director
Mr. Wong Chung Wai	Executive Director
Dr. Peter Po Fun Chan	Independent Non-Executive Director
Mr. Abraham Shek Lai Him	Independent Non-Executive Director
Mr. Chan Wai Dune	Independent Non-Executive Director

* Mr. Alan Chuang is a brother of Mrs. Siu. Mr. Albert Chuang is a son of Mr. Alan Chuang and a nephew of Mrs. Siu.

The Board has on a regular basis reviewed the composition of the Board and the skills and experience required for both the Executive and Independent Non-Executive Directors of the Board, in the context of the business and strategies of the Company. If the Board identifies a suitable qualified candidate to become a Board member, it will make recommendation to the Nomination Committee for him/her to be elected as a Director of the Company.

REPORT ON CORPORATE GOVERNANCE PRACTICES (Continued)

(A) The Board (Continued)

(ii) Appointment, re-election and removal of Directors

There are formal, considered and transparent procedures for the appointment and removal of Directors. All Directors newly appointed to fill a casual vacancy are subject to election at the first general meeting after their appointment. Every Director is subject to retirement by rotation at least once every three years. All Independent Non-Executive Directors are appointed for a term of three years, subject to retirement by rotation as aforesaid.

(iii) Board meetings

The Board held four meetings during the year. Arrangements were in place to ensure that sufficient notice and adequate information were given to each Director prior to the Board meetings. The Chairman, together with the Managing Director, established the agenda for each Board meeting. Other Directors are invited to include items in the agenda. Minutes of Board meetings were kept in sufficient details to reflect the decisions made in the relevant meetings.

The attendance record of each Director in Board meetings is as follows:

Name	Position	No. of meetings attended/held
Mr. Alan Chuang	Chairman	4/4
Mrs. Siu	Vice-Chairman	4/4
Mr. Ko Sheung Chi	Managing Director	4/4
Mr. Lui Lop Kay	Executive Director	3/4
Mr. Albert Chuang	Executive Director	3/4
Mr. Wong Chung Wai	Executive Director	4/4
Dr. Peter Po Fun Chan	Independent Non-Executive Director	4/4
Mr. Abraham Shek Lai Him	Independent Non-Executive Director	4/4
Mr. Chan Wai Dune	Independent Non-Executive Director	2/4

REPORT ON CORPORATE GOVERNANCE PRACTICES (Continued)

(A) The Board (Continued)

(iv) **Nomination Committee**

A Nomination Committee was established with clear terms of reference to review the composition of the Board. The Nomination Committee currently comprises three Independent Non-Executive Directors, Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Chan Wai Dune. The committee met once during the year to review the structure, size and composition of the Board and to assess the independence of each Independent Non-Executive Director. The Committee also approved the recommended candidates to become Board members by resolutions in writing.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Dr. Peter Po Fun Chan *	1/1
Mr. Abraham Shek Lai Him	1/1
Mr. Chan Wai Dune	1/1

* *Chairman of the Nomination Committee*

(v) **Chairman and Chief Executive Officer**

The roles of Chairman and Chief Executive Officer are separated. Currently, Mr. Alan Chuang is the Chairman and Mr. Ko Sheung Chi, the Managing Director, is the Chief Executive Officer.

(vi) **Responsibilities of Directors**

Each Director of the Company is required to keep abreast of his/her responsibilities as a Director of the Company and each Director is provided in a timely manner with appropriate information of the Group to enable him/her to make an informed decision and to discharge his/her duties and responsibilities as a Director of the Company. On appointment, new Directors will be given a comprehensive introduction to the Group's business.

(vii) **Directors' dealings in securities**

The Company has 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.

(viii) **Independence of Independent Non-Executive Directors**

The Company has received, from each of the Independent Non-Executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-Executive Directors are independent.

REPORT ON CORPORATE GOVERNANCE PRACTICES (Continued)

(B) Remuneration of Directors and senior management

(i) **Remuneration policy of Executive Directors and senior management**

The Group's remuneration policy seeks to provide a fair market remuneration so as to attract, retain and motivate high quality staff. The Group will set levels of remuneration to ensure comparability and competitiveness with companies competing within a similar talent pool.

(ii) **Fees paid to Independent Non-Executive Directors**

Each Independent Non-Executive Director of the Company received an annual fee of HK\$100,000. In determining such fee, the Board has taken into account the current market conditions. Such fee is also subject to shareholders' approval in annual general meetings.

(iii) **Remuneration Committee**

A Remuneration Committee was established with clear terms of reference to review the remuneration of the Executive Directors and senior management. The Remuneration Committee currently comprises three Independent Non-Executive Directors, Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Chan Wai Dune. The committee met once during the year to review the remuneration policy of the Group. The committee also approved the remuneration packages of the Executive Directors and senior management of the Group by resolutions in writing.

The attendance record of each committee member is as follows:

Name	No. of meeting attended/held
Dr. Peter Po Fun Chan *	1/1
Mr. Abraham Shek Lai Him	1/1
Mr. Chan Wai Dune	1/1

* *Chairman of the Remuneration Committee*

REPORT ON CORPORATE GOVERNANCE PRACTICES (Continued)

(C) Accountability and audit

(i) **Financial reporting**

The Board acknowledges that it is its responsibility to prepare the financial statements and to present a balanced, clear and comprehensive assessment of the performance, position and prospects of the Group in the interim and annual reports of the Group.

(ii) **Internal control**

The Board acknowledges that it is its responsibility to ensure that the Group maintains an effective internal control system so as to safeguard the Group's assets and thus shareholders' investment.

In this respect, the Group has adopted internal control procedures relating to financial, operational, compliance and risk management. The objectives are to provide reasonable assurance that assets are safeguarded against unauthorised use or disposition, transactions are executed in accordance with management's authorisation, the accounting records are reliable for preparing financial information within the business and for publication and risk is being identified and managed in an effective manner.

Qualified personnel throughout the Group maintains and monitors these internal control procedures on an ongoing basis. Based on the assessment made by senior management of the Group, the Board, in conjunction with the Audit Committee, is satisfied that the existing internal control procedures of the Group are adequate for its present requirement.

(iii) **Audit Committee**

An Audit Committee was established with clear terms of reference to review and supervise the financial reporting process and internal controls of the Group. The Audit Committee currently comprises three Independent Non-Executive Directors, Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Chan Wai Dune. The committee held two meetings during the year to discuss the relationship with the external auditors, to review the interim and annual financial statements of the Group and to evaluate the system of internal controls of the Group.

REPORT ON CORPORATE GOVERNANCE PRACTICES (Continued)

(C) Accountability and audit (Continued)

(iii) Audit Committee (Continued)

The attendance record of each committee member is as follows:

Name	No. of meetings attended/held
Dr. Peter Po Fun Chan *	2/2
Mr. Abraham Shek Lai Him	2/2
Mr. Chan Wai Dune	1/2

* Chairman of the Audit Committee

(iv) Auditors' remuneration

During the year, the remuneration paid or payable to the principal auditors of the Company, Messrs PricewaterhouseCoopers, is set out as follows:

Services rendered	HK\$'000
Audit services	2,370
Non-audit services	260
	2,630

REPORT ON CORPORATE GOVERNANCE PRACTICES (Continued)

(D) Delegation by the Board

(i) **Board Committees**

The Company has established three committees, namely Audit Committee, Nomination Committee and Remuneration Committee. These committees were formed with specific written terms of reference which deal clearly with the committees' authorities and duties.

(ii) **Management function**

The Board has determined which matters are to be retained by the full Board sanction and which matters are to be delegated to the executive management. The executive management has been given clear terms of reference, in particular, circumstances where the executive management should report back and obtain prior approval from the Board. All delegations to executive management are reviewed periodically to ensure that they remain appropriate.

(E) Communication with shareholders

(i) **Annual general meetings**

The Board regards annual general meetings as the principal opportunity to meet shareholders of the Company. The Chairman attended the annual general meeting of the Company held in August 2007 to answer questions raised by shareholders.

(ii) **Significant issues**

The Company has ensured that any significant issue to be dealt with in general meetings will be proposed as a separate resolution.

(iii) **Voting by poll**

The procedures and requirements for demanding a poll in general meetings are fully disclosed in circulars to shareholders and communicated to shareholders prior to the commencement of general meetings.

CONCLUSION

The Company has complied with the code provisions of the CG Code for the year ended 31st March, 2008.

On behalf of the Board of

Chuang's Consortium International Limited

Ko Sheung Chi

Managing Director

Hong Kong, 14th July, 2008

Report of the Directors

The Board of Directors (the “Board”) presents the audited financial statements of the Company and its subsidiaries (together the “Group”) for the year ended 31st March, 2008.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and those of its principal subsidiaries are set out in note 44 to the financial statements.

Analysis of the performance by the Group for the year by business and geographical segments is set out in note 6 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out in the consolidated income statement on page 53.

The Directors have resolved to recommend for the shareholders’ approval at the forthcoming annual general meeting the payment of a final dividend of 2.0 HK cents (2007: 1.0 HK cent) per share for the year ended 31st March, 2008. The final dividend, if approved, will be paid on or before 22nd October, 2008 by allotment of new shares with a cash option to the shareholders whose names appear on the Company’s register of members on 28th August, 2008.

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 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 28th August, 2008.

An interim dividend of 1.5 HK cents (2007: 0.75 HK cent for interim dividend and 0.5 HK cent for a special interim dividend) per share have been paid in respect of the current financial year. Total dividends for the year, therefore, amounted to 3.5 HK cents (2007: 2.25 HK cents) per share, representing an increase of approximately 55.6%.

SUBSIDIARIES

Particulars regarding the principal subsidiaries of the Company are set out in note 44 to the financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are set out in note 16 to the financial statements.

Report of the Directors (continued)

SHARE CAPITAL

Details of share capital of the Company are set out in note 33 to the financial statements.

DONATIONS

During the year, the Group made charitable and other donations amounting to HK\$2,461,000.

PRE-EMPTIVE RIGHTS

No pre-emptive rights exist in Bermuda being the jurisdiction in which the Company was incorporated.

RESERVES

Movements in reserves during the year are set out in note 34 to the financial statements.

PARTICULARS OF PRINCIPAL PROPERTIES

Particulars of principal properties held by the Group are set out on pages 120 to 125.

FINANCIAL SUMMARY

A summary of the results, assets and liabilities, and net debt to equity ratio of the Group for the five years ended 31st March, 2008 is shown on the inside cover.

Report of the Directors (continued)

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

Mr. Alan Chuang Shaw Swee	
Mrs. Alice Siu Chuang Siu Suen	
Mr. Ko Sheung Chi	
Mr. Lui Lop Kay	
Mr. Albert Chuang Ka Pun	
Mr. Wong Chung Wai	(appointed on 3rd April, 2007)
Dr. Peter Po Fun Chan	
Mr. Abraham Shek Lai Him	
Mr. Chan Wai Dune	
Ms. Cathy Chan Chung Shan	(resigned on 30th April, 2007)

At the forthcoming annual general meeting, Mr. Ko Sheung Chi, Mr. Lui Lop Kay and Mr. Abraham Shek Lai Him will retire from office in accordance with the Company's Bye-law no. 87(2) and Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and, being eligible, will offer themselves for re-election. Mr. Chan Wai Dune will also retire at the annual general meeting but will not offer himself for re-election.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management as at the date of this report are set out on pages 4 to 5 of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option schemes adopted by the Company and its subsidiary as detailed in the section headed "Share Option Schemes" below, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st March, 2008, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which have been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(a) Interests in the Company

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	750,714,728	Note 1	50.54
Mrs. Alice Siu Chuang Siu Suen ("Mrs. Siu")	237,646,255	Note 2	16.00
Mr. Lui Lop Kay ("Mr. Lui")	116,000	Beneficial owner	0.008
Mr. Albert Chuang Ka Pun ("Mr. Albert Chuang")	20,000	Beneficial owner	0.001
Dr. Peter Po Fun Chan ("Dr. Chan")	756,297	Beneficial owner	0.05

Note 1: Such interests comprised 581,539,025 shares in the Company owned by Evergain Holdings Limited ("Evergain"), a company beneficially owned by Mr. Alan Chuang, and the remaining interests arose as a result of Mr. Alan Chuang being a discretionary object of a discretionary trust, the trustee of which held 169,175,703 shares in the Company. Mr. Alan Chuang and Mr. Albert Chuang are directors of Evergain.

Note 2: Such interests comprised 68,470,552 shares in the Company owned by Hilltop Assets Limited, a company beneficially owned by Mrs. Siu, and the remaining interests arose as a result of Mrs. Siu being a discretionary object of a discretionary trust, the trustee of which held 169,175,703 shares in the Company.

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

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	809,996,556	Notes 3 & 6	53.98
Mrs. Siu	2,000,000	Beneficial owner	0.13
Mr. Lui	12,500	Beneficial owner	0.001
Dr. Chan	4,120	Interest in controlled corporation	0.0003

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang	348,800,000	Notes 4 & 6	57.25
Mr. Abraham Shek Lai Him	10,000	Beneficial owner	0.002

(d) Interests in Treasure Auctioneer International Limited

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

Note 3: Such interests comprised 807,396,556 shares in Chuang's China beneficially owned by Profit Stability Investments Limited, a wholly-owned subsidiary of the Company, and 2,600,000 shares in Chuang's China beneficially owned by Mr. Alan Chuang.

Note 4: Such interests comprised 283,800,000 ordinary shares in Midas and 65,000,000 ordinary shares to be issued by Midas upon the exercise of conversion rights attached to the 1.5% convertible note due 2011 held by Gold Throne Finance Limited, a wholly-owned subsidiary of the Company.

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

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

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

During the year, none of the Directors and chief executive of the Company nor their spouses or children under 18 years of age were granted or had exercised any right to subscribe for any securities of the Company or any of its associated corporations.

Other than as disclosed herein, as at 31st March, 2008, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' INTERESTS IN CONTRACTS

There was no contract of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party and in which a Director had, whether directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has any service contract with the Company or any of its subsidiaries not terminable by the employing company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the Company discloses that Mr. Alan Chuang (the chairman and an executive Director of the Company) holds equity interests and directorships in, and Mr. Ko Sheung Chi and Mr. Albert Chuang (both executive Directors) hold directorships in, certain private companies (the "Private Companies") which are engaged in the businesses of luxurious residential property investment in Hong Kong. Mr. Ko Sheung Chi is also a non-executive director of CNT Group Limited ("CNT"), a company whose issued shares are listed on the Stock Exchange, the principal activities of which include property investments and developments in Hong Kong and the People's Republic of China. As the properties owned by the Private Companies and CNT are of different types and/or in different locations from those of the Group, the Group operates its business independently of the businesses of, and at arm's length from, the businesses of the Private Companies and CNT.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 31st March, 2008, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Evergain	581,539,025	Beneficial owner, Note 1	39.15
Mrs. Chong Ho Pik Yu	581,539,025	Note 2	39.15
Madam Chuang Shau Har ("Madam Chuang")	169,898,927	Note 3	11.44
Mr. Lee Sai Wai ("Mr. Lee")	169,898,927	Note 4	11.44
Third Avenue Management LLC	105,424,000	Investment manager	7.10

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

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

Note 3: Interests in 169,175,703 shares in the Company arose as a result of Madam Chuang being the trustee and a discretionary object of a discretionary trust which owned such shares in the Company. The remaining interests in 723,224 shares in the Company arose by attribution through her spouse, Mr. Lee.

Note 4: Interests in 169,175,703 shares in the Company arose by attribution through his spouse, Madam Chuang, whose interests have been mentioned in Note 3 above. The remaining interests in 723,224 shares in the Company are beneficially owned by Mr. Lee.

Save as disclosed above, as at 31st March, 2008, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance between the Company or any of its subsidiaries and the controlling shareholders or any of its subsidiaries at the balance sheet date or at any time during the year and up to the date of this report.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

BORROWINGS

Bank borrowings of the Group are set out in note 35 to the financial statements.

PLEDGE OF ASSETS

As at 31st March, 2008, the Group has pledged the shares and assets of certain subsidiaries, including property, plant and equipment, investment properties, leasehold land and land use rights, properties for/under development and properties for sale and bank deposits, with an aggregate net book value of HK\$3,817,292,000 (2007: HK\$3,207,580,000), to secure general banking and financial guarantee facilities granted to those subsidiaries. The Group also has pledged certain other investments and bank deposits amounting to HK\$7,724,000 (2007:HK\$71,896,000) and HK\$241,659,000 (2007:HK\$212,127,000) respectively for the commitment of the purchase of listed equity securities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries purchased or sold any of the Company's shares during the year.

MAJOR SUPPLIERS AND CUSTOMERS

The five largest suppliers and customers of the Group accounted for less than 30% of the purchases and turnover of the Group for the year respectively.

RETIREMENT SCHEMES

Details of retirement schemes of the Group are set out in note 9 to the financial statements.

SHARE OPTION SCHEMES

Pursuant to the ordinary resolutions passed in the annual general meeting of the Company held on 30th August, 2002, a share option scheme of the Company (the “Scheme”) has been adopted and the share option scheme adopted by Chuang’s China on 26th August, 2002 (the “Chuang’s China Scheme”) has been approved.

(i) A summary of the Scheme is set out as follows:

- | | |
|---|---|
| 1. Purpose: | To give incentive to Directors, employees or business consultants of the Group and any other party as approved under the Scheme |
| 2. Participants: | Including, inter alia, Directors, employees or business consultants of the Group |
| 3. Total number of shares available for issue under the Scheme and percentage of the issued share capital that it represents as at the date of this report: | 132,800,615 shares are available for issue under the Scheme, representing approximately 9% of the issued share capital as at the date of this report |
| 4. Maximum entitlement of each participant: | 1% of the maximum aggregate number of shares that may be issued within 12 months pursuant to the Scheme |
| 5. Period within which the shares must be taken up under an option: | Not applicable. No share option has been granted since the date of adoption of the Scheme on 30th August, 2002 |
| 6. Amount payable on acceptance of an option and the period within which payments shall be made: | HK\$1.00 payable to the Company upon acceptance of option which should be taken up within 28 days from the date of offer for option (“Offer Date”) (which must be a trading day) |
| 7. The basis of determining the exercise price: | No less than the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share |
| 8. The remaining life of the Scheme: | Valid until 29th August, 2012 unless otherwise terminated under the terms of the Scheme |

SHARE OPTION SCHEMES (Continued)

(ii) A summary of the Chuang's China Scheme is set out as follows:

1. Purpose: To give incentive to directors, employees or business consultants of Chuang's China and its subsidiaries (the "Chuang's China Group") and any other party as approved under the Chuang's China Scheme
2. Participants: Including, inter alia, directors, employees or business consultants of the Chuang's China Group
3. Total number of shares of Chuang's China available for issue under the Chuang's China Scheme and percentage of the issued share capital of Chuang's China that it represents as at the date of this report: 102,443,969 shares of Chuang's China are available for issue under the Chuang's China Scheme, representing approximately 7% of the issued share capital of Chuang's China as at the date of this report
4. Maximum entitlement of each participant: 1% of the maximum aggregate number of shares of Chuang's China that may be issued within 12 months pursuant to the Chuang's China Scheme
5. Period within which the shares of Chuang's China must be taken up under an option: Not applicable. No share option has been granted by Chuang's China since the date of adoption of the Chuang's China Scheme on 26th August, 2002
6. Amount payable on acceptance of an option and the period within which payments shall be made: HK\$1.00 payable to Chuang's China upon acceptance of option which should be taken up within 28 days from the date of offer for option ("Offer Date") (which must be a trading day)
7. The basis of determining the exercise price: No less than the highest of (i) the closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheet on the Offer Date (which must be a trading day); (ii) the average closing price of the shares of Chuang's China as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date (which must be a trading day); and (iii) the nominal value of a share of Chuang's China
8. The remaining life of the Chuang's China Scheme: Valid until 25th August, 2012 unless otherwise terminated under the terms of the Chuang's China Scheme

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2008.

CONNECTED TRANSACTION

The Group has granted loans to Fantasy Development Limited (“Fantasy”) for the purpose of financing Artiful Limited (“Artiful”), a company in which the Group and Fantasy hold 70% and 30% of its issued share capital respectively. The purpose of the loans was to allow Fantasy to on-lend such amounts to Artiful to meet its financing requirements for the development of a property project in Hong Kong. The parties agreed that the loans would bear interest at the prevailing market interest rates and that Fantasy would repay the loans from the sales proceeds of the property. As at 31st March, 2008, the total amount of the loans plus interest outstanding was approximately HK\$11,310,000. Details of the transaction were announced by the Company on 16th July, 2002.

AUDITORS

The financial statements for the year were audited by Messrs PricewaterhouseCoopers who shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-appointment.

On behalf of the Board of
Chuang’s Consortium International Limited

Ko Sheung Chi
Managing Director

Hong Kong, 14th July, 2008

Report of the Independent Auditors

TO THE SHAREHOLDERS OF
CHUANG'S CONSORTIUM INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Chuang's Consortium International Limited (the "Company") set out on pages 53 to 119, which comprise the consolidated and company balance sheets as at 31st March, 2008, and the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

RESPONSIBILITY OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

RESPONSIBILITY OF THE AUDITORS

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the auditors, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Group and the Company as at 31st March, 2008 and of the profit and cash flows of the Group for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 14th July, 2008

Consolidated Income Statement

For the year ended 31st March, 2008

	Note	2008 HK\$'000	2007 HK\$'000
Revenues	5	716,272	719,873
Cost of sales		(472,627)	(516,697)
Gross profit		243,645	203,176
Other income	7	124,446	96,004
Selling and marketing expenses		(26,792)	(26,729)
Administrative expenses		(167,706)	(159,869)
Other operating expenses		(124,690)	(38,425)
Change in fair value of investment properties		554,837	200,710
Operating profit	8	603,740	274,867
Finance costs	10	(85,295)	(66,475)
Share of results of associated companies	22	75,064	9,633
Profit before taxation		593,509	218,025
Taxation	12	(62,909)	(1,256)
Profit for the year		530,600	216,769
Attributable to:			
Equity holders	13	468,889	214,866
Minority interests		61,711	1,903
		530,600	216,769
Dividends	14	51,985	33,255
Earnings per share (basic and diluted)	15	HK cents 31.57	Restated HK cents 14.47

The notes on pages 60 to 119 are an integral part of these financial statements.

Consolidated Balance Sheet

As at 31st March, 2008

	Note	2008 HK\$'000	2007 HK\$'000
Non-current assets			
Property, plant and equipment	16	93,228	82,494
Investment properties	17	3,085,052	2,552,428
Leasehold land and land use rights	18	25,688	1,076,888
Properties for/under development	19	680,684	362,882
Associated companies	22	269,982	213,867
Loans and receivables	23	78,017	32,799
Available-for-sale financial assets	24	55,220	48,092
Derivative financial instruments	32	1,558	–
Deferred taxation assets	36	807	837
		4,290,236	4,370,287
Current assets			
Properties for sale	25	1,367,463	243,022
Inventories	26	94,829	84,625
Debtors and prepayments	27	323,159	224,539
Tax recoverable		284	296
Other investments	29	16,117	71,896
Cash and bank balances	30	1,264,027	967,989
		3,065,879	1,592,367
Current liabilities			
Creditors and accruals	31	189,498	250,572
Derivative financial instruments	32	134,000	25,000
Short-term borrowings	35	197,108	–
Current portion of long-term borrowings	35	85,869	61,820
Taxation payable		67,502	45,499
		673,977	382,891
Net current assets		2,391,902	1,209,476
Total assets less current liabilities		6,682,138	5,579,763

Consolidated Balance Sheet (Continued)

As at 31st March, 2008

	Note	2008 HK\$'000	2007 HK\$'000
Equity			
Share capital	33	371,322	369,502
Reserves	34	3,333,608	2,857,879
Proposed final dividend	34	29,706	14,780
Shareholders' funds		3,734,636	3,242,161
Minority interests		865,767	615,952
Total equity		4,600,403	3,858,113
Non-current liabilities			
Long-term borrowings	35	1,646,103	1,291,983
Deferred taxation liabilities	36	392,150	355,805
Other non-current liabilities	37	43,482	73,862
		2,081,735	1,721,650
		6,682,138	5,579,763

Ko Sheung Chi
Director

Albert Chuang Ka Pun
Director

The notes on pages 60 to 119 are an integral part of these financial statements.

Balance Sheet

As at 31st March, 2008

	Note	2008 HK\$'000	2007 HK\$'000
Non-current assets			
Property, plant and equipment	16	205	280
Subsidiaries	20	888,708	888,708
Loan to a subsidiary	28	56,225	56,225
		945,138	945,213
Current assets			
Debtors and prepayments	27	181	765
Amounts due from subsidiaries	28	736,287	917,694
Cash and bank balances	30	802,797	606,090
		1,539,265	1,524,549
Current liabilities			
Creditors and accruals	31	2,042	1,480
		1,537,223	1,523,069
Net current assets			
		2,482,361	2,468,282
Equity			
Share capital	33	371,322	369,502
Reserves	34	2,061,333	2,084,000
Proposed final dividend	34	29,706	14,780
		2,462,361	2,468,282
Non-current liabilities			
Long-term borrowings	35	20,000	–
		2,482,361	2,468,282

Ko Sheung Chi
Director

Albert Chuang Ka Pun
Director

The notes on pages 60 to 119 are an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 31st March, 2008

	Note	2008 HK\$'000	2007 HK\$'000
Cash flows from operating activities			
Cash (used in)/from operations	41(a)	(454,596)	30,017
Interest paid		(88,740)	(69,894)
Hong Kong profits tax (paid)/refunded		(289)	5
Overseas tax paid		(6,086)	(14,118)
Net cash used in operating activities		(549,711)	(53,990)
Cash flows from investing activities			
Purchase of property, plant and equipment		(27,625)	(10,868)
Purchase of investment properties		(14,346)	(11,014)
Purchase of leasehold land and land use rights		(23,023)	(173,977)
Purchase of available-for-sale financial assets		(10,895)	(1,172)
Proceeds from disposal of property, plant and equipment		890	1,204
Proceeds from disposal of investment properties, net		130,473	277,372
Proceeds from disposal of available-for-sale financial assets		2,579	207
Purchase of additional interests in subsidiaries		(76,524)	(8,694)
Disposal of subsidiaries	41(b)	(8,507)	–
Decrease/(increase) in amounts receivable from associated companies		65,128	(1,486)
Subscription of convertible note of an associated company		(49,500)	–
Advance to joint venture partner		(21,793)	–
(Increase)/decrease in bank deposits maturing more than three months from date of placement		(146,146)	15,142
Interest received		35,418	36,853
Dividends received		5,886	12,510
Net cash (used in)/from investing activities		(137,985)	136,077
Cash flows from financing activities			
New bank borrowings		767,558	266,000
Repayment of bank borrowings		(208,982)	(158,063)
Capital injection by minority interests		310,520	40,148
Decrease in net amounts with minority interests		(6,603)	–
Dividends paid to shareholders		(26,720)	(33,255)
Dividends paid to minority interests		(10,628)	(5,588)
Net cash from financing activities		825,145	109,242
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		964,766	765,494
Exchange difference on cash and cash equivalents		9,972	7,943
Cash and cash equivalents at the end of the year	41(c)	1,112,187	964,766

The notes on pages 60 to 119 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31st March, 2008

	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st April, 2006	369,502	967,044	1,685,516	3,022,062	623,443	3,645,505
Changes in exchange rates	–	20,771	–	20,771	3,349	24,120
Share of reserve of an associated company	–	2,332	–	2,332	–	2,332
Change in fair value of available-for-sale financial assets	–	15,385	–	15,385	9,639	25,024
Net income recognised directly in equity	–	38,488	–	38,488	12,988	51,476
Profit for the year	–	–	214,866	214,866	1,903	216,769
Total income recognised for the year	–	38,488	214,866	253,354	14,891	268,245
Dividends	–	–	(33,255)	(33,255)	–	(33,255)
Dividends paid to minority interests	–	–	–	–	(5,588)	(5,588)
Capital injection by minority interests	–	–	–	–	40,148	40,148
Purchase of additional interest in a subsidiary	–	–	–	–	(20,785)	(20,785)
Purchase of additional interest in an associated company	–	–	–	–	(36,157)	(36,157)
At 31st March, 2007	369,502	1,005,532	1,867,127	3,242,161	615,952	3,858,113

Consolidated Statement of Changes in Equity (Continued)

For the year ended 31st March, 2008

	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Shareholders' funds HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1st April, 2007	369,502	1,005,532	1,867,127	3,242,161	615,952	3,858,113
Changes in exchange rates	–	36,635	–	36,635	13,778	50,413
Share of reserves of an associated company	–	15,980	–	15,980	–	15,980
Change in fair value of available-for-sale financial assets	–	(2,305)	–	(2,305)	(1,977)	(4,282)
Net income recognised directly in equity	–	50,310	–	50,310	11,801	62,111
Release upon disposal of available-for-sale financial assets	–	(4)	–	(4)	(4)	(8)
Profit for the year	–	–	468,889	468,889	61,711	530,600
Total income recognised for the year	–	50,306	468,889	519,195	73,508	592,703
Dividends	1,820	8,519	(37,059)	(26,720)	–	(26,720)
Dividends paid to minority interests	–	–	–	–	(10,628)	(10,628)
Capital injection by minority interests	–	–	–	–	310,520	310,520
Release upon disposal of a subsidiary	–	(1,724)	1,724	–	–	–
Purchase of additional interests in subsidiaries	–	–	–	–	(93,935)	(93,935)
Partial disposal of a subsidiary	–	–	–	–	(29,650)	(29,650)
At 31st March, 2008	371,322	1,062,633	2,300,681	3,734,636	865,767	4,600,403

The notes on pages 60 to 119 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31st March, 2008

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, 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, manufacturing and sale of watch components, merchandise, bonded polyester fabrics and home finishing products, securities investment and trading, and the provision of information technology services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted for the preparation of these financial statements, which have been consistently applied for all the years presented, are set out below:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, derivative financial instruments and other investments at fair values, and in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies of the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4 below.

(i) **Standard, amendment and interpretations effective in 2007**

For the financial year ended 31st March, 2008, the Group adopted the following new standard, amendment and interpretations that are effective for the Group's accounting periods beginning on 1st April, 2007 and relevant to the operations of the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements – Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Int 8	Scope of HKFRS 2
HK(IFRIC) – Int 9	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions

The Group has assessed the impact of the adoption of these new standard, amendment and interpretations and considered that there were neither significant impact on the Group's results and financial position nor any substantial changes in the Group's accounting policies, whereas the adoption of HKAS 1 (Amendment) and HKFRS 7 introduces new disclosures relating to capital and financial instruments. There is no significant impact on the classification and valuation of the Group's financial instruments.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) Standards and amendment that are not yet effective and have not been early adopted by the Group

The following standards and amendment have been published and are mandatory for the Group's accounting periods beginning on or after 1st April, 2008 but have not yet adopted by the Group:

HKAS 1 (Revised)	Presentation of Financial Statements (effective from 1st January, 2009)
HKAS 23 (Revised)	Borrowing Costs (effective from 1st January, 2009)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective from 1st July, 2009)
HKFRS 2 (Amendment)	Share-based Payment: Vesting Conditions and Cancellations (effective from 1st January, 2009)
HKFRS 3 (Revised)	Business Combinations (effective from 1st July, 2009)
HKFRS 8	Operating Segments (effective from 1st January, 2009)

The Group has not yet adopted any of the above standards and amendment. The Group has made an assessment of the impact of the above standards and amendment. They are not expected to have significant financial impact on the Group's results of operations and financial position.

(iii) Interpretations to existing standards that are not yet effective and not relevant for the Group's operations

The following interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1st April, 2008 but are not relevant for the Group's operations:

HK(IFRIC) – Int 12	Service Concession Arrangements (effective from 1st January, 2008)
HK(IFRIC) – Int 13	Customer Loyalty Programmes (effective from 1st July, 2008)
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from 1st January, 2008)

(b) Group accounting

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31st March and include the share of post-acquisition results and reserves of its associated companies attributable to the Group.

Results attributable to subsidiaries and associated companies acquired or disposed of during the financial period are included in the consolidated income statement from the date of acquisition or up to the date of disposal as applicable.

The gain or loss on disposal of subsidiaries or associated companies is calculated by reference to the share of net assets at the date of disposal including the attributable amount of goodwill not yet written off.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries

Subsidiaries are companies in which the Group has the power to exercise control governing the financial and operating policies of the company, generally accompanying a direct or indirect shareholding of more than half of the voting power, or holds more than half of the issued equity capital. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

In the balance sheet of the Company, investments in subsidiaries are carried at cost less impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend income.

(d) Minority interests

Minority interests represent the interest of outside shareholders in operating results and net assets of subsidiaries.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals of equity interests to minority interests result in gains or losses for the Group that are recorded in the income statement. Purchases of equity interests from minority interests result in goodwill, which is the difference between any consideration paid and the relevant share of the carrying value of net assets of the subsidiary being acquired.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associated companies

An associated company is a company, not being a subsidiary or a joint venture, in which an equity interest is held for the long-term and significant influence is exercised in its management, accompanying a shareholding of between 20% to 50% of the voting rights.

Investments in associated companies are accounted for under the equity method of accounting and are initially recognised at cost. The investments in associated companies of the Group include goodwill, net of any accumulated impairment loss, identified on acquisition.

The share of post-acquisition profits or losses of associated companies attributable to the Group is recognised in the income statement, and the share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses of the Group in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the interest in the associated companies held by the Group. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(f) Joint ventures

A joint venture which does not involve the establishment of a separate entity but involves the joint control and ownership by the Group and other parties of assets contributed to, or acquired for the purpose of, the joint venture is accounted for as a jointly controlled asset. The Group's share of jointly controlled assets and any liabilities incurred jointly with other joint venture partners are recognised and classified according to the nature of the relevant items. Income from the sale or use of the Group's share of the output of jointly controlled assets is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group, while the Group's share of expenses in respect of jointly controlled assets is recognised as incurred.

(g) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the share of the net identifiable assets of the acquired subsidiaries or associated companies attributable to the Group at the effective date of acquisition, and in respect of an increase in holding in a subsidiary, the excess of the cost of acquisition and the carrying amount of the proportion of the minority interests acquired. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Goodwill (Continued)

Goodwill on acquisitions of subsidiaries is included in intangible assets while goodwill on acquisitions of associated companies is included in investments in associated companies. Goodwill is tested for impairment annually or when there is an indication for impairment and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

If the cost of acquisition is less than the fair value of the net assets acquired or the carrying amount of the proportion of the minority interests acquired, the difference is recognised directly in the income statement.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Freehold land is not amortised. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate cost to their residual values over their estimated useful lives at the following annual rates:

Buildings	2%
Plant and machinery	10% to 20%
Furniture and fixtures	10% to 20%
Other assets	10% to 30%

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at each balance sheet date. Where the estimated recoverable amounts have declined below their carrying amounts, the carrying amounts are written down to their estimated recoverable amounts.

Gain or loss on disposal is determined as the difference between the net sales proceeds and the carrying amount of the relevant assets, and is recognised in the income statement.

(i) Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Group, are classified as investment properties. Investment properties comprise land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment properties when the rest of the definition of investment properties is met. The operating lease is accounted for as if it were a finance lease.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is based on valuations carried out by external valuers. Change in fair value is recognised in the income statement. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investment properties (Continued)

Subsequent expenditure is charged to the carrying amount of the property only when it is probable that future economic benefits associated with the property will flow to the Group and the cost can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Property that is being constructed or developed for future use as investment property is classified as properties for/under development and stated at cost or its carrying amount until construction or development is completed, at which time it is reclassified and subsequently accounted for as investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

(j) Leasehold land and land use rights

Leasehold land and land use rights represent non-refundable rental payments for lease of land. The upfront prepayments made for leasehold land and land use rights are amortised on a straight-line basis over the period of the lease or where there is impairment, the impairment is expensed in the income statement. The amortisation of the leasehold land and land use rights is capitalised under the relevant assets when the properties on the land are under construction. In all other cases, the amortisation is recognised in the income statement.

(k) Properties for/under development

Properties for/under development are stated at cost less impairment losses. Costs include land cost, amortisation of leasehold land and land use rights, development and construction expenditure incurred and any interest and other direct costs attributable to the development.

Properties under development are classified as current assets unless the construction period of the relevant development project is expected to complete beyond normal operating cycle, or future uses of the completed properties have not yet been determined.

(l) Properties for sale

Properties for sale which include completed properties and leasehold land and land use rights for sale are included under current assets and comprise land cost, development and construction expenditure, any interest and other direct costs attributable to the development, less provision for foreseeable losses. Completed properties for sale are carried at the lower of cost and net realisable value. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(m) Financial assets

The Group classifies its financial assets in the categories of financial assets at fair value through profit or loss (including other investments), loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition according to the purpose for which the financial assets are acquired and re-evaluates this designation at every balance sheet date.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial assets (Continued)

Financial assets at fair value through profit or loss (including other investments) are classified as current assets if they are either held for trading or are expected to be realised within twelve months of the balance sheet date. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement, and subsequently carried at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are carried at amortised cost using effective interest method.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date. Available-for-sale financial assets are initially recognised at fair value plus transaction cost, and subsequently carried at fair value.

Regular purchases and sales of investments are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest and dividend income, are included in the income statement in the financial period in which they arise. Unrealised gains and losses arising from the change in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are recognised in the income statement as gains or losses.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value below its cost is considered an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on available-for-sale financial assets are not reversed through the income statement.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate.

Derivative financial instruments that do not qualify for hedge accounting are accounted for as fair value through profit or loss and changes in the fair value are recognised immediately in the income statement.

(o) Inventories

Inventories, which mainly comprise watch components, merchandise, bonded polyester fabrics and home finishing products, are stated at the lower of cost and net realisable value. Costs, calculated on the first-in first-out basis or weighted average basis, include material cost, direct labour cost and an appropriate proportion of production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(p) Trade and other debtors

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, which is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is recognised in the income statement.

(q) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the fair value of an asset less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

(r) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial liability, including fees and commissions to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Borrowings are subsequently stated at amortised cost; any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

(t) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(u) Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases, net of any incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of lease.

(v) Revenue and income recognition

Revenue is recognised when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Revenue is shown net of sales tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors. The Group recognised its revenue and income on the following basis:

- (i) Sale of properties are recognised when the risks and rewards of the properties have been passed to the purchasers, which are upon the completion of the relevant sale and purchase contracts.
- (ii) Rental income, net of incentives given to lessees, is recognised on a straight-line basis over the period of the respective leases.
- (iii) Sale of goods are recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to the customers and legal title has been passed.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Revenue and income recognition (Continued)

- (iv) Income from securities trading is recognised on the transaction dates when the relevant sale and purchase contracts are entered into.
- (v) Service and management fee is recognised when the services are rendered.
- (vi) Interest income is recognised on a time proportion basis, using the effective interest method, taking into account the principal amounts outstanding and the interest rates applicable.
- (vii) Dividend income is recognised when the right to receive payment is established.

(w) Borrowing costs

Interest and related costs on borrowings attributable to the construction or acquisition of an asset that necessarily takes a substantial period of time to complete and prepare for its intended use or sale are capitalised as part of the cost of their assets. All other borrowing costs are charged to the income statement in the financial period in which they are incurred.

(x) Employee benefits

Contributions to defined contribution retirement schemes are charged to the income statement in the financial period to which the contributions relate.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick and maternity leave are not recognised until the time of leave.

Provisions for bonus entitlements are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Such bonuses are payable within twelve months from the balance sheet date.

(y) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits with banks and financial institutions with maturity within three months from the date of placement, net of bank overdrafts and advances from banks and financial institutions repayable within three months from the date of advance.

(z) Translation of foreign currencies

Transactions included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Hong Kong dollar, which is the functional and presentation currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the balance sheet date are recognised in the income statement.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Translation of foreign currencies (Continued)

The results and financial position of all the entities in the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the rate of exchange ruling at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

(aa) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

(ab) Dividend distribution

Dividend distribution to the shareholders of the Company is recognised as a liability in the financial statements in the financial period in which the dividends are approved by the Company's shareholders or directors as applicable.

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 overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

Financial risk management is carried out by the Finance Department under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as written policies covering specific areas.

(i) Credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial assets in the balance sheet.

Credit risk of the Group is primarily attributable to deposits with banks and financial institutions and non-current loans and receivables, as well as credit exposures to customers and other debtors. The Group has credit policies in place and exposures to these credit risks are monitored on an ongoing basis.

The Group manages its deposits with banks and financial institutions by monitoring credit ratings and only places deposits to banks with no history of default. As at 31st March, 2008, the deposits placed in Hong Kong listed banks and the People's Republic of China state-owned banks amounted to HK\$1,077 million (2007: HK\$878 million) and HK\$183 million (2007: HK\$86 million) respectively.

In respect of credit exposures to customers, the Group normally receives deposits or progress payments from customers prior to the completion of sale of property transactions. Customers are assessed and rated individually based on the credit quality by taking into account their financial position, credit history and other factors. Rentals in respect of investment properties are payable in advance by tenants in accordance with the lease agreements. It has policies in place to ensure that rental deposits are required from tenants prior to commencement of leases. Loans and receivables are generally supported by the respective underlying assets.

In addition, the Group has other monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Group reviews regularly the recoverable amount of each individual debtor to ensure that adequate impairment losses are made for irrecoverable amounts. The Group has no significant concentrations of credit risk as the customers are widely dispersed.

(ii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its current obligations when they fall due. The Group measures and monitors its liquidity through the maintenance of prudent ratios regarding the liquidity structure of the overall assets, liabilities, loans and commitments of the Group. The Group also maintains a conservative level of liquid assets to ensure the availability of sufficient cash flows to meet any unexpected and material cash requirements in the ordinary course of business. In addition, standby banking facilities are established to provide contingency liquidity support.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(ii) Liquidity risk (Continued)

The table below analyses the Group's and the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year HK\$'000	Between 1 and 2 years HK\$'000	Between 2 and 5 years HK\$'000	Over 5 years HK\$'000
Group				
2008				
Creditors and accruals	189,498	-	-	-
Derivative financial instruments	134,000	-	-	-
Borrowings	337,406	394,703	1,127,784	223,940
Other non-current liabilities	-	33,362	-	10,120
2007				
Creditors and accruals	250,572	-	-	-
Derivative financial instruments	25,000	-	-	-
Borrowings	130,392	166,056	1,043,071	246,655
Other non-current liabilities	-	36,150	-	37,712
Company				
2008				
Creditors and accruals	2,042	-	-	-
Borrowings	750	750	20,750	-
2007				
Creditors and accruals	1,480	-	-	-

(iii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the position of the Group may be adversely affected by the changes in market interest rate. The Group has allowed a policy of obtaining long-term banking facilities to match its long-term investments in Hong Kong, the Mainland China and other countries. The policy also involves close monitoring of interest rate movements and replacing and entering into new banking facilities when favourable pricing opportunities arise.

The interest rate risk of the Group arises from interest-bearing bank deposits and borrowings. Bank deposits and borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group has not hedged its cash flow interest rate risk.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Financial risk factors (Continued)

(iii) Cash flow and fair value interest rate risk (Continued)

As at 31st March, 2008, if interest rates had been 0.5% higher/lower with all other variables held constant, pre-tax profit of the Group would have decreased/increased by approximately HK\$2,274,000 (2007: HK\$1,666,000).

(iv) Foreign exchange risk

Foreign exchange risks arise on monetary assets and liabilities being denominated in a currency that is not the functional currency; differences resulting from the translation of financial statements into the presentation currency of the Group are not taken into consideration.

The Group mainly operates in Hong Kong, the Mainland China, Singapore, Malaysia and Vietnam. The Group has no significant foreign exchange risk due to limited foreign currency transaction other than the functional currencies of the respective entities.

(v) Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified as available-for-sale financial assets and other investments. Unrealised gains and losses arising from the change in the fair value of available-for-sale financial assets are recognised in equity. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The Group's equity instruments in equity of other entities are primarily publicly traded. The table below summarises the impact of increase/decrease of the market price of the Group's equity investments publicly-traded by 5% with all other variables held constant:

	Impact on profit for the year		Impact on investment revaluation reserve	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
5% change in market price	805	3,595	1,160	1,445

(b) Capital risk management

The objectives of the Group when managing capital are to safeguard the ability of the Group to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

3. FINANCIAL RISK MANAGEMENT (Continued)

(b) Capital risk management (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and bank balances and other investments. Total capital represents shareholders' funds as shown in the consolidated balance sheet. The gearing ratio at 31st March, 2008 is 17.4% (2007: 9.7%).

(c) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price and the appropriate quoted market price for financial liabilities is the current ask price.

The fair values of long-term borrowings are estimated using the expected future payments discounted at market interest rates.

The carrying amounts less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, including debtors and prepayments, cash and bank balances, amounts due from subsidiaries, creditors and accruals and current borrowings approximate their fair values.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments used in preparing the financial statements 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 Group makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities are discussed below:

(a) Fair values of investment properties

The fair values of investment properties are determined by independent valuers on an open market for existing use basis. In making the judgment, consideration is given to assumptions that are mainly based on market conditions existing at the balance sheet date and appropriate capitalisation rates based on an estimation of the expected rental income and related expenses. These estimates are regularly compared to actual market data and actual transactions entered into by the Group.

Should the capitalisation rates or market rates differ by 0.1%, the fair value gain would be reduced or increased by HK\$104 million or HK\$112 million (2007: HK\$85 million or HK\$92 million) respectively.

(b) Fair values of derivative financial instruments

The fair values of derivative financial instruments that are not traded in active markets are determined by using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the fair values of derivative financial instruments.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

(b) Fair values of derivative financial instruments (Continued)

The carrying amount of the derivative financial instruments would be an estimated HK\$1,344,000 lower or higher (2007: HK\$254,000 lower or higher) were the rate used in the valuation to differ by 1% from the current estimates with all other variables held constant.

(c) Fair values of financial assets

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active, and for unlisted investments, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the specific circumstances of the issuer.

(d) Impairment of assets

The Group tests at least annually whether goodwill or assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceed their recoverable amount. The recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

The Group determines whether an investment is impaired by evaluating the duration and extent to which the fair value of an investment is less than its costs. It recognised impairment based on estimates of the extent and timing of future cash flows using applicable discount rates. The final outcome of the recoverability and cash flows of these receivables will impact the amount of impairment required.

(e) Capitalisation of borrowing costs and amortisation of leasehold land and land use rights

Borrowing costs directly attributable to the construction of properties under development, and amortisation of leasehold land and land use rights, are capitalised from the date that expenditure is incurred and development activities on the qualifying asset commence. As part of this assessment, judgment is required in determining the unit of account in circumstances where development will be performed in phases. Management assesses the date from which capitalisation of borrowing costs and amortisation of leasehold land and land use rights should commence on a project-by-project basis. Key indicators used by the management to identify a standalone development include that all properties in the development are:

- (i) subject to a single development plan; and
- (ii) expected to be completed within the Group's normal operating cycle.

(f) Taxation

The Group is subject to taxation mainly in Hong Kong and the Mainland China. Significant judgment is required in determining the provision for taxation for each entity of the Group. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these estimates is different from the amounts that are initially recorded, such differences will impact the current and deferred taxation in the financial period in which such determination is made.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

5. REVENUES

Revenues (representing turnover) recognised during the year are as follows:

	2008	2007
	HK\$'000	HK\$'000
Sale of properties*	460,608	484,520
Sale of goods	126,139	104,132
Rental income and management fees	102,699	98,283
Securities trading	23,232	31,152
Dividend income from listed investments	3,582	1,714
Service fees	12	72
	716,272	719,873

* Sale of properties include sale of completed properties and leasehold land and land use rights for sale in the Group's ordinary course of business

6. SEGMENT INFORMATION

In accordance with the internal financial reporting and operating activities of the Group, the primary segment reporting is business segments and the secondary segment reporting is geographical segments. The main business segments of the Group are property investment and development, sale of goods and services and securities trading. The business of the Group operates in three geographical areas of Hong Kong, the Mainland China and other countries.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, properties, loans and receivables, available-for-sale financial assets, derivative financial instruments, other investments, inventories, debtors and prepayments. Unallocated assets mainly represent cash and bank balances and assets for corporate use. Segment liabilities mainly comprise creditors and accruals, derivative financial instruments and provisions and mainly exclude borrowings, taxation liabilities and balances with minority interests. Capital expenditure comprises additions to property, plant and equipment, investment properties, leasehold land and land use rights and capitalised expenditure for properties for/under development.

In respect of geographical segments, revenues are based on the country in which the customer is located. Total assets and capital expenditure are based on where the assets are located.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

6. SEGMENT INFORMATION (Continued)

(a) Business segments

	Property investment and development HK\$'000	Sale of goods and services HK\$'000	Securities trading HK\$'000	Others, corporate and elimination HK\$'000	2008 HK\$'000
Revenues	563,589	126,139	26,814	(270)	716,272
Other income	55,130	2,151	–	67,165	124,446
Segment results	737,822	(502)	(86,618)	(46,962)	603,740
Finance costs					(85,295)
Share of results of associated companies	87,941	(13,111)	–	234	75,064
Profit before taxation					593,509
Taxation					(62,909)
Profit for the year					530,600
Segment assets	5,523,122	182,321	19,841	969	5,726,253
Associated companies	15,487	251,556	–	2,939	269,982
Unallocated assets					1,359,880
Total assets					7,356,115
Segment liabilities	210,308	11,249	134,130	849	356,536
Unallocated liabilities					2,399,176
Total liabilities					2,755,712
Other segment items are as follows:					
Capital expenditure	377,685	872	–	8,992	387,549
Depreciation	4,408	2,157	–	9,733	16,298
Amortisation of leasehold land and land use rights					
– charged to income statement	1,956	302	–	–	2,258
– capitalised into properties	25,559	–	–	–	25,559
Write off of trade and other debtors	4,835	–	–	–	4,835

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

6. SEGMENT INFORMATION (Continued)

(a) Business segments (Continued)

	Property investment and development HK\$'000	Sale of goods and services HK\$'000	Securities trading HK\$'000	Others, corporate and elimination HK\$'000	2007 HK\$'000
Revenues	582,989	104,132	32,866	(114)	719,873
Other income	6,687	3,193	1,212	84,912	96,004
Segment results	268,552	825	9,069	(3,579)	274,867
Finance costs					(66,475)
Share of results of associated companies	(40)	7,880	–	1,793	9,633
Profit before taxation					218,025
Taxation					(1,256)
Profit for the year					216,769
Segment assets	4,479,768	81,636	71,899	850	4,634,153
Associated companies	(803)	212,019	–	2,651	213,867
Unallocated assets					1,114,634
Total assets					5,962,654
Segment liabilities	217,666	9,462	113,182	605	340,915
Unallocated liabilities					1,763,626
Total liabilities					2,104,541
Other segment items are as follows:					
Capital expenditure	212,269	1,003	–	4,862	218,134
Depreciation	4,009	2,092	–	10,559	16,660
Amortisation of leasehold land and land use rights					
– charged to income statement	18,887	284	–	–	19,171
Write off of trade and other debtors	5,010	76	–	–	5,086

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

6. SEGMENT INFORMATION (Continued)

(b) Geographical segments

	Revenues HK\$'000	Total assets HK\$'000	Capital expenditure HK\$'000
2008			
Hong Kong	366,680	5,005,436	165,631
Mainland China	259,614	1,739,856	197,953
Other countries	89,978	610,823	23,965
	716,272	7,356,115	387,549
2007			
Hong Kong	473,432	4,245,498	195,789
Mainland China	166,875	1,361,462	20,093
Other countries	79,566	355,694	2,252
	719,873	5,962,654	218,134

7. OTHER INCOME

	2008 HK\$'000	2007 HK\$'000
Interest income from		
Bank deposits	33,179	35,707
Loans and receivables	2,820	2,489
Overdue receivables	315	482
Deemed profit on partial disposal of a subsidiary	29,650	–
Write back of provisions for tax liabilities undertakings (note 38)	21,019	–
Excess of fair value of net assets acquired over cost of acquisition		
of minority interests in a subsidiary	20,976	–
Deferred profit realised on disposal of properties (note 22)	4,566	–
Gain on disposal of available-for-sale financial assets	1,147	207
Negative goodwill	–	48,248
Net unrealised gains on other investments	–	1,212
Sundries	10,774	7,659
	124,446	96,004

Notes to the Financial Statements (Continued)
For the year ended 31st March, 2008

8. OPERATING PROFIT

	2008	2007
	HK\$'000	HK\$'000
Operating profit is stated after crediting:		
Gross rental income from investment properties	86,376	81,283
Gain on disposal of property, plant and equipment *	408	–
and after charging:		
Cost of properties sold	335,780	405,953
Cost of inventories sold	101,437	81,563
Depreciation	16,298	16,660
Amortisation of leasehold land and land use rights	2,258	19,171
Loss on disposal of property, plant and equipment *	–	399
Net unrealised loss on other investments *	3,919	–
Net fair value loss on derivative financial instruments*	97,031	25,000
Net loss on partial disposal of a subsidiary *	12,672	–
Operating lease rental on land and buildings	6,828	6,151
Outgoings in respect of investment properties	33,123	27,038
Write off of trade and other debtors	4,835	5,086
Impairment of goodwill *	114	–
Net exchange loss *	5,745	1,121
Staff costs, including Directors' emoluments		
Wages and salaries	65,603	54,843
Retirement benefit costs (note 9)	2,624	2,280
Auditors' remuneration for audit services		
Current	2,751	1,710
Under-provision in prior year	220	50

* Included in other operating expenses

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

9. EMPLOYEE RETIREMENT BENEFITS

The Group operates defined contribution schemes in Hong Kong for all eligible employees. Contributions to these schemes are calculated based on certain percentages of the applicable payroll costs or pre-determined fixed sums. The assets of the schemes are held separately from those of the Group in independently administered funds. Contributions to one of the schemes can be reduced by contributions forfeited by those employees who leave that scheme prior to vesting fully in those contributions.

The Group participates in respective government retirement benefit schemes in the Mainland China, Singapore, Malaysia and Vietnam pursuant to the relevant regulations whereby the Group is required to contribute to the schemes to fund the retirement benefits of the eligible employees. Contributions made to the schemes are calculated either based on certain percentages of the applicable payroll costs or fixed sums as stipulated under the requirements in the respective countries. The governments of the respective countries are responsible for the entire retirement benefit obligations payable to the retired employees. The Group has no other obligations apart from making ongoing contributions under the schemes.

The retirement benefit costs represent the contributions by the Group to the above schemes.

10. FINANCE COSTS

	2008 HK\$'000	2007 HK\$'000
Interest expenses		
Bank borrowings wholly repayable within five years	72,739	53,079
Bank borrowings wholly repayable after five years	15,002	14,786
Loans from minority interests and bank overdraft wholly repayable within five years	309	99
	88,050	67,964
Amount capitalised into		
Properties for/under development	(490)	(477)
Properties for sale	(2,265)	(1,012)
	85,295	66,475

The capitalisation rates applied to funds borrowed generally and used for the development of properties range from 2.79% to 8.32% (2007: 6.93% to 8.75%) per annum.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

11. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors' emoluments

Name of Director	Fees HK\$'000	Salaries and bonuses HK\$'000	Other benefits HK\$'000	Retirement	Total HK\$'000
				scheme contributions HK\$'000	
2008					
Mr. Alan Chuang Shaw Swee	30	2,450	2,400	150	5,030
Mrs. Alice Siu Chuang Siu Suen	20	600	–	45	665
Mr. Ko Sheung Chi	20	1,995	696	12	2,723
Mr. Lui Lop Kay	20	1,300	–	80	1,400
Mr. Albert Chuang Ka Pun	20	655	–	12	687
Mr. Wong Chung Wai	20	1,070	–	12	1,102
Ms. Cathy Chan Chung Shan	–	106	–	1	107
Dr. Peter Po Fun Chan	100	–	–	–	100
Mr. Abraham Shek Lai Him	100	–	–	–	100
Mr. Chan Wai Dune	100	–	–	–	100
	430	8,176	3,096	312	12,014
2007					
Mr. Alan Chuang Shaw Swee	30	1,400	2,400	150	3,980
Mrs. Alice Siu Chuang Siu Suen	20	600	–	45	665
Mr. Ko Sheung Chi	20	1,995	696	12	2,723
Mr. Lui Lop Kay	20	1,200	–	80	1,300
Mr. Albert Chuang Ka Pun	20	83	–	3	106
Ms. So Kan Yiu	–	276	–	10	286
Ms. Cathy Chan Chung Shan	20	660	–	12	692
Dr. Peter Po Fun Chan	100	–	–	–	100
Mr. Abraham Shek Lai Him	100	–	–	–	100
Mr. Chan Wai Dune	100	–	–	–	100
	430	6,214	3,096	312	10,052

The emoluments paid to Independent Non-Executive Directors amounted to HK\$300,000 (2007: HK\$300,000).

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

11. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (Continued)

(b) Five highest paid individuals' emoluments

The five highest paid individuals in the Group include three (2007: three) Directors. Details of the aggregate emoluments paid to the two (2007: two) individuals, whose emoluments were the highest in the Group and who are not Directors, are set out below:

	2008	2007
	HK\$'000	HK\$'000
Salaries, bonus, housing and allowances, and benefits in kind	3,183	2,944
Retirement scheme contributions	167	113
	3,350	3,057

The emoluments of the individuals fall within the following bands:

Emoluments bands	Number of individuals	
	2008	2007
HK\$1,000,001 to HK\$1,500,000	1	1
HK\$1,500,001 to HK\$2,000,000	1	1
	2	2

The Directors represent key management personnel of the Company having authority and responsibility for planning, directing and controlling the activities of the Group.

During the year, the Group did not pay to the Directors or the five highest paid individuals any inducement to join or upon joining the Group, or as compensation for loss of office. No Directors waived or agreed to waive any emoluments during the year.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

12. TAXATION

	2008 HK\$'000	2007 HK\$'000
Current		
Hong Kong profits tax – under-provision in previous years	289	–
Overseas profits tax	7,626	12,621
Mainland China land appreciation tax	19,660	20,809
Deferred (note 36)	35,334	(32,174)
	62,909	1,256

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit for the year (2007: Nil). Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

Share of taxation of associated companies for the year ended 31st March, 2008 amounting to HK\$2,016,000 (2007: HK\$3,359,000) is included in the income statement as share of results of associated companies.

The tax of the profit before taxation of the Group differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2008 HK\$'000	2007 HK\$'000
Profit before taxation	593,509	218,025
Share of results of associated companies	(75,064)	(9,633)
	518,445	208,392
Tax charge at the rate of 17.5% (2007: 17.5%)	90,728	36,469
Effect of different taxation rates in other countries	19,388	17,126
Income not subject to taxation	(40,090)	(23,427)
Expenses not deductible for taxation purposes	9,818	19,400
Utilisation of previously unrecognised tax losses	(29,245)	(19,557)
Other temporary difference and tax losses not recognised	19,990	15,100
Write back of deferred taxation in previous years and others	(7,680)	(43,855)
Taxation charge	62,909	1,256

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

13. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

Profit attributable to equity holders includes HK\$20,799,000 (2007: HK\$45,800,000) which is dealt with in the financial statements of the Company.

14. DIVIDENDS

	2008 HK\$'000	2007 HK\$'000
Special interim cash dividend paid of HK\$Nil (2007: 0.5 HK cent) per share	–	7,390
Interim cash dividend paid of 1.5 HK cents (2007: 0.75 HK cent) per share	22,279	11,085
Proposed final scrip dividend with a cash option of 2.0 HK cents (2007: scrip dividend with a cash option of 1.0 HK cent) per share	29,706	14,780
	51,985	33,255

On 14th July, 2008, the Board of Directors proposed a final scrip dividend with a cash option of 2.0 HK cents (2007: scrip dividend with a cash option of 1.0 HK cent) per share amounting to HK\$29,706,000 (2007: HK\$14,780,000). This proposed dividend is not reflected as a dividend payable in the financial statements, but will be reflected and accounted for as an appropriation of reserves in the year ending 31st March, 2009 upon the approval of the shareholders.

15. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$468,889,000 (2007: HK\$214,866,000) and the weighted average number of 1,485,285,977 (2007: 1,485,285,977, as restated for new shares issued from 2007 final scrip dividend) shares in issue during the year.

The dilutive earnings per share are equal to the basic earnings per share since there are no diluted potential shares in issue during the year and the convertible notes issued by an associated company are anti-dilutive.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

16. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land and buildings HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Other assets HK\$'000	Total HK\$'000
Cost					
At 1st April, 2006	57,592	39,368	38,958	92,455	228,373
Changes in exchange rates	2,645	789	501	308	4,243
Additions	–	392	2,634	7,842	10,868
Disposals	–	–	(3,533)	(2,082)	(5,615)
At 31st March, 2007	60,237	40,549	38,560	98,523	237,869
Changes in exchange rates	3,308	987	664	400	5,359
Additions	10,248	49	12,390	4,938	27,625
Transfer from properties for sale	6,180	–	–	–	6,180
Transfer to properties for/under development	(12,960)	–	–	–	(12,960)
Disposals	–	–	(687)	(26,223)	(26,910)
Disposal of a subsidiary	–	–	(422)	–	(422)
At 31st March, 2008	67,013	41,585	50,505	77,638	236,741
Accumulated depreciation and impairment					
At 1st April, 2006	13,188	36,009	22,103	69,377	140,677
Changes in exchange rates	713	757	322	258	2,050
Charge for the year	1,016	713	4,325	10,606	16,660
Disposals	–	–	(2,296)	(1,716)	(4,012)
At 31st March, 2007	14,917	37,479	24,454	78,525	155,375
Changes in exchange rates	982	956	420	318	2,676
Charge for the year	1,156	683	4,291	10,168	16,298
Transfer to properties for/under development	(4,040)	–	–	–	(4,040)
Disposals	–	–	(532)	(25,896)	(26,428)
Disposal of a subsidiary	–	–	(368)	–	(368)
At 31st March, 2008	13,015	39,118	28,265	63,115	143,513
Net book value					
At 31st March, 2008	53,998	2,467	22,240	14,523	93,228
At 31st March, 2007	45,320	3,070	14,106	19,998	82,494

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

16. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company

	Other assets	
	2008 HK\$'000	2007 HK\$'000
Cost		
At the beginning of the year	375	281
Additions	–	94
At the end of the year	375	375
Accumulated depreciation		
At the beginning of the year	95	32
Charge for the year	75	63
At the end of the year	170	95
Net book value		
At the end of the year	205	280

- (a) Other assets comprise computer equipment, motor vehicles and yacht.
- (b) Freehold land and buildings with net book value of HK\$28,045,000 (2007: Nil) have been pledged as securities for the borrowing facilities granted to the Group (note 35).
- (c) Buildings of the Group are situated on land with the following lease terms:

	2008 HK\$'000	2007 HK\$'000
Outside Hong Kong		
Freehold	–	8,920
Long-term leases	25,953	9,815
Medium-term leases	28,045	26,585
	53,998	45,320

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

17. INVESTMENT PROPERTIES

	Group	
	2008	2007
	HK\$'000	HK\$'000
At the beginning of the year	2,552,428	2,875,225
Changes in exchange rates	28,020	17,566
Additions	41,819	11,014
Transfer from leasehold land and land use rights	–	2,577
Transfer to properties for/under development	–	(304,664)
Disposals	(92,052)	(250,000)
Change in fair value	554,837	200,710
At the end of the year	3,085,052	2,552,428

(a) Investment properties of the Group are held under the following lease terms:

	2008	2007
	HK\$'000	HK\$'000
In Hong Kong		
Long-term leases	809,560	757,920
Medium-term leases	1,885,300	1,530,000
	2,694,860	2,287,920
Outside Hong Kong		
Freehold	340,704	242,708
Long-term leases	49,488	21,800
	390,192	264,508
	3,085,052	2,552,428

(b) Investment properties in Hong Kong, Malaysia and the Mainland China were revalued at 31st March, 2008 on an open market value basis by Vigers Appraisal And Consulting Limited, VPC Alliance (KL) Sendirian Berhad and DTZ Debenham Tie Leung Limited, independent professional property valuers, respectively.

(c) Investment properties with net book value of HK\$3,028,404,000 (2007: HK\$2,488,908,000) have been pledged as securities for the borrowing facilities granted to the Group (note 35).

Notes to the Financial Statements (Continued)
For the year ended 31st March, 2008

18. LEASEHOLD LAND AND LAND USE RIGHTS

	Group	
	2008 HK\$'000	2007 HK\$'000
At the beginning of the year	1,076,888	968,793
Changes in exchange rates	7,827	4,424
Additions	159,664	173,977
Transfer to investment properties	–	(2,577)
Transfer to properties for/under development	(171,977)	–
Transfer to properties for sale	(1,044,456)	(48,558)
Amortisation	(2,258)	(19,171)
At the end of the year	25,688	1,076,888

Leasehold land and land use rights of the Group are held under the following lease terms:

	2008 HK\$'000	2007 HK\$'000
In Hong Kong		
Medium-term leases	–	171,977
Outside Hong Kong		
Long-term leases	15,915	820,878
Medium-term leases	9,773	84,033
	25,688	904,911
	25,688	1,076,888

The interests in leasehold land and land use rights represent prepaid operating lease payments, and leasehold land and land use rights of HK\$9,773,000 (2007: HK\$349,542,000) are pledged as securities for borrowing facilities granted to the Group (note 35).

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

19. PROPERTIES FOR/UNDER DEVELOPMENT

	Group	
	2008 HK\$'000	2007 HK\$'000
At the beginning of the year	362,882	35,832
Changes in exchange rates	1,409	1,219
Property development expenditure	15,645	22,275
Interest expenses capitalised	490	477
Additions	142,796	–
Transfer from property, plant and equipment	8,920	–
Transfer from investment properties	–	304,664
Transfer from leasehold land and land use rights	171,977	–
Transfer to properties for sale	(23,435)	(1,585)
At the end of the year	680,684	362,882

Properties for/under development of the Group are held under the following lease terms:

	2008 HK\$'000	2007 HK\$'000
In Hong Kong		
Medium-term leases	633,459	322,354
Outside Hong Kong		
Freehold	28,153	–
Long-term leases	19,072	40,528
	47,225	40,528
	680,684	362,882

Properties for/under development amounting to HK\$591,254,000 (2007: HK\$349,731,000) are pledged as securities for the borrowing facilities granted to the Group (note 35).

During the year, amortisation of leasehold land and land use rights classified under properties for/under development of HK\$9,083,000 (2007: Nil) was capitalised in properties for/under development.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

20. SUBSIDIARIES

	Company	
	2008	2007
	HK\$'000	HK\$'000
Unlisted shares, at cost	888,708	888,708

Particulars of principal subsidiaries which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 44 to the financial statements.

21. INVESTMENT IN JOINTLY CONTROLLED ASSETS

Certain subsidiaries of Chuang's China Investments Limited ("Chuang's China") (together with its subsidiaries as the "Chuang's China Group"), a listed subsidiary of the Group, entered into a jointly controlled assets arrangement with Chengdu Western Automobile City Company Limited, an independent third party, under which each of the Chuang's China Group companies and Chengdu Western Automobile City Company Limited contributed land and other assets for the development of properties located in Chengdu, the Mainland China.

For the year ended 31st March, 2008, the Chuang's China Group's interest in the jointly controlled assets was 51% (2007: Nil). The Chuang's China Group's share of the net loss of the jointly controlled assets for the year amounted to HK\$402,000 (2007: Nil) and the net assets of the jointly controlled assets as at 31st March, 2008 amounted to HK\$61,003,000 (2007: Nil).

As at 31st March, 2008, the Chuang's China Group had made an advance to joint venture partner amounting to HK\$21,793,000 (2007: Nil) (note 23). The proportionate interest in joint venture's commitment was HK\$4,237,000 (2007: Nil).

22. ASSOCIATED COMPANIES

	Group	
	2008	2007
	HK\$'000	HK\$'000
Share of net assets	269,982	213,867
Investments, at cost		
Listed shares in Hong Kong	149,758	115,940
Unlisted shares	81,387	81,387
	231,145	197,327
Market value of listed shares in Hong Kong	114,939	96,714

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

22. ASSOCIATED COMPANIES (Continued)

The movements in the share of net assets of associated companies are analysed as follows:

	2008	2007
	HK\$'000	HK\$'000
At the beginning of the year	213,867	212,665
Changes in exchange rates	53	33
Additions from conversion of convertible note	33,818	–
Impairment of goodwill	(114)	–
Share of profit before taxation	5,480	12,992
Share of taxation	(2,016)	(3,359)
Share of reserves	18,587	2,332
Dividends received	(4,259)	(10,796)
Deferred profit realised on disposal of properties (note 7)	4,566	–
At the end of the year	269,982	213,867

Particulars of principal associated companies which, in the opinion of the Directors, materially affect the results or net assets of the Group are set out in note 45 to the financial statements.

Share of results of associated companies in the income statement for the year ended 31st March, 2008 includes write back of provision of HK\$71,600,000 (2007: Nil) for an amount receivable from an associated company which was included in debtors and prepayments (note 27).

The Group's share of the results of its associated companies, and their aggregated assets (including goodwill) and liabilities, are as follows:

	Group	
	2008	2007
	HK\$'000	HK\$'000
Revenues	423,260	335,638
Profit for the year	3,464	9,633
Assets	661,100	494,453
Liabilities	(391,118)	(280,586)
Net assets	269,982	213,867

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

22. ASSOCIATED COMPANIES (Continued)

In February 2007, the Group acquired from Chuang's China its entire 44.7% equity interests in Midas International Holdings Limited ("Midas") at a consideration of HK\$119.4 million, resulting in a negative goodwill of HK\$36.2 million.

On 29th June, 2007, the Group subscribed for a 1.5% convertible note due 2011 of Midas in the principal amount of HK\$49.5 million. A one-off fair value gain on inception of HK\$22.8 million was recorded as a fair value change on derivative financial instruments in the income statement as a result of the difference between the principal amount of subscription and the fair value of the convertible note of HK\$72.3 million on the same date. During the year, the Group converted part of the convertible note into 45 million new shares of Midas, resulting in an increase of the shareholding of the Group in Midas to 46.6%. The remaining portion of the convertible note was recorded as loans and receivables (note 23) and derivative financial instruments (note 32) as at 31st March, 2008.

23. LOANS AND RECEIVABLES

	Group	
	2008	2007
	HK\$'000	HK\$'000
Mortgage loans (note a)	25,415	24,116
Amount receivable from minority interest (note b)	6,730	9,516
Convertible note of an associated company (note 22)	24,683	–
Advance to joint venture partner (note c)	21,793	–
	78,621	33,632
Current portions included in debtors and prepayments (note 27)		
Mortgage loans (note a)	(604)	(833)
	78,017	32,799

- (a) Mortgage loans are provided to purchasers of the Group's properties at the prevailing market rates.
- (b) The amount receivable from minority interest is unsecured, not receivable within the next twelve months from the balance sheet date and carries interest at the prevailing market rates.
- (c) Advance to joint venture partner by the Chuang's China Group is provided for financing the property development in Chengdu, the Mainland China (note 21) and carries interest at the prevailing lending rate quoted by the People's Bank of China. According to the agreement, the advance and interests accrued thereon will be repaid from the joint venture partner's share of proceeds upon the sale of completed properties.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

24. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2008	Group
	HK\$'000	2007
		HK\$'000
Listed equity securities in Hong Kong, at market value	43,153	46,920
Unlisted shares, at fair value	12,067	1,172
	55,220	48,092

The movements of available-for-sale financial assets of the Group are analysed as follows:

	2008	2007
	HK\$'000	HK\$'000
At the beginning of the year	48,092	21,896
Additions	12,850	1,172
Disposal	(1,440)	–
Change in fair value	(4,282)	25,024
At the end of the year	55,220	48,092

The unlisted shares represent the Group's interest in an investment fund established and managed by an investment bank for investments in various long-term projects.

25. PROPERTIES FOR SALE

	2008	Group
	HK\$'000	2007
		HK\$'000
Completed properties	129,208	180,073
Leasehold land and land use rights for sale	42,057	–
Properties under development	1,196,198	62,949
	1,367,463	243,022

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

25. PROPERTIES FOR SALE (Continued)

The movements of properties under development of the Group are analysed as follows:

	2008	2007
	HK\$'000	HK\$'000
At the beginning of the year	62,949	18,895
Changes in exchange rates	4,890	618
Property development expenditure	252,395	42,424
Interest expenses capitalised	2,265	1,012
Transfer from leasehold land and land use rights	967,364	–
Transfer from properties for/under development	23,435	–
Transfer to property, plant and equipment	(6,180)	–
Transfer to completed properties	(110,920)	–
At the end of the year	1,196,198	62,949

The Group's interests in properties for sale at their net book values are held under the following lease terms:

	2008	2007
	HK\$'000	HK\$'000
In Hong Kong		
Long-term leases	17,537	64,713
Outside Hong Kong		
Long-term leases	1,311,211	178,309
Medium-term leases	38,715	–
	1,349,926	178,309
	1,367,463	243,022

Completed properties amounting to HK\$17,537,000 (2007: HK\$64,713,000) are carried at net realisable value. Properties for sale amounting to HK\$10,618,000 (2007: HK\$16,176,000) are pledged as securities for the borrowing facilities granted to the Group (note 35).

During the year, amortisation of leasehold land and land use rights classified under properties for sale of HK\$16,476,000 (2007: Nil) was capitalised in properties for sale.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

26. INVENTORIES

	Group	
	2008 HK\$'000	2007 HK\$'000
Raw materials	4,359	5,301
Work in progress	3,606	2,980
Finished goods and merchandise	87,864	77,344
	95,829	85,625
Impairment	(1,000)	(1,000)
	94,829	84,625

As at 31st March, 2008, finished goods of HK\$2,619,000 (2007: HK\$1,011,000) were carried at net realisable value.

27. DEBTORS AND PREPAYMENTS

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Trade debtors	27,091	23,263	–	–
Impairment	–	(1,483)	–	–
Trade debtors, net	27,091	21,780	–	–
Other debtors and prepayments	59,782	57,239	181	765
Utility and other deposits	236,286	145,520	–	–
	323,159	224,539	181	765

Rental income and management fees are receivable in advance. 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:

	2008 HK\$'000	2007 HK\$'000
Below 30 days	14,702	10,098
31 to 60 days	6,530	7,889
61 to 90 days	2,728	1,691
Over 90 days	3,131	2,102
	27,091	21,780

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

27. DEBTORS AND PREPAYMENTS (Continued)

As at 31st March, 2008, trade debtors of HK\$10,499,000 (2007: HK\$8,399,000) of the Group were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	2008	2007
	HK\$'000	HK\$'000
Below 30 days	5,209	4,145
31 to 60 days	388	942
61 to 90 days	1,771	1,210
Over 90 days	3,131	2,102
	10,499	8,399

As at 31st March, 2007, trade debtors of HK\$1,483,000 of the Group were impaired and fully provided for. The impaired receivables mainly related to sale of goods to customers with economic uncertainties.

Movements on the impairment of trade debtors of the Group are as follows:

	2008	2007
	HK\$'000	HK\$'000
At the beginning of the year	1,483	1,483
Written off as uncollectible	(1,483)	–
At the end of the year	–	1,483

Other deposits include deposits of HK\$196,773,000 (2007: HK\$125,710,000) for property development projects and acquisition of leasehold land and land use rights.

Other debtors and prepayments include amounts receivable from associated companies amounting to HK\$41,637,000 (2007: HK\$106,765,000), of which HK\$1,609,000 (2007: HK\$73,209,000) were fully provided for. Provision of HK\$71,600,000 (2007: Nil) was written back during the year (note 22) after substantial settlement was received. The amounts receivable are unsecured, interest free and receivable on demand.

Debtors and prepayments are mainly denominated in Hong Kong dollar, Renminbi and United States dollar.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

28. LOAN AND AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2008 HK\$'000	2007 HK\$'000
Loan receivable	56,225	56,225
Amounts receivable	2,146,523	2,327,930
Impairment	(1,410,236)	(1,410,236)
	736,287	917,694

The loan receivable is unsecured, interest bearing at the prevailing market rate and is not receivable within the next twelve months from the balance sheet date.

The amounts receivable are unsecured, interest free and receivable on demand.

29. OTHER INVESTMENTS

	Group	
	2008 HK\$'000	2007 HK\$'000
Listed equity securities in Hong Kong, at market value	16,117	71,896

Other investments amounting to HK\$7,724,000 (2007: HK\$71,896,000) are pledged as securities for the commitment of the purchase of listed equity securities (note 32).

30. CASH AND BANK BALANCES

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Cash at bank and in hand	164,962	81,973	24,238	649
Short-term deposits	1,099,065	886,016	778,559	605,441
	1,264,027	967,989	802,797	606,090

The effective interest rates on short-term deposits range from 0.65% to 2.79% (2007: 3.61% to 5.01%) per annum and these deposits have maturities ranged from 1 to 365 days (2007: 1 to 90 days).

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

30. CASH AND BANK BALANCES (Continued)

Cash and bank balances amounting to HK\$241,659,000 (2007: HK\$212,127,000) are pledged as securities for the commitment of the purchase of listed equity securities (note 32) and HK\$149,198,000 (2007: HK\$3,223,000) are pledged as securities for certain borrowing facilities (note 35) and guarantee facilities granted to the Group (note 40) respectively.

Cash and bank balances are mainly denominated in Hong Kong dollar, Renminbi and United States dollar.

31. CREDITORS AND ACCRUALS

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Trade creditors	16,476	15,721	-	-
Other creditors	101,620	113,387	-	-
Amounts payable to minority interests	416	416	-	-
Tenant and other deposits	65,760	96,525	-	-
Accrued expenses	5,226	24,523	2,042	1,480
	189,498	250,572	2,042	1,480

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

	2008 HK\$'000	2007 HK\$'000
Below 30 days	7,002	3,573
31 to 60 days	1,923	729
Over 60 days	7,551	11,419
	16,476	15,721

The amounts payable to minority interests are unsecured, interest free and repayable on demand.

Creditors and accruals are mainly denominated in Hong Kong dollar and Renminbi.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

32. DERIVATIVE FINANCIAL INSTRUMENTS

	2008	Group
	HK\$'000	2007
		HK\$'000
Non-current assets		
Derivative financial instruments for the convertible note of an associated company, at fair value (note 22)	4,165	–
Less: Share of convertible note equity reserve of an associated company	(2,607)	–
	1,558	–
Current liabilities		
Derivative financial instruments for purchase of listed equity securities, at fair value	134,000	25,000

33. SHARE CAPITAL

	2008	2007
	HK\$'000	HK\$'000
Authorised:		
2,500,000,000 shares of HK\$0.25 each	625,000	625,000
Issued and fully paid:		
1,485,285,977 (2007: 1,478,006,155) shares of HK\$0.25 each	371,322	369,502

During the year, 7,279,822 shares were issued as scrip dividends for 2007 final dividend (note 14). All new shares rank pari passu to the existing shares.

The Group adopted a share option scheme (the "Scheme") pursuant to the annual general meeting held on 30th August, 2002, which is valid and effective for a term of ten years from the date of its adoption. Under the Scheme, the Directors of the Company may grant options to the eligible persons as defined in the Scheme, inter alia, any employees, Directors or business consultants of the Company and its subsidiaries, to subscribe for shares in the Company under the terms and conditions stipulated therein. The maximum number of shares in respect of which options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company as at 30th August, 2002. No options have been granted under the Scheme since its adoption.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

34. RESERVES

Group

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Investment revaluation reserve HK\$'000	Convertible note equity reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st April, 2006	658,331	4,462	417,686	2,073	(14,878)	-	(100,630)	1,685,516	2,652,560
Changes in exchange rates	-	-	-	-	-	-	20,771	-	20,771
Share of reserve of an associated company	-	-	-	-	-	-	2,332	-	2,332
Change in fair value of available-for-sale financial assets	-	-	-	-	15,385	-	-	-	15,385
Profit for the year	-	-	-	-	-	-	-	214,866	214,866
2006 final dividend	-	-	-	-	-	-	-	(14,780)	(14,780)
2007 interim dividend	-	-	-	-	-	-	-	(11,085)	(11,085)
2007 special interim dividend	-	-	-	-	-	-	-	(7,390)	(7,390)
At 31st March, 2007	658,331	4,462	417,686	2,073	507	-	(77,527)	1,867,127	2,872,659
Representing:									
Reserves	658,331	4,462	417,686	2,073	507	-	(77,527)	1,852,347	2,857,879
2007 proposed final scrip dividend	-	-	-	-	-	-	-	14,780	14,780
	658,331	4,462	417,686	2,073	507	-	(77,527)	1,867,127	2,872,659
At 1st April, 2007	658,331	4,462	417,686	2,073	507	-	(77,527)	1,867,127	2,872,659
Changes in exchange rates	-	-	-	-	-	-	36,635	-	36,635
Share of reserves of an associated company	-	-	-	-	-	16,569	(589)	-	15,980
Change in fair value of available-for-sale financial assets	-	-	-	-	(2,305)	-	-	-	(2,305)
Release upon disposal of available-for-sale financial assets	-	-	-	-	(4)	-	-	-	(4)
Profit for the year	-	-	-	-	-	-	-	468,889	468,889
Release upon disposal of a subsidiary	-	-	-	(1,724)	-	-	-	1,724	-
2007 final scrip dividend	8,519	-	-	-	-	-	-	(14,780)	(6,261)
2008 interim dividend	-	-	-	-	-	-	-	(22,279)	(22,279)
At 31st March, 2008	666,850	4,462	417,686	349	(1,802)	16,569	(41,481)	2,300,681	3,363,314
Representing:									
Reserves	666,850	4,462	417,686	349	(1,802)	16,569	(41,481)	2,270,975	3,333,608
2008 proposed final scrip dividend	-	-	-	-	-	-	-	29,706	29,706
	666,850	4,462	417,686	349	(1,802)	16,569	(41,481)	2,300,681	3,363,314

Statutory reserve represents enterprise expansion fund and general reserve fund set aside by subsidiaries in accordance with the relevant laws and regulations in the Mainland China.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

34. RESERVES (Continued)

Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1st April, 2006	658,331	4,462	364,750	1,058,692	2,086,235
Profit for the year	–	–	–	45,800	45,800
2006 final dividend	–	–	(14,780)	–	(14,780)
2007 interim dividend	–	–	(11,085)	–	(11,085)
2007 special interim dividend	–	–	(7,390)	–	(7,390)
At 31st March, 2007	658,331	4,462	331,495	1,104,492	2,098,780
Representing:					
Reserves	658,331	4,462	316,715	1,104,492	2,084,000
2007 proposed final scrip dividend	–	–	14,780	–	14,780
	658,331	4,462	331,495	1,104,492	2,098,780
At 1st April, 2007	658,331	4,462	331,495	1,104,492	2,098,780
Profit for the year	–	–	–	20,799	20,799
2007 final scrip dividend	8,519	–	(14,780)	–	(6,261)
2008 interim dividend	–	–	(22,279)	–	(22,279)
At 31st March, 2008	666,850	4,462	294,436	1,125,291	2,091,039
Representing:					
Reserves	666,850	4,462	264,730	1,125,291	2,061,333
2008 proposed final scrip dividend	–	–	29,706	–	29,706
	666,850	4,462	294,436	1,125,291	2,091,039

Under the Companies Act 1981 of Bermuda and the Bye-laws of the Company, the contributed surplus which arose as a result of a group reorganisation in 1991 is also distributable to shareholders of the Company. Total distributable reserves of the Company amounted to HK\$1,419,727,000 (2007: HK\$1,435,987,000) as at 31st March, 2008.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

35. BORROWINGS

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Secured bank borrowings				
Bank overdraft	2,471	–	–	–
Short-term bank loans	194,637	–	–	–
Short-term borrowings	197,108	–	–	–
Long-term borrowings	1,731,972	1,353,803	–	–
	1,929,080	1,353,803	–	–
Unsecured bank borrowings				
Long-term borrowings	–	–	20,000	–
Total borrowings	1,929,080	1,353,803	20,000	–

The long-term borrowings are analysed as follows:

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Long-term bank loans				
Wholly repayable within five years	1,411,267	1,045,776	20,000	–
Wholly repayable after five years	320,705	308,027	–	–
Current portion included in current liabilities	(85,869)	(61,820)	–	–
	1,646,103	1,291,983	20,000	–

The bank borrowings of the Group are secured by certain property, plant and equipment, investment properties, leasehold land and land use rights, properties for/under development, properties for sale and bank deposits with an aggregate carrying amount of HK\$3,814,094,000 (2007: HK\$3,204,357,000), shares of certain subsidiaries and guaranteed by the Company and Chuang's China, and borrowings of HK\$1,320,868,000 (2007: HK\$1,152,415,000) are also secured by the assignment of rental income.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

35. BORROWINGS (Continued)

The bank borrowings are repayable in the following periods:

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Within one year	282,977	61,820	-	-
Second year	346,955	102,502	-	-
Third to fifth year	1,078,367	958,898	20,000	-
After five years	220,781	230,583	-	-
	1,929,080	1,353,803	20,000	-

The effective interest rates of the bank borrowings at the balance sheet date are ranging from 2.45% to 8.32% (2007: 4.53% to 8.75%) per annum. The fair values of the borrowings, based on cash flows discounted at the borrowing rates of 2.45% to 8.32% (2007: 4.53% to 8.75%) per annum, are approximate to their carrying amounts.

The bank borrowings are denominated in the following currencies:

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Hong Kong dollar	1,682,504	1,225,947	20,000	-
Renminbi	185,942	65,508	-	-
Malaysian Ringgit	58,163	62,348	-	-
Singapore dollar	2,471	-	-	-
	1,929,080	1,353,803	20,000	-

The exposure of the bank borrowings to interest rate changes and the contractual repricing dates are as follows:

	Group		Company	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
6 months or less	1,898,645	1,343,803	20,000	-
6 to 12 months	30,435	10,000	-	-
	1,929,080	1,353,803	20,000	-

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

36. DEFERRED TAXATION

Deferred taxation assets and liabilities are offset when there is a legal enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The net movements of the deferred taxation of the Group are as follows:

	Deferred taxation liabilities	Deferred taxation assets	Total
	HK\$'000	HK\$'000	HK\$'000
Group			
At 1st April, 2006	393,022	(6,164)	386,858
Changes in exchange rates	284	–	284
(Credited)/charged to income statement (note 12)	(37,501)	5,327	(32,174)
At 31st March, 2007	355,805	(837)	354,968
Changes in exchange rates	1,041	–	1,041
Charged to income statement (note 12)	35,304	30	35,334
At 31st March, 2008	392,150	(807)	391,343

The movements in deferred taxation assets and liabilities of the Group (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred taxation assets

	Revaluation of investment properties	Tax losses	Total
	HK\$'000	HK\$'000	HK\$'000
At 1st April, 2006	(6,164)	(31,109)	(37,273)
Charged/(credited) to income statement	5,327	(13,977)	(8,650)
At 31st March, 2007	(837)	(45,086)	(45,923)
Charged/(credited) to income statement	30	(39,439)	(39,409)
At 31st March, 2008	(807)	(84,525)	(85,332)

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

36. DEFERRED TAXATION (Continued)

Deferred taxation liabilities

	Fair value gains HK\$'000	Revaluation of investment properties HK\$'000	Accelerated depreciation allowances HK\$'000	Total HK\$'000
At 1st April, 2006	235,366	165,914	22,851	424,131
Changes in exchange rates (Credited)/charged to income statement	– (43,863)	226 26,478	58 (6,139)	284 (23,524)
At 31st March, 2007	191,503	192,618	16,770	400,891
Changes in exchange rates (Credited)/charged to income statement	– (7,944)	985 82,649	56 38	1,041 74,743
At 31st March, 2008	183,559	276,252	16,864	476,675

Deferred taxation liabilities for the fair value gains represent the deferred taxation on the differences between the carrying amounts of the properties as included in the consolidated financial statements and the carrying amounts of these properties as included in the financial statements of the relevant subsidiaries. The amounts were based on the date of acquisition of those subsidiaries by the Group in prior years.

On 16th March, 2007, the National People's Congress approved the Corporate Income Tax Law in the Mainland China, which reduced the corporate income tax rate from 33% to 25% with effect from 1st January, 2008. Consequently, the Group had reassessed the amount of deferred taxation liabilities based on the revised corporate income tax rate.

Deferred taxation liabilities, which are expected to be settled after more than twelve months, have been provided in full on temporary differences under the liability method using the applicable tax rates prevailing in the countries in which Group operates.

Deferred taxation assets of HK\$190 million (2007: HK\$188 million) arising from unused tax losses of HK\$1,086 million (2007: HK\$1,074 million) and HK\$1.8 million (2007: HK\$2.0 million) on temporary differences in respect of depreciation allowances of HK\$10 million (2007: HK\$11 million) have not been recognised in the financial statements respectively. The tax losses have no expiry dates.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

37. OTHER NON-CURRENT LIABILITIES

	2008	Group
	HK\$'000	2007
		HK\$'000
Provisions (note 38)	–	21,019
Loans from minority interests	43,482	52,843
	43,482	73,862

Loans from minority interests are unsecured, interest free and are not repayable within the next twelve months from the balance sheet date.

38. PROVISIONS

	2008	Group
	HK\$'000	2007
		HK\$'000
At the beginning of the year	21,019	21,019
Write back (note 7)	(21,019)	–
At the end of the year	–	21,019

In December 2001, the Chuang's China Group disposed of certain properties and provided undertakings to the purchaser, Midas, its then associated company, for the tax liabilities in relation to these properties. During the year, these properties were disposed of by Midas to third parties and therefore the related deferred profit has been recognised by the Group (note 22) and the related provisions for the undertakings have been written back by the Chuang's China Group.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

39. COMMITMENTS

(a) Capital commitments

	2008	Group
	HK\$'000	2007
		HK\$'000
Contracted but not provided for		
Property development expenditure	577,702	47,688
Available-for-sale financial assets	26,910	–
	604,612	47,688

(b) Operating lease rental payable

The future aggregate minimum lease rental expense under non-cancellable operating leases in respect of land and buildings is payable in the following periods:

	2008	Group
	HK\$'000	2007
		HK\$'000
Within one year	12,243	4,623
Two to five years	45,875	492
After five years	12,093	–
	70,211	5,115

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

39. COMMITMENTS (Continued)

(c) Operating lease rental receivable

The future aggregate minimum lease rental income under non-cancellable operating leases in respect of properties is receivable in the following periods:

	2008	Group
	HK\$'000	2007
		HK\$'000
Investment properties		
Within one year	66,276	55,552
Two to five years	51,993	45,738
	118,269	101,290
Properties for sale		
Within one year	194	246
	118,463	101,536

The Group leases properties under various agreements which will terminate between 2008 to 2012.

40. FINANCIAL GUARANTEES

	Group		Company	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Guarantees for bank borrowings of subsidiaries and an associated company	–	–	1,392,505	993,027
Guarantees for mortgage bank loans to purchasers of properties of the Group	69,157	69,444	–	–
	69,157	69,444	1,392,505	993,027

Bank deposits of HK\$3,198,000 (2007: HK\$3,223,000) are pledged for the financial guarantees provided by the Group (note 30).

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

41. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Reconciliation of operating profit to cash (used in)/from operations

	2008 HK\$'000	2007 HK\$'000
Operating profit	603,740	274,867
Interest income	(36,314)	(38,678)
Dividend income from listed investments	(3,582)	(1,714)
Depreciation	16,298	16,660
Amortisation of leasehold land and land use rights	2,258	19,171
Change in fair value of investment properties	(554,837)	(200,710)
Impairment of goodwill	114	–
Net gain on disposal of investment properties	(38,421)	(27,372)
(Gain)/loss on disposal of property, plant and equipment	(408)	399
Gain on disposal of available-for-sale financial assets	(1,147)	(207)
Net fair value loss on derivative financial instruments	97,031	25,000
Deemed profit on partial disposal of a subsidiary	(29,650)	–
Write back of provisions for tax liabilities undertakings	(21,019)	–
Excess of fair value of net assets acquired over cost of acquisition of minority interests in a subsidiary	(20,976)	–
Deferred profit realised on disposal of properties	(4,566)	–
Gain on disposal of subsidiaries	(1,020)	–
Net loss on partial disposal of a subsidiary	12,672	–
Negative goodwill	–	(48,248)
Operating profit before working capital changes	20,173	19,168
(Increase)/decrease in loans and receivables	(1,298)	583
(Increase)/decrease in properties for/under development and properties for sale	(192,970)	68,677
Increase in inventories	(10,204)	(67,546)
Increase in debtors and prepayments	(218,372)	(121,445)
Decrease in other investments	8,183	39,363
(Decrease)/increase in creditors and accruals	(60,108)	91,217
Cash (used in)/from operations	(454,596)	30,017

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

41. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Disposal of subsidiaries

	2008 HK\$'000	2007 HK\$'000
Net assets disposed of		
Property, plant and equipment	54	–
Debtors and prepayments	19	–
Cash and bank balances	19,041	–
Creditors and accruals	(455)	–
Minority interests	(9,143)	–
	9,516	–
Gain on disposal of subsidiaries	1,020	–
Changes in exchange rates	(2)	–
	10,534	–
Cash and bank balances disposed of	(19,041)	–
	(8,507)	–

(c) Analysis of cash and cash equivalents

	2008 HK\$'000	2007 HK\$'000
Cash and bank balances	1,264,027	967,989
Bank deposits maturing more than three months from date of placement	(149,369)	(3,223)
Bank overdraft	(2,471)	–
	1,112,187	964,766

(d) Non-cash transaction

The principal non-cash transaction is the acquisition of an investment property by Chuang's China under a conditional transfer agreement with Midas. Details of the transaction are set out in note 42.

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

42. RELATED PARTY TRANSACTION

During the year, Chuang's China, a listed subsidiary of the Group, entered into a conditional transfer agreement with Midas, a listed associated company of the Group, to dispose of the entire equity interests in, and shareholder's loan to Success Gain Investment Limited, a wholly-owned subsidiary of Chuang's China whose sole asset is the holding of a piece of industrial land in Dongguan, the Mainland China. The consideration of the transfer is the entire equity interests in, and shareholder's loan to Chuang's Development (Chengdu) Limited, a wholly-owned subsidiary of Midas whose sole asset is the holding of an investment property in Chengdu, the Mainland China, and RMB13 million in cash from Midas. The transfer was arrived at after arm's length negotiations between the parties to the transfer agreement with reference to the market value of the industrial land of RMB38 million and the market value of the investment property of RMB25 million.

43. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 14th July, 2008.

Notes to the Financial Statements (Continued)
For the year ended 31st March, 2008

44. PRINCIPAL SUBSIDIARIES

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
Artiful Limited	Hong Kong	100 shares of HK\$1 each	70.0	70.0	Property investment
# Changsha Chuang's Property Development Limited	Mainland China	US\$10,000,000	53.8	61.5	Property development and investment
# Chengdu Palace Development Company Limited	Mainland China	RMB20,000,000	–	31.4	Property development
China Charm Company Limited	Hong Kong	2 shares of HK\$1 each	53.8	–	Property development and investment
China Cyberworld Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Investment holding
China Policy Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	100.0	100.0	Investment holding
Chinaculture.com Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	53.8	61.5	Investment holding
Chuang's China Commercial Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	53.8	61.5	Investment holding
Chuang's China Enterprises Limited	Hong Kong	458,310,965 shares of HK\$0.2 each	53.8	61.5	Securities trading and investment holding
* Chuang's China Investments Limited	Bermuda/Hong Kong	1,500,549,612 (2007: 1,280,549,612) shares of HK\$0.05 each	53.8	61.5	Investment holding

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

44. PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
Chuang's China Realty Limited	Bermuda/Hong Kong	2,000,000 shares of HK\$0.05 each	53.8	61.5	Investment holding
Chuang's China Treasury Limited	Cayman Islands/ Hong Kong	1 share of US\$1	53.8	61.5	Investment holding
@ Chuang's Consortium Limited	Hong Kong	4,000 shares of HK\$0.25 each	100.0	100.0	Investment holding
Chuang's Corporate Services Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Securities trading
Chuang's Credit Limited	Hong Kong	10,300,000 shares of HK\$1 each	100.0	100.0	Money lending
Chuang's Development (Chengdu) Limited	Hong Kong	2 shares of HK\$10 each 100,000 non-voting deferred shares of HK\$10 each	53.8	–	Property investment
Chuang's Development (China) Limited	Hong Kong	2 shares of HK\$10 each	53.8	61.5	Property development and investment
Chuang's Development (Dong Guan) Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Investment holding
Chuang's Development (Hunan) Limited	Hong Kong	2 shares of HK\$100 each	53.8	61.5	Investment holding
Chuang's Development (Nanning) Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Investment holding
Chuang's Finance & Investments Limited	Hong Kong	110,000 shares of HK\$10 each	100.0	100.0	Property development and investment

Notes to the Financial Statements (Continued)
For the year ended 31st March, 2008

44. PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
Chuang's Industrial (Holdings) Limited	Hong Kong	189,231,936 shares of HK\$1 each	100.0	100.0	Investment holding, hire of equipment and trading of merchandise
# Chuang's Properties (Central Plaza) Sdn. Bhd. (formerly named as "Malview Sdn. Bhd.")	Malaysia	5,000,000 shares of MYR1 each	100.0	100.0	Property investment
@ Chuang's Properties International Limited (formerly named as "Chuang's International Limited")	British Virgin Islands/ Hong Kong	10 shares of US\$1 each	100.0	100.0	Investment holding, property development and investment
Chuang's Properties Limited	Hong Kong	300,000,000 shares of HK\$1 each	100.0	100.0	Investment holding
Chuang's Real Estate Agency Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property agency services
Cityprop Company Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property investment and project management
Distinguished Properties Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	53.8	61.5	Investment holding
Double Wealthy Company Limited	Hong Kong	160 shares of HK\$1 each	53.8	61.5	Investment holding
Dragon Rich Investments Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Property investment
Easy Success Enterprises Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property investment
Equity King Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Securities trading

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

44. PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
Fanus Limited	British Virgin Islands/ Hong Kong	100 shares of US\$1 each	100.0	100.0	Investment holding
# Farmtex (Malaysia) Sdn. Bhd.	Malaysia	1,000,000 shares of MYR1 each	100.0	100.0	Property development
General Nominees Limited	Hong Kong	500 shares of HK\$10 each	100.0	100.0	Nominee and secretarial services
Gold Capital Profits Limited	British Virgin Islands/ Hong Kong	100 shares of US\$1 each	40.4	46.1	Investment holding
@ Gold Throne Finance Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	100.0	100.0	Investment holding
# Guangzhou Panyu Chuang's Real Estate Development Company Limited	Mainland China	RMB60,000,000	53.8	52.3	Property development and investment
# Hui Zhou Yuen Sang Hardware Company Limited	Mainland China	HK\$10,000,000	53.8	–	Manufacture and sale of watch components
# Hunan Han Ye Real Estate Development Company Limited	Mainland China	RMB25,000,000	29.1	33.2	Property development and investment
# Ilham Kencana Sdn. Bhd.	Malaysia	10,000 shares of MYR1 each	100.0	100.0	Property development
Jannerson Limited	Hong Kong	5,000 shares of HK\$1 each	100.0	100.0	Property investment and securities trading
Koledo Company Limited	Hong Kong	2 shares of HK\$100 each 2 non-voting deferred shares of HK\$100 each	53.8	61.5	Property investment

Notes to the Financial Statements (Continued)
For the year ended 31st March, 2008

44. PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
Ladona Limited	British Virgin Islands/ Hong Kong	10 shares of US\$1 each	100.0	100.0	Investment holding
Lambda Industrial Limited	Hong Kong	3,000,000 shares of HK\$1 each	100.0	100.0	Property development and investment
MD Limited	Hong Kong	1,000,000 shares of HK\$1 each	53.8	61.5	Project management
Mega Well Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property investment and securities trading
Meloberg Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property investment
Noble Century Investment Limited	Hong Kong	1,000,000 shares of HK\$1 each	32.3	36.9	Investment holding
On Profit Investment Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Property development and investment
@ Profit Stability Investments Limited	British Virgin Islands/ Hong Kong	1 share of US\$1	100.0	100.0	Investment holding
Rapid Grow Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Investment holding
Silver Chase Investment Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Property development and investment
Silver Dragon Investment Limited	Hong Kong	2 shares of HK\$1 each	53.8	61.5	Property development and investment
# Sintex Nylon and Cotton Products (Pte) Limited	Singapore	8,500 shares of S\$100 each	88.2	88.2	Manufacture and sale of bonded polyester fabrics and home finishing products

Notes to the Financial Statements (Continued)

For the year ended 31st March, 2008

44. PRINCIPAL SUBSIDIARIES (Continued)

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
Success Gain Investment Limited	Hong Kong	2 shares of HK\$1 each	-	61.5	Property development and investment
Tian Shi Company Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property development and investment
Uniworld Property Management Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property management and car-parking services
Winfred Investment Limited	Republic of Liberia/ Hong Kong	2 shares of no par value	100.0	100.0	Investment holding
Yuen Sang Hardware Company (1988) Limited	Hong Kong	1,000,000 shares of HK\$1 each	53.8	61.5	Manufacture and sale of watch components
Yuen Sang International Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property development and investment and securities trading
3build.com Limited	Hong Kong	2 shares of HK\$1 each	100.0	100.0	Property investment

* Listed in Hong Kong

@ Directly held by the Company

Not audited by PricewaterhouseCoopers

Notes to the Financial Statements (Continued)
For the year ended 31st March, 2008

45. PRINCIPAL ASSOCIATED COMPANIES

Name	Place of incorporation/ operation	Registered capital/ issued capital	Effective percentage held by Group		Principal activities
			2008	2007	
# Dragon Pacific Development Limited	Hong Kong	10 shares of HK\$1 each	30.0	30.0	Property development
*# Midas International Holdings Limited	Cayman Islands/ Hong Kong	609,290,068 (2007: 534,290,068) ordinary shares of HK\$0.1 each	46.6	44.7	Books printing, paper products printing, property investment and cemetery operation
# Treasure Auctioneer International Limited	British Virgin Islands/ Hong Kong	1,000,000 shares of US\$1 each	13.5	15.4	Auction services
Yuen Sang Property Management Company Limited	Hong Kong	2 shares of HK\$1 each	50.0	50.0	Property management
*	Listed in Hong Kong				
#	Not audited by PricewaterhouseCoopers				

Particulars of Principal Properties

The following list contains only properties held by the Group which are material to the Group as at 31st March, 2008 as the Directors are of the opinion that a complete list will be of excessive length.

1. INVESTMENT PROPERTIES

Location	Term	Usage	Group's interest
Hong Kong			
Chuang's London Plaza, No. 219 Nathan Road, Tsim Sha Tsui, K.I.L. No. 6345	Medium lease	Commercial	100.0%
Chuang's Hung Hom Plaza, No. 83 Wuhu Street, Hungghom, H.H.I.L. Nos. 428, 440 S.A., 440 R.P., 304, 305, 394, 462, 443, 456, 455, 470, 466 and 452	Medium lease	Commercial/Offices/ Car Parking Spaces	100.0%
5th, 15th-23rd Floors and Penthouse, Chuang's Enterprises Building, No. 382 Lockhart Road, Wanchai, 16745/46437th shares of and in S.B.S.S.1, S.B.R.P. and S.A.R.P. of I.L. No. 2618	Long lease	Offices	100.0%
Chuang's Tower, Nos. 30-32 Connaught Road Central, Central, M.L. Nos. 410, 375 and 376	Long lease	Commercial/Offices	53.8%
Malaysia			
Central Plaza, No. 34 Jalan Sultan Ismail, 50250 Kuala Lumpur, Lot No. 1221, Section 57, Kuala Lumpur, Federal Territory	Freehold	Commercial/Offices/ Car Parking Spaces	100.0%

Particulars of Principal Properties (continued)

1. INVESTMENT PROPERTIES (Continued)

Location	Term	Usage	Group's interest
The People's Republic of China			
6th Floor, Chengdu Chuang's Centre, No. 1 Renmin South Road, Section 4, Wuhou District, Chengdu, Sichuan	Long lease	Commercial	53.8%
Club house of Gold Coast, Phase II Chuang's New City, Dongguan, Guangdong	Long lease	Commercial	53.8%

2. BUILDINGS

Location	Term	Usage	Group's interest
Singapore			
245 Jalan Ahmad Ibrahim, Jurong Town, Singapore 629144, Lots 508 and 715 of Mukim 6	Medium lease	Industrial	88.2%
The People's Republic of China			
Chuang's New City Administrative Centre, Dongguan, Guangdong	Long lease	Office	53.8%
Quarter 1 to 3, Chuang's New Town, Huizhou, Guangdong	Long lease	Staff quarter	53.8%
Beverly Hills Administrative Centre, No. 145 Zhongyier Road, Muyun, Changsha, Hunan	Long lease	Office	29.1%

Particulars of Principal Properties (continued)

3. PROPERTY PROJECTS

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Hong Kong					
The Notting Hill, No. 1 Tung Shan Terrace, R.P. of I.L. No. 2933	Completed	Completed	Residential	Site area – about 9,147 sq. ft. Unsold gross floor area – about 4,695 sq. ft.	70.0%
Park Villa, No. 37 Island Road, Deep Water Bay, R.B.L. No. 599	Superstructure works in progress	End of 2008	Residential	Site area – about 23,100 sq. ft. Gross building area – about 34,700 sq. ft.	100.0%
No. 15 Gough Hill Road, The Peak, R.B.L. No. 723	Site investigation works in progress	N/A	Residential	Site area – about 18,469 sq. ft. Gross building area – about 19,000 sq. ft.	100.0%
No. 111 Wuhu Street, Hung Hom, H.H.I.L. Nos. 402, 475, 395, 410 and 459	Demolition works commence soon	N/A	Service apartments/Hotel	Site area – about 4,000 sq. ft. Gross building area – about 47,000 sq. ft.	100.0%
Vietnam					
Saigon Beverly Hills, Duc Hoa District, Long An Province	Planning stage	N/A	Comprehensive development area	Site area – about 2,730,000 sq. m. Gross floor area – about 3,300,000 sq. m.	70.0%
Greenview Gardens, Thu Duc District, Ho Chi Minh City	Planning stage	N/A	Commercial/ Residential	Site area – about 20,300 sq. m. Gross floor area – about 120,000 sq. m.	70.0%

Particulars of Principal Properties (continued)

3. PROPERTY PROJECTS (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
Malaysia					
Taman Sri Amber, Lot 2148 Pekan Setul, District of Seremban	Planning Stage	N/A	Commercial/ Residential	Site area – about 1,032,000 sq. ft. Gross floor area – about 596,000 sq. ft.	100.0%
The People's Republic of China					
Chuang's Le Papillon, Guangzhou, Guangdong					
— Phase I	Foundation works completed and superstructure works in progress	2009	Comprehensive development area	Site area – about 26,600 sq. m. Gross floor area – about 70,000 sq. m.	53.8%
— Remaining phase	Master planning completed	Beyond 2009	Comprehensive development area	Site area – about 177,400 sq. m. Gross floor area – about 380,000 sq. m.	53.8%

Particulars of Principal Properties (continued)

3. PROPERTY PROJECTS (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China					
Chuang's New City, Dongguan, Guangdong					
— Phase II, Gold Coast	Completed	Completed	Residential	Site area – about 30,242 sq. m. Unsold gross floor area – about 8,788 sq. m. (and 261 carparking spaces)	53.8%
— Phase III, Imperial Garden	Superstructure works in progress	2009	Comprehensive development area	Site area – about 50,000 sq. m. Gross floor area – about 89,000 sq. m.	53.8%
	Foundation works completed	Beyond 2009	Comprehensive development area	Gross floor area – about 57,000 sq. m.	53.8%
— Remaining phase	Master planning completed	Beyond 2009	Comprehensive development area	Site area – about 186,000 sq. m. Gross floor area – about 384,000 sq. m.	53.8%
Chuang's New Town, Huizhou, Guangdong					
— Chuang's Garden, Phases I, II and III	Completed	Completed	Residential	Site area – about 16,400 sq. m. Unsold gross floor area – about 3,107 sq. m.	53.8%
— Remaining phase	Planning stage	N/A	Comprehensive development area	Site area – about 52,055 sq. m. Gross floor area – about 200,000 sq. m.	53.8%

Particulars of Principal Properties (continued)

3. PROPERTY PROJECTS (Continued)

Location	Stage of completion	Expected completion date	Usage	Approximate area	Group's interest
The People's Republic of China					
Beverly Hills, Changsha, Hunan					
— Phase I	Completed	Completed	Residential	Site area – about 95,948 sq. m. Unsold gross floor area – about 19,539 sq. m.	29.1%
	Construction works in progress	End of 2008	Commercial/ Residential	Gross floor area – about 34,600 sq. m.	29.1%
— Remaining phase	Planning stage	N/A	Comprehensive development area	Site area – about 900,000 sq. m. Gross floor area – about 1,530,000 sq. m.	29.1%
Chuang's Palazzo Caesar, Changsha, Hunan	Master planning in progress	Beyond 2009	Comprehensive development area	Site area – about 280,000 sq. m. Gross floor area – about 500,000 sq. m.	53.8%
Chuang's Le Printemps, Chengdu, Sichuan	Master planning in progress	Beyond 2009	Commercial/ Residential	Site area – about 30,000 sq. m. Gross floor area – about 130,000 sq. m.	27.4%
Xiamen Mingjia Binhai, Xiamen, Fujian	Master planning in progress	Beyond 2009	Service apartments/ Hotel	Site area – about 27,500 sq. m. Gross floor area – about 16,500 sq. m.	27.4%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of Chuang's Consortium International Limited (the "Company") will be held at Chater Room, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Thursday, 28th August, 2008 at 11:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the Directors and the auditors for the year ended 31st March, 2008.
2. To declare a final dividend.
3. To re-elect retiring Directors as Directors of the Company and to authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint auditors and to authorise the board of Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

Ordinary Resolutions

(1) **"THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares of HK\$0.25 each (the "Shares") in the capital of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, "**Relevant Period**" means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution."

Notice of Annual General Meeting (continued)

(2) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued Shares in the capital of the Company and to make or grant offers, agreements, options and other rights, or issue warrants and other securities, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and other rights, and issue warrants and other securities, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or to be allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of:

- (i) a Rights Issue (as defined below); or
- (ii) the exercise of any option under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to subscribe or otherwise acquire Shares in the capital of the Company; or
- (iii) an issue of Shares upon exercise of the subscription or conversion rights attaching to or under the terms of any warrants of the Company; or
- (iv) any scrip dividend or similar arrangement in accordance with the Bye-laws of the Company; or
- (v) a specific authority granted by the shareholders of the Company in general meeting,

shall not in aggregate exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiry of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or

Notice of Annual General Meeting (continued)

- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors of the Company by this Resolution; and

“**Rights Issue**” means an offer of Shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors of the Company, to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to be offered to them) on a fixed record date in proportion to their then holdings of Shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong.”

- (3) “**THAT** subject to the passing of Resolutions numbered 5(1) and 5(2), the general mandate granted to the Directors of the Company to allot, issue and deal with unissued Shares in the capital of the Company pursuant to Resolution numbered 5(2) be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the general mandate to repurchase Shares (as referred to in Resolution numbered 5(1) set out in the notice convening this Meeting), provided that such amount of securities so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the ordinary resolution approving the said general mandate to repurchase Shares.”

- 6. To transact any other business.

By Order of the Board of
Chuang’s Consortium International Limited
Lee Wai Ching
Company Secretary

Hong Kong, 31st July, 2008

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company’s principal office in Hong Kong at 25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The Board of Directors has recommended a final scrip dividend (with a cash option) of 2.0 HK cents per share.
4. The register of members of the Company will be closed from Friday, 22nd August, 2008 to Thursday, 28th August, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s share registrars in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Thursday, 21st August, 2008.
5. Concerning the Resolutions numbered 3, 5(1), 5(2) and 5(3) above, the information necessary to enable the shareholders to make decisions on whether to vote for or against the Resolutions, as required by the Listing Rules, will be set out in a separate document from the Company to be enclosed with the 2008 Annual Report.

CHUANG'S CONSORTIUM INTERNATIONAL LIMITED
25th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong