



Building
on our Strength

Interim Report

2008

Chuang's Consortium International Limited

(Incorporated in Bermuda with limited liability)

STOCK CODE: 367

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CORPORATE INFORMATION

Directors	Alan Chuang Shaw Swee (<i>Chairman</i>) Alice Siu Chuang Siu Suen (<i>Vice-Chairman</i>) Ko Sheung Chi (<i>Managing Director</i>) 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, J.P.* Chan Wai Dune* <i>* Independent Non-Executive Directors</i>
Audit Committee/ Nomination Committee/ Remuneration Committee	Peter Po Fun Chan, B.B.S., M.B.E., J.P. Abraham Shek Lai Him, 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

CORPORATE INFORMATION *(Continued)*

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 The Development Bank of Singapore Limited
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

MANAGEMENT DISCUSSION ON RESULTS

The Board of Directors (the “Board”) of Chuang’s Consortium International Limited (the “Company”) presents the interim report including the interim financial information of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30th September, 2007. The consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity for the six months ended 30th September, 2007 and the consolidated balance sheet as at 30th September, 2007 along with the notes thereon, are set out on pages 23 to 36 of this report.

FINANCIAL REVIEW

For the six months ended 30th September, 2007, revenue of the Group amounted to HK\$233.7 million (2006: HK\$162.3 million), representing an increase of 44.0% when compared with that of the last corresponding period. Revenue from property investment and development activities amounted to HK\$147.5 million (2006: HK\$96.9 million), representing an increase of 52.2% principally as a result of increase in property sales in Hong Kong and the People’s Republic of China (the “PRC”). Revenue from manufacturing and trading activities amounted to HK\$51.0 million (2006: HK\$50.2 million), representing a slight increase of 1.6%. Revenue from securities trading activities increased by 1.3 times to HK\$35.3 million (2006: HK\$15.1 million) due to the buoyant stock market during the period under review.

Gross profit increased by 34.3% to HK\$87.3 million (2006: HK\$65.0 million), which was principally attributable to the increase in profits from sales of properties and marketable securities. Other income increased by 4.3 times to HK\$148.5 million. Reflecting the improvement in office and retail properties in Hong Kong and Malaysia, the Group recorded an upward revaluation of HK\$140.6 million during the period. On the costs side, as a result of increase in business activities, distribution costs and administrative expenses increased by HK\$3.0 million and HK\$22.3 million, respectively. Due to an increase in bank borrowings, finance costs increased by 14.2% to HK\$38.5 million. Share of profits of associated companies increased by 16.0 times to HK\$73.0 million. Taking all these into account, profit attributable to equity holders for the six months ended 30th September, 2007 increased by 2.0 times to HK\$253.9 million (2006: HK\$83.7 million). Earnings per share were 17.18 HK cents (2006: 5.67 HK cents).

INTERIM DIVIDEND

The Board declares an interim dividend of 1.5 HK cents (2006: 0.75 HK cent) per share payable on or before 21st January, 2008 to shareholders whose names appear on the Company’s register of members on 9th January, 2008.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW

(A) **Chuang's Properties Limited**

All the Group's property 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. Occupancy rates of these properties remain at a high level and rental and other income from investment properties in Hong Kong during the period amounted to HK\$41.0 million, representing an increase of approximately 4.3% when compared with that of last corresponding period.

To take advantage of rising property prices in Hong Kong, the Group has taken steps to dispose of or is in the process to dispose of the following non-core investment properties so as to generate profits for the Group and to provide additional capital to the Group for land replenishment:

- (a) The Group has completed the disposals of certain shopping units in The Harbourside, North Point and Chuang's Heights, Shaukiwan for an aggregate consideration of HK\$25.9 million, of which HK\$10.5 million was completed subsequent to the interim balance sheet date.
- (b) Approval has been obtained from relevant authorities 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 in December 2007 for a consideration of HK\$105 million, completion of which will take place in February 2008. Completion of this disposal will generate a profit of about HK\$40 million in the second half of this financial year.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(A) **Chuang's Properties Limited** *(Continued)*

(i) **Investment properties** *(Continued)*

- (c) The Group owns half of a floor in Cheung Ka Industrial Building, No. 180 Connaught Road West, Hong Kong. Recently, the Group has joined in with other owners of the property in a tender for sale of over 90% of the property. It is expected that the tender sale will be completed in the first half of 2008.

(ii) **Properties under development**

During the period, property sales of the Group in Hong Kong amounted to HK\$43.3 million, mainly derived from sales of residential units of Reading Place in mid-level. Subsequent to the interim balance sheet date, the Group has sold all remaining units in Reading Place with GFA of 2,230 sq.ft. and will sell the remaining units in The Notting Hill in Tung Shan Terrace with a total GFA of 5,846 sq.ft.. 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, No. 1 Tai Yau Street, San Po Kong, Kowloon into a 22-storey high-class industrial/office building. It is expected that occupation permit of the development will be issued in early 2008. 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. and one carparking space have been sold for HK\$123.3 million. Completion of these sales is expected to be within two weeks from the issuance of occupation permit and a profit of about HK\$26 million will be recognised upon completion. It is intended that the shopping unit will be sold after issuance of occupation permit and the two penthouse floors and the remaining carparking spaces will be retained for the Group's own use.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(A) **Chuang's Properties Limited** *(Continued)*

(ii) Properties under development (Continued)

(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. Foundation and substructure works have been completed and superstructure works are in progress. It is expected that the project will be completed within the 2009 financial year. In view of strong demand in the luxurious residential property market, the Group expects that capital value of the property will be significantly enhanced upon completion.

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

In The Peak, the Group plans to redevelop No.15 Gough Hill Road into a bungalow with GFA of 9,235 sq.ft.. Building plans have been approved and construction works for this redevelopment have commenced.

(d) Nos.105-113 Wuhu Street, Hunghom

In November 2007, the Group entered into an agreement to acquire the property for HK\$118 million, completion of which will take place in January 2008. The land cost per sq.ft. of developable area is about HK\$3,300. The site, located adjacent to Chuang's Hung Hom Plaza, covers an area of about 4,000 sq.ft. and it is the intention of the Group to redevelop the property into high-class service apartments with GFA of about 36,000 sq.ft..

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(B) Chuang's International Limited

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

(i) Vietnam

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

In June 2007, the Group entered into an agreement to participate in a 70% interest in a property development project in Vietnam for US\$15 million. The project, Saigon Beverly Hills, covers a site area of 273 hectares (2,730,000 sq. m.) and is located in Duc Hoa District, Long An Province, Vietnam, which is in close proximity to, and is approximately 30 kilometers 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 approximately 3,300,000 sq. m. will be developed. Master layout planning of the project has been submitted to the relevant government authorities pending approval. Currently, mine sweeping and site investigation works on the site are in progress which are expected to be completed at the end of 2007. Initial phase of the development comprising approximately 100,000 sq. m. of GFA will commence in the first quarter of 2008.

Adjacent to the above site 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.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(B) **Chuang's International Limited** *(Continued)*

(i) **Vietnam** *(Continued)*

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

In November 2007, the Group entered into an agreement to participate in a 70% interest in a property development project in Thu Duc District, Ho Chi Minh City, Vietnam for US\$6.4 million. Land cost per sq. m. of developable area is about US\$76. The project, Greenview Garden, 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 for this development will commence in early 2008.

(c) Other projects in Ho Chi Minh City

The Group has signed a memorandum of understanding to participate in two projects with an aggregate site area of about 7.6 hectares (76,000 sq. m.) in District 11 of Ho Chi Minh City and is conducting feasibility studies on a number of projects in Districts 2, 7 and 10 of Ho Chi Minh City. Appropriate announcements will be made by the Company when any of the investments materialises.

(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. Rental income from this property during the period amounted to HK\$6.2 million, representing an increase of approximately 13% when compared with that of last corresponding period.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(B) Chuang's International Limited *(Continued)*

(ii) Malaysia (Continued)

(b) Taman Sri Amber, Seremban

The Group is also undertaking the development of Taman Sri Amber in Seremban, Malaysia. It is 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 approximately 690,000 sq.ft.. Phase I of the project comprises 66 single-storey terrace houses and 45 apartments with a total GFA of 94,000 sq.ft. has been sold and development of the remaining GFA of 596,000 sq.ft. has commenced.

(C) Chuang's China Investments Limited ("Chuang's China") (stock code: 298)

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

(i) Land acquisitions and land bank

In September 2007, 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 also in September 2007 committed two new acquisitions at an aggregate consideration of over RMB200 million, one in Chengdu and the other in Xiamen, for the development of an aggregate GFA of about 146,500 sq. m..

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) **Chuang’s China Investments Limited (“Chuang’s China”) (stock code: 298) *(Continued)***

(i) ***Land acquisitions and land bank (Continued)***

With the above additions, the Group’s development projects increased to an aggregate GFA of about 3,426,500 sq. m. and will be sufficient to sustain our continuous development for the next three to five years. Details of the Group’s projects are as follows:

	Total developable GFA (sq. m.)
Chuang’s Le Papillon, Guangzhou	450,000
Imperial Garden, Chuang’s New City, Dongguan	530,000
Chuang’s New Town, Huizhou	200,000
Beverly Hills, Changsha	1,600,000*
Chuang’s Palazzo Caesar, Changsha	500,000
Chuang’s Le Printemps, Chengdu	130,000
Xiamen Mingjia Binhai, Xiamen	<u>16,500</u>
Total	<u><u>3,426,500</u></u>

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

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) **Chuang's China Investments Limited ("Chuang's China") (stock code: 298)** *(Continued)*

(ii) Development progress

The Group's property projects are developed by stages. Currently, about 830,000 sq. m. of GFA in Guangzhou, Dongguan, Changsha, Chengdu and Xiamen are under development. The following is a summary of the progress.

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

The first phase comprising 70,000 sq. m. GFA 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. as well as commercial and club house facilities. This phase is expected to be completed in the financial year ending 2009. The second phase development providing another 200,000 sq. m. GFA will commence shortly. On the basis of current market condition, it is expected that the average selling price will be around RMB8,500 to RMB10,000 per sq. m., which will be a remarkable revenue and profit generator to the Group.

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

Construction of 8 residential blocks with aggregate GFA of about 86,000 sq. m. is in progress. 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.. Piling works have been completed. Substructure works and superstructure works will follow immediately. Construction works for these initial 8 blocks are expected to be completed in the next financial year. Furthermore, construction of an additional 176,000 sq. m. GFA has commenced with foundation works taken-off.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) **Chuang's China Investments Limited ("Chuang's China") (stock code: 298) *(Continued)***

(ii) Development progress (Continued)

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

At Beverly Hills of Changsha, construction works of phase I for about 77,000 sq. m. GFA are progressing satisfactorily, with at least 55,000 sq. m. to be completed for handover within the financial year ending 2008. This relates to the low density development comprising 171 bungalows, link houses and semi-detached houses and 54 units of high-rise apartments. The remaining 22,000 sq. m. under development comprises one supreme bungalow of over 1,000 sq. m. with a private swimming pool, 90 units of high-rise apartments as well as 106 units of service apartments will be ready for handover in the next financial year. The phase II development of 480 mu is under planning stage.

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

The site will be delivered to the Group by the local government in December 2007 and master planning work has been completed. Site formation work will commence soon on phase I of Chuang's Palazzo Caesar. In this phase, it will comprise over 300 bungalows, link houses and semi-detached houses with GFA of 77,000 sq. m. and the construction works are expected to be completed in the next financial year. The average selling price is expected to be in the region of RMB5,000 to RMB6,000 per sq. m..

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) **Chuang's China Investments Limited ("Chuang's China") (stock code: 298)** *(Continued)*

(ii) Development progress (Continued)

Chuang's New Town, Huizhou, Guangdong (100% interests owned by Chuang's China)

With the growing demand for properties buyers in Huizhou both locally and from Shenzhen, the Group has recently revised the development plan for this project, with a 30% increase in GFA to about 200,000 sq. m.. Once the master planning is finalised, the Group will review its strategy for this development project.

Chuang's Le Printemps, Chengdu, Sichuan (51% interests 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.. The Group's land cost per sq. m. of developable area is about RMB1,700 and the expected average selling prices for residential and commercial properties are around RMB9,000 and RMB15,000 per sq. m. respectively. Master planning will be completed very soon and construction will commence in early 2008.

Xiamen Mingjia Binhai, Xiamen (51% interests 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. It will be developed into high-end villas and resort with GFA of about 16,545 sq. m. providing full hotel services and facilities surrounded by tropical landscaping and glamorous water features. Total land cost and development cost for this project are estimated to be RMB12,000 per sq. m., which has significant room for upside appreciation when compared with current selling prices of villas in the area of over RMB40,000 per sq. m.. The Group will commence on master planning work shortly.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(C) **Chuang's China Investments Limited ("Chuang's China") (stock code: 298)** *(Continued)*

(iii) Property sales

For the six months ended 30th September, 2007, property sales of the Group in the PRC was HK\$41.1 million, mainly related to completed properties at Gold Coast in Dongguan, representing a 45% increase when compared to that of the last corresponding period.

Apart from the above, contracted sales of HK\$262 million mainly related to Gold Coast and Beverly Hills have not yet been recognised as revenue. With the handover of these properties to purchasers within this financial year, we expect that these contracted sales will be booked as revenue in the second half of this financial year.

Furthermore, the Group has properties available for sale comprising 2,403 sq. m. GFA and 334 carparking spaces at Gold Coast and 46,700 sq. m. at Beverly Hills. On the basis of the above, the Group targets to achieve sales of HK\$500 million in the PRC for the 2008 financial year.

(D) **Midas International Holdings Limited ("Midas") (stock code: 1172)**

The Group owns an approximately 46.6% 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, for the six months ended 30th June, 2007, Midas recorded a turnover of HK\$323.9 million and net profit attributable to shareholders of HK\$3.6 million, representing a decrease of about 41% when compared with that of last corresponding period. In order to alleviate the difficult business environment, Midas has taken proactive measures including developing higher margin products, broadening customer base and implementing effective cost control measures.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

(D) Midas International Holdings Limited (“Midas”) (stock code: 1172) *(Continued)*

In order to broaden its income base, Midas has in September 2007 diversified into operation of cemetery business in the PRC by the acquisition of an attributable 80.5% interest in a company which owns a cemetery operation in Zhaoqing, Guangdong, the PRC named 四會聚福寶華僑陵園 (Fortune Wealth Memorial Park). 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. According to the development blueprint, the two sites will provide a total of 184,000 grave plots and 2,168,000 niches for lease of burial rights upon full development, of which the first phase of the development, comprising 100 mu of land providing 1,783 grave plots and 3,294 niches, has been completed. The Group believes that the 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.

FINANCIAL POSITIONS

As at 30th September, 2007, net assets attributable to equity holders was HK\$3,508.0 million. Net asset value per share amounted to approximately HK\$2.37, which is calculated based on the book cost of the Group’s leasehold land and land use rights and properties for/under development in Hong Kong and the PRC, before taking into account the appreciated value.

As at 30th September, 2007, the Group’s cash and bank balances and other investments amounted to HK\$1,452.2 million. Bank borrowings of the Group as at the same date amounted to HK\$1,794.7 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, was approximately 9.8%.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL POSITIONS *(Continued)*

Approximately 94.3% of the Group's bank balances, cash and other investments were in Hong Kong dollar or United States dollar, with the balance 5.7% in Renminbi. Approximately 93.7% of the Group's bank borrowings were denominated in Hong Kong dollar or United States dollar, and the balance of 6.3% being denominated in Malaysian Ringgit and Renminbi. Risk in exchange rate fluctuation would not be material.

Approximately 10.1% of the Group's bank borrowings was repayable within one year, 9.5% repayable within 1 to 2 years, 68.2% repayable within 2 to 5 years and the balance of 12.2% repayable over 5 years.

PROSPECTS

In Hong Kong, the economy continues to show healthy growth on the back of growth of the global and the PRC economies. Office and retail rentals are expected to remain firm whilst demand for quality housing, in particular in the luxurious residential sector, should remain strong. With the improvement in rental of our investment properties and the completion of the projects in Deep Water Bay, The Peak and Hunghom, the Group expects that the capital value of our property portfolio will be significantly enhanced.

In Vietnam, the Group has secured a large land bank at relatively low cost. With the objective of becoming one of the key players in the Vietnam property market and the continuous economic growth of Vietnam following its accession into the World Trade Organisation, the Group believes that the potential of our Group's property business in Vietnam is enormous.

In the PRC, the property market will remain healthy and demand for housing will be strong under the continuous economic growth in the country. The Group will aggressively push for the development and sales of the existing projects for delivery in the coming few years. With the relatively low land cost of these projects, there is ample room for remarkable growth in turnover and profits for the Group's property business in the PRC.

OTHER INFORMATION

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

As at 30th September, 2007, 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 had been notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors and chief executive of the Company would be taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”), to be notified to the Company and the Stock Exchange were as follows:

(a) *Interests in the Company*

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Alan Chuang Shaw Swee (“Mr. Chuang”)	750,714,728	<i>Note 1</i>	50.79
Mrs. Alice Siu Chuang Siu Suen (“Mrs. Siu”)	237,646,255	<i>Note 2</i>	16.08
Mr. Lui Lop Kay (“Mr. Lui”)	116,000	Beneficial owner	0.008
Dr. Peter Po Fun Chan (“Dr. Chan”)	756,297	Beneficial owner	0.051

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

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.

OTHER INFORMATION *(Continued)*

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

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Chuang	796,951,556	Notes 3 & 6	53.11
Mrs. Siu	2,000,000	Beneficial owner	0.13
Mr. Lui	12,500	Beneficial owner	0.001
Dr. Chan	4,120	Interest of controlled corporation	0.0003

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

Name of Director	Number of shares	Capacity	Percentage of shareholding
Mr. Chuang	348,800,000	Notes 4 & 6	61.81
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. Chuang	350,000	Notes 5 & 6	35.0

Note 3: Such interests comprised 2,600,000 shares in Chuang's China beneficially owned by Mr. Chuang and 794,351,556 shares in Chuang's China owned by Profit Stability Investments Limited, a wholly owned subsidiary of the Company.

Note 4: Such interests comprised 253,800,000 ordinary shares in Midas and 95,000,000 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 100,000 shares owned by a corporation beneficially owned by Mr. 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. Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of the Company.

OTHER INFORMATION *(Continued)*

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

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

Other than as disclosed herein, as at 30th September, 2007, 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.

SUBSTANTIAL SHAREHOLDERS

So far as is known to any Directors or chief executive of the Company and save as disclosed in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, as at 30th September, 2007, 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 Holdings Limited	581,539,025	Beneficial owner, <i>Note 1</i>	39.35
Mrs. Chong Ho Pik Yu	581,539,025	<i>Note 2</i>	39.35
Madam Chuang Shau Har ("Madam Chuang")	169,898,927	<i>Note 3</i>	11.50
Mr. Lee Sai Wai ("Mr. Lee")	169,898,927	<i>Note 4</i>	11.50
Third Avenue Management LLC	75,004,000	Investment manager	5.07

OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS *(Continued)*

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. 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 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 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 is beneficially owned by Mr. Lee.

Save as disclosed above, as at 30th September, 2007, there was no other person who was recorded in the register of the Company as having interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30th September, 2007 with the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

An audit committee has been established by the Company to review and supervise the Company’s financial reporting process and internal controls. The audit committee has held meetings in accordance with the relevant requirements and reviewed the interim report for the six months ended 30th September, 2007. The current members of the audit committee are Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Chan Wai Dune, the Independent Non-Executive Directors of the Company.

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

OTHER INFORMATION *(Continued)*

DEALINGS IN THE COMPANY'S SECURITIES

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

CLOSING OF REGISTER

The register of members of the Company will be closed from Monday, 7th January, 2008 to Wednesday, 9th January, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrars in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 4th January, 2008.

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.

The purposes of the Scheme and the Chuang's China Scheme are to recognise the contribution of the eligible persons as defined in the respective schemes including, inter alia, any employees, directors of the Company and Chuang's China and their respective subsidiaries to the growth of the Group and the Chuang's China Group and to further motivate the eligible persons to continue to contribute to the Group's and the Chuang's China Group's long-term prosperity. No options have been granted under the Scheme and the Chuang's China Scheme since their adoption or approval.

STAFF

As at 30th September, 2007, the Group employed 1,036 staff. The Group provides its staff with other benefits including discretionary bonus, contributory provident fund, share options and medical insurance. Staff training is also provided as and when required.

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

Hong Kong, 17th December, 2007

CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)

For the six months ended 30th September, 2007

	Note	2007 HK\$'000	2006 HK\$'000
Revenue	5	233,669	162,262
Cost of sales		(146,419)	(97,282)
Gross profit		87,250	64,980
Other income		148,523	28,081
Distribution costs		(11,373)	(8,379)
Administrative expenses		(88,546)	(66,198)
Other operating expenses		(16,474)	(14,129)
Change in fair value of investment properties		140,641	106,000
Operating profit	6	260,021	110,355
Finance costs	7	(38,455)	(33,689)
Share of results of associated companies	8	73,040	4,309
Profit before taxation		294,606	80,975
Taxation	9	(12,094)	(5,312)
Profit for the period		<u>282,512</u>	<u>75,663</u>
Attributable to:			
Equity holders		253,876	83,739
Minority interests		28,636	(8,076)
		<u>282,512</u>	<u>75,663</u>
Dividends	10	<u>22,279</u>	<u>18,475</u>
		HK cents	HK cents
Earnings per share	11	<u>17.18</u>	<u>5.67</u>

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2007

		30th September, 2007	31st March, 2007
	Note	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	12	72,537	82,494
Investment properties		2,680,549	2,552,428
Leasehold land and land use rights	12	1,220,223	1,076,888
Properties for/under development	12	424,026	362,882
Associated companies		255,027	213,867
Loan receivable		52,691	32,799
Available-for-sale financial assets		63,920	48,092
Derivative financial instruments		31,759	–
Deferred taxation assets		837	837
		<u>4,801,569</u>	<u>4,370,287</u>
Current assets			
Properties for sale		212,884	243,022
Inventories		113,541	84,625
Debtors and prepayments	13	314,310	224,539
Tax recoverable		327	296
Other investments		67,155	71,896
Cash and bank balances		1,385,010	967,989
		<u>2,093,227</u>	<u>1,592,367</u>
Current liabilities			
Creditors and accruals	14	246,959	250,572
Derivative financial instruments		9,400	25,000
Current portion of long-term borrowings	16	180,290	61,820
Dividend payable		14,780	–
Taxation payable		49,103	45,499
		<u>500,532</u>	<u>382,891</u>
Net current assets		<u>1,592,695</u>	<u>1,209,476</u>
Total assets less current liabilities		<u>6,394,264</u>	<u>5,579,763</u>
Equity			
Share capital	15	369,502	369,502
Reserves		3,138,514	2,857,879
Proposed final dividend		–	14,780
Shareholders' funds		<u>3,508,016</u>	<u>3,242,161</u>
Minority interests		861,766	615,952
Total equity		<u>4,369,782</u>	<u>3,858,113</u>
Non-current liabilities			
Long-term borrowings	16	1,614,455	1,291,983
Deferred taxation liabilities		363,818	355,805
Other non-current liabilities		46,209	73,862
		<u>2,024,482</u>	<u>1,721,650</u>
		<u>6,394,264</u>	<u>5,579,763</u>

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30th September, 2007

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Net cash (used in)/from operating activities	(125,721)	9,512
Net cash (used in)/from investing activities	(183,765)	25,871
Net cash from financing activities	725,359	43,339
Net increase in cash and cash equivalents	415,873	78,722
Cash and cash equivalents at the beginning of the period	964,766	765,494
Cash and cash equivalents at the end of the period	<u>1,380,639</u>	<u>844,216</u>
Analysis of cash and cash equivalents		
Cash and bank balances	1,385,010	850,527
Bank deposits maturing more than three months from date of placement	(4,371)	(6,311)
	<u>1,380,639</u>	<u>844,216</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30th September, 2007

	Share capital HK\$'000	Other reserves HK\$'000	Retained profit HK\$'000	Shareholders' funds HK\$'000	Minority interests HK\$'000	Total equity HK\$'000
At 31st March, 2007	369,502	1,005,532	1,867,127	3,242,161	615,952	3,858,113
Changes in exchange rates	-	8,087	-	8,087	6,283	14,370
Change in fair value of available-for-sale financial assets	-	6,036	-	6,036	5,365	11,401
Share of reserves of an associated company	-	12,636	-	12,636	-	12,636
Net income recognised directly in equity	-	26,759	-	26,759	11,648	38,407
Profit for the period	-	-	253,876	253,876	28,636	282,512
Total income recognised for the period	-	26,759	253,876	280,635	40,284	320,919
Capital contribution from minority interests	-	-	-	-	280,922	280,922
Purchase of additional interest in subsidiaries	-	-	-	-	(68,233)	(68,233)
Dividend paid to minority interests	-	-	-	-	(7,159)	(7,159)
2007 final dividend	-	-	(14,780)	(14,780)	-	(14,780)
At 30th September, 2007	<u>369,502</u>	<u>1,032,291</u>	<u>2,106,223</u>	<u>3,508,016</u>	<u>861,766</u>	<u>4,369,782</u>
At 31st March, 2006	369,502	967,044	1,685,516	3,022,062	623,443	3,645,505
Changes in exchange rates	-	2,475	-	2,475	891	3,366
Change in fair value of available-for-sale financial assets	-	4,529	-	4,529	2,900	7,429
Net income recognised directly in equity	-	7,004	-	7,004	3,791	10,795
Profit for the period	-	-	83,739	83,739	(8,076)	75,663
Total income/(expense) recognised for the period	-	7,004	83,739	90,743	(4,285)	86,458
Capital contribution from minority interests	-	-	-	-	40,148	40,148
Purchase of additional interest in a subsidiary	-	-	-	-	(13,163)	(13,163)
Dividend paid to minority interests	-	-	-	-	(5,578)	(5,578)
2006 final dividend	-	-	(14,780)	(14,780)	-	(14,780)
2007 special interim dividend	-	-	(7,390)	(7,390)	-	(7,390)
At 30th September, 2006	<u>369,502</u>	<u>974,048</u>	<u>1,747,085</u>	<u>3,090,635</u>	<u>640,565</u>	<u>3,731,200</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. General information

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

The principal activities of the Company and its subsidiaries (collectively the "Group") are property investment and development, manufacturing and sales of watch components, merchandise, bonded polyester fabrics and home finishing products, securities investment and trading, and the provision of information technology services.

2. Basis of preparation

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, derivative financial instruments and other investments at fair values, and in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31st March, 2007.

In 2007, the Group adopted the following new standards, amendments and interpretations that are effective for the accounting periods beginning on 1st January, 2007 and relevant to the operation of the Group:

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 (Amendment)	Presentation of Financial Statements – Capital 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 adoption of above standards, amendments and interpretations does not have any significant effect on the accounting policies of the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

2. Basis of preparation *(Continued)*

The following standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1st January, 2008 or later periods but which the Group has not early adopted:

HKFRS 8	Operating Segments
HKAS 23 (Revised)	Borrowing Costs
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Group will apply the above standards, amendments and interpretations for its financial period commencing on or after 1st April, 2008, but they are not expected to have a significant impact on the results or financial position of the Group.

3. Financial risk management

All aspects of the financial risk management objectives and policies of the Group are consistent with those disclosed in the annual financial statements for the year ended 31st March, 2007.

4. Critical accounting estimates and judgments

Estimates and judgments used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions applied in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31st March, 2007.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

5. Segment information

In accordance with the internal financial reporting and the operating activities of the Group, the primary segment reporting is business segments and the secondary segment reporting is geographical segments. Analysis of the revenue, results, assets, liabilities, capital expenditure, depreciation and amortisation by business and geographical segments is as follows:

(a) Business segments

	Property investment and development <i>HK\$'000</i>	Sale of goods and services <i>HK\$'000</i>	Securities trading <i>HK\$'000</i>	Others, corporate and elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
2007					
Revenue	147,503	50,952	35,285	(71)	233,669
Other income	50,374	1,313	27,573	69,263	148,523
Segment results	<u>196,127</u>	<u>(98)</u>	<u>62,854</u>	<u>1,138</u>	<u>260,021</u>
Finance costs					(38,455)
Share of results of associated companies	71,580	1,636	-	(176)	73,040
Profit before taxation					294,606
Taxation					(12,094)
Profit for the period					<u>282,512</u>
As at 30th September, 2007					
Segment assets	4,878,995	132,799	72,112	31	5,083,937
Associated companies	(823)	253,357	-	2,494	255,028
Unallocated assets					1,555,831
Total assets					<u>6,894,796</u>
Segment liabilities	2,068,452	11,254	11,499	706	2,091,911
Unallocated liabilities					433,103
Total liabilities					<u>2,525,014</u>
2007					
Capital expenditure	208,155	313	-	2,901	211,369
Depreciation	2,046	1,028	-	5,309	8,383
Amortisation of leasehold land and land use rights	<u>12,400</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>12,546</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

5. Segment information (Continued)

(a) Business segments (Continued)

	Property investment and development <i>HK\$'000</i>	Sale of goods and services <i>HK\$'000</i>	Securities trading <i>HK\$'000</i>	Others, corporate and elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
2006					
Revenue	96,949	50,239	15,122	(48)	162,262
Other income	<u>3,060</u>	<u>1,141</u>	<u>-</u>	<u>23,880</u>	<u>28,081</u>
Segment results	<u>115,655</u>	<u>681</u>	<u>10,953</u>	<u>(16,934)</u>	110,355
Finance costs					(33,689)
Share of results of associated companies	(25)	2,760	-	1,574	<u>4,309</u>
Profit before taxation					80,975
Taxation					<u>(5,312)</u>
Profit for the period					<u>75,663</u>
As at 31st March, 2007					
Segment assets	4,479,768	81,636	71,899	850	4,634,153
Associated companies	(803)	212,019	-	2,651	213,867
Unallocated assets					<u>1,114,634</u>
Total assets					<u>5,962,654</u>
Segment liabilities	1,571,469	9,462	113,182	605	1,694,718
Unallocated liabilities					<u>409,823</u>
Total liabilities					<u>2,104,541</u>
2006					
Capital expenditure	5,767	504	-	2,372	8,643
Depreciation	1,931	1,016	-	5,367	8,314
Amortisation of leasehold land and land use rights	<u>8,472</u>	<u>140</u>	<u>-</u>	<u>-</u>	<u>8,612</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

5. Segment information (Continued)

(b) Geographical segments

	Revenue		Total assets		Capital expenditure	
			30th September,	31st March,		
	2007	2006	2007	2007	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	150,974	99,337	4,919,751	4,245,498	11,928	4,469
Mainland China	41,528	28,785	1,495,919	1,361,462	179,992	2,791
Other countries	41,167	34,140	479,126	355,694	19,449	1,383
	<u>233,669</u>	<u>162,262</u>	<u>6,894,796</u>	<u>5,962,654</u>	<u>211,369</u>	<u>8,643</u>

6. Operating profit

	2007 HK\$'000	2006 HK\$'000
Operating profit is stated after crediting:		
Dividends from listed investments	3,332	1,204
Net realised gains on other investments	32,954	13,918
Net unrealised gains on other investments*	10,972	–
Interest from loan receivable*	2,214	853
Deferred profit realised on disposal of properties* (note)	4,566	–
Write back of provisions for tax liabilities undertakings* (note)	21,019	–
Net gain on derivative financial instruments*	31,374	–
Deemed profit on partial disposal of a subsidiary*	29,728	–
Excess of fair value of net assets acquired over cost of acquisition of minority interests in a subsidiary*	<u>21,329</u>	<u>–</u>
and after charging:		
Cost of properties and inventories sold	129,693	83,745
Amortisation of leasehold land and land use rights	12,546	8,612
Depreciation	8,383	8,314
Net unrealised loss on other investments	–	1,167
Net loss on derivative financial instruments	–	2,998
Net loss on partial disposal of a subsidiary	12,840	–
Staff costs, including Directors' emoluments:		
Wages and salaries	28,611	24,953
Retirement benefit costs	<u>1,235</u>	<u>1,114</u>

* Included in other income

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

6. Operating profit (Continued)

Note: In December 2001, Chuang's China Investments Limited ("Chuang's China"), a listed subsidiary of the Group, disposed of certain properties to its then associated company and accordingly, a portion of the profit from such disposal had been deferred. In addition, Chuang's China had provided undertakings to the associated company for the tax liabilities in relation to these properties. In 2007, these properties were disposed of by the associated company to third parties and therefore the related deferred profit has been recognised and the related provisions for the undertakings have been written back by Chuang's China.

7. Finance costs

	2007 HK\$'000	2006 HK\$'000
Interest expense		
Bank loans wholly repayable within five years	31,178	23,920
Bank loan wholly repayable after five years	8,618	10,178
	39,796	34,098
Amount capitalised into properties for/under development	(273)	(240)
Amount capitalised into properties for sale	(1,068)	(169)
	38,455	33,689

The capitalisation rates applied to funds borrowed generally and used for the development of properties range from 5.52% to 8.75% (2006: 6.93% to 8.75%) per annum.

8. Share of results of associated companies

Share of results of associated companies includes write back of provision of HK\$71,600,000 (2006: Nil).

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

9. Taxation

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Current		
Hong Kong	289	–
Overseas	3,829	5
Deferred	7,976	5,307
	<hr/> 12,094 <hr/>	<hr/> 5,312 <hr/>

Provision for Hong Kong profits tax has been made at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

Share of taxation of associated companies for the six months ended 30th September, 2007 amounting to HK\$2,180,000 (2006: HK\$1,057,000) is included in the profit and loss account as share of results of associated companies.

10. Dividends

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Special interim paid (2006: 0.5 HK cent per share)	–	7,390
Interim of 1.5 HK cents (2006: 0.75 HK cent) per share	22,279	11,085
	<hr/> 22,279 <hr/>	<hr/> 18,475 <hr/>

11. Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$253,876,000 (2006: HK\$83,739,000) and 1,478,006,155 (2006: 1,478,006,155) shares in issue during the period.

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

12. Capital expenditure

For the six months ended 30th September, 2007, the Group acquired property, plant and equipment amounting to HK\$6,893,000 (2006: HK\$5,549,000), leasehold land and land use rights of HK\$152,740,000 (2006: Nil), incurred development costs of properties for/under development amounting to HK\$51,736,000 (2006: HK\$3,094,000), and disposed of property, plant and equipment with a net book amount of HK\$11,000 (2006: HK\$136,000).

13. Debtors and prepayments

Rental and management fee 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:

	30th September, 2007	31st March, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	16,142	10,098
31 to 60 days	2,441	7,889
61 to 90 days	2,982	1,691
Over 90 days	4,421	2,102
	<hr/> 25,986 <hr/>	<hr/> 21,780 <hr/>

Debtors and prepayments include deposits of HK\$132,865,000 (31st March, 2007: HK\$125,710,000) for proposed property development projects and acquisition of leasehold land and land use rights.

14. Creditors and accruals

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

	30th September, 2007	31st March, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	7,184	3,573
31 to 60 days	4,153	729
Over 60 days	8,888	11,419
	<hr/> 20,225 <hr/>	<hr/> 15,721 <hr/>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

15. Share capital

	30th September, 2007	31st March, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Authorised</i>		
2,500,000,000 shares of HK\$0.25 each	<u>625,000</u>	<u>625,000</u>
<i>Issued and fully paid</i>		
1,478,006,155 shares of HK\$0.25 each	<u>369,502</u>	<u>369,502</u>

16. Long-term borrowings

	30th September, 2007	31st March, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Secured bank loans		
Wholly repayable within five years	1,439,879	1,045,776
Wholly repayable after five years	<u>354,866</u>	<u>308,027</u>
	1,794,745	1,353,803
Current portion included in current liabilities	<u>(180,290)</u>	<u>(61,820)</u>
	<u>1,614,455</u>	<u>1,291,983</u>

The bank loans are repayable in the following periods:

	30th September, 2007	31st March, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	180,290	61,820
Second year	170,595	102,502
Third to fifth year	1,223,957	958,898
After five years	<u>219,903</u>	<u>230,583</u>
	<u>1,794,745</u>	<u>1,353,803</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

17. Financial guarantees

As at 30th September, 2007, the Company provided a guarantee of HK\$54.0 million (31st March, 2007: HK\$54.0 million) for a banking facility granted to an associated company, and guarantees amounting to HK\$100.6 million (31st March, 2007: HK\$69.4 million) were given by subsidiaries to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

18. Capital commitments

As at 30th September, 2007, the Group had capital expenditure commitments contracted but not provided for amounting to HK\$343,900,000 (31st March, 2007: HK\$47,688,000).

19. Pledge of assets

As at 30th September, 2007, the Group had pledged the shares and assets of certain subsidiaries, including investment properties, leasehold land and land use rights, properties for/under development, properties for sale and bank deposits, with an aggregate net book value of HK\$3,347,407,000 (31st March, 2007: HK\$3,207,580,000), to secure banking and financial guarantee facilities granted to those subsidiaries. The Group had also pledged certain other investments and bank deposits amounting of HK\$33,280,000 (31st March, 2007: HK\$71,896,000) and HK\$83,408,000 (31st March, 2007: HK\$212,127,000), respectively, for the commitment of the purchase of listed securities.