



RISING DEVELOPMENT HOLDINGS LIMITED

麗盛集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1004)

Interim Report **2007**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Lai Leong (*Chairman &
Chief Executive Officer*)

Mr. Lee Yuk Lun (*Deputy Chairman*)

Mr. Kong Shan, David

Independent Non-Executive Directors

Mr. Fok Ho Yin, Thomas

Mr. Tsui Ching Hung

Mr. Tso Hon Sai, Bosco

AUDIT COMMITTEE

Mr. Fok Ho Yin, Thomas

Mr. Tsui Ching Hung

Mr. Tso Hon Sai, Bosco

REMUNERATION COMMITTEE

Mr. Fok Ho Yin, Thomas

Mr. Tsui Ching Hung

Mr. Tso Hon Sai, Bosco

COMPANY SECRETARY

Mr. Chiang Chi Kin, Stephen

QUALIFIED ACCOUNTANT

Mr. Lam Wing Chau

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

AUDITORS

Li, Tang, Chen & Co.

Certified Public Accountants (Practising)

10th Floor, Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

LEGAL ADVISERS TO THE COMPANY

Cheng, Tong & Rosa

Solicitors & Notaries

Room 1621–33, 16th Floor

Sun Hung Kai Centre

30 Harbour Road

Wanchai

Hong Kong

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

16th Floor, World Tech Centre

95 How Ming Street

Kwun Tong

Kowloon

Hong Kong

PRINCIPAL BANKERS

UBS AG

HSBC

Wing Hang Bank, Limited

ICBC

Bank of China (Hong Kong) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

STOCK CODE

1004

WEBSITE

www.hkrising.com

UNAUDITED INTERIM RESULTS

The Board of Directors (the “Directors”) of Rising Development Holdings Limited (the “Company”) is pleased to present the unaudited condensed interim consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2007 together with the comparative figures for the corresponding period in 2006. These condensed interim consolidated financial statements have not been audited but have been reviewed by the Company’s Audit Committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

		(Unaudited)	
		Six months ended	
		30 September	
		2007	2006
	Note	HK\$'000	HK\$'000
TURNOVER	2	159,260	144,466
Cost of sales		(124,358)	(126,600)
Gross profit		34,902	17,866
Other income and gains			
– Income from investments	3	30,474	15,926
– Others	3	4,024	1,961
Fair value gains on investment properties		850	–
Loss on disposal of available-for-sale financial assets		(7,811)	–
Selling and distribution expenses		(2,654)	(2,092)
Operating and administrative expenses		(10,907)	(7,126)
Non-operating expenses		–	(857)
Finance costs	4	(3,284)	(3,725)
Share of loss of an associate		(2)	(9)
PROFIT BEFORE TAX	5	45,592	21,944
Tax	6	(7,793)	(869)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		37,799	21,075
PROPOSED INTERIM DIVIDEND	7	–	7,914
EARNINGS PER SHARE	8		
Basic		HK6.22 cents	HK3.46 cents
Diluted		N/A	N/A

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2007 AND 31 MARCH 2007

		(Unaudited) 30 September 2007 HK\$'000	(Audited) 31 March 2007 HK\$'000
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment	9	372	6,812
Investment properties	10	66,487	30,380
Prepaid land lease payments		–	881
Interest in an associate		19	20
Available-for-sale financial assets	11	106,002	251,642
		<u>172,880</u>	<u>289,735</u>
CURRENT ASSETS			
Inventories		639	10,261
Prepaid land lease payments		–	23
Prepayments, deposits and other receivables	12	88,980	6,183
Derivative financial instruments		3,629	3,061
Trade receivables	13	1,221	629
Financial assets at fair value through profit or loss	14	48,403	107,538
Cash and cash equivalents		66,638	29,648
		<u>209,510</u>	<u>157,343</u>
CURRENT LIABILITIES			
Short-term bank loans – secured		–	110,982
Trade payables	15	15	134
Customers' deposits		321	2,878
Other payables and accruals		3,196	2,291
Tax payable		8,104	479
		<u>11,636</u>	<u>116,764</u>
NET CURRENT ASSETS		<u>197,874</u>	<u>40,579</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		370,754	330,314
NON-CURRENT LIABILITIES			
Deferred tax liabilities		6,959	2,963
NET ASSETS		<u>363,795</u>	<u>327,351</u>
CAPITAL AND RESERVES			
Share capital	16	60,726	60,829
Reserves		303,069	254,964
Proposed final dividend		–	11,558
TOTAL EQUITY		<u>363,795</u>	<u>327,351</u>

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	(Unaudited)	
	Six months ended	
	30 September	
	2007	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net cash used in operating activities	(92,081)	(12,762)
Net cash from/(used in) investing activities	251,592	(2,636)
Net cash (used in)/from financing activities	(122,521)	22,101
	<hr/>	<hr/>
Net increase in cash and cash equivalents	36,990	6,703
Cash and cash equivalents at 1 April	29,648	24,494
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	<u>66,638</u>	<u>31,197</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances	<u>66,638</u>	<u>31,197</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)									
	Six months ended 30 September 2007									
	Share capital	Share premium account	Contributed surplus	Asset revaluation reserve	Exchange fluctuation reserve	Investment revaluation reserve	Statutory reserve fund	Retained profits	Proposed final dividend	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2007	60,829	29,380	5,830	2,595	118	1,965	12	215,064	11,558	327,351
Repurchase of shares	(103)	(269)	-	-	-	-	-	-	-	(372)
Realized on disposal of available-for-sale financial assets	-	-	-	-	-	(1,551)	-	-	-	(1,551)
Surplus/(Deficit) on revaluation	-	-	-	21,863	-	(5,931)	-	-	-	15,932
Deferred tax charged	-	-	-	(3,826)	-	-	-	-	-	(3,826)
2007 final dividend paid	-	-	-	-	-	-	-	20	(11,558)	(11,538)
Profit for the period	-	-	-	-	-	-	-	37,799	-	37,799
At 30 September 2007	<u>60,726</u>	<u>29,111</u>	<u>5,830</u>	<u>20,632</u>	<u>118</u>	<u>(5,517)</u>	<u>12</u>	<u>252,883</u>	<u>-</u>	<u>363,795</u>

	(Unaudited)									
	Six months ended 30 September 2006									
	Share capital	Share premium account	Contributed surplus	Asset revaluation reserve	Exchange fluctuation reserve	Investment revaluation reserve	Statutory reserve fund	Retained profits	Proposed final dividend	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2006	60,879	29,493	5,830	2,595	118	(392)	12	170,856	10,958	280,349
Realized on disposal of available-for-sale financial assets	-	-	-	-	-	(2,042)	-	-	-	(2,042)
Surplus on revaluation	-	-	-	-	-	3,978	-	-	-	3,978
2006 final dividend paid	-	-	-	-	-	-	-	-	(10,958)	(10,958)
Profit for the period	-	-	-	-	-	-	-	21,075	-	21,075
At 30 September 2006	<u>60,879</u>	<u>29,493</u>	<u>5,830</u>	<u>2,595</u>	<u>118</u>	<u>1,544</u>	<u>12</u>	<u>191,931</u>	<u>-</u>	<u>292,402</u>

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed interim consolidated financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention, except for buildings, investment properties and certain financial assets, which have been measured at fair value or revalued amounts.

The accounting policies and method of computation used in the preparation of these condensed interim consolidated financial statements are consistent with those adopted in the annual financial statements for the year ended 31 March 2007.

During the period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards (“HKFRSs”), HKASs and interpretations issued by the HKICPA, which are effective for accounting periods commencing on or after 1 April 2007. The adoption of these new standards had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early adopted the following standards or interpretations that have been issued but are not yet effective. The Directors anticipate that the adoption of such standards and interpretations will not result in substantial changes to the Group’s accounting policies.

HKAS 23 (Revised)	Borrowing costs ¹
HKFRS 8	Operating Segments ¹
HK (IFRIC) – INT 12	Service Concession Arrangements ²
HK (IFRIC) – INT 13	Customer Loyalty Programmes ³
HK (IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

¹ Effective for annual periods beginning on or after 1 January 2009

² Effective for annual periods beginning on or after 1 January 2008

³ Effective for annual periods beginning on or after 1 July 2008

2. SEGMENT INFORMATION

The following tables present revenue, profit and expenditure information for the Group's business and geographical segments:

(a) Business segments:

2007	(Unaudited) 6 months ended 30 September 2007						Consolidated HK\$'000
	Trading in securities HK\$'000	Investments HK\$'000	Manufacture and sales of fur garments HK\$'000	Trading of fur skins HK\$'000	Others HK\$'000	Elimination HK\$'000	
Segment revenue:							
Sales to external customers	151,229	-	6,788	1,243	-	-	159,260
Intersegment sales	-	-	-	566	-	(566)	-
Income from investments	20,504	9,970	-	-	-	-	30,474
Other revenue	-	1,538	1,271	33	2,027	(1,800)	3,069
Total revenue	<u>171,733</u>	<u>11,508</u>	<u>8,059</u>	<u>1,842</u>	<u>2,027</u>	<u>(2,366)</u>	<u>192,803</u>
Segment results	52,471	(1,144)	(1,734)	(1,422)	459		48,630
Interest income							955
Unallocated expenses							<u>(707)</u>
Profit from operating activities							48,878
Finance costs							(3,284)
Share of loss of an associate							<u>(2)</u>
Profit before tax							45,592
Tax							<u>(7,793)</u>
Profit attributable to equity holders of the Company							<u>37,799</u>

(Unaudited)							
6 months ended 30 September 2006							
2006 (restated)	Trading in securities	Investments	Manufacture and sales of fur garments	Trading of fur skins	Others	Elimination	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue:							
Sales to external customers	18,132	–	31,271	95,063	–	–	144,466
Intersegment sales	–	–	–	21,102	–	(21,102)	–
Income from investments	4,908	11,018	–	–	–	–	15,926
Other revenue	–	–	267	1,446	810	(748)	1,775
Total revenue	<u>23,040</u>	<u>11,018</u>	<u>31,538</u>	<u>117,611</u>	<u>810</u>	<u>(21,850)</u>	<u>162,167</u>
Segment results	6,008	8,951	4,107	6,532	545		26,143
Interest income							186
Unallocated expenses							<u>(651)</u>
Profit from operating activities							25,678
Finance costs							(3,725)
Share of loss of an associate							<u>(9)</u>
Profit before tax							21,944
Tax							<u>(869)</u>
Profit attributable to equity holders of the Company							<u>21,075</u>

Note: A separate segment of “others”, which was included in “investment and others” in 2006 interim report, was included to better reflect the Group’s principal activities for the current period. Certain comparative figures have been reclassified to conform with the current period’s presentation.

(b) Geographical segments:

		(Unaudited)				
		6 months ended 30 September 2007				
2007	Hong Kong and Mainland China <i>HK\$'000</i>	Japan <i>HK\$'000</i>	North America <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>	
Segment revenue:						
Sales to external customers	<u>153,227</u>	<u>973</u>	<u>857</u>	<u>4,203</u>	<u>159,260</u>	
Segment results	<u>50,172</u>	<u>(249)</u>	<u>(219)</u>	<u>(1,074)</u>	<u>48,630</u>	
		(Unaudited)				
		6 months ended 30 September 2006				
2006	Hong Kong and Mainland China <i>HK\$'000</i>	Japan <i>HK\$'000</i>	North America <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>	
Segment revenue:						
Sales to external customers	<u>114,204</u>	<u>10,635</u>	<u>10,727</u>	<u>8,900</u>	<u>144,466</u>	
Segment results	<u>24,145</u>	<u>702</u>	<u>708</u>	<u>588</u>	<u>26,143</u>	

3. OTHER INCOME AND GAINS

	6 months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Income from investments:		
Interest income from investments in available-for-sale financial assets	8,260	8,196
Dividend income from available-for-sale financial assets	269	27
Dividend income from financial assets at fair value through profit or loss	1,736	2,456
Net realised gain on investments in available-for-sale financial assets	–	2,277
Unrealised gain on investments in financial assets at fair value through profit or loss	18,768	2,452
Net realised and unrealized gain on derivative financial instruments	1,441	518
	<u>30,474</u>	<u>15,926</u>
Others:		
Gross rental income	226	210
Bank interest income	955	186
Other interest income	–	111
Exchange gain	1,295	327
Others	1,548	1,127
	<u>4,024</u>	<u>1,961</u>
	<u>34,498</u>	<u>17,887</u>

4. FINANCE COSTS

	6 months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Interest on bank loans and overdrafts	3,284	3,014
Interest on trust receipt loans	–	711
	<u>3,284</u>	<u>3,725</u>

5. PROFIT BEFORE TAX

This is stated after charging the following:

	6 months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Charging		
Cost of inventories sold	10,645	109,568
Cost of securities sold	113,713	17,032
	<hr/>	<hr/>
Total cost of sales	124,358	126,600
Depreciation	97	363
Operating lease rentals on lands and buildings	95	292
Staff costs (including directors' remuneration)	5,992	6,071
	<hr/>	<hr/>

6. TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the period.

The amount of tax charged to the condensed consolidated income statement represents:

	6 months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Hong Kong profits tax	7,793	869
	<hr/>	<hr/>

There was no material unprovided deferred tax for the period.

7. PROPOSED INTERIM DIVIDEND

	6 months ended 30 September	
	2007 HK\$'000	2006 HK\$'000
Interim dividend proposed HKNil cents (2006: HK1.3 cents) per ordinary share	–	7,914
	<hr/>	<hr/>

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2007 (2006: HK1.3 cents).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of the Company of HK\$37,799,000 (2006: HK\$21,075,000). The basic earnings per share is based on the weighted average of 607,268,000 (2006: 608,796,000) ordinary shares in issue during the period.

No diluted earnings per share was presented for the six months ended 30 September 2007 as there were no potential dilutive ordinary shares in existence during the period.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2007, the Group acquired furniture, fixtures and leasehold improvement with cost of HK\$136,000 (six months ended 30 September 2006: HK\$62,000). Motor vehicles with net book value of HK\$34,000 were disposed of during the six months ended 30 September 2007 (six months ended 30 September 2006: HK\$56,000), resulting in a loss on disposal of approximately HK\$14,000 (six months ended 30 September 2006: HK\$4,000).

10. INVESTMENT PROPERTIES

On 22 July 2007, the Group ended owner-occupation of leasehold land and buildings and resolved that such properties are to be held for capital appreciation. Accordingly, such portions were transferred from property, plant and equipment and prepaid land lease payments to investment properties at fair value of HK\$29,200,000 on 22 July 2007. The fair value was determined by DTZ Debenham Tie Leung Limited, an independent firm of professional valuers on an open market, existing use basis.

During the six months ended 30 September 2007, the Group acquired an investment property at a consideration of HK\$9,800,000 (six months ended 30 September 2006: HK\$Nil). The Group also disposed of certain of its investment properties with net carrying amount of HK\$4,150,000 to independent third parties (six months ended 30 September 2006: HK\$Nil), resulting in no gain or loss on disposals (six months ended 30 September 2006: HK\$Nil).

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	(Unaudited) 30 September 2007 HK\$'000	(Audited) 31 March 2007 HK\$'000
At fair value:		
Securities listed outside Hong Kong	–	28,517
Debt securities quoted outside Hong Kong	98,202	215,325
	<u>98,202</u>	<u>243,842</u>
At Cost:		
Equity securities unlisted outside Hong Kong	<u>7,800</u>	<u>7,800</u>
	<u>106,002</u>	<u>251,642</u>

At the balance sheet date, the above unlisted equity investments are not stated at fair value but at cost less any impairment loss because they do not have a quoted market price in an active market and the fair value cannot be reliably measured.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

These amounts mainly included the receivables from sales of available-for-sale financial assets amounting to approximately HK\$82,708,000 (2006: HK\$Nil), which were fully received on 2 October 2007.

13. TRADE RECEIVABLES

The Group's trading terms with its customers are mainly on credit. The Group allows an average credit period of 30 to 60 days for its trade debtors. Trade receivables are non-interest-bearing.

An aging analysis of trade receivables at the balance sheet date was as follows:

	(Unaudited) 30 September 2007		(Audited) 31 March 2007	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Current to 30 days	19	2	335	53
31 days to 60 days	–	–	179	29
Over 60 days	1,202	98	115	18
	<u>1,221</u>	<u>100</u>	<u>629</u>	<u>100</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) 30 September 2007	(Audited) 31 March 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
At fair value:		
Securities listed in Hong Kong	<u>48,403</u>	<u>107,538</u>

15. TRADE PAYABLES

An aging analysis of trade payables at the balance sheet date was as follow:

	(Unaudited) 30 September 2007		(Audited) 31 March 2007	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Current to 30 days	13	87	38	28
31 days to 60 days	–	0	36	27
Over 60 days	2	13	60	45
	<u>15</u>	<u>100</u>	<u>134</u>	<u>100</u>

16. SHARE CAPITAL

	<i>Note</i>	Number of shares	Amount HK\$'000
Authorised			
Ordinary shares of HK\$0.1 each			
At 1 April 2007 and 30 September 2007	(b)	<u>3,000,000,000</u>	<u>300,000</u>
Issued and fully paid			
At 1 April 2007		608,296,000	60,829
Repurchase of shares	(a)	<u>(1,028,000)</u>	<u>(103)</u>
At 30 September 2007	(b)	<u>607,268,000</u>	<u>60,726</u>

Except above, during the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

Notes:

- (a) During the period, the Company purchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate price paid HK\$'000
April 2007	1,028,000	0.375	0.36	372

The repurchased shares were cancelled and accordingly, the issued share capital of the company was reduced by the nominal value of these shares. The premium paid on the repurchase of the shares of HK\$269,000 was charged against the share premium account.

- (b) Subsequent to the balance sheet date, by ordinary resolution passed at a special general meeting held on 19 December 2007 for the share subdivision in connection with each existing issued and unissued share subdivided into five subdivided shares, the authorised share capital of the Company remained at HK\$300,000,000 but comprised 15,000,000,000 subdivided shares of HK\$0.02 each. On the basis that 727,268,000 shares of HK\$0.1 each (including 120,000,000 shares of HK\$0.1 each mentioned in Note 18(b) below) were in issue, 3,636,340,000 subdivided shares of HK\$0.02 each would be in issue as at the date of this interim report.

17. BANKING FACILITIES/CONTINGENT LIABILITIES

At 30 September 2007 and 31 March 2007, the Group did not have any significant contingent liabilities. At 30 September 2007, short-term bank loans amounting to HK\$Nil (At 31 March 2007: short-term bank loans of HK\$110,982,000) have been utilized by the Group.

18. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the following events took place:

- (a) The Group disposed of certain properties with total carrying amount of HK\$15,250,000 to independent third parties at total considerations of HK\$16,800,000.
- (b) The Company on 18 December 2007, raised about HK\$171 million by means of a placing and subscription of 120,000,000 ordinary shares of HK\$0.1 each which was subsequently used as refundable deposit for the acquisition of a controlling stake in a mining company in the PRC pursuant to a sale and purchase agreement signed on 21 December 2007 which such acquisition would constitute a very substantial acquisition for the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

During the first six months, the Group's turnover was HK\$159,260,000 (2006: HK\$144,466,000), an increase of approximately 10% compared to the corresponding period last year. The increase in turnover was mainly due to the increase in turnover of the securities trading. Profit attributable to shareholders was HK\$37,799,000 (2006: HK\$21,075,000), an increase of approximately 79% compared to the corresponding period last year while basic earnings per share was HK6.22 cents (2006: HK3.46 cents).

Operation Review

The major sources of revenue of the Group for the first half year were investment business and fur business.

Investment business

Trading in Securities

The increase in the turnover for the first half year was mainly due to the growth in the trading in securities of the Group. During the period, the turnover of trading in securities was HK\$151,229,000, representing an increase of 734% from HK\$18,132,000 of the corresponding period last year. In addition, profit from the business of trading in securities during the period was HK\$52,471,000, representing a 773% increase compared with the corresponding period last year of HK\$6,008,000.

Investments

The Group's investment for the first half year mainly represented bond investment. Investment resulted in a loss of HK\$1,144,000, compared with a profit of HK\$8,951,000 (restated) in the corresponding period last year.

Fur Business

Fur Skin Trading

The turnover of fur skins for the first half year was HK\$1,243,000, representing a 99% decrease from HK\$95,063,000 of the corresponding period last year. A loss of HK\$1,422,000 was recorded, compared with a profit of HK\$6,532,000 in the corresponding period last year. Owing to the warm winter last year, the fur industry faced a difficult situation in 2007. The Group anticipated that a sharp market adjustment would happen and therefore adopted a fairly conservative strategy to reduce the skin trading business. This precautionary measure could prevent us from suffering further loss during the averted market condition.

Manufacture and Sales of Fur Garments

The turnover for manufacture and sales of fur garments for the first half year was HK\$6,788,000, a decrease of 78% compared to HK\$31,271,000 in the corresponding period last year. A loss of HK\$1,734,000 was recorded, compared with a profit of HK\$4,107,000 in the corresponding period last year. The decrease in turnover and the reversal of profitability were mainly due to the weak demand for fur garments in most international markets, after a warm winter last year.

Prospects

Investment Business

The Group remains its optimistic view on the economic growth of both Hong Kong and PRC. The management believes the Group's investment business is heading to the right direction. Yet the Group will carefully review its portfolio in order to maximize the returns for shareholders. Subject to the market situation, the Group will constantly review and adjust the investment level between securities and fixed income investment. The Group will continue to adopt a prudent yet aggressive investment strategy as usual.

Fur Skin Business

As foreseen by the Group, the price of fur skins has been experiencing a big adjustment over the year. The Group will continue to take a conservative strategy in dealing with the skin trading business. We trust that this measure would be the most appropriate way to protect the best interest of our shareholders. When the international price of fur skins has been corrected to a reasonable level, we shall pick up the business in a professional manner.

Manufacture and Sales of Fur Garments

The demand for fur garments at ODM basis from most mature markets remains sluggish. The Group will try its best endeavour to expand the fur garment business at the retail level with its own brand. The Group has closed down its own production earlier this year and this measure could allow us to expand our production capacity of fur garments through outsourcing. This could also allow the Group to take advantage of the individual technical speciality from each of the Group's manufacturing partner. As the economic growth of PRC continues, the demand for fur garments in China market becomes increasingly important. The Group will consider to penetrating into the China and other retail markets.

Business Diversification

Apart from investment and fur business, the Group will be looking for other possible opportunities to diversify its businesses. The Group believes that pursuing a diversified business strategy would be a good way to generate more opportunities and long-term revenue under the current economic environment.

In particular, in view of the escalating demand, and hence prices, for natural resources in the PRC, the Directors are optimistic about the future prospect of the demand for natural resources industry taking into account the sustainable economic growth of the PRC.

In this connection, the Company entered into a conditional sale and purchase agreement on 21 December 2007 to acquire 80% of the registered capital of a PRC company which has mining rights over a vanadium mine situated in Xunyangba County, Ningshan Town, Shaaxi Province, the PRC. The proposed acquisition would constitute a very substantial acquisition of the Company under the Listing Rules, and will be subject to shareholders' approval. Further details of the proposed acquisition will be announced by the Company by way of announcement and circular.

Liquidity and Financial Resources

The Group generally derives cash for operation from internal cash flow and facilities from Hong Kong banks. As at 30 September 2007, the Group has cash and cash equivalents of approximately HK\$66,638,000 (31 March 2007: HK\$29,648,000). As at 30 September 2007, the Group's bank borrowings amounting to HK\$Nil (31 March 2007: bank borrowings of HK\$110,982,000). As at 30 September 2007, the shareholders' funds amounted to HK\$363,795,000 (31 March 2007: HK\$327,351,000). Accordingly, the gearing ratio is 0% (31 March 2007: 34%).

Foreign Exchange Exposure

The Group's trading businesses are mainly conducted in United States dollars and Renminbi, with minimal exposure to fluctuations in foreign exchanges.

Employees

As at 30 September 2007, the Group employed 16 employees in Hong Kong and Macau. The Group's remuneration policies are based primarily on the prevailing market wages and the performance of individual employee. Fringe benefits, including Mandatory Provident Fund, medical benefits and training are provided. The Group has also established a discretionary bonus scheme for its employees with awards determined annually based upon the performance of the Group and individual employees.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 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 or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

Long positions in ordinary shares of HK\$0.1 each of the Company

Name of director	Notes	Capacity	Number of ordinary shares held		Percentage of the issued share capital
			Personal interests	Corporate interests	
Mr. Lai Leong	1	Beneficial owner	Nil	435,021,000	71.64%

Notes:

- 435,021,000 shares are owned by Oriental Day International Limited, a company incorporated in the British Virgin Islands. Its entire issued share capital is owned by Mr. Lai Leong.

Save as disclosed above, none of the directors and chief executive of the Company or their associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above and "Share option scheme" below, at no time during the period or up to the date of this report were there any rights to acquire benefits by means of the acquisition of shares in or debentures in the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Share Option Scheme (the "Scheme") adopted on 9 October 1997 was terminated at the annual general meeting of the Company held on 30 July 2004. A new share option scheme which complied with the amended Chapter 17 of the Listing Rules was adopted at the same annual general meeting held on 30 July 2004. No share option has been granted by the Company under the new share option scheme.

DIRECTORS' INTERESTS IN CONTRACTS

No director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the period.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2007, according to the register of interest in shares and short positions required to be kept by the Company under section 336 of the SFO, the Company has been notified that the following shareholder were interest in 5% or more of the share capital of the Company:

Name	<i>Note</i>	Number of shares held	Percentage of holding
Oriental Day International Limited	1	435,021,000	71.64%

Notes:

1. The entire issued share capital of Oriental Day International Limited is held and beneficially owned by Mr. Lai Leong, an Executive Director and Chairman of the Company.

Save as disclosed above, no person, other than the directors and chief executive of the Company, whose interests are set out in the section "Directors' and chief executive's interest and short positions in shares, underlying shares and debentures" above, had any interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the period, the Company repurchased certain of its shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and these shares were subsequently cancelled by the Company. The share repurchase has enhanced the net asset value per share and earnings per share, which the directors believe is in the best interests of the Company and the shareholders. Further details of these transactions are set out in note 16(a).

Except as disclosed above, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of all the applicable code provisions of the Code on Corporate Governance Practices (the "Code on CGP") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as its own code on corporate governance practices. During the period, the Company complied with all the Code on CGP, except the following deviation:

Code Provision A.2.1 of the Code on CGP stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Lai Leong was appointed as an Executive Director and elected Chairman on 31 August 2007, upon his appointment as the Chairman, he also takes up the role of the Chief Executive Officer of the Company. The Board believes that vesting the roles of both chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for more effective and efficient business planning and decisions as well as the execution of long-term business strategies. The Board considers that such an arrangement will not impair the balance of power and authority between the Board and the management of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following a specific enquiry by the Company, that they have fully complied with the required standard as set out in the Model Code throughout the period under review.

REMUNERATION COMMITTEE

The Remuneration Committee has been established by the Company in accordance with the requirements of the Code on CGP.

The primary duties of the Remuneration Committee are to make recommendations to the Board on the Group's policy and structure for the overall remuneration of directors and management, including the policy of granting of share options to employees under the Company's share option scheme. No director or any of his/her associates may be involved in any decisions as to his/her own remuneration.

The Remuneration Committee currently comprises three independent non-executive directors.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed interim consolidated financial statements for the six months ended 30 September 2007.

The primary duties of the Audit Committee include review of the effectiveness of financial reporting processes and internal control systems of the Group, review of the Group's financial information and compliance, making recommendation to the Board on the appointment and removal of external auditors and assessing their independence and performance.

The audit committee comprises three independent non-executive directors of the Company.

DISCLOSURE OF INFORMATION ON THE COMPANY AND THE STOCK EXCHANGE'S WEBSITE

This interim report will be published on the websites of the Company (<http://www.hkrising.com>) and the Stock Exchange (<http://www.hkex.com.hk>).

BOARD OF DIRECTORS

As at the date of this report, the Board of the Company comprises three executive Directors, namely Mr. Lai Leong, Mr. Lee Yuk Lun and Mr. Kong Shan, David; three independent non-executive Directors, namely, Mr. Fok Ho Yin, Thomas, Tsui Ching Hung and Tso Hon Sai, Bosco.

ON BEHALF OF THE BOARD
Lai Leong
Chairman and Chief Executive Officer

Hong Kong, 28 December 2007