



CHUANG'S
CHINA
INVESTMENTS LIMITED
INTERIM REPORT 2009

(Incorporated in Bermuda with limited liability) Stock Code: 298

CONTENTS

Corporate Information	2
Management Discussion on Results	5
Other Information	11
Consolidated Income Statement	15
Consolidated Balance Sheet	16
Consolidated Cash Flow Statement	17
Consolidated Statement of Changes in Equity	18
Notes to the Interim Financial Information	19

CORPORATE INFORMATION

Honorary Chairman	Alan Chuang Shaw Swee
Directors	Abraham Shek Lai Him, S.B.S., J.P.* (<i>Chairman</i>) Lee Sai Wai (<i>Deputy Chairman</i>) Ann Li Mee Sum (<i>Managing Director</i>) Sunny Pang Chun Kit Candy Chuang Ka Wai Albert Chuang Ka Pun Hwang Jen* David Chu Yu Lin, S.B.S., J.P.* Peter Po Fun Chan, B.B.S., M.B.E., J.P.* <i>* Independent non-executive directors</i>
Audit Committee/ Nomination Committee/ Remuneration Committee	Hwang Jen David Chu Yu Lin, S.B.S., J.P. Peter Po Fun Chan, B.B.S., M.B.E., J.P.
Qualified Accountant	Lai Wan Han
Company Secretary	Lee Wai Ching
Auditors	PricewaterhouseCoopers 22nd Floor, Prince's Building 10 Chater Road Central, Hong Kong
Registrars	Bermuda: Butterfield Fulcrum Group (Bermuda) Limited Rosebank Centre, 11 Bermudiana Road Pembroke HM 08, Bermuda Hong Kong: Tricor Progressive Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong
Principal Bankers	Bank of China (Hong Kong) Limited China Construction Bank Corporation Hang Seng Bank Limited The Hongkong and Shanghai Banking Corporation Limited

CORPORATE INFORMATION *(Continued)*

Registered Office

Clarendon House, Church Street
Hamilton HM 11, Bermuda

Principal Office in Hong Kong

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

Other Offices in Hong Kong and in the People's Republic of China (the "PRC")

Tsuen Wan Office

Yuen Sang Hardware Company (1988) Limited
1st Floor, 100 Texaco Road
Tsuen Wan, New Territories, Hong Kong

Guangzhou Office

Guangzhou Panyu Chuang's Real Estate Development
Company Limited
Liangang Road, Guangzhou
Guangdong, the PRC

Dongguan Office

Dongguan Chuang's Real Estate Development
Company Limited
1st Floor, Chuang's New City Administrative Centre
No. 8 Chuang's Road, Dongguan
Guangdong, the PRC

Changsha Office

Hunan Han Ye Real Estate Development
Company Limited
1st Floor, Beverly Hills Administrative Centre
No. 145 Zhongyier Road
Muyun, Changsha
Hunan, the PRC

Changsha Office

Changsha Chuang's Property Development Limited
1st Floor, Unit 109 – 110, Block A
Xingsha Commercial Zone, Changsha
Hunan, the PRC

CORPORATE INFORMATION *(Continued)*

Huizhou Office

Chuang's Development (Huiyang)
Real Estate Company Limited
Ground Floor, Block 15, Chuang's Garden
Chuang's New Town
Kai Cheng Road, Huizhou
Guangdong, the PRC

Chengdu Office

Chengdu Chuang's Investment Services Limited
Unit B3 & B5, 20th Floor
Times Digital Building
No. 1 of Section 4 Renmin South Road
Chengdu, Sichuan, the PRC

Stock Code

298

MANAGEMENT DISCUSSION ON RESULTS

The Board of Directors (the “Board”) of Chuang’s China Investments 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, 2008. The consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the six months ended 30th September, 2008 and the consolidated balance sheet as at 30th September, 2008 along with the notes thereon, are set out on pages 15 to 28 of this report.

FINANCIAL REVIEW

The Group’s revenues for the six months ended 30th September, 2008 was HK\$62.4 million (2007: HK\$75.5 million), representing a 17.4% decrease over that of last year. During the period, transaction volumes and prices of properties in the People’s Republic of China (the “PRC”) have continued to decrease. Market sentiment was weak and thus, the Group’s sale of properties in the PRC has slowed down.

During the six months under review, gross profit increased to HK\$27.4 million (2007: HK\$25.6 million). Other income decreased to HK\$1.2 million due to absence of non-recurring accounting profits recorded in the last corresponding period. Reflecting the improvement in the office prices in Hong Kong during the period, the Group recorded an upward revaluation surplus of HK\$50 million (2007: HK\$50 million). On the costs side, selling and marketing expenses increased to HK\$6.5 million (2007: HK\$5.8 million) to cope with the Group’s property development business in the PRC. Administrative expenses decreased to HK\$37.2 million (2007: HK\$42.9 million), and other operating expenses increased to HK\$6.5 million (2007: HK\$1.2 million). Taking these factors into account, the Group reported an operating profit of HK\$28.3 million for the six months ended 30th September, 2008 (2007: HK\$71.9 million).

Finance costs increased to HK\$11.4 million as a result of increased bank borrowings to finance the Group’s development projects. For the six months ended 30th September, 2008, profit attributable to equity holders of the Company was HK\$6.1 million (2007: HK\$61.2 million). Earnings per share were 0.41 HK cent (2007: 4.54 HK cents).

INTERIM DIVIDEND

The Board does not declare an interim dividend for the six months ended 30th September, 2008 (2007: 0.5 HK cent per share).

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW

Property Development

During the financial year 2008 when the property market in the PRC was booming, the Group had planned for the full scale development of all our projects in Guangzhou, Dongguan, Changsha, Chengdu and Xiamen. However, with the implementation of a series of macro economic control policies during the period under review and the continuing correction of the property market in the PRC, the Group has cautiously reviewed and slowed down the development schedule of our projects with a view to preserve the Group's cashflow. A brief summary of the major projects is as follows:

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

The development has a total gross floor area ("GFA") of 450,000 sq. m. and the average land cost is about RMB820 per sq. m.. The first phase of the project comprising a GFA of 60,000 sq. m. residential and 10,000 sq. m. commercial and clubhouse facilities is under development. It will provide a total of 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.. Foundation works for the first phase have been completed. Superstructures of the initial 3 residential blocks have topped-off in December 2008. In view of the high price of steel and other construction materials committed by the Group during the year, construction costs of the initial 3 blocks were around RMB3,100 per sq. m.. As the current prices of steel and other construction materials are lower, the Group is actively taking steps to reduce the construction costs for the remaining 8 blocks to around RMB2,800 per sq. m.. Marketing of the initial 3 blocks will commence in early 2009.

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

Chuang's New City has a total GFA of 530,000 sq. m. and the average land cost is about RMB650 per sq. m.. Construction of 8 residential blocks of Imperial Garden with aggregate GFA of about 89,000 sq. m. is in progress. It provides 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.. Superstructures of these 8 blocks have topped-off in August 2008. External finishing works are now in progress. It is expected that construction works will be completed during 2009. The construction costs for these 8 blocks of about RMB3,500 per sq. m. are high because the prices of steel and construction materials were at a high level in the first half of 2008. Pre-sales of Imperial Garden have commenced in October 2008 but the progress is slow under the current market sentiment.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

Property Development *(Continued)*

Beverly Hills, Changsha, Hunan (54% owned)

Construction works of phase I of the project for about 70,000 sq. m. GFA are in progress. Land cost is about RMB200 per sq. m. and construction costs are about RMB2,000 per sq. m.. Phase I of the project is a low density development comprising 172 bungalows, link houses and semi-detached houses and 144 units of high-rise apartments. Development of link houses and semi-detached houses have been completed in the last financial year and it is expected that handover of high-rise apartments will commence by the end of December 2008. Up to the date of this report, about 54% of the development has been sold. The Group is planning for the phase II of the project and is negotiating with the local government for a favourable land cost under the current market condition.

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

The Group acquired the site with a total developable GFA of 640,000 sq. m. in December 2006 at the average land cost of RMB230 per sq. m.. According to the terms of the land auction, the Group had fully paid the land cost in early 2007. However, delivery of the site to the Group by the local government was delayed by one year until April 2008. As a result of such delay, the Group had missed the opportunity of launching the project during the booming property market in 2007. At present, the master layout plan of the development has been approved. The development will comprise low density link houses, semi-detached houses and bungalows with about 166,000 sq. m. GFA as well as apartments with 464,000 sq. m. GFA and commercial facilities of 10,000 sq. m. GFA. Site formation works have commenced on phase I of the project comprising 55,000 sq. m. GFA.

Xiamen Mingjia Binhai, Xiamen, Fujian (51% owned)

The site, having an area of about 27,574 sq. m., is located in 思明區 (Siming Qu) of Xiamen. Land cost of this project is about RMB5,200 per sq. m.. It will be developed into high-end villas and resort with GFA of about 16,500 sq. m., providing 40 villas and a boutique hotel with about 100 keys. The development will be surrounded by tropical landscaping and glamorous water features. Master planning work for the villas and resort is progressing.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

Property Development *(Continued)*

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

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). Land cost of this project is about RMB1,800 per sq. m.. The development will comprise residential and commercial GFA of about 120,000 sq. m. and carparking spaces of about 30,000 sq. m.. Land conversion fee has recently been determined at about RMB20 million, of which RMB10 million has been paid. Master planning is in progress. The project will be developed by stages, with the first phase of about 72,000 sq. m. providing residential, commercial GFA as well as carparking spaces.

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

In January 2008, the Group entered into an agreement with 大亞灣經濟技術開發集團公司 (Daya Bay Economic & Technological Development Group), a state-owned enterprise, to dispose of the Group's interest in a site of 55,355 sq. m. at Huizhou for about RMB195 million with original completion date before the end of April 2008. Deposit of about RMB14 million has been received. As affected by the macro economic measures in the PRC, 大亞灣經濟技術開發區國有資產管理中心 (Daya Bay State-owned Assets Supervision and Administration Commission) had proposed to defer completion of the transaction. The Group is currently considering the proposal and seeking legal advice on the deferral. Furthermore, the Group's remaining site with an area of 11,236 sq. m. will be resumed by the government to facilitate the construction of 廈深鐵路 (Shenzhen Xiamen Railway). It is expected that negotiation on the compensation for the resumption of land will commence in early 2009.

Property Sales

For the six months ended 30th September, 2008, property sales of the Group was HK\$28.4 million, mainly related to sales of Gold Coast in Dongguan and Beverly Hills in Changsha.

In the financial year ending 2009, the Group will market about 182,000 sq. m. GFA relating to Guangzhou, Dongguan and Changsha, and 257 carparking spaces in Dongguan. Up to the date of this report, the Group has contracted sales of about HK\$79.0 million relating to Gold Coast, Imperial Garden and Beverly Hills which has not yet been recorded as revenues.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

BUSINESS REVIEW *(Continued)*

Other Investments

During the period, the Group's rental property in Hong Kong, Chuang's Tower in Central, maintained high occupancy rate. Rental and other income during the period was HK\$10.3 million, representing an increase of 13% as compared to the last corresponding period.

The Group's other assets include Yuen Sang Hardware Company (1988) Limited which engaged in the manufacture and sale of metalware for exports, approximately 12.5% interests in a quoted investment in CNT Group Limited and 25% interests in Treasure Auctioneer International Limited.

The aggregate book values of these other investments amounted to over HK\$737.0 million as at 30th September, 2008. During the period, the Group has contemplated the sale of these other investments at the right prices and will continue to identify suitable opportunities for such disposal so as to generate additional capital for our property development business in the PRC.

FINANCIAL POSITION

As at 30th September, 2008, the Group's cash and bank balances amounted to HK\$348.7 million (31st March, 2008: HK\$453.9 million). Bank borrowings of the Group as at the same date amounted to HK\$560.9 million (31st March, 2008: HK\$455.9 million).

The net debt to equity ratio of the Group (expressed as a percentage of bank borrowings net of cash and bank balances over total net assets value attributable to the equity holders of the Company) was 11.3% (31st March, 2008: 0.1%).

Approximately 82% of the Group's cash and bank balances were in Hong Kong dollar, United States dollar with the remaining 18% in Renminbi. Risk in exchange rate fluctuation would not be material.

About HK\$369.0 million (being 65.8%) of the Group's bank borrowings were in Hong Kong dollars and HK\$191.9 million (equivalent to RMB169.2 million) (being 34.2%) were in Renminbi. Approximately 37.1% of the Group's bank borrowings were repayable within one year, 3.9% repayable within 1 to 2 years and 59.0% repayable within 2 to 5 years. As majority of the Group's assets are located in the PRC, in the future, the Group will pursue the strategy of increasing its borrowings in Renminbi in order to cope with the project developments in the PRC whilst the borrowings in Hong Kong dollars will be reduced.

MANAGEMENT DISCUSSION ON RESULTS *(Continued)*

FINANCIAL POSITION *(Continued)*

As at 30th September, 2008, the net assets value attributable to equity holders of the Company was HK\$1,880.7 million. Net asset value per share amounted to HK\$1.25, which is calculated based on the historical cost of the Group's land bank, before taking into account the appreciated value.

PROSPECTS

The recent turmoil in the global financial market has caused further upheaval in the business sectors and will inevitably have an adverse impact on economic growth. In the PRC, property prices and transaction volumes have experienced sharp decline in the past months. However, we believe that the fundamental factors underpinning the healthy growth of the property sector in the PRC to remain intact. Market demand will remain strong in the long-term as driven by the on-going urbanisation and the strive for improving living environment continues.

With the various measures introduced by the PRC government recently, in particular the relaxation of monetary policy and stimulation of domestic consumptions, confidence of the PRC property buyers will gradually be restored. To weather the fluctuations under this tough environment, the Group will exercise stringent control over its financial position and tighten cost control on development projects in order to maintain its price competitiveness. The Group continues to maintain positive outlook on the long-term development of the property market in the PRC.

OTHER INFORMATION

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

As at 30th September, 2008, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which have been notified to the Company and The Stock Exchange 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:

Name of Director	Interests in the Company		
	Number of shares	Capacity	Percentage of shareholding
Dr. Hwang Jen	1,197,139	Beneficial owner	0.08
Mr. Lee Sai Wai	808,000	Beneficial owner	0.05
Mr. Sunny Pang Chun Kit	620,000	Beneficial owner	0.04
Miss Candy Chuang Ka Wai (“Miss Candy Chuang”)	1,027,100	Beneficial owner	0.07
Dr. Peter Po Fun Chan	4,231	Interest of controlled corporation	0.0003

Name of Director	Interests in Chuang’s Consortium International Limited (“CCIL”)		
	Number of shares	Capacity	Percentage of shareholding
Mr. Lee Sai Wai	175,152,830	<i>Note</i>	11.79
Dr. Peter Po Fun Chan	779,784	Beneficial owner	0.05
Mr. Albert Chuang Ka Pun (“Mr. Albert Chuang”)	20,000	Beneficial owner	0.001

Note: Interests in 174,429,606 shares in CCIL arose by attribution through his spouse who is a discretionary object and the trustee of a discretionary trust which owned such shares. The remaining interests in 723,224 shares in CCIL is beneficially owned by the Director.

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 INFORMATION *(Continued)*

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

Other than as disclosed herein, as at 30th September, 2008, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

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, 2008, the interests and short positions of person in the shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register referred to therein were as follows:

Name of Shareholder	Number of shares of the Company	Capacity	Percentage of shareholding
Profit Stability Investments Limited ("PSI")	829,277,218	Beneficial owner	55.26%
CCIL	829,277,218	<i>Note 1</i>	55.26%
Evergain Holdings Limited ("Evergain")	829,277,218	<i>Note 1</i>	55.26%
Mr. Alan Chuang Shaw Swee ("Mr. Alan Chuang")	831,877,218	<i>Note 1</i>	55.44%
Mrs. Chong Ho Pik Yu	831,877,218	<i>Note 2</i>	55.44%
Capital Research and Management Company	106,381,000	Investment Manager	7.09%

OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS *(Continued)*

Note 1: Interests in 829,277,218 shares of the Company arose through the interests in the relevant shares owned by PSI, a wholly owned subsidiary of CCIL. Mr. Alan Chuang is entitled to exercise or control the exercise of one third or more of the voting power in general meetings of CCIL through Evergain, a company beneficially owned by Mr. Alan Chuang. Mr. Albert Chuang and Miss Candy Chuang are directors of Evergain. The remaining 2,600,000 shares of the Company are beneficially owned by Mr. Alan Chuang.

Note 2: Such interests arose by attribution through her spouse, Mr. Alan Chuang.

Save as disclosed above, as at 30th September, 2008, there was no other person who was recorded in the register of the Company as having interests and 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

In the annual general meeting (the “AGM”) of the Company held on 28th August, 2008, the Chairman of the Company, due to personal commitment, had not attended the AGM in accordance with Rule E.1.2 of the Appendix 14 – Code on Corporate Governance Practices (“CG Code”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). However, the Deputy Chairman of the Company attended the AGM to answer questions raised by shareholders. Except mentioned above, the Company has complied throughout the six months ended 30th September, 2008 with the code provisions set out in the CG Code of 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 and review the relationship with the auditors. The audit committee has held meetings in accordance with the relevant requirements and reviewed the interim report of the Group for the six months ended 30th September, 2008. The current members of the audit committee are Dr. Hwang Jen, Mr. David Chu Yu Lin and Dr. Peter Po Fun Chan, 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)*

DEALING IN THE COMPANY'S SECURITIES

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

SHARE OPTION SCHEME

On 26th August, 2002, a share option scheme ("Share Option Scheme") was adopted by the Company. The purpose of the Share Option Scheme is to recognise the contribution of the eligible persons as defined in the scheme including, inter alia, any employees, Directors of the Company and its subsidiaries (the "Eligible Persons"), to the growth of the Group and to further motivate the Eligible Persons to continue to contribute to the Group's long-term prosperity. No options have been granted under the Share Option Scheme since its adoption.

STAFF

As at 30th September, 2008, the Group employed 338 staff. In addition, the subcontracting factories of the Group have 489 workers. 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.

DISCLOSURE PURSUANT TO RULE 13.21 OF THE LISTING RULES

1. The Group has entered into a loan agreement, which still subsists as at the date of this report, with a bank for a seven-year term loan facility of up to HK\$273 million. Pursuant to the loan agreement, CCIL is required to beneficially own 45% or more of the issued share capital of the Company at all times during the subsistence of the term loan facility. As at 30th September, 2008, the loan outstanding was HK\$269 million and the last instalment of the loan is repayable on 30th September, 2013.
2. The Group has entered into a loan agreement, which still subsists as at the date of this report, with a bank for a five-year term loan facility of up to HK\$100 million. Pursuant to the loan agreement, CCIL is required to beneficially own 45% or more of the issued share capital of the Company at all times during the subsistence of the term loan facility. As at 30th September, 2008, the loan outstanding was HK\$100 million and the last instalment of the loan is repayable on 30th September, 2013.

By Order of the Board of
Chuang's China Investments Limited
Ann Li Mee Sum
Managing Director

Hong Kong, 11th December, 2008

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the six months ended 30th September, 2008

	<i>Note</i>	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Revenues	5	62,449	75,520
Cost of sales		(35,004)	(49,895)
		<hr/>	<hr/>
Gross profit		27,445	25,625
Other income		1,167	46,144
Selling and marketing expenses		(6,541)	(5,784)
Administrative expenses		(37,232)	(42,924)
Other operating expenses		(6,517)	(1,207)
Change in fair value of investment properties		50,000	50,000
		<hr/>	<hr/>
Operating profit	6	28,322	71,854
Finance costs	7	(11,356)	(8,073)
Share of results of associated companies		227	(176)
		<hr/>	<hr/>
Profit before taxation		17,193	63,605
Taxation	8	(10,419)	(4,263)
		<hr/>	<hr/>
Profit for the period		6,774	59,342
		<hr/>	<hr/>
Attributable to:			
Equity holders		6,099	61,227
Minority interests		675	(1,885)
		<hr/>	<hr/>
		6,774	59,342
		<hr/>	<hr/>
Interim dividend		–	7,503
		<hr/>	<hr/>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share (basic and diluted)	9	0.41	4.54
		<hr/>	<hr/>

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2008

		30th September, 2008	31st March, 2008
	Note	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	10	40,449	41,480
Investment properties		750,581	699,488
Land use rights		1,755	1,771
Associated companies		3,165	2,938
Available-for-sale financial assets		23,538	43,153
Loans and receivables		22,739	21,793
		<u>842,227</u>	<u>810,623</u>
Current assets			
Properties for sale		1,535,560	1,348,333
Inventories		6,214	7,260
Debtors and prepayments	11	134,488	123,751
Cash and bank balances		348,659	453,930
		<u>2,024,921</u>	<u>1,933,274</u>
Current liabilities			
Creditors and accruals	12	134,987	131,503
Short-term borrowings	13	158,094	144,638
Current portion of long-term borrowings	13	49,807	6,000
Dividend payable		15,005	–
Taxation payable		57,197	56,663
		<u>415,090</u>	<u>338,804</u>
Net current assets		<u>1,609,831</u>	<u>1,594,470</u>
Total assets less current liabilities		<u>2,452,058</u>	<u>2,405,093</u>
Equity			
Share capital	14	75,027	75,027
Reserves		1,805,668	1,799,748
Proposed final dividend		–	15,005
Shareholders' funds		1,880,695	1,889,780
Minority interests		7,798	6,502
Total equity		<u>1,888,493</u>	<u>1,896,282</u>
Non-current liabilities			
Long-term borrowings	13	353,000	305,304
Deferred taxation liabilities		200,429	193,387
Other non-current liabilities	15	10,136	10,120
		<u>563,565</u>	<u>508,811</u>
		<u>2,452,058</u>	<u>2,405,093</u>

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the six months ended 30th September, 2008

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Net cash used in operating activities	(212,311)	(84,508)
Net cash (used in)/from investing activities	(25,585)	3,534
Net cash from financing activities	98,785	277,837
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(139,111)	196,863
Cash and cash equivalents at the beginning of the period	304,561	350,938
Exchange difference on cash and cash equivalents	7,346	7,641
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	172,796	555,442
	<hr/>	<hr/>
Analysis of cash and cash equivalents		
Cash and bank balances	348,659	559,813
Pledged bank deposits and bank deposits maturing more than three months from date of placement	(175,863)	(4,371)
	<hr/>	<hr/>
	172,796	555,442
	<hr/>	<hr/>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30th September, 2008

	Share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Shareholders' funds <i>HK\$'000</i>	Minority interests <i>HK\$'000</i>	Total equity <i>HK\$'000</i>
At 31st March, 2008	75,027	2,074,011	(259,258)	1,889,780	6,502	1,896,282
Changes in exchange rates	-	19,436	-	19,436	621	20,057
Change in fair value of available- for-sale financial assets	-	(19,615)	-	(19,615)	-	(19,615)
Net (expenses)/income recognised directly in equity	-	(179)	-	(179)	621	442
Profit for the period	-	-	6,099	6,099	675	6,774
Total (expenses)/income recognised for the period	-	(179)	6,099	5,920	1,296	7,216
2008 final dividend	-	-	(15,005)	(15,005)	-	(15,005)
At 30th September, 2008	75,027	2,073,832	(268,164)	1,880,695	7,798	1,888,493
At 31st March, 2007	64,027	1,755,169	(350,198)	1,468,998	65,495	1,534,493
Changes in exchange rates	-	11,332	-	11,332	908	12,240
Change in fair value of available- for-sale financial assets	-	11,401	-	11,401	-	11,401
Net income recognised directly in equity	-	22,733	-	22,733	908	23,641
Profit for the period	-	-	61,227	61,227	(1,885)	59,342
Total income/(expenses) recognised for the period	-	22,733	61,227	83,960	(977)	82,983
Placing of new shares	11,000	308,000	-	319,000	-	319,000
Placing expenses	-	(8,350)	-	(8,350)	-	(8,350)
2007 final dividend	-	-	(15,005)	(15,005)	-	(15,005)
Reduction of interest by minority shareholders	-	-	-	-	(58,698)	(58,698)
At 30th September, 2007	75,027	2,077,552	(303,976)	1,848,603	5,820	1,854,423

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. General information

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

As at 30th September, 2008, the Company was a 53.81% owned subsidiary of Profit Stability Investments Limited, incorporated in the British Virgin Islands, which is a wholly owned subsidiary of Chuang's Consortium International Limited ("Chuang's Consortium"), incorporated in Bermuda and listed on the Main Board of the Stock Exchange. The Directors regard Chuang's Consortium as being the ultimate holding company.

The principal activities of the Company and its subsidiaries (collectively as the "Group") are property investment and development, manufacturing and sale of watch components, 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 and available-for-sale financial assets at fair values, and in accordance with Hong Kong Accounting Standards ("HKAS") 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, 2008.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

2. Basis of preparation *(Continued)*

The following standards, amendment and interpretation have been published and are mandatory for the Group's accounting periods beginning on or after 1st April, 2009, but have not yet been adopted by the Group:

HKAS 1 (Revised)	Presentation of Financial Statements (effective from 1st January, 2009)
HKAS 23 (Revised)	Borrowing Costs (effective from 1st January, 2009)
HKAS 27 (Revised)	Consolidated and Separate Financial Statements (effective from 1st July, 2009)
HKFRS 2 (Amendment)	Share-based Payment: Vesting Conditions and Cancellations (effective from 1st January, 2009)
HKFRS 3 (Revised)	Business Combinations (effective from 1st July, 2009)
HKFRS 8	Operating Segments (effective from 1st January, 2009)
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate (effective from 1st January, 2009)

The Group has not yet adopted any of the above standards, amendment and interpretation. Management is in the process of making an assessment of the impact of the above standards, amendment and interpretation. They are not expected to have a significant impact on the Group's results of operations and financial position.

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, 2008.

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, 2008.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

5. Revenues and segment information

The Group is principally engaged in property investment and development, sale of goods and services, and others (representing information technology services and security investment and trading). 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 revenues (representing turnover), operating profit, assets, capital expenditure, depreciation and amortisation by business and geographical segments is as follows:

(a) *Business segments*

	Property investment and development HK\$'000	Sale of goods and services HK\$'000	Others and corporate HK\$'000	Total HK\$'000
2008				
Revenues	39,801	19,010	3,638	62,449
Other income	256	894	17	1,167
	<u>45,844</u>	<u>1,151</u>	<u>(18,673)</u>	<u>28,322</u>
Segment results				
Finance costs				(11,356)
Share of results of associated companies	-	-	227	227
				<u>17,193</u>
Profit before taxation				(10,419)
Taxation				
				<u>6,774</u>
As at 30th September, 2008				
Segment assets	2,449,894	14,688	31	2,464,613
Associated companies	-	-	3,165	3,165
Unallocated assets				399,370
				<u>2,867,148</u>
Total assets				
Segment liabilities	135,277	6,393	967	142,637
Unallocated liabilities				836,018
				<u>978,655</u>
2008				
Other segment items are as follows:				
Capital expenditure	184,204	204	233	184,641
Depreciation	1,643	256	1,178	3,077
Amortisation of land use rights				
– charged to income statement	395	-	-	395
– capitalised into properties				
– under development for sale	8,413	-	-	8,413
Write off of other debtors	1,277	-	-	1,277
	<u>1,277</u>	<u>-</u>	<u>-</u>	<u>1,277</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

5. Revenues and segment information (Continued)

(a) Business segments (Continued)

	Property investment and development HK\$'000	Sale of goods and services HK\$'000	Others and corporate HK\$'000	Total HK\$'000
2007				
Revenues	50,709	17,075	7,736	75,520
Other income	42,709	1,302	2,133	46,144
Segment results	83,126	(406)	(10,866)	71,854
Finance costs				(8,073)
Share of results of associated companies	–	–	(176)	(176)
Profit before taxation				63,605
Taxation				(4,263)
Profit for the period				59,342
As at 31st March, 2008				
Segment assets	2,201,714	13,039	969	2,215,722
Associated companies	–	–	2,938	2,938
Unallocated assets				525,237
Total assets				2,743,897
Segment liabilities	132,253	6,182	849	139,284
Unallocated liabilities				708,331
Total liabilities				847,615
2007				
Other segment items are as follows:				
Capital expenditure	180,454	12	2,901	183,367
Depreciation	1,143	350	4,253	5,746
Amortisation of land use rights				
– charged to income statement	8,359	–	–	8,359
Write off of other debtors	1,065	–	–	1,065

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

5. Revenues and segment information (Continued)

(b) Geographical segments

	Revenues		Total assets		Capital expenditure	
	2008	2007	30th September, 2008	31st March, 2008	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	29,956	32,604	945,015	1,002,888	550	3,375
Mainland China	31,508	41,859	1,916,626	1,739,856	184,091	179,992
Other countries	985	1,057	5,507	1,153	-	-
	<u>62,449</u>	<u>75,520</u>	<u>2,867,148</u>	<u>2,743,897</u>	<u>184,641</u>	<u>183,367</u>

6. Operating profit

	2008 HK\$'000	2007 HK\$'000
Operating profit is stated after crediting:		
Excess of fair value of net assets acquired over cost of acquisition of minority interests in a subsidiary*	-	21,329
Write back of provisions for tax liabilities undertakings* (note)	-	21,019
	<u>-</u>	<u>42,348</u>

and after charging:

Amortisation of land use rights	395	8,359
Cost of properties and inventories sold	32,820	48,084
Depreciation	3,077	5,746
Net exchange loss	3,456	-
Staff costs, including Directors' emoluments		
Wages and salaries	16,504	13,144
Retirement benefit costs	537	464
Write off of other debtors	1,277	1,065
	<u>24,979</u>	<u>76,862</u>

* included in other income

Note: In December 2001, the Group disposed of certain properties and provided undertakings to the purchaser, Midas International Holdings Limited, formerly an associated company, for the tax liabilities in relation to these properties. In 2007, these properties were disposed of by the purchaser to third parties and therefore related provisions for the undertakings had been written back by the Group.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

7. Finance costs

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Interest expenses		
Bank loans wholly repayable within five years	12,964	2,047
Bank loans wholly repayable after five years	–	6,962
Overdraft wholly repayable within five years	–	132
	12,964	9,141
Amount capitalised into properties under development for sale	(1,608)	(1,068)
	11,356	8,073

The capitalisation rate applied to funds borrowed generally and used for the development of properties ranged from 7.92% to 8.32% (2007: 6.93% to 7.92%) per annum.

8. Taxation

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current		
Mainland China corporate income tax	2,103	27
Mainland China land appreciation tax	1,299	3,750
Deferred	7,017	486
	10,419	4,263

No provision for Hong Kong profits tax has been made as the Group does not have any estimated assessable profits for the period (2007: Nil). 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, 2008 amounting to HK\$57,000 (2007: HK\$117,000) is included in the income statement as share of results of associated companies.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

9. Earnings per share

The calculation of the earnings per share is based on the profit attributable to equity holders of HK\$6,099,000 (2007: HK\$61,227,000) and the weighted average number of 1,500,549,612 (2007: 1,347,872,017) shares in issue during the period.

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

10. Property, plant and equipment

For the six months ended 30th September, 2008, the Group has acquired property, plant and equipment amounting to HK\$1,687,000 (2007: HK\$3,581,000).

11. 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 trade debtors of the Group is as follows:

	30th September, 2008	31st March, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	2,695	3,151
31 to 60 days	3,181	849
61 to 90 days	2,027	990
Over 90 days	1,368	1,813
	<hr/> 9,271 <hr/>	<hr/> 6,803 <hr/>

Debtors and prepayments include deposits of HK\$75,389,000 (31st March, 2008: HK\$72,643,000) for property development projects.

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

12. Creditors and accruals

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

	30th September, 2008	31st March, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 30 days	446	1,691
31 to 60 days	1,269	736
61 to 90 days	1,307	1,098
Over 90 days	1,510	414
	<u>4,532</u>	<u>3,939</u>

13. Borrowings

	30th September, 2008	31st March, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Secured bank loans		
Short-term borrowings	158,094	144,638
Long-term borrowings	402,807	311,304
	<u>560,901</u>	<u>455,942</u>
Long-term borrowings		
Wholly repayable within five years	402,807	41,304
Wholly repayable after five years	–	270,000
	<u>402,807</u>	<u>311,304</u>
Current portion included in current liabilities	(49,807)	(6,000)
	<u>353,000</u>	<u>305,304</u>

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

13. Borrowings (Continued)

The secured bank loans are repayable in the following year:

	30th September, 2008	31st March, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	207,901	150,638
Second year	22,000	54,304
Third to fifth year	331,000	51,000
After five years	–	200,000
	<hr/> 560,901	<hr/> 455,942

14. Share capital

	30th September, 2008	31st March, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Authorised</i>		
18,000,000,000 shares of HK\$0.05 each	900,000	900,000
<i>Issued and fully paid</i>		
1,500,549,612 shares (31st March, 2008: 1,500,549,612 shares) of HK\$0.05 each	75,027	75,027

15. Other non-current liabilities

	30th September, 2008	31st March, 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loans from minority shareholders	10,136	10,120

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

NOTES TO THE INTERIM FINANCIAL INFORMATION

(Continued)

16. Financial guarantees

As at 30th September, 2008, subsidiaries have provided guarantees amounting to HK\$65.1 million (31st March, 2008: HK\$69.1 million) to banks for mortgage loans made by the banks to the purchasers of properties sold by the subsidiaries.

17. Capital commitments

As at 30th September, 2008, the Group has capital expenditure commitments contracted but not provided for amounting to HK\$383,214,000 (31st March, 2008: HK\$492,573,000).

18. Pledge of assets

As at 30th September, 2008, the Group has pledged the shares and assets of certain subsidiaries, including bank deposits, investment properties and properties for sale, with an aggregate net book value of HK\$876,236,000 (31st March, 2008: HK\$809,816,000), to secure general banking and financial guarantee facilities granted to those subsidiaries.