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Chuang's Consortium International Limited

（莊 士 機 構 國 際 有 限 公 司）#

(incorporated in Bermuda with limited liability)

(Stock Code: 367)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2008

RESULTS

The Board of Directors (the "Board") of Chuang's Consortium International Limited (the "Company") presents the interim financial information of the Company and its subsidiaries (collectively the "Group") for the six months ended 30th September, 2008 as follows:

CONSOLIDATED INCOME STATEMENT (UNAUDITED)
For the six months ended 30th September, 2008

	Note	**2008** *HK$'000*	2007 *HK$'000*
Revenues	2	**200,217**	233,669
Cost of sales		**(80,918)**	(146,419)
Gross profit		**119,299**	87,250
Other income		**21,350**	148,523
Selling and marketing expenses		**(11,750)**	(11,373)
Administrative expenses		**(87,081)**	(88,546)
Other operating expenses		**(43,079)**	(16,474)
Change in fair value of investment properties		**122,968**	140,641
Operating profit	3	**121,707**	260,021
Finance costs		**(34,163)**	(38,455)
Share of results of associated companies	4	**(4,926)**	73,040
Profit before taxation		**82,618**	294,606
Taxation	5	**(14,143)**	(12,094)
Profit for the period		**68,475**	282,512
Attributable to:			
Equity holders		**65,119**	253,876
Minority interests		**3,356**	28,636
		68,475	282,512
Interim dividend	6	**15,106**	22,279
		HK cents	*HK cents*
Earnings per share (basic and diluted)	7	**4.38**	17.09

\# *For identification purpose only*

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 30th September, 2008

	Note	30th September, 2008 HK$'000	31st March, 2008 HK$'000
Non-current assets			
Property, plant and equipment		**90,378**	93,228
Investment properties		**3,183,692**	3,085,052
Leasehold land and land use rights		**24,018**	25,688
Properties for/under development		**692,312**	680,684
Associated companies		**298,509**	269,982
Loans and receivables		**69,495**	78,017
Available-for-sale financial assets		**38,725**	55,220
Derivative financial instruments		**–**	1,558
Deferred taxation assets		**692**	807
		4,397,821	4,290,236
Current assets			
Properties for sale		**1,544,693**	1,367,463
Inventories		**101,517**	94,829
Debtors and prepayments	*8*	**309,108**	323,159
Tax recoverable		**290**	284
Other investments		**72,182**	16,117
Cash and bank balances		**1,044,107**	1,264,027
		3,071,897	3,065,879
Current liabilities			
Creditors and accruals	*9*	**195,038**	189,498
Derivative financial instruments		**28,000**	134,000
Short-term borrowings		**212,774**	197,108
Current portion of long-term borrowings		**133,253**	85,869
Dividend payable		**29,706**	–
Taxation payable		**67,691**	67,502
		666,462	673,977
Net current assets		**2,405,435**	2,391,902
Total assets less current liabilities		**6,803,256**	6,682,138
Equity			
Share capital		**371,322**	371,322
Reserves		**3,371,687**	3,333,608
Proposed final dividend		**–**	29,706
Shareholders' funds		**3,743,009**	3,734,636
Minority interests		**862,421**	865,767
Total equity		**4,605,430**	4,600,403
Non-current liabilities			
Long-term borrowings		**1,754,700**	1,646,103
Derivative financial instruments		**2,022**	–
Deferred taxation liabilities		**402,533**	392,150
Loans from minority interests		**38,571**	43,482
		2,197,826	2,081,735
		6,803,256	6,682,138

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. 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, 2008.

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

2. SEGMENT INFORMATION

The Group is principally engaged in property investment and development, sale of goods and services, and securities 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, results, assets, liabilities, 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*	**Securities investment and trading** *HK$'000*	**Others, corporate and elimination** *HK$'000*	**Total** *HK$'000*
2008					
Revenues	**104,783**	**47,764**	**48,065**	**(395)**	**200,217**
Other income	**10,730**	**894**	**–**	**9,726**	**21,350**
Segment results	**162,468**	**8**	**15,607**	**(56,376)**	**121,707**
Finance costs					**(34,163)**
Share of results of associated companies	**11,069**	**(16,222)**	**–**	**227**	**(4,926)**
Profit before taxation					**82,618**
Taxation					**(14,143)**
Profit for the period					**68,475**
As at 30th September, 2008					
Segment assets	**5,787,060**	**186,892**	**72,220**	**31**	**6,046,203**
Associated companies	**26,556**	**268,788**	**–**	**3,165**	**298,509**
Unallocated assets					**1,125,006**
Total assets					**7,469,718**
Segment liabilities	**196,577**	**18,887**	**31,758**	**967**	**248,189**
Unallocated liabilities					**2,616,099**
Total liabilities					**2,864,288**
2008					
Other segment items are as follows:					
Capital expenditure	**196,460**	**400**	**–**	**2,575**	**199,435**
Depreciation	**2,642**	**974**	**–**	**2,514**	**6,130**
Amortisation of leasehold land and land use rights					
– charged to income statement	**470**	**161**	**–**	**–**	**631**
– capitalised into properties	**14,673**	**–**	**–**	**–**	**14,673**

	Property investment and development *HK$'000*	Sale of goods and services *HK$'000*	Securities investment and trading *HK$'000*	Others, corporate and elimination *HK$'000*	Total *HK$'000*
2007					
Revenues	147,503	50,952	35,285	(71)	233,669
Other income	50,374	1,313	27,573	69,263	148,523
Segment results	196,127	(98)	62,854	1,138	260,021
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					282,512
As at 31st March, 2008					
Segment assets	5,523,122	182,321	19,841	969	5,726,253
Associated companies	15,487	251,556	–	2,939	269,982
Unallocated assets					1,359,880
Total assets					7,356,115
Segment liabilities	210,308	11,249	134,130	849	356,536
Unallocated liabilities					2,399,176
Total liabilities					2,755,712
2007					
Other segment items are as follows:					
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 – charged to income statement	12,400	146	–	–	12,546

(b) Geographical segments

	Revenues		Total assets		Capital expenditure	
			30th September,	31st March,		
	2008	2007	**2008**	2008	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**133,667**	150,974	**4,943,948**	5,005,436	**14,685**	11,928
Mainland China	**29,294**	41,528	**1,916,626**	1,739,856	**184,091**	179,992
Other countries	**37,256**	41,167	**609,144**	610,823	**659**	19,449
	200,217	233,669	**7,469,718**	7,356,115	**199,435**	211,369

3. OPERATING PROFIT

	2008	2007
	HK$'000	*HK$'000*
Operating profit is stated after crediting:		
Dividend income from listed investments	**1,429**	3,332
Net realised gains on other investments	**46,636**	32,954
Net unrealised gains on other investments*	**–**	10,972
Interest income from bank deposits*	**8,849**	16,422
Interest income from loans and receivables*	**1,283**	2,214
Deferred profit realised on disposal of properties* *(note)*	**–**	4,566
Write back of provisions for tax liabilities undertakings* *(note)*	**–**	21,019
Net fair value 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*	**–**	21,329
and after charging:		
Cost of properties sold	**26,213**	88,880
Cost of inventories sold	**36,494**	40,813
Amortisation of leasehold land and land use rights	**631**	12,546
Depreciation	**6,130**	8,383
Net exchange loss**	**3,679**	301
Net unrealised loss on other investments**	**27,390**	–
Net fair value loss on derivative financial instruments**	**8,641**	–
Net loss on partial disposal of a subsidiary**	**–**	12,840
Staff costs, including Directors' emoluments		
Wages and salaries	**35,975**	28,611
Retirement benefit costs	**1,504**	1,235

* *Included in other income*

** *Included in other operating expenses*

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 had been recognised and the related provisions for the undertakings had been written back by Chuang's China.

4. SHARE OF RESULTS OF ASSOCIATED COMPANIES

In 2007, share of results of associated companies included write back of provision of HK$71,600,000.

5. TAXATION

	2008	2007
	HK$'000	*HK$'000*
Current		
Hong Kong profits tax – under-provision in previous years	**6**	289
Overseas profits tax	**(54)**	52
Mainland China corporate income tax	**2,103**	27
Mainland China land appreciation tax	**1,299**	3,750
Deferred	**10,789**	7,976
	14,143	12,094

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profit 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$2,424,000 (2007: HK$2,180,000) is included in the income statement as share of results of associated companies.

6. INTERIM DIVIDEND

	2008	2007
	HK$'000	*HK$'000*
Interim of 1.0 HK cent (2007: 1.5 HK cents) per share	**15,106**	22,279

The amount of HK$15,106,000 is calculated based on 1,510,589,673 issued shares as at 17th December, 2008.

7. EARNINGS PER SHARE

The calculation of the earnings per share is based on the profit attributable to equity holders of HK$65,119,000 (2007: HK$253,876,000) and the weighted average number of 1,485,285,977 (2007: 1,485,285,977, as restated for new shares issued from 2007 final scrip dividend) shares in issue during the 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 and the convertible notes issued by an associated company are anti-dilutive.

8. 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, 2008	31st March, 2008
	HK$'000	*HK$'000*
Below 30 days	**14,476**	14,702
31 to 60 days	**4,579**	6,530
61 to 90 days	**2,268**	2,728
Over 90 days	**2,490**	3,131
	23,813	27,091

9. CREDITORS AND ACCRUALS

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

	30th September, 2008	31st March, 2008
	HK$'000	*HK$'000*
Below 30 days	**10,366**	7,002
31 to 60 days	**6,715**	1,923
Over 60 days	**5,111**	7,551
	22,192	16,476

10. FINANCIAL GUARANTEES

As at 30th September, 2008, the Group has 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.

11. CAPITAL COMMITMENTS

As at 30th September, 2008, the Group has capital expenditure commitments contracted but not provided for in respect of property development amounting to HK$500,080,000 (31st March, 2008: HK$577,702,000) and available-for-sale financial assets amounting to HK$23,790,000 (31st March, 2008: HK$26,910,000) respectively.

12. PLEDGE OF ASSETS

As at 30th September, 2008, the Group has 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$3,984,136,000 (31st March, 2008: HK$3,817,292,000), to secure general banking and financial guarantee facilities granted to those subsidiaries. The Group has also pledged certain other investments and bank deposits amounting to HK$26,174,000 (31st March, 2008: HK$7,724,000) and HK$41,809,000 (31st March, 2008: HK$241,659,000) respectively for the commitment of the purchase of listed equity securities.

FINANCIAL REVIEW

For the six months ended 30th September, 2008, revenues of the Group amounted to HK$200.2 million (2007: HK$233.7 million), representing a decrease of about 14.3% from that of last corresponding period. Revenues of the Group comprise income from property investment and development business of HK$104.8 million (2007: HK$147.5 million), income from manufacturing and trading business of HK$47.8 million (2007: HK$51.0 million) and income from securities investment and trading business of HK$48.1 million (2007: HK$35.3 million).

Gross profit during the period increased to HK$119.3 million (2007: HK$87.3 million), which was principally attributable to the increase in rental income and profits from sales of properties in Hong Kong and the People's Republic of China (the "PRC"). Other income decreased to HK$21.4 million (2007: HK$148.5 million) mainly due to absence of certain non-recurring accounting profits recorded in last corresponding period. Reflecting the continuous improvement in office and retail property prices in Hong Kong and Malaysia during the period under review, the Group recorded an upward revaluation surplus of HK$123.0 million (2007: HK$140.6 million). On the costs side, selling and marketing expenses remained stable at HK$11.8 million (2007: HK$11.4 million), administrative expenses reduced slightly to HK$87.1 million (2007: HK$88.5 million) and other operating expenses increased to HK$43.1 million (2007: HK$16.5 million). Finance costs decreased to HK$34.2 million (2007: HK$38.5 million) and share of loss of associated companies amounted to HK$4.9 million (2007: profit of HK$73.0 million due to a one-off write back of provision of HK$71.6 million). Taking all these into account, profit attributable to equity holders of the Company for the six months ended 30th September, 2008 amounted to HK$65.1 million (2007: HK$253.9 million). Earnings per share were 4.4 HK cents (2007: 17.1 HK cents).

INTERIM DIVIDEND

The Board declares an interim dividend of 1.0 HK cent (2007: 1.5 HK cents) per share payable on or before 21st January, 2009 to shareholders whose names appear on the Company's register of members on 9th January, 2009.

BUSINESS REVIEW

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

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 purpose. As a result of the improved occupancy rate and the increase of rental rates upon new leases and lease renewals, rental and other income from investment properties in Hong Kong during the period amounted to HK$50.4 million, representing an increase of about 23% compared with that of last corresponding period.

(ii) Properties Under Development/For Sale

As stated in last year annual report, there were remaining 7 units of The Notting Hill in Tung Shan Terrace with GFA of 4,695 sq. ft. available for sale. Up to the date of this report, 6 units with GFA of 4,207 sq. ft. have been sold for an aggregate consideration of HK$26.4 million, of which HK$17.2 million has been completed during the period under review and the remaining HK$9.2 million will be completed in the second half of this financial year. Currently, the Group is undertaking various development projects in Hong Kong, a summary of which is as follows:

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

The Group participated in a 30% interest in the development of Midas Plaza, a 22-storey high-class industrial/office building, of which the occupation permit was issued in December 2007. The Group's share of the development comprises six industrial/office 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, all units, with the exception of the penthouse floor with GFA of 8,457 sq. ft. and three carparking spaces, have been sold. Sales completed during the period under review amounted to HK$53.0 million, generating a profit of about HK$15.4 million. Sales to be completed in the second half of this financial year will amount to HK$29.4 million and will generate an additional profit of about HK$8.8 million. The Group is in the process of marketing the remaining penthouse floor and carparking spaces.

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

In Deep Water Bay, the redevelopment of Park Villa into 4 houses, each with an outdoor swimming pool, spacious garden area and glamorous sea-view, is progressing satisfactorily according to schedule. Superstructure works have been completed and internal and external finishing works are in progress. The project is expected to be completed with occupation permit being issued within this financial year. Marketing works for this project have already commenced.

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

In the Peak, the Group plans to redevelop the property into a house with unique architectural design having a building area of about 19,000 sq. ft.. Building plans for the redevelopment have been approved by the relevant authorities. Redevelopment works will commence soon.

(d) Wuhu Residence, No. 111 Wuhu Street, Hunghom

The site is located adjacent to Chuang's Hung Hom Plaza. Originally, the Group intended to redevelop the property into a hotel with 140 rooms. In view of the demand for quality studio apartments in that area, the Group has modified the plan to redevelop the property into a unique building with modern architectural design of about 100 studio apartments and clubhouse facilities with a total building area of about 47,000 sq. ft.. Demolition works will commence soon.

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

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

(i) Malaysia

Central Plaza, Jalan Sultan Ismail, Kuala Lumpur

The Group owns Central Plaza for investment purpose which is located in "Golden Triangle" of Kuala Lumpur. The property has a total GFA of 380,000 sq. ft. of retail, office and carparking spaces. As a result of its strategic location and the recently completed upgrading works, occupancy rate and rental rate of the property improved substantially. Rental income of the property during the period amounted to HK$7.4 million, representing an increase of about 19% compared with that of last corresponding period. In order to further enhance our rental income, approval has been seeked from the relevant authorities to convert one level of carpark with GFA of about 14,000 sq. ft. into office use.

(ii) Vietnam

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

The Group has participated in a 70% interest in a project, Saigon Beverly Hills, for a commitment of US$15 million. Saigon Beverly Hills covers a site area of 273 hectares (2,730,000 sq. m.) and is located in Duc Hoa District of Long An Province, which is in close proximity to, and is about 30 kilometres from, the city centre of Ho Chi Minh City. The site is for residential and commercial usage and it is intended that a new township with modern architectural design having a total GFA of 3,300,000 sq. m. will be developed. Master layout plan of the project has been approved by the relevant authorities. The Group is currently negotiating with our partner and the relevant authorities in Vietnam for the formation of a joint venture company in Vietnam and the amount of the land conversion fee payable for the project.

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

The Group has entered into an agreement to acquire a 70% interest in a project, Greenview Garden, for US$6.4 million, of which US$1 million has been paid. 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 clubhouse facilities having a total GFA of 120,000 sq. m.. The site is currently vacant and construction works will commence soon after all necessary government approvals have been obtained. The initial phase of the development will have a GFA of 16,000 sq. m., comprising villas, 1 block of residential tower with about 80 apartments and a clubhouse.

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

As stated in last year annual report, the Group has signed a memorandum of understanding to participate in an 80% interest in the project. After taking into account the amount of land premium that the relevant authorities in Vietnam have proposed, the Group is of the opinion that the project may not be viable. Accordingly, the Group has decided not to proceed with this project.

(C) Chuang's China Investments Limited ("Chuang's China") (Stock Code: 298) (54.4% owned)

All the Group's property activities in the PRC are conducted through this 54.4% owned listed subsidiary.

(i) 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:

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

The development has a total 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.

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

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.

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

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.

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

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.

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

The site, having an area of about 27,574 sq. m., is located in 思明區 (Siming Qu) of Xiamen. 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.

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

The site, having an area of about 30,000 sq. m., is situated in the prime area within the second ring road, in the region of 武侯區 (Wu Hou Qu). 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.

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

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.

(ii) Property Sales

For the six months ended 30th September, 2008, property sales of the Group in the PRC 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 have not yet been recorded as revenues.

(D) Midas International Holdings Limited ("Midas") (Stock Code: 1172) (48.4% owned)

The Group owns 48.4% interest in Midas, a listed company in Hong Kong principally engaged in printing business and the operation of cemetery in the PRC.

As regards the printing business, the trading environment continues to be difficult. The global economic instability leading to a reduction in printing demand coupled with high material and operating costs have resulted in the dampening of overall margin. As a result, the results of Midas for the six months ended 30th June, 2008 have been very disappointing with turnover dropped by 24.6% to HK$244.3 million and Midas reported a net loss attributable to shareholders of HK$34.8 million. In order to alleviate this difficult trading environment and restore Midas's printing business into profitability, Midas has taken proactive measures including strengthening the sales effort, improving profit margin and implementing effective cost control.

As regards the cemetery business, since the taking over of the management of the cemetery operation in September 2007, Midas has strengthened the management team, in particular in the sales and marketing aspect, and set up new offices and established new agency arrangements in the PRC and Hong Kong. A number of familiarisation tours have been organised for the members of the funeral business and for the general public in order to expand its market presence. The Group believes that cemetery business in the PRC has long term growth potential and will provide stable recurrent income to Midas.

In April 2008, Midas announced a rights issue to raise approximately HK$73 million for financing its expansion plan in the printing and the cemetery operations. The Group has subscribed in full its entitlement under the rights issue and maintained its shareholding percentage in Midas. In December 2008, the Group converted HK$12.6 million of the convertible note due 2011 of Midas into approximately 31.6 million new shares of Midas, thereby increasing the Group's shareholding interest in Midas from 46.6% to 48.4%. Following the conversion, the Group still owns HK$16.65 million convertible note of Midas capable of converting into approximately 41.7 million new shares of Midas.

(E) Other Investments

The Group's other investments include Sintex Nylon and Cotton Products (Pte) Limited, a company incorporated in Singapore and engaged in the manufacture and sale of home finishing products, and Yuen Sang Hardware Company (1988) Limited, a company owned by Chuang's China and engaged in the manufacture and sale of metalware. Total revenues generated from manufacturing and trading business during the period amounted to HK$47.8 million (2007: HK$51.0 million).

Revenues generated from securities investment and trading business of the Group during the period amounted to HK$48.1 million (2007: HK$35.3 million). Profit contribution from securities investment and trading business of the Group during the period amounted to HK$15.6 million (2007: HK$62.9 million). As at the interim balance sheet date, quoted investments of the Group amounted to HK$72.2 million and the Group has outstanding derivative financial instruments relating to certain blue chip stocks in Hong Kong. As at the date of this report, all such derivative financial instruments have been expired and the Group currently does not hold any investment in derivative financial instruments.

FINANCIAL POSITIONS

As at 30th September, 2008, net assets attributable to equity holders was HK$3,743.0 million. Net asset value per share was approximately HK$2.52, which is calculated based on the book costs of the Group's properties for/under development and properties for sale, before taking into account their appreciated values.

As at 30th September, 2008, the Group's cash and bank balances and other investments amounted to HK$1,116.3 million. Bank borrowings as at the same date amounted to HK$2,100.7 million. The Group's debt to equity ratio, expressed as a percentage of bank borrowings net of cash and bank balances and other investments over total net assets attributable to equity holders of the Company, was approximately 26.3%.

Approximately 94.4% of the Group's cash, bank balances and other investments were denominated in Hong Kong dollar or United States dollar, with the balance of 5.6% in Renminbi. Approximately 88.2% of the Group's bank borrowings were denominated in Hong Kong dollar, 9.1% in Renminbi and the balance of 2.7% in Malaysian Ringgit and Singapore dollar. Accordingly, risk in foreign currency exchange rate fluctuation would not be material.

Approximately 16.5% of the Group's bank borrowings was repayable within one year, 15.5% repayable within one to two years, 67.2% repayable within two to five years and the balance of 0.8% repayable over five years.

PROSPECTS

With the outbreak of global financial tsunami, which was originated from sub-prime mortgage crisis in the United States, the prospect of the economies in the United States and Europe has been adversely affected by the credit crunch and there are increasing signs that these economies may be facing a downturn in the near term. In view of this, various governments and relevant authorities have taken a series of proactive measures, including the substantially lowering of interest rates, aiming to restore the confidence of the global credit markets and to stimulate the continuous growth of the world economies, and it is expected that more of these measures will be implemented in the near future. Whilst the PRC and Hong Kong are not immune to the global financial crisis, with the continuous economic growth of the PRC given the recent relaxation of monetary policy and the stimulation of domestic consumption, and Hong Kong being a gateway to the PRC, the economies of the PRC and Hong Kong are likely to be least affected. The Group will closely monitor such developments and will implement appropriate strategies and adjust the magnitude and pace of our investments in Hong Kong, the PRC, Vietnam and Malaysia so as to mitigate any negative impact of the global financial crisis against the Group and to bring satisfactory return to our shareholders.

STAFF

As at 30th September, 2008, the Group employed 1,064 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.

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 Wednesday, 7th January, 2009 to Friday, 9th January, 2009, 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 Tuesday, 6th January, 2009.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30th September, 2008 with the code provisions set out in the Appendix 14 – Code on Corporate Governance Practices of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong, the Independent Non-Executive Directors of the Company.

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

PUBLICATION OF RESULT ON THE STOCK EXCHANGE'S WEBSITE

The interim report of the Company for the six months ended 30th September, 2008 containing all applicable information required by Paragraph 46 of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

GENERAL

As at the date of this announcement, Mr. Alan Chuang Shaw Swee, Mrs. Alice Siu Chuang Siu Suen, Mr. Ko Sheung Chi, Mr. Lui Lop Kay, Mr. Albert Chuang Ka Pun and Mr. Wong Chung Wai are the Executive Directors, Dr. Peter Po Fun Chan, Mr. Abraham Shek Lai Him and Mr. Fong Shing Kwong are the Independent Non-Executive Directors of the Company.

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

Hong Kong, 17th December, 2008