CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)
Stock code: 116

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2007

The Board of Directors (the "Board") of Chow Sang Sang Holdings International Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2007. The interim results have been reviewed by the Audit Committee of the Board.

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended 30 June		
	2007	2006	Change
	HK$'000	HK$'000	
Turnover			
Jewellery retail	**1,760,419**	1,308,712	35%
Other business	**1,799,500**	3,497,963	-49%
	3,559,919	4,806,675	-26%
Profit attributable to shareholders of the Company	**180,110**	150,710	20%
Basic earnings per share	**29.9 cents**	25.0 cents	
Interim dividend per share	**8.0 cents**	7.0 cents	
Dividend payout ratio	**27%**	28%	
Equity attributable to shareholders of the Company	**2,779,259**	2,557,641^	9%
Equity per share	**$4.6**	$4.2^	9%

^ Audited as at 31 December 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	Unaudited Six months ended 30 June **2007** **HK$'000**	 2006 HK$'000
TURNOVER	2		
Jewellery retail		**1,760,419**	1,308,712
Other business		**1,799,500**	3,497,963
		3,559,919	4,806,675
Cost of sales		**(2,975,097)**	(4,303,450)
Gross profit		**584,822**	503,225
Other income		**41,003**	26,788
Selling and distribution costs		**(299,460)**	(254,083)
Administrative expenses		**(88,791)**	(80,674)
Other gains / (losses), net		**3,385**	(149)
Finance costs		**(13,096)**	(5,836)
Share of profits of associates		**138**	265
PROFIT BEFORE TAX	4	**228,001**	189,536
Tax	5	**(39,368)**	(33,624)
PROFIT FOR THE PERIOD		**188,633**	155,912
Attributable to:			
Shareholders of the Company		**180,110**	150,710
Minority interests		**8,523**	5,202
		188,633	155,912
DIVIDEND	6		
Interim		**48,154**	42,134
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7		
Basic		**29.9 cents**	25.0 cents

CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2007 HK$'000**	Audited 31 December 2006 HK$'000 (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**342,780**	341,034
Investment properties		**117,050**	117,050
Intangible assets		**320**	320
Other assets		**44,380**	43,233
Interests in associates		**10,764**	10,652
Available-for-sale investments	8	**566,051**	439,972
Deferred tax assets		**2,940**	2,855
Total non-current assets		**1,084,285**	955,116
CURRENT ASSETS			
Inventories		**1,742,400**	1,567,589
Accounts receivable	9	**91,650**	102,028
Receivables arising from securities and futures broking	9	**1,553,968**	253,389
Prepayments, deposits and other receivables		**156,726**	48,259
Investments at fair value through profit or loss		**13,863**	12,246
Available-for-sale investment	8	**7,763**	7,723
Derivative financial instruments		**5,637**	3,001
Tax recoverable		**414**	289
Cash held on behalf of clients		**341,352**	365,579
Cash and cash equivalents		**153,745**	284,882
Total current assets		**4,067,518**	2,644,985
CURRENT LIABILITIES			
Accounts payable	10	**108,789**	112,606
Payables arising from securities and futures broking	10	**509,123**	509,794
Other payables and accruals		**166,961**	157,168
Derivative financial instruments		**252**	1,111
Interest-bearing bank borrowings		**183,857**	126,592
Interest-bearing bank borrowings arising from securities and futures broking		**1,235,370**	-
Tax payable		**57,934**	34,325
Total current liabilities		**2,262,286**	941,596
NET CURRENT ASSETS		**1,805,232**	1,703,389
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,889,517**	2,658,505
NON-CURRENT LIABILITIES			
Deferred tax liabilities		**55,882**	56,378
NET ASSETS		**2,833,635**	2,602,127

CONSOLIDATED BALANCE SHEET

	Unaudited 30 June 2007 HK$'000	Audited 31 December 2006 HK$'000 (Restated)
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**150,480**	150,480
Reserves	**2,580,625**	2,310,854
Proposed dividend	**48,154**	96,307
	2,779,259	2,557,641
Minority interests	**54,376**	44,486
TOTAL EQUITY	**2,833,635**	2,602,127

NOTES

1. Basis of preparation

This unaudited condensed consolidated interim financial report has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants, and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

This interim financial report should be read in conjunction with the Annual Report 2006.

The accounting policies and basis of computation used in the preparation of this interim financial report are the same as those used in the Group's audited financial statements for the year ended 31 December 2006.

The adoption of the new standards, amendment and interpretations which become effective for accounting periods beginning on or after 1 January 2007 have had no material impact on the Group's results of operations and financial position.

The Group has not early applied the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which also include HKASs and Interpretations) that have been issued but are not yet effective, in this interim financial report.

HKAS 23 (Revised)	Borrowing costs[1]
HKFRS 8	Operating segments[1]
HK(IFRIC) – Int 11	HKFRS 2 – Group and Treasury Share Transactions[2]
HK(IFRIC) – Int 12	Service Concession Arrangements[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 March 2007
[3] Effective for annual periods beginning on or after 1 January 2008

The adoption of these new and revised HKFRSs will have no material impact on the financial statements of the Group and will not result in substantial changes to the Group's accounting policies.

2. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities and commodities broking and rental income earned during the period. Revenue from the following activities has been included in turnover:

	Six months ended 30 June	
	2007	2006
	HK$'000	HK$'000
Sales of goods	**3,507,624**	4,775,963
Commission on securities and commodities broking	**48,087**	26,703
Gross rental income	**4,208**	4,009
	3,559,919	4,806,675

3. Segment information

An analysis of the Group's revenue and results for the period by business segment is as follows:

Six months ended 30 June	Manufacture and retail of jewellery 2007 HK$'000	Manufacture and retail of jewellery 2006 HK$'000	Wholesale of precious metals 2007 HK$'000	Wholesale of precious metals 2006 HK$'000	Securities and futures broking 2007 HK$'000	Securities and futures broking 2006 HK$'000	Other business 2007 HK$'000	Other business 2006 HK$'000	Eliminations 2007 HK$'000	Eliminations 2006 HK$'000	Consolidated 2007 HK$'000	Consolidated 2006 HK$'000
Segment revenue:												
Sales to external customers	**1,760,419**	1,308,712	**1,722,971**	2,225,109	**47,322**	25,999	**29,207**	1,246,855	**-**	-	**3,559,919**	4,806,675
Intersegment sales	**151,543**	27,159	**77,719**	76,324	**-**	-	**844**	845	**(230,106)**	(104,328)	**-**	-
Other income from external sources	**11,000**	8,418	**1**	1	**17,460**	8,228	**1,020**	1,542	**-**	-	**29,481**	18,189
Other intersegment income	**1,378**	1,948	**-**	-	**-**	-	**54**	68	**(1,432)**	(2,016)	**-**	-
Total	**1,924,340**	1,346,237	**1,800,691**	2,301,434	**64,782**	34,227	**31,125**	1,249,310	**(231,538)**	(106,344)	**3,589,400**	4,824,864
Segment results	**183,705**	169,258	**7,075**	2,146	**31,854**	16,433	**2,049**	2,588	**-**	-	**224,683**	190,425
Interest income											**5,520**	5,357
Dividend income											**6,002**	3,242
Unallocated expenses											**(4,088)**	(3,917)
Finance costs											**(4,254)**	(5,836)
Share of profits of associates											**138**	265
Profit before tax											**228,001**	189,536
Tax											**(39,368)**	(33,624)
Profit for the period											**188,633**	155,912

4. Profit before tax

The Group's profit before tax is arrived at after charging / (crediting):

	Six months ended 30 June	
	2007	2006
	HK$'000	HK$'000
Write-down of inventories to net realisable value	**2,255**	10,314
Depreciation	**23,891**	20,139
Minimum lease payments under operating leases for leasehold land and buildings	**80,316**	69,293
Bank interest income	**(5,263)**	(4,881)
Interest income from securities and futures broking	**(15,427)**	(6,876)
Dividend income	**(6,188)**	(3,507)
Foreign exchange gain, net	**(2,359)**	(1,147)
Gain on disposal of investments at fair value through profit or loss	**(646)**	(440)
Net loss on disposal of derivative financial instruments[Δ]	**1,233**	22,391
Net fair value losses on investments at fair value through profit or loss	**110**	149
Net fair value (gains) / losses on derivative financial instruments – transactions not qualifying as hedges	**(3,495)**	1,820
Interest expense for securities and futures broking:		
On bank loans and overdrafts[*]	**8,842**	3,219

Δ The net loss on disposal of derivative financial instruments has included the net loss on disposal of bullion contracts of HK$4,207,000 (2006: HK$22,391,000), which is included in "Cost of sales" on the face of the consolidated profit and loss account.

* The balance is included in "Finance costs" on the face of the consolidated profit and loss account.

5. 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. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2007	2006
	HK$'000	HK$'000
Current – Hong Kong		
Charge for the period	**28,173**	29,133
Overprovision in prior years	**(8)**	-
Current – Elsewhere	**11,784**	5,375
Deferred	**(581)**	(884)
	39,368	33,624

6. Dividend

	Six months ended 30 June	
	2007	2006
	HK$'000	HK$'000
Interim – HK8.0 cents (2006: HK7.0 cents) per ordinary share	**48,154**	42,134

7. Earnings per share attributable to shareholders of the Company

The calculation of basic earnings per share is based on the profit for the period attributable to shareholders of the Company of HK$180,110,000 (2006: HK$150,710,000), and the weighted average number of 601,920,000 (2006: 601,920,000) ordinary shares in issue during the period.

Diluted earnings per share for the periods ended 30 June 2007 and 2006 have not been presented as no diluting events existed during these periods.

8. Available-for-sale investments

	30 June	31 December
	2007	2006
	HK$'000	HK$'000
Non-current		
Listed equity investments in Hong Kong, at market value	**547,857**	421,791
Unlisted equity investments, at fair value	**15,765**	15,765
Unlisted equity investments, at cost	**100**	100
Unlisted debt securities, at fair value	**2,329**	2,316
	18,194	18,181
	566,051	439,972
Current		
Unlisted debt securities, at fair value	**7,763**	7,723
Total	**573,814**	447,695

9. Accounts receivable / Receivables arising from securities and futures broking

Jewellery retail
The Group's sales are normally made on cash basis. Credit card receivables from financial institutions in respect of retail sales are aged within one month. There are wholesale customers who have been given credit periods ranging from 15 to 45 days.

Wholesale of diamonds
The Group normally grants credit periods of up to 60 days to its trade customers.

Wholesale of precious metals
The Group's precious metals wholesale is normally conducted on cash basis.

Securities and commodities broking
Securities deals are settled two days after the trade date, and commodities deals are normally settled on cash basis.

	30 June 2007 HK$'000	31 December 2006 HK$'000 (Restated)
Trade and credit card receivables	**91,650**	102,028
Accounts receivable arising from the ordinary course of business of dealing in securities and futures broking:		
Cash clients	**235,694**	168,539
Clearing houses	**26,626**	11,730
Clients of subscription for initial public offerings ("IPOs")	**1,205,690**	-
Loans to margin clients	**85,958**	73,120
Receivables arising from securities and futures broking	**1,553,968**	253,389
	1,645,618	355,417

The aging analysis of the accounts receivable and receivables arising from securities and futures broking is as follows:

	30 June 2007 HK$'000	31 December 2006 HK$'000
Within 30 days# (including amount not yet due)	**1,538,895**	252,152
31 to 60 days	**5,559**	13,920
Over 60 days	**15,206**	16,225
	1,559,660	282,297
Loans to margin clients*	**85,958**	73,120
	1,645,618	355,417

Apart from the receivable balances due from securities clients, the remaining balances are non-interest-bearing.

The balance has included loans to clients of subscription for IPOs of HK$1,205,690,000 (31 December 2006: HK$nil), which are due when the corresponding allotment result of the related IPOs has been publicly announced and bear interest at commercial rates.

* Loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

10. Accounts payable / Payables arising from securities and futures broking

	30 June 2007 HK$'000	31 December 2006 HK$'000 (Restated)
Trade payables	**108,789**	112,606
Payables arising from the ordinary course of business of dealing in securities and futures broking:		
Cash clients	**493,924**	491,415
Margin clients	**15,199**	13,254
Clearing houses	**-**	5,125
Payables arising from securities and futures broking	**509,123**	509,794
	617,912	622,400

The aging analysis of the accounts payable and payables arising from securities and futures broking is as follows:

	30 June 2007 HK$'000	31 December 2006 HK$'000
Within 30 days (including amount not yet due)	**94,676**	99,152
31 to 60 days	**10,809**	14,933
Over 60 days	**3,304**	3,646
	108,789	117,731
Cash clients accounts payable[Δ]	**493,924**	491,415
Margin clients accounts payable[^]	**15,199**	13,254
	617,912	622,400

[Δ] Included in the cash clients accounts payable arising from the ordinary course of business of dealing in securities was an amount of approximately HK$323,878,000 (31 December 2006: HK$343,581,000) representing those clients' undrawn monies / excess deposits placed with the Group. As at 30 June 2007, the cash clients accounts payable included an amount of HK$2,632,000 (31 December 2006: HK$2,896,000) in respect of securities transactions undertaken for the accounts of certain directors. The balances are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of dealing in securities.

[^] The margin clients accounts payable are repayable on demand and bear interest at commercial rates. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not relevant in view of the nature of the business of securities margin financing.

11. Comparative amounts

During the period, the Group considered it more appropriate to reclassify certain receivables and payables in order to better reflect their underlying nature. The principal changes consist of the reclassifications of receivable from / payable to clearing houses from "Accounts receivable / payable" to "Receivables / Payables arising from securities and futures broking". Accordingly, the relevant comparative amounts of "Accounts receivable" and "Receivables arising from securities and futures broking" of HK$11,730,000, and "Accounts payable" and "Payables arising from securities and futures broking" of HK$5,125,000 on the face of the consolidated balance sheet have been reclassified to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Results

In both Hong Kong and Mainland China the economy has enjoyed a vibrant first half of the year 2007. The Group's principal business, the manufacture and retail of jewellery in the Mainland, Hong Kong, Macau and Taiwan, registered growth that reflected the benefit of such an economic climate. Likewise the Group's securities and futures brokerage rode on the strong equity market to register pleasing results. Although the precious metals wholesale arm did not enjoy such positive market conditions it nevertheless held its own as compared to the year before.

The turnover of the Group for the six months ended 30 June 2007 decreased 26% to HK$3,560 million from HK$4,807 million of the year before. Profit attributable to shareholders however rose to HK$180 million, 20% above the HK$151 million of the prior year, and earnings per share for the half year climbed to HK29.9 cents from HK25.0 cents. In May 2006, a rapid swell of scrap gold selling by the public, unleashed by the sharp rise in the price of gold, gave a significant boost to the turnover. Although scrap selling has since retreated to a "normal" level, the effect of the loss of such revenue was more than offset by the growth in the sales of normal merchandise.

Jewellery Retail

Operating profit from jewellery retail grew 9% to HK$184 million as turnover climbed 35% to HK$1,760 million, which is 49% of the Group's total turnover.

Hong Kong & Macau
With a resurgent economy in the background, spending by Mainland visitors and locals alike has been strong. Turnover was higher than last year in every month of the first half. Average price of items sold has also been rising. In particular, sales of gem-set jewellery and watches registered gratifying gains for the period of 24% and 54% respectively.

Of the total turnover of jewellery retail, Hong Kong and Macau accounted for 73% or HK$1,277 million.

Although the price of gold has quickly retreated from the peak that it had reached in May 2006, throughout the first half of 2007 it was higher than it had ever been in the second half of 2006. Naturally inflow of gold shrank considerably compared with the first half of 2006, but sales of gold jewellery and ornaments were stronger than in that prior period. With the significant drop in recycling profit, overall gross profit derived from gold went down by 46%, a magnitude that is nevertheless less than expected, thanks to healthy sales.

At 628 Nathan Road, Mongkok, a new lease was signed to comprise all the shop space at the premises, about double the size of the existing shop. The entire ground floor has been fitted out into a mega-store 500m^2 in area with 40m of frontage on Nathan Road. With these dimensions it is virtually a landmark in Mongkok, and as such the shop is poised to offer a unique "one-stop" jewellery shopping experience not to be missed by any shopper in the area, much more so for those from the Mainland. The shop is divided into specialty zones, one of which is given to Emphasis Jewellery and another to Rolex and Tudor watches. In anticipation of the mega-store, the lease of the shop located a couple of blocks south was closed when its lease expired in May.

In October a new “concept store” will open in The Elements, the new shopping complex located above MTR Kowloon Station. This store will be designed with an entirely new ambiance to appeal to the most sophisticated shoppers.

Emphasis Jewellery has been keeping up its pace, achieving a growth of 48% in gross profit over the same period last year. A new shop was opened at Queensway Plaza, Admiralty. The shop originally at Shop 3 of 628 Nathan Road has been reconfigured as one of the specialty zones in the mega-store.

In 2007, to date there has been 3 new Chow Sang Sang shops and one closure. The number of shops in Hong Kong stands at 36. Over at Emphasis Jewellery, with one new shop added the count is 10 in Hong Kong and Macau. Another store will open in Macau, in the resort The Venetian in the second half of 2007.

As is widely known, shop rent has been going up. As a result, rental expenses have gone up 16%. Capital expenditure amounted to HK$12 million. The effect of the mega-store referred to above will appear in the second half.

Mainland China

During the first half of 2007 operating profit from the Mainland stores have already exceeded the total amount of 2006. The turnover went up 87% to HK$449 million; it is now 25% of the Group’s total turnover in jewellery retail.

Same-store growth has been robust, reflecting the increased sales of jewellery with larger sized diamonds in many cities. Thanks to the reduction in value-added tax on diamonds imported through the Shanghai Diamond Exchange, profitability of diamond jewellery sales has improved. To facilitate the importation of diamonds a new company, Chow Sang Sang Diamond (Shanghai) Co., Ltd. was formed and enlisted as a member of the Shanghai Diamond Exchange. It operates as an importer and a repository of the Group’s diamond inventory.

In the reporting period, 13 stores were opened and 11 were located in cities where we already have presence. The exceptions were in Zhuhai, Guangdong, and in Quanzhou, Fujian. This is in keeping with the current strategy of giving higher priority to strengthening the network within cities than to increasing the number of cities covered by the network.

Looking ahead, by the end of the year, 15 more stores will have been opened, including those in Urumqi, Xinjiang and Lanzhou, Gansu. Efforts are being put into the setting up of flagship stores in Beijing, Shanghai and Guangzhou.

Capital expenditure in the period amounted to HK$13 million, mostly incurred in opening of new shops.

Taiwan

Turnover was HK$34 million, being 2% of the total. More work is being put into motivating the team to engage in brand management.

Wholesale of Precious Metals

Turnover from the wholesale business dropped by 23% in the first half of 2007 to HK$1,723 million and accounted for 48% of the Group's turnover. Even though the trading of gold dropped considerably from the first half of 2006, gross profit per unit weight was actually higher. At the same time, growth in the trading of platinum and other metals made up for the decrease. Operating profit increased by 230% to HK$7 million.

Securities and Futures Broking

The stock market has been even more active than it was in the first half of 2006, with average daily turnover for the first half of 2007 at a record HK$59.2 billion. Our transaction volume for the first half shot up to HK$21 billion, being an increase of 88% over the same period of 2006 that stands well compared to the overall market increase of 82%. Commission income was HK$47 million (+82%) and operating profit reached HK$32 million (+94%).

Advance to customers, as distinct from initial public offering ("IPO") financing, climbed to HK$159 million as at 30 June 2007. The amount at the end of 2006 was HK$85 million. IPO financing amounted to HK$1,206 million at the end of June 2007 (31 December 2006: HK$nil). Loan quality had been scrupulously maintained and no material provision for bad debt was required.

In the first half of the year, the Group entered into a sale and purchase agreement with an independent third party to dispose of a trading right in The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for a cash consideration of HK$500,000. The Stock Exchange has approved the transfer in July. This trading right was one of six held by the Group and it was therefore a surplus.

While the outlook for the market is positive for the rest of the year, staff attrition and personnel costs have been rising and are expected to continue to do so.

Investments

Properties
The Group holds properties mainly for its own use as offices, jewellery shops and factory premises. Rental income from investment properties stood at HK$4 million, less than 1% of the Group's overall turnover.

Shares in Hong Kong Exchanges and Clearing Limited
Shares in Hong Kong Exchanges and Clearing Limited ("HKEC"), received as distribution from the merger of the stock and futures exchanges in 2000, are being held by the Group as available-for-sale investments. As at 1 January 2007 and 30 June 2007, the Group held 4,953,500 shares of HKEC and the unrealised gain on the holding amounted to HK$547 million (31 December 2006: HK$421 million).

Finance

Financial Position and Liquidity
The Group centralises funding for all its operations through the corporate treasury based in Hong Kong, which is also given the management of the Group's gold and foreign exchange holdings. This policy achieves better control of treasury operations and lower average cost of funds. As at 30 June 2007, the Group had cash and cash equivalents of HK$154 million, and total undrawn bank loans and overdraft facilities of approximately HK$827 million. The Group generates strong recurring cashflow from its core jewellery business.

It is the Group's policy to obtain financing on an unsecured basis as far as possible. With respect to its jewellery business, total borrowing as at 30 June 2007 amounted to HK$184 million, which was unsecured and repayable in one year. Bank borrowing with respect to its securities business totalled HK$1,235 million (31 December 2006: HK$nil), out of which HK$1,220 million was arranged to provide financing to subscribers of 6 IPO's in process. The Group has a low gearing ratio of 7%, based on total borrowing (excluding IPO financing) of HK$199 million as a percentage of total shareholders' equity of HK$2,779 million. As at 30 June 2007, the current ratio stood at a healthy level of 1.8. Most of the cash is deposited with leading banks of Hong Kong in either HK dollar or US dollar.

Foreign Exchange Risk Management
The Group considers its foreign currency exposure insignificant. The Group has foreign currency exposure in Renminbi ("RMB"), New Taiwan dollars, Euro and Japanese Yen. Currency risks are managed by partly financing non-Hong Kong dollar assets with loans denominated in the relevant currency. As at 30 June 2007, total foreign currency borrowings excluding RMB borrowings amounted to approximately HK$6 million (31 December 2006: HK$7 million). RMB loans at period end amounted to RMB154 million (31 December 2006: RMB100 million) and are used for the operations in Mainland China. Most of the Group's assets and liabilities, revenues and expenses are in HK dollar and US dollar.

Charges on Assets and Contingent Liabilities
As at 30 June 2007, certain items of properties of the Group with a net carrying value of HK$151 million (31 December 2006: HK$153 million), and listed equity investments of HK$387 million (31 December 2006: HK$298 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2007, the Group had no material contingent liabilities.

Human Resources

As of the end of June 2007, the Group had a total workforce of 2,841. The Group offers its staff competitive remuneration packages. Discretionary bonuses are granted to eligible staff based on individual and Group performance. The Group does not have any share option plans.

Achievements

Chow Sang Sang was chosen as one of the two Grand Award winners amongst 200 participating enterprises in the "Best Brand Enterprise Award 2007 (Greater China)", an event jointly organised by the Hong Kong Productivity Council and China Trademark Association. We were honoured by the Readers Digest in a poll of their readership, and likewise by the Guangzhou Daily.

Two sales representatives each from Chow Sang Sang and Emphasis Jewellery won the "Distinguished Salesperson Award" in the Hong Kong Management Association's 39th running of the competition. The Hong Kong Retail Management Association awarded Chow Sang Sang the "Service Category Leader of Watch & Jewellery Category" and "Service Industry Leader" in their Mystery Shoppers Programme (March – May 2007).

DIVIDEND

The Board has declared an interim dividend of HK8.0 cents (2006: HK7.0 cents) per ordinary share for the six months ended 30 June 2007 payable to shareholders whose names appear on the register of members of the Company on 20 September 2007. Dividend warrants will be posted to shareholders on 28 September 2007.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Monday, 17 September 2007 to Thursday, 20 September 2007, both days inclusive, during such period no transfer of shares will be registered. To ensure the entitlement to the interim dividend, shareholders are reminded to lodge their transfer documents accompanied by the relevant share certificates with the Company's branch share registrars, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 14 September 2007.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

Throughout the period under review, the Company has complied with the Code on Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as the Company's code of conduct regarding Director's securities transactions. Upon specific enquiries, all Directors confirmed their compliance with the required standards as set out in the Model Code during the six months ended 30 June 2007.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Company at www.chowsangsang.com and Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk. The interim report of the Company will be despatched to shareholders and available at the same websites in mid-September 2007.

BOARD OF DIRECTORS

As at the date of this announcement, the executive directors of the Company are Dr. CHOW Kwen Lim, Mr. Vincent CHOW Wing Shing, Dr. Gerald CHOW King Sing and Mr. Winston CHOW Wun Sing; the non-executive directors are Mr. CHOW Kwen Ling, Mr. Stephen TING Leung Huel and Mr. CHUNG Pui Lam; the independent non-executive directors are Dr. CHAN Bing Fun, Mr. LEE Ka Lun and Mr. LO King Man.

Hong Kong, 30 August 2007

By Order of the Board
Chow Kwen Lim
Chairman