



CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock code: 116

股份代號：116

INTERIM REPORT 2007
2007 中期報告

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 financial report has been reviewed by the Audit Committee of the Board.

周生生集團國際有限公司(「本公司」)董事會欣然宣布本公司及其附屬公司(「本集團」)截至2007年6月30日止六個月之未經審核中期業績。中期財務報告已由董事會之審核委員會審閱。

FINANCIAL HIGHLIGHTS

財務摘要

		Unaudited 未經審核		
		Six months ended 30 June 截至6月30日止六個月		
		2007	2006	Change
		HK\$'000	HK\$'000	
		千港元	千港元	變動
Turnover	營業額			
Jewellery retail	珠寶零售	1,760,419	1,308,712	35%
Other business	其他業務	1,799,500	3,497,963	-49%
		3,559,919	4,806,675	-26%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	180,110	150,710	20%
Basic earnings per share	每股基本盈利	29.9 cents 仙	25.0 cents 仙	
Interim dividend per share	每股中期股息	8.0 cents 仙	7.0 cents 仙	
Dividend payout ratio	派息比率	27%	28%	
Equity attributable to shareholders of the Company	本公司股東應佔權益	2,779,259	2,557,641 [^]	9%
Equity per share	每股權益	\$4.6元	\$4.2元 [^]	9%

[^] Audited as at 31 December 2006

[^] 於2006年12月31日之經審核數字

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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.

本集團業績

香港及中國內地經濟2007年上半年均表現活躍，本集團之主營業務，在中國內地、香港、澳門及台灣經營之珠寶製造及零售亦乘此經濟氣候錄得增長。集團之證券及期貨經紀業務同樣受惠於暢旺的證券市場，錄得滿意業績。雖然經濟暢旺未惠及貴金屬批發業務，但盈利仍能與去年相比。

本集團截至2007年6月30日止六個月之營業額較去年同期之4,807,000,000港元下跌26%至3,560,000,000港元。股東應佔溢利則較去年151,000,000港元上升20%至180,000,000港元，期內每股盈利由25.0港仙上升至29.9港仙。於2006年5月，金價急升令舊金回售大增，為營業額帶來明顯增長。其後舊金回售雖回落至「正常」水平，但舊金回售收益減少的影響多數被銷售增長所賺到的回報所抵銷。

珠寶零售

珠寶零售經營溢利增長9%至184,000,000港元，營業額上升35%至1,760,000,000港元，佔本集團總營業額49%。

香港及澳門

隨著經濟復蘇，內地遊客及本地顧客消費能力強勁，上半年度每月營業額均高於去年同期，貨品平均銷售金額亦見上升。期內鑲嵌飾品及鐘錶銷售亦錄得滿意的收益，增長分別為24%及54%。

香港及澳門佔本集團珠寶零售總營業額73%或1,277,000,000港元。

金價雖然從2006年5月份高位迅速回落，2007年上半年仍一直維持在高於2006年下半年的水平。舊金回售雖比2006年上半年明顯縮減，但期內銷售黃金飾品則較去年同期興旺。舊金回收利潤顯著減少，但飾品銷售表現良好，黃金整體毛利下跌46%，下跌幅度小於預期。

MANAGEMENT DISCUSSION AND ANALYSIS

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 500m² 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 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.

管理層討論及分析

位於旺角彌敦道628號的分店已簽訂新租約，一併租用該樓層內全部舖位，面積約為原店的兩倍。整個地舖已重裝為500平方米的旗艦店，於彌敦道擁有長達40米的店面。具此規模，此店成為旺角地標之一，為區內消費者提供一個獨一無二、不容錯過的「一站式」珠寶購物消閒體驗，尤其是內地旅客。該店劃分為不同專區，其中一個為點睛品專區，另亦設勞力士及帝舵錶專區。為配合此旗艦店的規劃，位於該店以南相距不遠的分店已於5月租約期滿後結業。

一家嶄新「概念專門店」將於10月份在地鐵九龍站上蓋新落成商場Elements開業，該店將採用全新設計及風格，消費對象為具時尚品味的客層。

點睛品表現穩步上揚，毛利較去年同期增長48%。一家新店在金鐘金鐘廊開業，而位於彌敦道628號3號舖的分店已重裝為旗艦店中一個專區。

2007年至今，周生生開設3家新店及結束一家分店，香港現有分店數目為36家。點睛品增加一家新店後，香港及澳門現有10家分店。另一家店將於2007年下半年在澳門威尼斯人度假村開業。

眾所周知，店舖租金不斷上升，令租金開支增加16%。資本性開支為12,000,000港元。上述旗艦店的影響將於下半年度反映。

MANAGEMENT DISCUSSION AND ANALYSIS

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.

管理層討論及分析

中國內地

2007年上半年內地經營溢利已超越2006年全年總額，營業額上升87%至449,000,000港元；佔集團珠寶零售總營業額25%。

同店銷售增長強勁，反映多個城市銷售重量較大的鑽石飾品上升。經由上海鑽石交易所進口的鑽石增值稅減低，令銷售鑽石飾品的利潤提高。為使鑽石進口更為暢順，集團成立了一家新公司「周生生鑽石（上海）有限公司」，並登記成為上海鑽石交易所會員，為本集團進口及儲備鑽石存貨。

本期共13家分店開業，除廣東珠海及福建泉州兩店外，其餘11家新店均位於已立點城市。此乃保持集團現行策略，先增強市內的分店網絡，繼而擴大網絡覆蓋的城市數目。

集團計劃年底前增加15家新店，包括新疆烏魯木齊及甘肅蘭州的新店。目前正籌劃在北京、上海及廣州開設旗艦店。

期內之資本性開支為13,000,000港元，大部分作開店之用。

台灣

營業額為34,000,000港元，佔總營業額2%。集團正增撥資源激勵團隊致力於品牌管理。

貴金屬批發

2007年上半年批發業務營業額下跌23%至1,723,000,000港元，佔本集團營業額48%。縱使黃金交易較2006年上半年減少，但每重量單位毛利上升。同時，鉑金及其他金屬交易增加，彌補了黃金交易下跌的影響。經營溢利躍升230%至7,000,000港元。

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).

證券及期貨經紀

2007年上半年的證券市場較2006年同期更活躍，市場每日平均成交金額更創592億港元的紀錄。期內集團證券業務交易量增至210億港元，較2006年同期上升88%，媲美市場整體上升的82%。佣金收入為47,000,000港元(+82%)，經營溢利達32,000,000港元(+94%)。

於2007年6月30日，除提供首次公開招股融資外，給予客戶之墊款攀升至159,000,000港元，2006年年底為85,000,000港元。2007年6月底為客戶之首次公開招股申請提供融資1,206,000,000港元(2006年12月31日：無)。貸款質素一直受嚴格監控，故無需作重大壞賬撥備。

於2007年上半年，本集團與獨立第三者簽訂買賣協議，以現金代價500,000港元出售一個香港聯合交易所有限公司(「聯交所」)之交易權。聯交所於7月已批准有關轉讓。該交易權為本集團所持有六個交易權的其中之一，故屬過剩。

預期下半年市場樂觀，但員工流失及人事費用不斷上升的情況將會持續。

投資

物業

本集團持有之物業大部分自用作辦公室、珠寶店及廠房。投資物業帶來之租金收入約4,000,000港元，佔本集團總營業額少於1%。

香港交易及結算所有限公司股份

於2000年證券及期貨交易所合併而獲分配之香港交易及結算所有限公司(「港交所」)股份，本集團持作可供出售投資。於2007年1月1日及2007年6月30日，本集團持有4,953,500股港交所股份，未變現收益為547,000,000港元(2006年12月31日：421,000,000港元)。

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.

財務

財務狀況及流動資金

本集團營運資金集中由香港總公司財政部門統籌，該部門亦負責管理本集團持有之黃金及外匯。此政策令財政運作得到較佳監控，減低平均融資成本。於2007年6月30日，本集團之現金及等同現金為154,000,000港元，未動用之銀行貸款及透支額約為827,000,000港元。本集團之核心珠寶業務將繼續提供龐大的經常性現金流量。

集團政策是盡量以無抵押方式取得融資。珠寶業務方面，於2007年6月30日之借貸總額為184,000,000港元，為無抵押及須於一年內償還。證券業務之銀行貸款總額為1,235,000,000港元（2006年12月31日：無），其中1,220,000,000港元是為於期末尚在進行中的六項首次公開招股項目的認購者提供之融資。本集團維持低水平的資本負債比率7%，為總貸款（不包括首次公開招股貸款）199,000,000港元佔股東權益2,779,000,000港元之百分比。於2007年6月30日，流動比率維持在1.8的健康水平。大部分現金以港元或美元存於本港具領導地位的銀行。

外匯風險管理

本集團外匯風險小，外幣風險主要在人民幣、新台幣、歐羅及日元；管理方法以外幣債務為手上同幣資產融資。於2007年6月30日，不計人民幣之外幣借款約為6,000,000港元（2006年12月31日：7,000,000港元），人民幣借款為154,000,000人民幣（2006年12月31日：100,000,000人民幣），作為中國內地營運資金。集團大部分資產及負債、收入及費用均以港元及美元結算。

資產抵押及或然負債

於2007年6月30日，本集團以賬面淨值151,000,000港元（2006年12月31日：153,000,000港元）的若干物業及上市股份投資387,000,000港元（2006年12月31日：298,000,000港元）作為抵押，以便本公司若干附屬公司取得銀行信貸。

於2007年6月30日，本集團並無重大或然負債。

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).

人力資源

於2007年6月底，本集團共有2,841位僱員。本集團向僱員提供具競爭力的薪酬待遇，酌情花紅按個別員工的表現及集團整體業績發放予合資格僱員。本集團並無任何股權認購計劃。

成就

香港生產力促進局與中華商標協會合辦的「2007大中華區最佳創建品牌企業獎」，周生生從200多家著名參賽企業中脫穎而出，成為兩家獲得榮譽大獎的企業之一。集團亦在讀者文摘及廣州日報舉辦的選舉中獲獎。

周生生及點睛品各有兩位營業代表在管理專業協會舉辦的「第39屆傑出推銷員選舉」中獲選為傑出推銷員。周生生在香港零售管理協會主辦的「神秘顧客計劃」（2007年3月至5月）中膺「行業服務領袖」及「組別（鐘錶及珠寶店）服務領袖」殊榮。

CORPORATE GOVERNANCE

The Group recognises the importance of transparency and accountability to shareholders. The Board will continually review and enhance its corporate governance practices to ensure that they meet shareholders' expectation and comply with relevant standards.

During the six months ended 30 June 2007, the corporate governance practices adopted by the Company are in line with those set out in the Corporate Governance Report of the Company's Annual Report 2006 (the "2006 CG Report"). The Board is satisfied that the Company has complied with the code provisions of the Code on Corporate Governance Practices contained in the Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period under review.

The Board and the Board Committees

The Board has been appropriately structured to have sufficient balance of skills and experience to protect the interests of the Group and the shareholders. As at 30 June 2007 and up to the date of this report, the Board comprises the following members:

Executive Directors 執行董事

Dr. CHOW Kwen Lim
Chairman
周君廉博士
主席

Mr. Vincent CHOW Wing Shing
Group General Manager
周永成先生
集團總經理

Dr. Gerald CHOW King Sing
周敬成醫生

Mr. Winston CHOW Wun Sing
Group Deputy General Manager
周允成先生
集團副總經理

Non-executive Directors 非執行董事

Mr. CHOW Kwen Ling
Honorary Chairman
周君令先生
名譽董事長

Mr. Stephen TING Leung Huel
丁良輝先生

Mr. CHUNG Pui Lam
鍾沛林先生

企業管治

本集團一向確認透明度及問責對股東之重要性。董事會將繼續檢討及提升其企業管治常規，以確保彼等符合股東之期望及遵守有關標準。

截至2007年6月30日止六個月內，本公司採納之企業管治常規與本公司2006年年報內企業管治報告（「2006企業管治報告」）所載者貫徹一致。董事會信納於整段中期報告涵蓋期內，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載企業管治常規守則之守則條文。

董事會及董事委員會

董事會已恰當地組合並擁有均衡技能及經驗，以保障本集團及股東之利益。於2007年6月30日及截至本報告日，董事會由以下成員組成：

Independent Non-executive Directors 獨立非執行董事

Mr. LEE Ka Lun
李家麟先生

Dr. CHAN Bing Fun
陳炳勳醫生

Mr. LO King Man
盧景文先生

To reinforce independence, accountability and responsibility, the roles of the Chairman and the Group General Manager are separated with their respective responsibilities clearly set out in writing.

為加強獨立性、問責性及責任性，主席及集團總經理之角色分開；而彼等各自之職責均以書面明確載列。

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee with defined terms of reference. The composition of the three committees remains the same as specified in the 2006 CG Report. Each of the three committees is chaired by an Independent Non-executive Director (“INED”) with the majority of members being INED. The Audit Committee met twice to date in 2007 to review the audit findings, internal control system, financial reporting and compliance matters of the Group, as well as the Company’s Annual Report 2006 and the Interim Report 2007. The Remuneration Committee met twice to date in 2007 to review the Group’s staff bonus for 2006 and the annual salary adjustment for 2007. No meeting has been held to date in 2007 for the Nomination Committee.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company’s code of conduct regarding directors’ securities transactions. Upon specific enquiries, all directors have confirmed their compliance with the Model Code throughout the period under review.

Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with written internal guidelines on no less exacting terms than the Model Code.

Internal Control

The Board is responsible for ensuring that an adequate internal control system has been maintained to safeguard the Group’s assets and manage risks.

The Audit Committee has reviewed the Group’s system of internal control for the six months ended 30 June 2007, with reference to the internal audit plan and reports, there is no significant control weaknesses or areas of concern.

The Board is satisfied that an ongoing process is in place to evaluate and manage the Group’s internal control system as well as the business risks in connection to the operations.

董事會已成立審核委員會、薪酬委員會及提名委員會，該等委員會各自均有明確之權責範圍。三個委員會之成員與2006企業管治報告內所列者相同。三個委員會均由獨立非執行董事出任主席，大部分成員為獨立非執行董事。審核委員會於2007年至今已舉行兩次會議，以檢討本集團之審計結果、內部管控系統、財務報告及法規遵守事宜，並已審閱本公司2006年年報及2007年中期報告。薪酬委員會於2007年至今已舉行兩次會議，以檢討本集團2006年年終員工花紅及2007年年度薪酬調整。提名委員會於2007年至今並無舉行會議。

證券交易之標準守則

本公司已採納上市規則附錄10所載，有關上市公司董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易之行為守則。經作出具體諮詢後，全體董事已確認彼等於整段中期報告涵蓋期內均遵守標準守則。

可能擁有本集團尚未公布之價格敏感資料之員工，亦需遵守一套內部指引，其內容不比標準守則寬鬆。

內部管控

董事會負責確保本集團維持足夠內部管控系統，以保障本集團資產並管理風險。

審核委員會已檢閱截至2007年6月30日止六個月之本集團內部管控系統。經考慮系統稽核部提交之計劃及報告後，並無重大管控弱點或須關注之問題。

董事會信納現有持續程序以評估及管理本集團內部管控系統及運作上之相關商業風險。

CORPORATE GOVERNANCE

Investor Relations and Communications

The Company continues to promote effective investor communications by having regular meetings with institutional shareholders and financial analysts, so as to facilitate their understanding of the Group's strategies and operations. The Group's website, with extensive information such as the Group's corporate structure and the Company's financial reports, is updated from time to time to provide regular and timely information and disclosures to the stakeholders.

Community Support

The Group continues to provide support to the communities. During the period under review, the Group has lent support to the exhibition "Splendour and Mystery of Ancient Shu — Cultural Relics from Sanxingdui and Jinsha", a major event in the celebration of the 10th anniversary of Hong Kong Special Administrative Region. The Hong Kong Repertory Theatre Company, the 2nd Cycling Tour — HK Shanghai Tournament, and the Community Chest all have received sponsorships from the Group.

企業管治

投資者關係及傳訊

本公司持續促進有效的投資者通訊，並定期與機構投資者及財務分析員會晤，以協助彼等了解本集團之策略及運作。本集團網站載有大量有關集團資料，如企業架構及本公司財務報告，其會不時更新以提供定期及適時之資料予相關人士。

社會支持

本集團持續支持社會。於中期報告涵蓋期內，本集團贊助了為慶祝香港特別行政區回歸十週年而舉辦的「三星閃爍 金沙流采 — 神秘的古蜀文明」專題展覽。第二屆環滬港國際自行車大賽及公益金亦獲本集團贊助。

CONSOLIDATED PROFIT AND LOSS ACCOUNT

綜合損益賬

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
TURNOVER	營業額		
Jewellery retail	珠寶零售	1,760,419	1,308,712
Other business	其他業務	1,799,500	3,497,963
		<u>3,559,919</u>	<u>4,806,675</u>
Cost of sales	銷售成本	<u>(2,975,097)</u>	<u>(4,303,450)</u>
Gross profit	毛利	584,822	503,225
Other income	其他收入	41,003	26,788
Selling and distribution costs	銷售及分銷費用	(299,460)	(254,083)
Administrative expenses	行政費用	(88,791)	(80,674)
Other gains/(losses), net	其他收益/(虧損), 淨值	3,385	(149)
Finance costs	財務費用	(13,096)	(5,836)
Share of profits of associates	應佔聯營公司溢利	138	265
		<u>228,001</u>	<u>189,536</u>
PROFIT BEFORE TAX	除稅前溢利		
Tax	稅項	(39,368)	(33,624)
		<u>188,633</u>	<u>155,912</u>
PROFIT FOR THE PERIOD	期內溢利		
Attributable to:	應佔溢利:		
Shareholders of the Company	本公司股東	180,110	150,710
Minority interests	少數股東權益	8,523	5,202
		<u>188,633</u>	<u>155,912</u>
DIVIDEND	股息		
Interim	中期	48,154	42,134
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	本公司股東應佔每股盈利		
Basic	基本	<u>29.9 cents 仙</u>	<u>25.0 cents 仙</u>

CONSOLIDATED BALANCE SHEET

綜合資產負債表

			Unaudited 未經審核 30 June 6月30日 2007 HK\$'000 千港元	Audited 已審核 31 December 12月31日 2006 HK\$'000 千港元 (Restated) (重列)
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、機器及設備		342,780	341,034
Investment properties	投資物業		117,050	117,050
Intangible assets	無形資產		320	320
Other assets	其他資產		44,380	43,233
Interests in associates	於聯營公司權益		10,764	10,652
Available-for-sale investments	可供出售投資	8	566,051	439,972
Deferred tax assets	遞延稅項資產		2,940	2,855
Total non-current assets	總非流動資產		<u>1,084,285</u>	<u>955,116</u>
CURRENT ASSETS	流動資產			
Inventories	存貨		1,742,400	1,567,589
Accounts receivable	應收賬款	9	91,650	102,028
Receivables arising from securities and futures broking	證券及期貨經紀產生之 應收賬款	9	1,553,968	253,389
Prepayments, deposits and other receivables	預付款項、按金及 其他應收賬款	10	156,726	48,259
Investments at fair value through profit or loss	按盈虧訂定公平價值投資	11	13,863	12,246
Available-for-sale investment	可供出售投資	8	7,763	7,723
Derivative financial instruments	衍生金融工具	12	5,637	3,001
Tax recoverable	可收回稅項		414	289
Cash held on behalf of clients	代客戶持有現金	13	341,352	365,579
Cash and cash equivalents	現金及等同現金	13	153,745	284,882
Total current assets	總流動資產		<u>4,067,518</u>	<u>2,644,985</u>
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	14	108,789	112,606
Payables arising from securities and futures broking	證券及期貨經紀產生之 應付賬款	14	509,123	509,794
Other payables and accruals	其他應付賬款及應計項目		166,961	157,168
Derivative financial instruments	衍生金融工具	12	252	1,111
Interest-bearing bank borrowings	計息銀行貸款		183,857	126,592
Interest-bearing bank borrowings arising from securities and futures broking	證券及期貨經紀產生之 計息銀行貸款		1,235,370	—
Tax payable	應付稅項		57,934	34,325
Total current liabilities	總流動負債		<u>2,262,286</u>	<u>941,596</u>
NET CURRENT ASSETS	流動資產淨值		<u>1,805,232</u>	<u>1,703,389</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		<u>2,889,517</u>	<u>2,658,505</u>
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		55,882	56,378
NET ASSETS	資產淨值		<u>2,833,635</u>	<u>2,602,127</u>

		Unaudited 未經審核 30 June 6月30日 2007 HK\$'000 千港元	Audited 已審核 31 December 12月31日 2006 HK\$'000 千港元 (Restated) (重列)
EQUITY	權益		
Equity attributable to shareholders of the Company	本公司股東應佔權益		
Issued capital	已發行股本	150,480	150,480
Reserves	儲備	2,580,625	2,310,854
Proposed dividend	擬派股息	48,154	96,307
		<u>2,779,259</u>	<u>2,557,641</u>
Minority interests	少數股東權益	54,376	44,486
TOTAL EQUITY	總權益	<u><u>2,833,635</u></u>	<u><u>2,602,127</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY — UNAUDITED

		Attributable to shareholders of the Company		
		Issued share capital 已發行 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Leasehold land and buildings revaluation reserve 租賃土地及 樓宇重估儲備 HK\$'000 千港元
At 1 January 2007	於2007年1月1日	150,480	99,724	339,471
Change in equity	權益變動			
Changes in fair value of available-for-sale investments	可供出售投資 公平價值變動	—	—	—
Exchange realignment	匯兌調整	—	—	—
Total income and expense recognised directly as change in equity	直接確認為權益變動之 總收支	—	—	—
Profit for the period	期內溢利	—	—	—
Total income and expense for the period	期內總收支	—	—	—
Final 2006 dividend declared	已宣派2006年末期股息	—	—	—
Interim 2007 dividend	2007年中期股息	—	—	—
At 30 June 2007	於2007年6月30日	<u>150,480</u>	<u>99,724</u>	<u>339,471</u>
At 1 January 2006	於2006年1月1日	150,480	99,724	339,471
Change in equity	權益變動			
Changes in fair value of available-for-sale investments	可供出售投資 公平價值變動	—	—	—
Exchange realignment	匯兌調整	—	—	—
Total income and expense recognised directly as change in equity	直接確認為權益變動之 總收支	—	—	—
Profit for the period	期內溢利	—	—	—
Total income and expense for the period	期內總收支	—	—	—
Final 2005 dividend declared	已宣派2005年末期股息	—	—	—
Interim 2006 dividend	2006年中期股息	—	—	—
At 30 June 2006	於2006年6月30日	<u>150,480</u>	<u>99,724</u>	<u>339,471</u>

綜合權益變動表 — 未經審核

本公司股東應佔

Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	General reserve 一般儲備 HK\$'000 千港元	Exchange fluctuation reserve 外匯變動儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Proposed dividend 擬派股息 HK\$'000 千港元	Total 合計 HK\$'000 千港元	Minority interests 少數股東權益 HK\$'000 千港元	Total equity 總權益 HK\$'000 千港元
432,776	—	19,589	1,419,294	96,307	2,557,641	44,486	2,602,127
126,067	—	—	—	—	126,067	—	126,067
—	—	11,748	—	—	11,748	1,367	13,115
126,067	—	11,748	—	—	137,815	1,367	139,182
—	—	—	180,110	—	180,110	8,523	188,633
126,067	—	11,748	180,110	—	317,925	9,890	327,815
—	—	—	—	(96,307)	(96,307)	—	(96,307)
—	—	—	(48,154)	48,154	—	—	—
558,843	—	31,337	1,551,250	48,154	2,779,259	54,376	2,833,635
163,779	10,000	5,878	1,250,897	72,230	2,092,459	33,600	2,126,059
88,172	—	—	—	—	88,172	—	88,172
—	—	2,169	—	—	2,169	365	2,534
88,172	—	2,169	—	—	90,341	365	90,706
—	—	—	150,710	—	150,710	5,202	155,912
88,172	—	2,169	150,710	—	241,051	5,567	246,618
—	—	—	—	(72,230)	(72,230)	—	(72,230)
—	—	—	(42,134)	42,134	—	—	—
251,951	10,000	8,047	1,359,473	42,134	2,261,280	39,167	2,300,447

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

簡明綜合現金流量表

		Unaudited 未經審核	
		Six months ended 30 June 截至6月30日止六個月	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	經營業務之現金 流入／(流出)淨額	(70,140)	201,175
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	投資業務之現金 流出淨額	(20,332)	(15,171)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	融資活動之現金 流出淨額	(43,203)	(62,296)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及等同現金之增加／ (減少)淨額	(133,675)	123,708
Cash and cash equivalents at beginning of period	於期初之現金及等同現金	284,882	175,082
Effects of foreign exchange rate changes, net	外幣匯率變動影響，淨值	2,538	434
CASH AND CASH EQUIVALENTS AT END OF PERIOD	於期終之現金及等同現金	<u>153,745</u>	<u>299,224</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及等同現金結存分析		
Cash and bank balances	現金及銀行存款	125,425	207,345
Non-pledged time deposits with original maturity of less than three months when acquired	存放時到期日少於三個月 之無抵押定期存款	28,320	91,879
		<u>153,745</u>	<u>299,224</u>

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 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:

Sales of goods	貨品銷售
Commission on securities and commodities broking	證券及商品經紀佣金收入
Gross rental income	總租金收入

1. 編製基準

本未經審核簡明綜合中期財務報告乃按照香港會計師公會頒布之香港會計準則第34號「中期財務報告」及上市規則附錄16予以編製。

本中期財務報告應與2006年年報一併閱讀。

編製本中期財務報告時採用之會計政策及計算基準與本集團截至2006年12月31日止年度之已審核財務報告所採用的一致。

採納於2007年1月1日或以後開始之會計年度已生效之新準則、修訂及詮釋對本集團經營業績及財務狀況並無重大影響。

本集團並無提早於本中期財務報告採納以下已頒布但未生效之新訂及經修訂香港財務報告準則（亦包括香港會計準則及詮釋）。

香港會計準則第23號（經修訂）	貸款成本 ¹
香港財務報告準則第8號	經營分部 ¹
香港（國際財務報告詮釋委員會）— 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股份交易 ²
香港（國際財務報告詮釋委員會）— 詮釋第12號	特許權服務安排 ³

¹ 於2009年1月1日或以後開始之會計年度生效

² 於2007年3月1日或以後開始之會計年度生效

³ 於2008年1月1日或以後開始之會計年度生效

採納上述新訂及經修訂香港財務報告準則將不會對本集團之財務報告構成重大影響，亦不會對本集團之會計政策造成重大變動。

2. 營業額

營業額乃期內撇除退回、交易折扣與增值稅後售出貨品之發票淨值；證券及商品經紀佣金收入及租金收入。以下業務之收益已包括在營業額內：

Six months ended 30 June
截至6月30日止六個月

2007	2006
HK\$'000	HK\$'000
千港元	千港元
3,507,624	4,775,963
48,087	26,703
4,208	4,009
<u>3,559,919</u>	<u>4,806,675</u>

NOTES TO INTERIM FINANCIAL REPORT

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	截至6月30日止六個月	Manufacture and retail of jewellery 珠寶製造及零售	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Segment revenue:	分部收益：		
Sales to external customers	銷售予外界客戶	1,760,419	1,308,712
Intersegment sales	內部銷售	151,543	27,159
Other income from external sources	其他外界收益	11,000	8,418
Other intersegment income	其他內部收益	1,378	1,948
Total	總收益	1,924,340	1,346,237
Segment results	分部業績	183,705	169,258
Interest income	利息收入		
Dividend income	股息收入		
Unallocated expenses	未分配費用		
Finance costs	財務費用		
Share of profits of associates	應佔聯營公司溢利		
Profit before tax	除稅前溢利		
Tax	稅項		
Profit for the period	期內溢利		

中期財務報告附註

3. 分部資料

本集團於期內之業務分部收益及業績分析如下：

Wholesale of precious metals 貴金屬批發		Securities and futures broking 證券及期貨經紀		Other business 其他業務		Eliminations 對銷		Consolidated 綜合	
2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
1,722,971	2,225,109	47,322	25,999	29,207	1,246,855	—	—	3,559,919	4,806,675
77,719	76,324	—	—	844	845	(230,106)	(104,328)	—	—
1	1	17,460	8,228	1,020	1,542	—	—	29,481	18,189
—	—	—	—	54	68	(1,432)	(2,016)	—	—
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
7,075	2,146	31,854	16,433	2,049	2,588	—	—	224,683	190,425
								5,520	5,357
								6,002	3,242
								(4,088)	(3,917)
								(4,254)	(5,836)
								138	265
								228,001	189,536
								(39,368)	(33,624)
								188,633	155,912

4. Profit before tax

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

Write-down of inventories to net realisable value	撇銷存貨至可變現淨值	2,255	10,314
Depreciation	折舊	23,891	20,139
Minimum lease payments under operating leases for leasehold land and buildings	租賃土地及樓宇經營租約最低租賃付款	80,316	69,293
Bank interest income	銀行利息收入	(5,263)	(4,881)
Interest income from securities and futures broking	證券及期貨經紀之利息收入	(15,427)	(6,876)
Dividend income	股息收入	(6,188)	(3,507)
Foreign exchange gain, net	匯兌收益·淨值	(2,359)	(1,147)
Gain on disposal of investments at fair value through profit or loss	出售按盈虧訂定公平價值投資收益	(646)	(440)
Net loss on disposal of derivative financial instruments ^Δ	出售衍生金融工具淨虧損 ^Δ	1,233	22,391
Net fair value losses on investments at fair value through profit or loss	按盈虧訂定公平價值投資之公平價值淨虧損	110	149
Net fair value (gains)/losses on derivative financial instruments — transactions not qualifying as hedges	衍生金融工具之公平價值淨(收益)/虧損 — 不符合作對沖之交易	(3,495)	1,820
Interest expense for securities and futures broking: On bank loans and overdrafts*	證券及期貨經紀之利息支出： 銀行貸款及透支*	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.

Current — Hong Kong	本期 — 香港	28,173	29,133
Charge for the period	期內稅項	(8)	—
Overprovision in prior years	過往年度超額撥備	11,784	5,375
Current — Elsewhere	本期 — 其他地區	(581)	(884)
Deferred	遞延	39,368	33,624

4. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)：

Six months ended 30 June		2007	2006
截至6月30日止六個月		HK\$'000	HK\$'000
		千港元	千港元
Write-down of inventories to net realisable value	撇銷存貨至可變現淨值	2,255	10,314
Depreciation	折舊	23,891	20,139
Minimum lease payments under operating leases for leasehold land and buildings	租賃土地及樓宇經營租約最低租賃付款	80,316	69,293
Bank interest income	銀行利息收入	(5,263)	(4,881)
Interest income from securities and futures broking	證券及期貨經紀之利息收入	(15,427)	(6,876)
Dividend income	股息收入	(6,188)	(3,507)
Foreign exchange gain, net	匯兌收益·淨值	(2,359)	(1,147)
Gain on disposal of investments at fair value through profit or loss	出售按盈虧訂定公平價值投資收益	(646)	(440)
Net loss on disposal of derivative financial instruments ^Δ	出售衍生金融工具淨虧損 ^Δ	1,233	22,391
Net fair value losses on investments at fair value through profit or loss	按盈虧訂定公平價值投資之公平價值淨虧損	110	149
Net fair value (gains)/losses on derivative financial instruments — transactions not qualifying as hedges	衍生金融工具之公平價值淨(收益)/虧損 — 不符合作對沖之交易	(3,495)	1,820
Interest expense for securities and futures broking: On bank loans and overdrafts*	證券及期貨經紀之利息支出： 銀行貸款及透支*	8,842	3,219

^Δ 出售衍生金融工具淨虧損包括出售貴金屬合約淨虧損4,207,000港元(2006年：22,391,000港元)，此金額包含在綜合損益賬上「銷售成本」中。

* 此結餘包含在綜合損益賬上「財務費用」中。

5. 稅項

香港利得稅乃按期內於香港產生之估計應課稅溢利以稅率17.5%(2006年：17.5%)撥備。其他地區應課稅溢利之稅項乃按本集團於各營運司法權區以當地現行法例、闡釋及慣例為基礎之通用稅率計算。

Six months ended 30 June		2007	2006
截至6月30日止六個月		HK\$'000	HK\$'000
		千港元	千港元
Current — Hong Kong	本期 — 香港	28,173	29,133
Charge for the period	期內稅項	(8)	—
Overprovision in prior years	過往年度超額撥備	11,784	5,375
Current — Elsewhere	本期 — 其他地區	(581)	(884)
Deferred	遞延	39,368	33,624

6. Dividend

Interim — HK8.0 cents
(2006: HK7.0 cents) per ordinary share

中期 — 每普通股8.0港仙
(2006年：7.0港仙)

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

Non-current

Listed equity investments in Hong Kong, at market value

Unlisted equity investments, at fair value

Unlisted equity investments, at cost

Unlisted debt securities, at fair value

非流動

香港上市股份投資，按市值

非上市股份投資，按公平價值

非上市股份投資，按成本

非上市債務證券，按公平價值

Current

Unlisted debt securities, at fair value

Total

流動

非上市債務證券，按公平價值

合計

An analysis of the issuers of the available-for-sale investments is as follows:

Equity investments:

Corporate entities

Debt securities:

Financial institutions

可供出售投資之發行人分析如下：

股份投資：

企業實體

債務證券：

財務機構

6. 股息

Six months ended 30 June

截至6月30日止六個月

2007 2006

HK\$'000 HK\$'000

千港元 千港元

48,154 **42,134**

7. 本公司股東應佔每股盈利

每股基本盈利乃按期內本公司股東應佔溢利180,110,000港元(2006年：150,710,000港元)及期內已發行加權平均股份601,920,000股(2006年：601,920,000股)普通股計算。

由於此兩段期間並無攤薄事項，故並無披露截至2007年及2006年6月30日止期間之每股攤薄盈利。

8. 可供出售投資

30 June 31 December

6月30日 12月31日

2007 2006

HK\$'000 HK\$'000

千港元 千港元

547,857 421,791

15,765 15,765

100 100

2,329 2,316

18,194 18,181

566,051 439,972

7,763 7,723

573,814 447,695

563,722 437,656

10,092 10,039

573,814 447,695

The market values of the Group's listed equity investments as at the date of approval of this interim financial report were approximately HK\$680,611,000.

於本中期財務報告批准日，本集團上市股份投資之市值約為680,611,000港元。

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.

9. 應收賬款／證券及期貨經紀產生之應收賬款

珠寶零售

本集團銷售一般以現金交易。就零售而來自財務機構之應收信用卡賬款之賬齡少於一個月。現有批發客戶獲提供15至45日之除賬期。

鑽石批發

本集團一般向貿易客戶提供之除賬期最多為60日。

貴金屬批發

本集團之貴金屬批發一般以現金交易。

證券及商品經紀

證券買賣於交易日後兩天結算，而商品買賣一般以現金結算。

		30 June	31 December
		6月30日	12月31日
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Trade and credit card receivables	應收貿易及信用卡賬款	91,650	102,028
Accounts receivable arising from the ordinary course of business of dealing in securities and futures broking:	在日常業務過程中證券及期貨經紀交易產生之應收賬款：		
Cash clients	現金客戶	235,694	168,539
Clearing houses	結算所	26,626	11,730
Clients of subscription for IPOs	認購首次公開招股客戶	1,205,690	—
Loans to margin clients	孖展客戶貸款	85,958	73,120
Receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款	1,553,968	253,389
		<u>1,645,618</u>	<u>355,417</u>

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

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

Within 30 days [#] (including amount not yet due)	30日內 [#] (包括未到期金額)
31 to 60 days	31至60日
Over 60 days	超過60日

Loans to margin clients* 孖展客戶貸款*

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. Prepayments, deposits and other receivables

Prepayments, deposits and other receivables 預付款項、按金及其他應收賬款
Deposits for IPO subscriptions 認購首次公開招股按金

9. 應收賬款／證券及期貨經紀產生之應收賬款(續)

應收賬款及證券及期貨經紀產生之應收賬款賬齡分析如下：

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
1,538,895	252,152
5,559	13,920
15,206	16,225
1,559,660	282,297
85,958	73,120
1,645,618	355,417

除證券客戶應收賬款之結餘外，其他結餘均為免息。

[#] 此結餘包括向客戶提供用作認購首次公開招股之貸款1,205,690,000港元(2006年12月31日：無)，此等貸款於相關首次公開招股配發結果公布時到期，並按商業條款計息。

* 孖展客戶貸款以相關已抵押證券作抵押，須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，董事認為賬齡分析作用不大，故無需披露賬齡分析。

10. 預付款項、按金及其他應收賬款

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
76,053	48,259
80,673	—
156,726	48,259

11. Investments at fair value through profit or loss

Held for trading	持作買賣
Listed equity investments in Hong Kong, at market value	香港上市股份投資，按市值

The above equity investments were issued by corporate entities.

12. Derivative financial instruments

Assets	資產
Forward currency contracts	遠期外幣合約

Liabilities	負債
Bullion contracts	貴金屬合約

The forward currency contracts and bullion contracts were stated at their fair values.

As at 30 June 2007, the aggregate notional amount of the forward currency contracts was HK\$350,326,000 (31 December 2006: HK\$377,894,000) and the aggregate contractual amount of bullion contracts was HK\$19,823,000 (31 December 2006: HK\$66,272,000).

The above contracts entered into by the Group are to manage its currency rate and bullion price exposures. They did not meet the criteria for hedge accounting.

11. 按盈虧訂定公平價值投資

30 June	31 December
6月30日	12月31日
2007	2006
HK\$'000	HK\$'000
千港元	千港元

13,863	12,246
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上述股份投資由企業實體發行。

12. 衍生金融工具

30 June	31 December
6月30日	12月31日
2007	2006
HK\$'000	HK\$'000
千港元	千港元

5,637	3,001
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252	1,111
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遠期外幣合約及貴金屬合約按其公平價值列賬。

於2007年6月30日，遠期外幣合約之名義總額為350,326,000港元（2006年12月31日：377,894,000港元），而貴金屬合約之合約總額為19,823,000港元（2006年12月31日：66,272,000港元）。

本集團訂立上述合約旨在管理本集團之外幣匯率及貴金屬價格風險。該等合約並不符合對沖會計處理之條件。

13. Cash and cash equivalents/Cash held on behalf of clients

Cash and bank balances	現金及銀行存款
Non-pledged time deposits with original maturity of less than three months when acquired	存放時到期日少於三個月之無抵押定期存款
Cash and cash equivalents	現金及等同現金

The Group maintains segregated trust accounts with licensed banks to hold securities and futures clients' monies arising from its normal course of business. The Group has classified the clients' monies as "Cash held on behalf of clients" under the current assets section of the consolidated balance sheet and recognised the corresponding accounts payable to respective clients on grounds that it is liable for any loss or misappropriation of the clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

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

Trade payables	應付貿易賬款
Payables arising from the ordinary course of business of dealing in securities and futures broking:	在日常業務過程中證券及期貨經紀交易產生之應付賬款：
Cash clients	現金客戶
Margin clients	孖展客戶
Clearing houses	結算所
Payables arising from securities and futures broking	證券及期貨經紀產生之應付賬款

13. 現金及等同現金／代客戶持有現金

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
125,425	198,613
28,320	86,269
153,745	284,882

本集團於持牌銀行開設獨立信託賬戶，以存放證券及期貨客戶於正常業務過程中產生之款項。本集團將此等客戶款項分類為綜合資產負債表內流動資產項下之「代客戶持有現金」，並根據負上客戶款項之任何損失或挪用之責任而確認為應付予相關客戶賬款。本集團不准使用客戶款項履行其本身之責任。

14. 應付賬款／證券及期貨經紀產生之應付賬款

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元 (Restated) (重列)
108,789	112,606
493,924	491,415
15,199	13,254
—	5,125
509,123	509,794
617,912	622,400

14. Accounts payable/Payables arising from securities and futures broking (continued)

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

Within 30 days (including amount not yet due)	30日內(包括未到期金額)
31 to 60 days	31至60日
Over 60 days	超過60日
Cash clients accounts payable ^Δ	應付現金客戶賬款 ^Δ
Margin clients accounts payable [#]	應付孖展客戶賬款 [#]

^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.

14. 應付賬款／證券及期貨經紀產生之應付賬款 (續)

應付賬款及證券及期貨經紀產生之應付賬款賬齡分析如下：

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
94,676	99,152
10,809	14,933
3,304	3,646
108,789	117,731
493,924	491,415
15,199	13,254
617,912	622,400

^Δ 包括在日常證券買賣業務過程中產生之應付現金客戶賬款內約323,878,000港元(2006年12月31日：343,581,000港元)為該等客戶存於本集團之未提取款項／額外繳付按金。於2007年6月30日，應付現金客戶賬款包括為若干董事賬戶進行證券交易之款項2,632,000港元(2006年12月31日：2,896,000港元)。此賬額須於要求時償還及按商業條款計息。鑑於證券買賣業務性質，董事認為賬齡分析意義不大，故無需披露賬齡分析。

[#] 應付孖展客戶賬款須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，董事認為賬齡分析作用不大，故無需披露賬齡分析。

15. Maturity profile of assets and liabilities

An analysis of the maturity profile of assets and liabilities of the Group analysed by the remaining period as at 30 June 2007 to the contractual maturity date is as follows:

15. 資產及負債之到期情況

按於2007年6月30日至合約到期日尚餘期間作出之本集團資產及負債之到期情況如下：

	Repayable on demand 須按要求 償還 HK\$'000 千港元	3 months or less 3個月或 以下 HK\$'000 千港元	1 year or less but over 3 months 3個月以上 至1年 HK\$'000 千港元	5 years or less but over 1 year 1年以上 至5年 HK\$'000 千港元	After 5 years 5年以上 HK\$'000 千港元	Undated 無期限 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 30 June 2007	於2007年6月30日						
Assets	資產						
Unlisted debt securities	—	—	7,763	2,329	—	—	10,092
Accounts receivable	27,114	64,536	—	—	—	—	91,650
Receivables arising from securities and futures broking	171,206	1,382,762	—	—	—	—	1,553,968
Derivative financial instruments	—	2,047	3,295	295	—	—	5,637
Cash held on behalf of clients	141,352	200,000	—	—	—	—	341,352
Cash and cash equivalents	125,425	28,320	—	—	—	—	153,745
	465,097	1,677,665	11,058	2,624	—	—	2,156,444
Liabilities	負債						
Accounts payable	—	(108,789)	—	—	—	—	(108,789)
Payables arising from securities and futures broking	(339,077)	(170,046)	—	—	—	—	(509,123)
Derivative financial instruments	—	—	—	—	—	(252)	(252)
Interest-bearing bank borrowings	—	(151,510)	(32,347)	—	—	—	(183,857)
Interest-bearing bank borrowings arising from securities and futures broking	—	(1,235,370)	—	—	—	—	(1,235,370)
	(339,077)	(1,665,715)	(32,347)	—	—	(252)	(2,037,391)

15. Maturity profile of assets and liabilities (continued)

15. 資產及負債之到期情況 (續)

	Repayable on demand 須按 要求 償還 HK\$'000 千港元	3 months or less 3個月或 以下 HK\$'000 千港元	1 year or less but over 3 months 3個月以上 至1年 HK\$'000 千港元	5 years or less but over 1 year 1年以上 至5年 HK\$'000 千港元	After 5 years 5年以上 HK\$'000 千港元	Undated 無期限 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2006 於2006年12月31日							
Assets 資產							
Unlisted debt securities 非上市債務證券	—	—	7,723	—	2,316	—	10,039
Accounts receivable 應收賬款	14,737	87,291	—	—	—	—	102,028
Receivables arising from securities and futures broking 證券及期貨經紀 產生之 應收賬款	106,328	147,061	—	—	—	—	253,389
Derivative financial instruments 衍生金融工具	—	924	1,800	277	—	—	3,001
Cash held on behalf of clients 代客戶持有現金	15,579	350,000	—	—	—	—	365,579
Cash and cash equivalents 現金及等同現金	198,613	86,269	—	—	—	—	284,882
	<u>335,257</u>	<u>671,545</u>	<u>9,523</u>	<u>277</u>	<u>2,316</u>	<u>—</u>	<u>1,018,918</u>
Liabilities 負債							
Accounts payable 應付賬款	—	(112,606)	—	—	—	—	(112,606)
Payables arising from securities and futures broking 證券及期貨經紀 產生之 應付賬款	(356,834)	(152,960)	—	—	—	—	(509,794)
Derivative financial instruments 衍生金融工具	—	—	—	—	—	(1,111)	(1,111)
Interest-bearing bank borrowings 計息銀行貸款	—	(94,698)	(31,894)	—	—	—	(126,592)
	<u>(356,834)</u>	<u>(360,264)</u>	<u>(31,894)</u>	<u>—</u>	<u>—</u>	<u>(1,111)</u>	<u>(750,103)</u>

16. Operating lease arrangements**(a) As lessor**

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to three years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

As at 30 June 2007, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(首尾兩年包括在內)

(b) As lessee

The Group leases certain of its office properties and retail shops under operating lease arrangements. Leases for these properties and shops are negotiated for terms ranging from one to ten years.

As at 30 June 2007, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	二至五年(首尾兩年包括在內)
After five years	五年後

17. Commitments

In addition to the operating lease commitments detailed in note 16 above, the Group had the following capital commitments in respect of property, plant and equipment as at 30 June 2007:

Contracted, but not provided for	已簽訂，但未撥備
Authorised, but not contracted for	已批核，但未簽訂

16. 經營租約承擔**(a) 出租人**

本集團以經營租約租出其投資物業，經磋商訂定租約為期一至三年。租約條款一般要求租客繳付保證按金及根據當時市場環境作定期租金調整。

於2007年6月30日，本集團就與租客訂定之不可撤銷之經營租約的未來最低租賃應收賬款總額如下：

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
5,801	5,978
2,449	2,159
8,250	8,137

(b) 承租人

本集團以經營租約承租若干辦公室物業及零售店舖，此等物業及店舖租約經磋商訂定為期一至十年。

於2007年6月30日，本集團就不可撤銷之經營租約的未來最低租賃付款總額如下：

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
148,536	128,884
208,383	153,425
45,480	51,909
402,399	334,218

17. 承擔

除上述附註16詳載之經營租約承擔外，本集團於2007年6月30日有以下有關物業、機器及設備之資本承擔：

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
5,156	—
1,438	1,480
6,594	1,480

18. Related party transactions

The Group had the following material transactions with connected and/or related parties during the period:

(a) Transactions with connected and/or related parties

- (i) On 21 December 2006, a wholly-owned subsidiary of the Company renewed the sub-contracting agreement for engaging Foshan Shunde Jinpeng Jewelry Co., Ltd. ("Jinpeng"), a company controlled by a director of a 95.1%-owned subsidiary of the Company and a 4.9% minority shareholder of that subsidiary, to provide sub-contracting services for one year ending 31 December 2007. The sub-contracting fees were charged based on the product type, volume and the prevailing market processing fees. Total processing fees paid to Jinpeng for the period amounted to HK\$1,615,000 (2006: HK\$3,291,000).
- (ii) On 21 December 2006, certain subsidiaries of the Company renewed the purchase agreement for purchasing polished diamonds from Shanghai Jinghua Diamond & Jewellery Co., Ltd. ("Shanghai Jinghua"), a fellow subsidiary of Qingdao Jinghua Diamond & Jewellery Co., Ltd. ("Qingdao Jinghua"), a 24.86% shareholder of a 70%-owned subsidiary of the Company, for one year ending 31 December 2007. The purchase consideration was determined based on the category, quantity and the prevailing market price of the polished diamonds. Total purchases from Shanghai Jinghua for the period amounted to HK\$12,375,000 (2006: HK\$8,070,000).
- (iii) On 21 December 2006, certain subsidiaries of the Company renewed the sales agreement for selling rough diamonds and polished diamonds to Shanghai Jinghua for one year ending 31 December 2007. The selling prices were determined based on the category, quantity and the prevailing market price of the diamonds. Total sales to Shanghai Jinghua for the period amounted to HK\$711,000 (2006: HK\$222,000).
- (iv) On 1 December 2006, certain subsidiaries of the Company renewed the agency service agreement for engaging Shanghai Jinghua to arrange for the importing of diamonds through the Shanghai Diamond Exchange for one year ending 31 December 2007. The agency fee, which was determined with reference to open market rates, was charged at a fixed rate on the diamonds' importing price. Total agency fees paid to Shanghai Jinghua for the period amounted to HK\$205,000 (2006: HK\$117,000).
- (v) On 21 December 2006, a wholly-owned subsidiary of the Company renewed the polishing service agreement for engaging Qingdao Jinghua to provide rough diamonds polishing services for one year ending 31 December 2007. The processing fees were charged according to an agreed price list which was determined with reference to market rates. Total processing fees paid to Qingdao Jinghua for the period amounted to HK\$461,000 (2006: HK\$521,000).

18. 關連人士交易

本集團於期內與關連人士進行以下重大交易：

(a) 與關連人士進行之交易

- (i) 本公司一間全資附屬公司於2006年12月21日就委聘佛山市順德區金鵬珠寶首飾有限責任公司(「金鵬珠寶」)於截至2007年12月31日止一年內提供分包服務續訂分包協議。金鵬珠寶乃一間由本公司持有95.1%股權之附屬公司一名董事所控制之公司，其亦為該附屬公司佔4.9%股權之少數股東。分包費用乃根據產品種類、數量及當時加工費市價釐定。期內向金鵬珠寶繳付之加工費總額為1,615,000港元(2006年：3,291,000港元)。
- (ii) 本公司若干附屬公司於2006年12月21日就向上海京華飾品有限公司(「上海京華」)於截至2007年12月31日止一年內採購打磨鑽石續訂採購協議。上海京華為青島京華飾品有限公司(「青島京華」)之同系附屬公司，青島京華則為本公司一間持有70%股權之附屬公司的股東，其持有24.86%股權。採購代價乃根據打磨鑽石之類別、數量及當時市價釐定。期內向上海京華採購總額為12,375,000港元(2006年：8,070,000港元)。
- (iii) 本公司若干附屬公司於2006年12月21日就向上海京華於截至2007年12月31日止一年內銷售鑽石毛坯及打磨鑽石續訂銷售協議。售價乃根據鑽石之類別、數量及當時市價釐定。期內銷售予上海京華之總額為711,000港元(2006年：222,000港元)。
- (iv) 本公司若干附屬公司於2006年12月1日就委聘上海京華於截至2007年12月31日止一年內透過上海鑽石交易所安排進口鑽石續訂代理服務協議。經參考公開市場價格後釐定之相關代理收費以鑽石進口價按固定比率計算。期內繳付上海京華之代理費用總額為205,000港元(2006年：117,000港元)。
- (v) 本公司一間全資附屬公司於2006年12月21日就委聘青島京華於截至2007年12月31日止一年內提供鑽石毛坯打磨服務續訂打磨服務協議。加工費按協定之價格表收取，價格表內收費經參考市場價格後釐定。期內，繳付青島京華之加工費總額為461,000港元(2006年：521,000港元)。

18. Related party transactions (continued)**(a) Transactions with connected and/or related parties (continued)**

- (vi) On 1 April 2007, a wholly-owned subsidiary of the Company renewed the tenancy agreement for the lease of a retail shop from the respective spouse of Mr. CHOW Kwen Ling and Dr. CHOW Kwen Lim and the administrator of a late director of the Company, for a two-year period ending 31 March 2009 with a monthly rental of HK\$173,000. The lease rentals were determined with reference to open market rentals. Total rental paid by the Group for the period amounted to HK\$1,005,000 (2006: HK\$975,000).
- (vii) A wholly-owned subsidiary of the Company renewed leases with related companies, in which certain directors and their respective spouse have interests, for the lease of the Company's directors' quarters for one year ending 31 December 2007 with a total monthly rental of HK\$70,000. The lease rentals were determined with reference to open market rentals. Total rentals paid by the Group for the period amounted to HK\$420,000 (2006: HK\$420,000).

The above transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules.

Payables to related parties:

Jinpeng	金鵬珠寶
Shanghai Jinghua	上海京華
Qingdao Jinghua	青島京華

The above payables are unsecured, interest-free and payable within one month after billings.

(b) Remuneration of key management personnel of the Group

The aggregate amount of remuneration paid and payable to key management personnel during the period, including amounts paid and payable to the Company's executive directors, is as follows:

Fees	袍金
Salaries and allowances	薪金及津貼
Discretionary bonuses paid and payable	已付及應付酌情花紅
Pension scheme contributions	退休金計劃供款

18. 關連人士交易 (續)**(a) 與關連人士進行之交易 (續)**

- (vi) 本公司一間全資附屬公司與周君令先生及周君廉博士各自之配偶及本公司一名已故董事之遺產執行人於2007年4月1日就於截至2009年3月31日止兩年內租予本集團零售店舖續訂租約，每月租金173,000港元。租金乃參考公開市值租金釐定。期內本集團繳付租金總額為1,005,000港元(2006年：975,000港元)。
- (vii) 本公司一間全資附屬公司與若干董事及彼等之配偶持有權益之關連公司就租予本公司董事之宿舍續訂租約，租期一年至2007年12月31日止，每月租金總額70,000港元。租金乃參考公開市值租金釐定。期內本集團繳付租金總額為420,000港元(2006年：420,000港元)。

上述交易按上市規則第14A章定義，亦構成持續關連交易。

應付關連人士賬款：

30 June 6月30日 2007 HK\$'000 千港元	31 December 12月31日 2006 HK\$'000 千港元
245	1,809
287	—
<u>469</u>	<u>1,867</u>

以上應付賬款乃無抵押、免息及於發單後一個月內還款。

(b) 本集團主要管理人員酬金

期內，已付及應付主要管理人員之酬金總額，包括已付及應付本公司執行董事之金額，詳列如下：

Six months ended 30 June 截至6月30日止六個月 2007 HK\$'000 千港元	2006 HK\$'000 千港元
340	220
6,509	6,596
2,328	2,199
272	277
<u>9,449</u>	<u>9,292</u>

19. Financial risk management objectives and policies

(a) Financial risk factors

The Group's principal financial instruments comprise bank loans and overdrafts, and cash and bank deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as accounts receivable and accounts payable, which arise directly from its operations.

The Group's overall risk management policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by management under the policies approved by the Board and it identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk, liquidity risk and price risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risks

The Group is exposed to interest rate risks due to changes in interest rates of interest-bearing financial assets and liabilities. Interest-bearing financial assets are mainly deposits with banks which are mostly short term in nature whereas interest-bearing financial liabilities are primarily short term bank borrowings with primarily floating interest rates. The Group is therefore exposed to both fair value and cash flow interest rate risks. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

Foreign currency risk

The Group has transactional currency exposures mainly arising from sales and purchases by operating units in currencies other than the units' functional currency. The Group uses forward contracts to manage its foreign currency exposures on significant and recurring future commercial transactions mainly relating to its US dollar-denominated purchases. The forward currency contracts must be in the same currency as the hedged item. Hedging is only considered for firm commitments.

Credit risk

The accounts and other receivables represent the Group's major exposure to the credit risk arising from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets in the consolidated balance sheet. The Group has no significant concentration of credit risk with respect to its jewellery retail business as it has a large number of diversified customers. With respect to accounts receivable arising from the wholesale of diamonds and precious metals, the Group trades only with recognised and creditworthy third parties and bullion banks. The Group's margin clients accounts receivable arising from the ordinary course of business of dealing in securities are secured by the underlying pledged securities. The Group seeks to maintain strict control over its outstanding receivables and has its credit control policy to minimise the credit risk. In addition, all receivable balances are monitored on an ongoing basis and overdue balances are followed up by senior management. Accordingly, the Group's exposure to bad debts is not significant.

19. 財務風險管理目標及政策

(a) 財務風險因素

本集團之主要金融工具包括銀行貸款及透支、現金及銀行存款。此等金融工具之主要用途乃為本集團之業務提供資金。本集團有若干其他財務資產及負債，如直接由業務產生之應收賬款及應付賬款。

本集團之整體風險管理政策針對金融市場之難以預測性，並尋求減低對本集團財務表現構成之潛在不利影響。風險管理乃由管理層根據董事會批准之政策進行，而管理層與本集團之營運單位緊密合作，以識別、評估及監察財務風險。

本集團金融工具所產生之主要風險為利率風險、外匯風險、信貸風險、流動資金風險及價格風險。董事會檢核並同意下文所概述管理各項此等風險之政策。

利率風險

本集團由於計息財務資產及負債之利率變動而承受利率風險。計息財務資產主要為銀行存款，大部分屬短期性質，而計息財務負債主要為短期銀行貸款，主要按浮動利率計息。本集團因此承受公平價值及現金流量利率兩方面之風險。本集團之政策乃在不增加其外匯風險之情況下爭取最有利之利率。

外匯風險

本集團之交易外幣風險主要來自業務單位以其功能貨幣以外之貨幣進行之買賣。本集團利用遠期合約管理其重大及經常性未來商業交易之外幣風險，該等交易主要以美元為單位之採購。遠期外幣合約必須以相同貨幣作對沖項目。本集團僅就確定承擔進行對沖。

信貸風險

應收及其他應收賬款乃本集團由於交易對手不履約而產生之主要信貸風險，最高風險相等於綜合資產負債表中此等財務資產之賬面值。由於珠寶零售業務擁有大量分散客戶，本集團就珠寶零售方面並無重大集中之信貸風險。鑽石及貴金屬批發產生之應收賬款方面，本集團僅與獲確認及有信譽之第三者及金商進行交易。本集團在日常業務中證券買賣產生之應收孖展客戶賬款以有關證券作抵押。本集團在應收賬款方面維持嚴格控制，並設有信貸控制政策以減低信貸風險。此外，所有應收賬款結餘均受持續監察，逾期結餘由高級管理人員跟進。因此，本集團之壞賬風險並不重大。

19. Financial risk management objectives and policies (continued)**(a) Financial risk factors (continued)***Credit risk (continued)*

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents and investments in unlisted debt securities, arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's treasury department's responsibility is to maintain a balance between continuity of funding and flexibility through the use of banking facilities in order to meet its liquidity requirements both in the short term and long term. All debts of the Group as at 30 June 2007 would mature in less than one year.

*Price risks**Commodity price*

The Group is exposed to commodity price risk mainly arising from price fluctuations in gold and platinum and other precious metals, which are the major raw materials used in producing jewellery ornaments. The Group hedges its exposure of commodity price risk through entering into bullion contracts.

Equity securities price

The Group has equity investments listed in Hong Kong. The fair value of these listed equity investments are affected by market forces and other factors. The Group holds the majority of listed equity investments for non-trading purpose.

(b) Fair value

The carrying amounts of the Group's financial assets and liabilities approximated to their fair values as at the balance sheet date.

20. 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.

21. Approval of interim financial report

The interim financial report was approved by the board of directors on 30 August 2007.

19. 財務風險管理目標及政策 (續)**(a) 財務風險因素 (續)***信貸風險 (續)*

本集團其他財務資產，主要包括現金及等同現金及非上市債務證券投資，其信貸風險產生自交易對手不履約，而最高風險相等於此等工具之賬面值。

流動資金風險

在管理流動資金風險方面，本集團監控並維持現金及等同現金於管理人員認為足夠水平，為本集團運作提供資金及緩和現金流量波動之影響。本集團財政部門之責任為透過使用銀行信貸在資金之持續性及靈活性之間取得平衡，以配合其短期及長期流動資金需求。於2007年6月30日，本集團所有債項到期日均少於一年。

*價格風險**商品價格*

本集團須承受主要由黃金及鉑金及其他貴金屬為其主要使用作生產珠寶飾品之原材料的價格波動產生之商品價格風險。本集團透過訂立貴金屬合約對沖其承受之商品價格風險。

股份證券價格

本集團持有香港上市股份投資。此等上市股份投資之公平價值受市場力量及其他因素影響。本集團持有大部分上市股份投資作非買賣用途。

(b) 公平價值

本集團財務資產及負債之賬面值與其於結算日之公平價值相若。

20. 比較數字

於期內，本集團認為將若干應收賬款及應付賬款重新分類更為適當，以更能反映其基本性質。主要變動包括將應收／應付結算所賬款從「應收／應付賬款」重新分類至「證券及期貨經紀產生之應收／應付賬款」。因此，有關綜合資產負債表上「應收賬款」及「證券及期貨經紀產生之應收賬款」的比較數字11,730,000港元，與「應付賬款」及「證券及期貨經紀產生之應付賬款」的比較數字5,125,000港元已重新分類以符合本期之呈報方式。

21. 中期財務報告之批核

本中期財務報告於2007年8月30日經董事會批核。

OTHER INFORMATION

其他資料

Directors' interests in shares

As at 30 June 2007, the interests of the directors in the issued share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions:

董事於股本之權益

於2007年6月30日，按《證券及期貨條例》第352條本公司須予保存之名冊內所記錄，或根據上市公司董事進行證券交易的標準守則（「標準守則」）必須向本公司及聯交所具報之權益，各董事於本公司或其相聯法團（定義見《證券及期貨條例》第XV部）擁有已發行股本中之權益如下：

好倉：

Name of directors	董事姓名	Number of shares held 持股數目				Total	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比 (%)
		Personal interest	Family interest	Corporate interest	Trustee interest		
Mr. CHOW Kwen Ling	周君令先生	—	—	53,609,932 ⁽¹⁾	—	53,609,932	8.91
Dr. CHOW Kwen Lim	周君廉博士	—	—	—	137,591,595 ⁽²⁾	137,591,595	22.86
Dr. CHAN Bing Fun	陳炳勳醫生	1,320,000	—	—	—	1,320,000	0.22
Mr. Vincent CHOW Wing Shing	周永成先生	—	—	—	137,591,595 ⁽²⁾	137,591,595	22.86
Dr. Gerald CHOW King Sing	周敬成醫生	19,711,680	70,398 ⁽³⁾	21,000,000 ⁽³⁾	42,000,000 ⁽³⁾	82,782,078	13.75
Mr. Winston CHOW Wun Sing	周允成先生	7,681,104	52,800 ⁽³⁾	—	74,616,000 ⁽³⁾	82,349,904	13.68

Please refer to the explanatory notes in the section headed "Substantial shareholders' and other persons' interests in shares and underlying shares".

請參考「主要股東及其他人士於股本及相關股本之權益」之附註。

Save as disclosed above, as at 30 June 2007, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露外，於2007年6月30日，各董事概無於本公司或其任何相聯法團股份、相關股份或債券中擁有根據《證券及期貨條例》第352條規定須予以記錄或根據標準守則必須向本公司及聯交所具報之權益或淡倉。

OTHER INFORMATION

Directors' rights to acquire shares or debentures

At no time during the period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Substantial shareholders' and other persons' interests in shares and underlying shares

As at 30 June 2007, the interests of those persons in the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions:

Name	Capacity	Number of ordinary shares held	Percentage of the Company's issued share capital
名稱	身份	持有普通股數目	佔本公司已發行股本百分比 (%)
Everwin Company Limited	Beneficial Owner 實益持有人	137,591,595 ⁽²⁾	22.86
Happy Inc.	Beneficial Owner 實益持有人	66,000,000	10.96
Happy Family Limited 快樂家庭有限公司	Beneficial Owner 實益持有人	53,609,932 ⁽¹⁾	8.91
Top Fit Investments Limited	Beneficial Owner 實益持有人	42,000,000 ⁽³⁾	6.98
Value Partners Limited	Investment Manager 投資管理人	36,858,000 ⁽⁴⁾	6.12
CWS Holdings Limited	Beneficial Owner 實益持有人	32,616,000 ⁽³⁾	5.42

Notes:

- (1) 53,609,932 shares in the Company were held by Happy Family Limited, in which Mr. CHOW Kwen Ling and his spouse owned 40% of the equity interest. Mr. CHOW Kwen Ling and his spouse were deemed to have interests in the 53,609,932 shares in the Company.
- (2) 137,591,595 shares in the Company were held by Everwin Company Limited, a company beneficially owned by a discretionary trust of which Dr. CHOW Kwen Lim and Mr. Vincent CHOW Wing Shing were among the beneficiaries. The trustee of the trust was Cititrust (Jersey) Limited and, accordingly, it was deemed to have interest in the 137,591,595 shares in the Company. Dr. CHOW Kwen Lim and Mr. Vincent CHOW Wing Shing, and their respective spouse, were deemed to have interests in the 137,591,595 shares in the Company.

其他資料

董事購買股份或債券之權利

期內概無授予任何董事或其各自之配偶或年幼子女可購入本公司股份或債券而獲益之權利；或由彼等行使任何該等權利；或由本公司或其任何附屬公司安排致令董事可於任何其他法人團體獲得該等權利。

主要股東及其他人士於股本及相關股本之權益

於2007年6月30日，根據《證券及期貨條例》第336條，本公司須予保存之權益名冊記錄內擁有本公司已發行股本人士之權益如下：

好倉：

Number of ordinary shares held	Percentage of the Company's issued share capital
持有普通股數目	佔本公司已發行股本百分比 (%)
137,591,595 ⁽²⁾	22.86
66,000,000	10.96
53,609,932 ⁽¹⁾	8.91
42,000,000 ⁽³⁾	6.98
36,858,000 ⁽⁴⁾	6.12
32,616,000 ⁽³⁾	5.42

附註：

- (1) 快樂家庭有限公司擁有本公司53,609,932股股份，周君令先生及其配偶共同擁有快樂家庭有限公司40%之股本權益。周君令先生及其配偶被視為擁有本公司53,609,932股股份權益。
- (2) Everwin Company Limited擁有本公司137,591,595股股份，該公司由一項全權信託實益擁有，周君廉博士及周永成先生為該信託之其中受益人。Cititrust (Jersey) Limited為該信託之信託人，因此被視為擁有本公司137,591,595股股份權益。周君廉博士及周永成先生及彼等之配偶均被視為擁有本公司137,591,595股股份權益。

OTHER INFORMATION

- (3) 70,398 shares and 52,800 shares in the Company were held by the respective spouse of Dr. Gerald CHOW King Sing and Mr. Winston CHOW Wun Sing.

21,000,000 shares in the Company were held by Speed Star Holdings Limited, a company beneficially owned by Dr. Gerald CHOW King Sing.

42,000,000 shares in the Company were held by Top Fit Investments Limited, a company beneficially owned by a discretionary trust of which Dr. Gerald CHOW King Sing and Mr. Winston CHOW Wun Sing were the beneficiaries. The trustee of the trust was HSBC Trustee (Cook Islands) Limited and, accordingly, it was deemed to have interests in the 42,000,000 shares in the Company.

32,616,000 shares in the Company were held by CWS Holdings Limited, a company beneficially owned by a discretionary trust of which Mr. Winston CHOW Wun Sing is one of the beneficiaries. The trustee of the trust was UBS TC (Jersey) Ltd. and, accordingly, it was deemed to have interest in the 32,616,000 shares in the Company.

Accordingly, Dr. Gerald CHOW King Sing and his spouse were deemed to have interests in the 63,070,398 shares and 82,711,680 shares in the Company, respectively. Mr. Winston CHOW Wun Sing and his spouse were deemed to have interests in the 74,668,800 shares and 82,297,104 shares in the Company, respectively.

- (4) 36,858,000 shares in the Company were held by Value Partners Limited. Mr. CHEAH Cheng Hye, through his interest in Value Partners Limited, was deemed to have interest in these shares.

Save as disclosed above, as at 30 June 2007, no person, other than the directors of the Company, whose interests are set out in the section "Directors' interests in shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Purchase, redemption or sale of listed securities of the Company

Save as provided below*, neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the period.

* Pursuant to a stock saving plan set up in May 2007 (the "Stock Saving Plan") by Chow Sang Sang Securities Limited ("CSS Securities"), a wholly-owned indirect subsidiary of the Company, and open to the staff of the Group, they may save by investing a designated monthly amount (which can be as low as HK\$500) in the Company's shares, with no administrative fee or commission being chargeable to the staff participants of the Stock Saving Plan. For the purpose of implementing the foregoing, CSS Securities purchased a total of 1,653 of the Company's shares for approximately HK\$9,000 in May 2007 and subsequently sold 219 of the such shares in June 2007.

其他資料

- (3) 周敬成醫生及周允成先生各自之配偶分別擁有本公司70,398股及52,800股股份。

Speed Star Holdings Limited擁有本公司21,000,000股股份，此公司由周敬成醫生實益擁有。

Top Fit Investments Limited擁有本公司42,000,000股股份，該公司由一項全權信託實益擁有，周敬成醫生及周允成先生為該信託之受益人。HSBC Trustee (Cook Islands) Limited為該信託之信託人，因此被視為擁有本公司42,000,000股股份權益。

CWS Holdings Limited擁有本公司32,616,000股股份，該公司由一項全權信託實益擁有，周允成先生為該信託之其中受益人。UBS TC (Jersey) Ltd.為該信託之信託人，因此被視為擁有本公司32,616,000股股份權益。

因此，周敬成醫生及其配偶分別被視為擁有本公司63,070,398股及82,711,680股股份權益。周允成先生及其配偶分別被視為擁有本公司74,668,800股及82,297,104股股份權益。

- (4) Value Partners Limited擁有本公司36,858,000股股份。謝清海先生透過其於Value Partners Limited之權益而被視為擁有此等股份權益。

除上文披露外，於2007年6月30日，除以上「董事於股本之權益」部分所載權益涉及之本公司董事外，並無其他人士於本公司股份或相關股份中登記持有根據《證券及期貨條例》第336條須予記錄之權益或淡倉。

購買、贖回或出售本公司之上市證券

除下文所述外*，期內本公司或其任何附屬公司概無購買、贖回或出售任何本公司之上市證券。

* 根據本公司間接擁有之全資附屬公司周生生證券有限公司（「周生生證券」）於2007年5月設立供本集團員工參與的股票儲蓄計劃（「股票儲蓄計劃」），參與股票儲蓄計劃的員工每月可以低至500港元的指定金額及零手續費或經紀佣金投資於本公司股份作為儲蓄。為推行上述計劃，周生生證券於2007年5月以約9,000港元購入本公司股份1,653股，其後於2007年6月出售其中219股。

OTHER INFORMATION

Dividend

At the Company's annual general meeting held on 16 May 2007, the shareholders approved the final dividend of HK16 cents per ordinary share for the year ended 31 December 2006 to be distributed to shareholders whose names appeared on the register of members of the Company on 16 May 2007. The final dividend amounting to HK\$96,307,000 was paid on 5 June 2007.

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 of members

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.

By order of the Board
Chow Kwen Lim
Chairman

Hong Kong, 30 August 2007

其他資料

股息

本公司於2007年5月16日舉行之股東週年大會上，股東批准截至2006年12月31日止年度之末期股息每普通股16港仙，並派發予於2007年5月16日名列於本公司股東名冊上之股東。末期股息96,307,000港元已於2007年6月5日派發。

董事會宣布派發截至2007年6月30日止六個月之中期股息每普通股8.0港仙（2006年：7.0港仙）予於2007年9月20日名列於本公司股東名冊上之股東。股息支票將於2007年9月28日寄發予股東。

截止過戶

由2007年9月17日（星期一）至2007年9月20日（星期四），首尾兩天包括在內，本公司將暫停辦理股份過戶登記手續。如欲享有獲派發中期股息權利，股東須於2007年9月14日（星期五）下午4時前將過戶文件連同相關股票送達本公司股份過戶登記分處卓佳登捷時有限公司辦理過戶手續，地址為香港皇后大道東28號金鐘匯中心26樓。

承董事會命
主席
周君廉

香港，2007年8月30日