



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 股份代號：116

ANNUAL REPORT 2007 年報

CORPORATE INFORMATION

Board of Directors

Executive Directors

Dr. CHOW Kwen Lim, *Chairman*
Mr. Vincent CHOW Wing Shing, *Group General Manager*
Dr. Gerald CHOW King Sing
Mr. Winston CHOW Wun Sing, *Group Deputy General Manager*

Non-executive Directors

Mr. CHOW Kwen Ling, *Honorary Chairman*
Dr. CHAN Bing Fun*
Mr. Stephen TING Leung Huel
Mr. CHUNG Pui Lam
Mr. LEE Ka Lun*
Mr. LO King Man*

* Independent non-executive directors

Company Secretary

Ms. Pagan WONG Mei Wan

Registered Office

Clarendon House, Church Street
Hamilton HM 11, Bermuda

Principal Place of Business

4/F Chow Sang Sang Building
229 Nathan Road, Kowloon
Hong Kong

Principal Share Registrar

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM 08, Bermuda

Branch Share Registrar

Tricor Tengis Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

Legal Advisers

Baker & McKenzie
Wilkinson & Grist

Auditors

Ernst & Young

Principal Bankers

Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
The Bank of Nova Scotia
Industrial and Commercial Bank of China Limited

Stock Code & Website

Hong Kong Stock Exchange: 116
www.chowsangsang.com

公司資料

董事會

執行董事

周君廉博士 主席
周永成先生 集團總經理
周敬成醫生
周允成先生 集團副總經理

非執行董事

周君令先生 名譽董事長
陳炳勳醫生*
丁良輝先生
鍾沛林先生
李家麟先生*
盧景文先生*

* 獨立非執行董事

公司秘書

黃美雲小姐

註冊辦事處

Clarendon House, Church Street
Hamilton HM 11, Bermuda

主要營業辦事處

香港
九龍彌敦道229號
周生生大廈4樓

股份過戶登記處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM 08, Bermuda

股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

法律顧問

貝克·麥堅時律師事務所
高露雲律師行

核數師

安永會計師事務所

主要往來銀行

渣打銀行(香港)有限公司
香港上海滙豐銀行有限公司
恒生銀行有限公司
加拿大豐業銀行
中國工商銀行股份有限公司

股份代號及網頁

香港聯合交易所：116
www.chowsangsang.com

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The following abbreviations are used in this report:

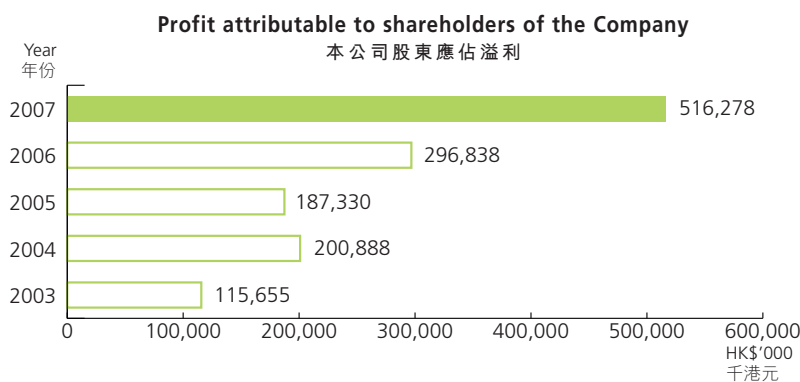
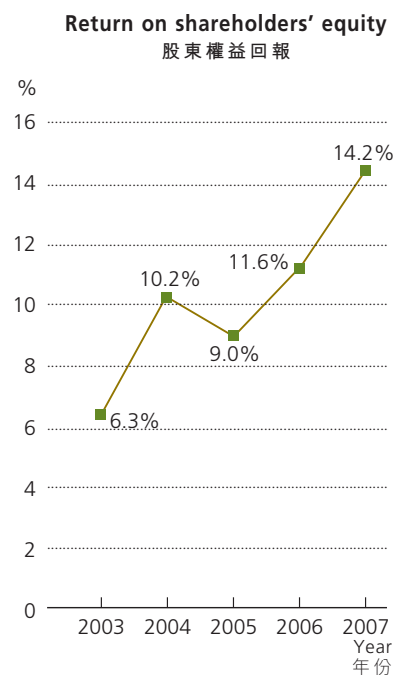
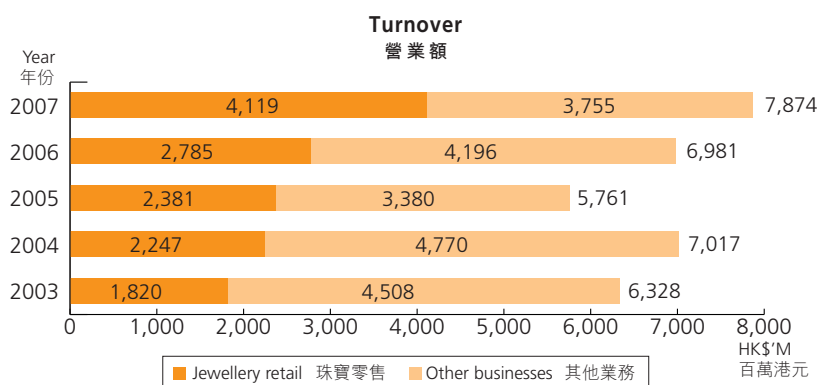
本年報用下列簡稱：

	<u>Abbreviations</u>		<u>簡稱</u>
Chow Sang Sang Holdings International Limited	The Company	周生生集團國際有限公司	本公司
Chow Sang Sang Holdings International Limited and its subsidiaries	The Group	周生生集團國際有限公司及其附屬公司	本集團

FINANCIAL HIGHLIGHTS

財務摘要

		2007 HK\$'000 千港元	2006 HK\$'000 千港元	Change 變動
Turnover	營業額			
Jewellery retail	珠寶零售	4,119,165	2,785,254	+48%
Other businesses	其他業務	3,754,418	4,196,226	-11%
		7,873,583	6,981,480	+13%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	516,278	296,838	+74%
Basic earnings per share	每股基本盈利	85.8 cents 仙	49.3 cents 仙	+74%
Dividend per share	每股股息			
– Final	– 末期	26.0 cents 仙	16.0 cents 仙	+63%
– Full Year	– 全年	34.0 cents 仙	23.0 cents 仙	+48%
Dividend payout ratio	派息比率	40%	47%	
Equity attributable to shareholders of the Company	本公司股東應佔權益	3,634,269	2,557,641	+42%
Equity per share	每股權益	\$6.0 元	\$4.2 元	+42%





The Group achieved record results in the year 2007. Net profit after tax climbed 74% to HK\$516 million.

The bulk of the profits arose from operations in jewellery retail, which benefited from the increasing affluence in Mainland China that is fostering aspiration for all kinds of luxury goods. Vying to

stoke demand and then to meet them, companies across all retail sectors, of multinational and local origins, are driving competition to new heights. To maximize impact on consumers, these companies are sparing no costs in building more flagship stores that are increasingly mega-sized and extravagant.

Rents are exorbitant, wages on the rise, but there are consumers out there willing to spend their money if one manages to reach and entice them. It is like entering a long yacht race under strong winds and swift currents. Although the cost for lapses and mistakes is always bitter, an expert crew with a finely tuned boat can ride the waves to travel far and fast.

There is no question of shying from such a high-stake race. But to stay ahead, we need to consistently take care of our ship, endowing it with the latest technology and keeping it in the finest shape, and no less importantly, to train and keep our crew in top form and to strive for the utmost in its team spirit.

Our staff has put in tremendous efforts to achieve the results. Our shareholders and supporters have given us continuous encouragement. Along with the entire Board of Directors, I sincerely thank them all.

Chow Kwen Lim
Chairman

Hong Kong
28 March 2008

本集團在2007年的業績創新紀錄，稅後純利為516,000,000港元，上升74%。

年內，珠寶零售業務受惠於中國內地人民日趨優裕以致消費群對各種高檔奢侈品趨之若鶩之心態，為集團利潤得以大幅度上升的主力。各類經營零售、無論本地或跨國的公司，爭先恐後，致力提升客群的購買意欲，使競爭提升至新高境界。為了增加品牌在顧客心中的吸引和影響力，這些公司不吝嗇地增設更豪華、更有氣派及寬敞的旗艦店。

目前租金暴升，工資累漲，惟消費群勢眾而有實力，只要瞄準市場需求，便可招引他們垂青。這種情況，有如參加長途揚帆賽事，風高浪急，稍有失慎誤差，苦果堪虞，然而馭快船而藝高者，當可乘風破浪，颯然遠颺。

面對如此豪注的賽事，焉能畏縮。惟要保持領先優勢，集團的船隻必須以最新科技調校至最巔峰，同時不忘培養全體船員的體能心態，使其全力以赴，發揮最強的團隊精神。

有賴同事努力不懈，帶來如此業績，集團股東及支持者的持續鼓勵，本人與董事會全人在此表示衷心謝意。

主席
周君廉

香港
2008年3月28日

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Mr. CHOW Kwen Ling, aged 84, is a Non-executive Director of the Company, the Honorary Chairman of the Group and a director of a number of subsidiaries within the Group. He is the elder brother of Dr. CHOW Kwen Lim. As a founder of the Group, he served as the Group General Manager from 1973 to 1986 and the Group Chairman from 1973 to 1990. He was elected the Honorary Chairman upon retiring as Chairman in 1990. He is well experienced in corporate management.

Dr. CHOW Kwen Lim, BBS, MBE, JP, DSSc (Hon), aged 81, is an Executive Director of the Company, the Group Chairman and a director of a number of subsidiaries within the Group. He is the younger brother of Mr. CHOW Kwen Ling and the father of Mr. Vincent CHOW Wing Shing, the Group's General Manager. Dr. CHOW was the Group General Manager from 1986 to 1997, and having been the Group Chairman since 1990. As a founder of the Group, he has been in the jewellery business for over 60 years. He was awarded Doctor of Social Science, Honoris Causa by The Chinese University of Hong Kong in 1998 and is an Honorary Professor of the Fudan University and a member of the Board of the Journal of Shunde Polytechnic. He is also an Honorary Citizen of the cities of Guangzhou, Foshan, Changle, Lanzhou and Dunhuang, PRC.

Dr. CHAN Bing Fun, MB, BS, DMRT, FHKCR, FHKAM (Radiology), aged 74, is an Independent Non-executive Director of the Company, and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He has been with the Group for over 30 years. He is a medical doctor in private practice in Hong Kong.

Mr. Vincent CHOW Wing Shing, BBS, MBE, JP, aged 61, is an Executive Director of the Company, the Group General Manager and a director of a number of subsidiaries within the Group. He is the son of Dr. CHOW Kwen Lim, the Group's Chairman. Mr. CHOW has been with the Group for over 22 years, having been the Group General Manager since 1998. He is a member of the Council of the City University of Hong Kong, where he is also the Chairman of the Board of Management of the Community College of City University. Mr. CHOW is the chairman of the Hong Kong Repertory Theatre. He has been appointed to the Investigation Panel A of the Hong Kong Institute of Certified Public Accountants. He is a member of the Shunde People's Political Consultative Committee.

董事會及高級管理人員

周君令先生，84歲，本公司之非執行董事、本集團名譽董事長及本集團內多家附屬公司之董事。周君令先生為周君廉博士之兄。彼為本集團創辦人之一，於1973年至1986年出任本集團總經理及於1973年至1990年出任本集團主席，自1990年退任主席後起出任本集團名譽董事長。彼於企業管理方面富有豐富經驗。

周君廉博士，BBS，MBE，太平紳士，DSSc (Hon)，81歲，本公司之執行董事、本集團主席及本集團內多家附屬公司之董事。彼為周君令先生之弟及本集團總經理周永成先生之父。周博士於1986年至1997年出任本集團總經理，自1990年起出任本集團主席。彼為本集團創辦人之一，經營珠寶業務超過60年。彼於1998年獲香港中文大學授予榮譽社會科學博士名銜，現任上海復旦大學名譽教授、順德職業技術學校校董，並為中國廣州市、佛山市、長樂市、蘭州市及敦煌市榮譽市民。

陳炳勳醫生，MB，BS，DMRT，FHKCR，FHKAM (Radiology)，74歲，本公司之獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。彼已加入本集團服務超過30年，彼為香港私人執業醫生。

周永成先生，BBS，MBE，太平紳士，61歲，本公司之執行董事、本集團總經理及本集團內多家附屬公司之董事。彼為本集團主席周君廉博士之子。周先生在本集團服務超過22年，自1998年起出任本集團總經理。彼現任香港城市大學校董會委員、城市大學專上學院管理委員會主席、香港話劇團主席及香港會計師公會調查小組A組成員。彼為中國人民政治協商會佛山市順德區委員。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理人員

Dr. Gerald CHOW King Sing, DDS, MBA, aged 51, is an Executive Director of the Company. He is a member of the Nomination Committee of the Company and a director of a number of subsidiaries within the Group. He has joined the Group for over 20 years. Dr. CHOW is the elder brother of Mr. Winston CHOW Wun Sing and the cousin of Mr. Vincent CHOW Wing Shing. He is a dental surgeon in private practice in Hong Kong. Dr. CHOW is a voting member of the Po Leung Kuk Advisory Board.

Mr. Stephen TING Leung Huel, MH, FCCA, FCPA (Practising), FTIHK, ACA, FHKIoD, aged 54, was an Independent Non-executive Director and the Secretary of the Company until September 2004. He was re-designated as a Non-executive Director of the Company on 28 September 2004. Mr. TING is a member of the Audit Committee and Remuneration Committee of the Company. He is an independent non-executive director of seven other listed companies in Hong Kong, namely Tong Ren Tang Technologies Co., Ltd., Tongda Group Holdings Limited, Minmetals Resources Limited, JLF Investment Company Limited, Computer And Technologies Holdings Limited, Texhong Textile Group Limited and Dongyue Group Limited. He is a member of the 9th and 10th Chinese People's Political Consultative Conference, Fujian. Mr. TING is an accountant in public practice and has more than 30 years of experience in this field. Currently, he is the Managing Partner of Ting Ho Kwan & Chan, Certified Public Accountants.

Mr. CHUNG Pui Lam, SBS, OBE, JP, LL.B (Hons) (Lond.) A.C.I. Arb, aged 67, is a Non-executive Director of the Company, and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as an Independent Non-executive Director of the Company on 26 June 1995 and re-designated as a Non-executive Director in September 2004. Mr. CHUNG is a solicitor in practice. Apart from being a China-appointed Attesting Officer, he also holds key posts in various organizations. He serves as a member on several advisory committees of the Government of the Hong Kong Special Administrative Region, and is also an independent non-executive director of two other listed companies in Hong Kong, namely S E A Holdings Limited and Datronix Holdings Limited.

周敬成醫生，DDS，MBA，51歲，本公司之執行董事、提名委員會成員及本集團內多家附屬公司之董事。周醫生已加入本集團服務超過20年。彼為周允成先生之兄及周永成先生之堂弟。周醫生為香港私人執業牙科醫生。彼現任保良局諮詢委員會遴選委員。

丁良輝先生，MH，FCCA，FCPA (Practising)，FTIHK，ACA，FHKIoD，54歲，曾為本公司之獨立非執行董事及公司秘書，任期至2004年9月，彼於2004年9月28日調任為本公司之非執行董事。丁先生現為本公司審核委員會及薪酬委員會成員，亦為其他七家香港上市公司之獨立非執行董事，分別為北京同仁堂科技發展股份有限公司、通達集團控股有限公司、五礦資源有限公司、金六福投資有限公司、科聯系統集團有限公司、天虹紡織集團有限公司及東岳集團有限公司。彼為中國人民政治協商會議第九及第十屆福建省委員會委員。丁先生為執業會計師，在會計界有逾30年經驗。彼現任丁何關陳會計師行執行合夥人。

鍾沛林先生，SBS，OBE，太平紳士，LL.B (Hons) (Lond.) A.C.I. Arb，67歲，本公司之非執行董事、審核委員會、薪酬委員會及提名委員會成員。鍾先生於1995年6月26日獲委任為本公司之獨立非執行董事，並於2004年9月調任為本公司之非執行董事。鍾先生為執業律師，除為中國司法部委託公證人外，亦在多個團體擔任要職，現任香港特別行政區政府多個諮詢委員會委員，亦為其他兩家香港上市公司之獨立非執行董事，分別為爪哇控股有限公司及連達科技控股有限公司。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高級管理人員

Mr. Winston CHOW Wun Sing, aged 50, is an Executive Director of the Company, the Group Deputy General Manager and a director of a number of subsidiaries within the Group. Mr. CHOW has been with the Group since 1984 (except 1988 to 1992) and has become the Group Deputy General Manager since 1995. Mr. CHOW is the younger brother of Dr. Gerald CHOW King Sing and the cousin of Mr. Vincent CHOW Wing Shing. He has experience in real estate in Canada. Mr. CHOW's key responsibilities include the marketing of the Group's jewellery business in Greater China. He also acts as the Vice-Chairman of the Diamond Federation of Hong Kong, China Limited, Governing Council Member of the Quality Tourism Services Association, a member of the Advisory Committee on Travel Agents and a member of the Jewellery Industry Training Advisory Committee of the Education Bureau. Mr. CHOW is a member of the Guangzhou Municipal Tianhe District People's Political Consultative Committee.

Mr. LEE Ka Lun, FCCA, CPA, aged 53, is an Independent Non-executive Director of the Company, and the chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as an Independent Non-executive Director of the Company on 28 September 2004. Mr. LEE is an accountant by profession and has over 25 years experience in banking and auditing. He had been the Deputy Chief Executive of Lloyds TSB Bank plc, Hong Kong Branch and Regional Director - Finance and Operation of Lloyds TSB's operations in Asia for over 15 years and has extensive experience on corporate banking, private banking, treasury, operations, IT developments and general management. He is also a responsible officer approved by the Securities and Futures Commission and serves as an independent director of three other listed companies in Hong Kong, namely Denway Motors Limited (being chairman of the audit committee), Guangzhou Investment Company Limited and REXCAPITAL Financial Holdings Limited.

Mr. LO King Man, FRSA, FHKU, UFHKPU, FHKAPA, JP, MBE, BBS, aged 70, is an Independent Non-executive Director, a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. He was appointed as an Independent Non-executive Director of the Company on 28 September 2004. Following a career in higher education management, Mr. LO held an appointment as Director of the Hong Kong Academy for Performing Arts during 1993 to 2004 and is currently the Principal of the Canton International Summer Music Academy established by the Guangdong Government. His public services included vice-chairmanship of the former Urban Council and membership of the Hong Kong Special Administrative Region Basic Law Consultative Committee, Examination Authority, Broadcasting Authority, Vocational Training Council and Arts Development Council. He has served on governing boards of numerous educational and cultural organizations. He is an independent non-executive director of another listed company in Hong Kong – Sing Lee Software (Group) Limited.

周允成先生，50歲，本公司之執行董事、本集團副總經理及本集團內多家附屬公司之董事。周先生自1984年起（1988年至1992年除外）服務本集團，自1995年起出任本集團副總經理。周先生為周敬成醫生之弟及周永成先生之堂弟。彼曾於加拿大從事地產業。周先生專責統籌本集團於大中華珠寶業務之市場事務。彼現時亦擔任香港鑽石總會有限公司副主席、優質旅遊服務協會執行委員會委員、旅行代理商諮詢委員會委員及教育局珠寶行業培訓諮詢委員會委員。周先生現任中國人民政治協商會廣州市天河區委員。

李家麟先生，FCCA，CPA，53歲，本公司之獨立非執行董事、審核委員會、薪酬委員會及提名委員會主席。彼於2004年9月28日獲委任為本公司之獨立非執行董事。李先生為專業會計師，在銀行及審計界服務超過25年。彼曾出任萊斯銀行香港分行副行政總裁及亞洲區域財務及營運董事超過15年，具豐富企業銀行、私人銀行、財務、營運、資訊科技發展及管理經驗。彼現時亦為證券及期貨事務監察委員會核准之負責人員。彼現任其他三家香港上市公司之獨立董事，分別為駿威汽車有限公司（彼為審核委員會主席）、越秀投資有限公司及御泰金融控股有限公司。

盧景文先生，FRSA，FHKU，UFHKPU，FHKAPA，太平紳士，MBE，BBS，70歲，本公司之獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。彼於2004年9月28日獲委任為本公司之獨立非執行董事。彼歷任多家大專學院高級行政職位，於1993年至2004年期間出任香港演藝學院校長，現任廣東省政府創辦之中國廣東國際音樂夏令營校長。彼曾獲委任多項公職，包括前市政局副主席、香港特別行政區基本法諮詢委員會、考試及評核局、廣播事務管理局、職業訓練局及藝術發展局委員，亦出任多家大專學府及文化機構之董事會成員。彼為另一家香港上市公司—新利軟件（集團）股份有限公司之獨立非執行董事。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Pagan WONG Mei Wan, FCCA, CPA (Practising), EMBA, aged 40, is the Company Secretary of the Company and the Group's Director of Compliance and Accounting. Ms. WONG is responsible for Group finance, accounting and tax, company secretarial and investor relations. She joined the Group in 2000 and has over 18 years of experience in finance, accounting and management. Ms. WONG is a member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. She holds an Executive MBA Degree from the City University of Hong Kong. Ms. WONG's experience covered a variety of industries including auditing and business advisory services with one of the Big Four accounting firms in Hong Kong.

Mr. LAU Hak Bun, aged 55, is the Group's Director of Sales Operations. Mr. LAU has been with the Group for over 35 years. He is well-experienced in sales management. Apart from managing the sales operations in Hong Kong and Macau, Mr. LAU is also responsible for the Group's operation in Mainland China. He serves as the executive committees of several trade associations as the Group's representative.

Ms. Emily LI Yin Ming, aged 48, is the Group's Brand General Manager for "Chow Sang Sang", overseeing the development of branding, new business and marketing. Prior to joining the Company in 2005, Ms. LI was the Managing Director of her own jewellery marketing company, providing consultancy services to international renowned jewellery organizations. Before Ms. LI became an entrepreneur in 2003, she was with the World Gold Council for 10 years playing a key role in gold jewellery market development for East Asia. Ms. LI was awarded the "China 100 Outstanding Women Entrepreneur" in 2007.

Ms. Carol WONG May Chun, aged 44, is the Group's Brand Director for "Emphasis Jewellery". Ms. WONG joined the Group in 2004 and is responsible for Emphasis Jewellery's total branding, including product development, marketing, as well as channel development and management. She has over 15 years of senior level brand management experience in international fashion and accessories industries, with major focus in Asia Pacific markets.

董事會及高級管理人員

黃美雲小姐，FCCA，CPA (Practising)，EMBA，40歲，本公司之公司秘書及本集團之法規管治及會計總監。黃小姐專責本集團財務、會計與稅務、公司秘書及投資者關係方面之工作。彼於2000年加入本集團。其於財務、會計及管理方面擁有超過18年經驗。黃小姐為香港會計師公會及英國特許公認會計師公會之會員。彼持有香港城市大學行政人員工商管理碩士學位。黃小姐工作經驗涵蓋不同行業，當中包括於香港一家四大會計師事務所審核及商業諮詢服務。

劉克斌先生，55歲，本集團業務營運總監。劉先生加入本集團服務超過35年，對於銷售管理擁有豐富經驗。除管理香港及澳門銷售業務外，彼亦負責本集團之中國內地業務。劉先生以集團代表身份出任多個商會委員會之會員。

李彥明小姐，48歲，本集團「周生生」品牌之品牌總經理，負責此品牌業務及市場事務之整體發展。於2005年加入本公司前，李小姐為自資珠寶市場推廣公司之常務董事，為國際著名珠寶機構提供顧問服務。李小姐於2003年成為企業家前，曾於世界黃金協會任職10年，於東亞地區黃金珠寶市場發展擔當重要角色。李小姐於2007年榮獲「中國百名傑出女企業家」獎項。

黃美真小姐，44歲，本集團「點睛品」品牌之品牌總監。黃小姐於2004年加入本集團，負責點睛品之全面品牌管理，包括產品開發、市場事務以及銷售渠道發展及管理。黃小姐於國際時裝及配飾行業擁有超過15年品牌高層管理之豐富經驗，主要集中於亞太地區市場。

The Group's Results

In 2007 Chow Sang Sang Group registered significant gains both in turnover and profits. The expansionary momentum of the economy continued unabated from the year before all the way through 2007, both in the Mainland and in Hong Kong. The retail sectors were buoyant and upbeat: in all four quarters turnover exceeded that of a year before, allowing the Group to report for 2007 a 48% increase in turnover and 65% increase in operating profits in jewellery retail.

Activities in the stock market in Hong Kong could be described as frenetic. The Group's brokerage arms were able to achieve significant gains in commission income as well as operating profits.

With the price of gold and platinum hovering at high levels, turnover in wholesale of the metals retreated by 12% but operating profits went up 54%. Overall, the Group's profit attributable to shareholders was HK\$516 million on turnover of HK\$7,874 million. Compared with 2006, the increase in profits was 74% and turnover rose 13%, between which ratios there is a disparity that is largely attributable to the fall in the turnover of wholesale of gold and platinum. Earnings per share climbed to HK85.8 cents per share from HK49.3 cents per share.

Overview

The Group's major business is jewellery retail in Hong Kong, Mainland China, Taiwan and Macau ("Greater China"), conducted by Chow Sang Sang Jewellery Company Limited together with some of its fellow subsidiaries. Chow Sang Sang Securities Limited and Chow Sang Sang Futures Limited are the operators of the Group's brokerage business. Precious metals wholesale is the business of World Commercial Sales Company Limited.

At the close of 2007, the jewellery retail network consisted of 109 shops under the name "Chow Sang Sang" in the Mainland and 38 shops in Hong Kong. In addition, under the name "Emphasis Jewellery" there were 9 shops in Hong Kong, 19 in Taiwan and 2 in Macau. Chow Sang Sang owns and operates the jewellery store under the name "Midtown Jewelry" in Hong Kong Disneyland.

The marketing strategy of the network is embodied in the tableau of merchandise offered at the shops. The mainstay is gem-set and gold jewellery designed in-house. The designs are distinguished by branding, such as Diamond in Motion (diamond jewellery whose feature is diamonds on moving mountings reflecting light), Platinum with Love and Pt Loving Hearts (jewellery featuring branded diamonds). Product differentiation in another dimension is achieved by the licensing of territorial rights for intellectual properties such as Hello Kitty and Disney characters to be used as themes for design and marketing of products.

本集團業績

本集團2007年度營業額及溢利均錄得大幅增長。2007年度內地及香港的經濟承接前一年度的勢頭繼續增長。零售業蓬勃興旺：四個季度的營業額均超越前一年度同期，令本集團2007年度珠寶零售營業額錄得48%增長及其經營溢利錄得65%增長。

香港證券市場活躍，勘稱狂熱。本集團證券經紀業務佣金收入及經營溢利均錄得顯著增長。

黃鉑金價格均在高位徘徊，貴金屬批發業務營業額下跌12%，然而，經營溢利卻錄得54%升幅。整體而言，本集團的營業額為7,874,000,000港元，股東應佔溢利為516,000,000港元。與2006年比較，營業額上升13%而溢利增加74%，兩者增長比例不一，主要由於批發黃鉑金營業額下跌所致。每股盈利由49.3港仙攀升至85.8港仙。

綜觀

本集團之主要業務在香港、中國內地、台灣及澳門（「大中華」）經營珠寶零售，由周生生珠寶金行有限公司及其部分同系附屬公司經營。本集團之證券及期貨經紀業務由周生生證券有限公司及周生生期貨有限公司經營。貴金屬批發業務由世界批發行有限公司經營。

於2007年年底，以「周生生」經營的珠寶零售網絡由內地109家分店及香港38家分店組成。此外，以「點睛品」經營的分店在香港有9家，台灣有19家及澳門有2家。周生生於香港迪士尼樂園擁有珠寶店，以「小鎮珠寶店」經營。

本集團銷售網絡的市場策略為在店舖提供賞心悅目的產品，主體產品為自家設計的鑲嵌珠寶及黃金飾品。獨有品牌如Diamond in Motion（以鑲嵌可活動的鑽石，令移動時產生閃耀光芒為特色的鑲飾）、Platinum with Love及Pt Loving Hearts（以品牌鑽石鑲作之珠寶）的產品突顯了自家設計特色。另一方面，本集團取得Hello Kitty及迪士尼人物等知識產權的地區代理權，並以此為主題設計及產品推廣，亦令產品更多元化。

Overview (continued)

To add content and glamour, brands of jewellery are imported from Italy and Japan. Such brands as Stefan Hafner, Marco Bicego, and Regalo are selected for their individuality, their products' harmony and synergy within our framework. In Hong Kong and the Mainland, selected shops carry Rolex and Tudor watches as official agents.

Emphasis Jewellery aims to offer an intimate shopping experience to discerning clients whose focus is on distinctiveness and taste. Although the shops are operated under the same doctrine as regards customer service, they have their own brand-management and product team. Its success is signified by the fact that many customers in Hong Kong regularly shop in Emphasis Jewellery and Chow Sang Sang alike.

To feed its jewellery manufacturing pipeline, the Group needs a substantial input of polished diamonds at varying intervals. Buying rough and polishing them in-house is therefore a step in vertical integration that affords cost-saving opportunities and, more importantly, an alternative and controllable source of raw material. Since 2005 the Group has been a "Sightholder" of the Diamond Trading Company, a major supplier of diamonds in the rough. As such it is one of two firms in Greater China that are contracted from 2008 to 2011 to procure rough diamonds direct from that company's London office. The Group also buys rough diamonds from other sources. Currently about 20% of the polished diamonds sold by the Group comes from rough diamonds purchased and polished on its own, but this ratio is expected to rise as the Group further expands its supply network for rough diamonds.

The jewellery operation generates voluminous flows of gold and platinum. The inflows are metals in the form of ingots which are bought wholesale as raw materials for jewellery manufacturing. The outflows consist of old jewellery and scraps, bought from customers who bring them to the shops, processed and then sold wholesale. World Commercial Sales Company Limited handles the metal trading, offering the same services to outside metal users as well. The business is conducted in Hong Kong on a high-volume, low-margin and minimized-risk model.

Chow Sang Sang Securities Limited and Chow Sang Sang Futures Limited are run as "boutique" brokerages aiming at retail customers with personalized professional services. The brokerages offer trading at 8 offices in Hong Kong plus a highly efficient Internet platform. As small independent brokerages, the survival strategy is to concentrate on personal service, sound internal control and good risk management.

綜觀(續)

為使貨品更豐富和具吸引力，本集團亦有從意大利及日本引入品牌首飾。選取 Stefan Hafner、Marco Bicego及 Regalo等品牌主要因其產品具獨有特色，且能與本公司產品組合協調並產生協同效應。香港及內地部分分店亦被選為勞力士及帝舵錶的特約經銷商。

點睛品目標是為眼光獨到及追求卓越品味的顧客提供舒適的購物體驗。雖然本集團各分店均以相同的顧客服務承諾經營，但點睛品亦擁有其獨立的品牌管理及產品隊伍。不少本港顧客，如周生生一樣，經常到點睛品購物，足見其成功之處。

為配合珠寶生產所需，本集團需要在不同時段購入大量已打磨成品鑽石。購入毛坯及自行打磨為成品鑽石是垂直整合的步驟，其可節省成本，更重要是此為另一個可控制的原料供應來源。本集團自2005年起成為鑽石毛坯主要供應商國際鑽石商貿公司的「鑽石配貨商」，並為2008年至2011年大中華兩家可直接向該公司倫敦辦事處購入鑽石毛坯的配貨商之一。此外，本集團亦有向其他供應商採購鑽石毛坯。目前本集團出售的已打磨鑽石中約20%屬購入鑽石毛坯後自行打磨的成品鑽，由於本集團將繼續擴大鑽石毛坯供應網絡，預料此比例將上升。

珠寶業務營運產生大量黃金及鉑金流轉。流入者為整批購入原塊金屬作為珠寶製造原材料之用，流出者為以批發出售於分店向顧客回收並處理後的舊金。世界批發行有限公司除處理本集團的金屬買賣業務外，亦為其他金屬用家提供同樣服務。此業務於香港以高營業額、低利潤及最低風險的模式經營。

周生生證券有限公司及周生生期貨有限公司以「精品店」經紀服務形式營運，目標為零售客戶提供專業的個人服務。經紀服務在香港以8個營業辦事處及一個高效率的互聯網交易平台提供交易服務。作為小型獨立的經紀，生存策略乃集中提供個人服務，保持有效的內部管控及良好的風險管理。

Jewellery Retail

Hong Kong & Macau

Turnover increased by 36% to HK\$3,022 million, accounting for 73% of the total turnover in jewellery retail.

Although turnover was strong during the first half of 2007, it was even more robust in the second half, and the 4th quarter was much better than expectations. Although local customers accounted for the bulk of the consumption, spending by mainlanders, especially at shops located in the tourist areas such as Mongkok and Causeway Bay, were highly significant.

During the first half of 2007 the price of gold, though still below the peak reached in May 2006, stayed at a range that was the highest in at least the past five years. Starting in August 2007, it went on a continuous climb, eventually breaching US\$900 in January 2008. Despite these price levels, the amount of gold the Group bought from retail customers was way below that which was recorded in 2006. One reason was perhaps that private hoardings had not been sufficiently replenished since the sell-off. Another could be that instead of taking profits early, people are now more inclined to wait and see how high the price of gold would climb.

Turnover of gem-set jewellery in general rose by 46% from 2006, and in particular sales of items priced above HK\$10,000 grew by an even higher percentage. Because of the growth in the turnover of gem-set jewellery in general, and diamond jewellery in particular, gem-set jewellery had a far more significant contribution than gold to the increase in profits.

In order to further strengthen the Group's position in Mongkok, the prime shopping area for Mainland visitors, a 500-sq.m. "mega-store" was established by leasing the space adjacent to an existing store. The mega-store, with its large floor area, very long frontage and huge billboard areas above the shopfront, has become an icon in that shopping district, offering an out-of-the-ordinary shopping experience to visitors and locals alike. At the same time, another store in that area was moved to a new location across and up the street from the "mega-store".

A new shop dedicated to the connoisseur segment of customers was opened at Elements, the new shopping complex managed by MTR Corporation Limited ("MTR") above their Kowloon Station. This shop is focused on "fine jewellery", and is outfitted distinctively for its mission. With international luxury brands as its neighbours in the mall, this shop is poised to take advantage of the high-end office, hotel and residential developments in the same complex coming on stream in turn within the coming two years.

珠寶零售

香港及澳門

營業額增加36%至3,022,000,000港元，佔珠寶零售總營業額73%。

雖然2007年上半年度營業額表現強勁，但下半年度表現更突出，其中第四季表現更勝預期。雖然本地顧客消費力強勁，然而內地顧客亦不遜色，尤其於遊客區如旺角及銅鑼灣的分店消費最為顯著。

金價在2007年上半年期間維持在一定水平，雖然不及2006年5月的高峰，但仍為過去五年之最高位。自2007年8月金價開始持續攀升，於2008年1月更打破900美元水平。儘管金價處於高水平，本集團向顧客回購的舊金量遠不及2006年的紀錄。其中原因可能是在售出私人貯藏後再補足的黃金量不及以往。另一原因可能是大眾對金價上升抱觀望態度，不急於及早出售圖利。

整體珠寶鑲嵌飾品營業額較2006年上升46%，特別是售價在10,000港元以上的貨品，銷售錄得更大增幅。由於珠寶鑲嵌飾品營業額的增長，尤其鑽石飾品，珠寶鑲嵌飾品的利潤貢獻對比黃金飾品有相當明顯的增加。

為進一步加強本集團在內地旅客首選購物區旺角的市場定位，本集團租用了與原有一家分店相連的舖位，擴展成500平方米的「旗艦店」。旗艦店佔地面積廣，店面特長，加上店面上方的巨型廣告牌，令該店成為區內購物地標之一，為旅客及本地顧客提供非一般的購物體驗。同時，位於區內另一家店舖已遷至「旗艦店」鄰近的位置營業。

一家專為具鑑賞力客層而設的新店已於圓方開業，此為香港鐵路有限公司（「港鐵」）管理的九龍站上蓋新購物商場。該店以銷售「高檔珠寶」為主，並採用獨特風格的裝修及陳設以資配合。該店躋身於商場內，與其他國際高級品牌專門店為鄰，將受惠於未來兩年陸續落成的高級辦公室、酒店及住宅發展項目。

Jewellery Retail (continued)

Hong Kong & Macau (continued)

Other Chow Sang Sang shops opened during the year included those at Terminal 2 of the Hong Kong International Airport and “district” shops at Tseung Kwan O and next to the MTR Mong Kok East Station. Five other shops were refitted or expanded.

Emphasis Jewellery continued its growth to nearly 46% over its turnover in the prior year. Its Mongkok store was re-opened as a “store-in-store” within the Chow Sang Sang mega-store. A new shop was opened at Queensway Plaza in Admiralty. The shop at Times Square, Causeway Bay, was relocated to a larger location within the mall.

In November 2007 the store in the Venetian Macao-Resort-Hotel was opened.

As a “brand” Chow Sang Sang continued to be recognized for its achievements in projecting its image and positioning to consumers. In 2007, for the branding as well as the quality of service, numerous awards had been received, of which some were adjudicated by expert panels while others were voted by consumers. These included awards given by Ming Pao Daily in conjunction with the Department of Marketing of the Chinese University of Hong Kong, Hong Kong Productivity Council and China Trademark Association, and the Hong Kong Retail Management Association. One of the shop managers of Emphasis Jewellery was chosen as the “FOREVERMARK Most Motivating Store Manager” by De Beers Group Marketing after beating candidates from other retailers in several rounds of competition.

Given the buoyant atmosphere, the rise in shop rentals was inevitable. The average increase in rental expenses due to renewals was 22%. Taking into account new stores and closures, rental expenditure rose almost 22%.

Personnel emoluments consisted of basic salary and profit-based bonus awards. Basic salary was raised by an average of 3.8% at the beginning of the year. With bonus awards as the main contributing factor, the total increase in personnel emoluments over the year was 13%.

The capital expenditure, mostly incurred on the fitting-out of stores, amounted to HK\$35 million.

The opening of the mega-store in Mongkok and the image-store in Elements crystallized the two-prong strategy. Mega-stores cater to a wide spectrum of customers with their rich mix of merchandise while image-stores focus on fine jewellery in a luxury setting.

珠寶零售(續)

香港及澳門(續)

年內開設的其他周生生分店包括位於香港國際機場二號客運大樓的分店，及位於將軍澳與港鐵旺角東站毗鄰的「地區」店。另有五家分店已重裝或擴充營業。

點睛品表現持續增長，營業額較上年度上升近46%。位於旺角的分店已重裝為周生生旗艦店內的「店中店」。一家新店於金鐘金鐘廊開業；在銅鑼灣時代廣場的分店已遷至場內另一個較大的位置營業。

位於澳門威尼斯人-度假村-酒店的分店已於2007年11月開業。

周生生「品牌」不論在形象及市場定位方面均成績斐然，繼續獲得消費者認同。於2007年，在品牌行銷及服務質素均屢獲獎項，這些獎項都是由專家小組進行評審，或由消費者投票選出。當中包括從明報及香港中文大學市場學系合辦、由香港生產力促進局及中華商標協會合辦、以及由香港零售管理協會舉辦的活動中獲得的獎項。點睛品其中一位分行經理在De Beers集團舉辦的選舉中經過數回合比賽擊敗其他同業對手，奪得「FOREVERMARK最佳店舖經理」獎項。

隨著市況好轉，租金上升亦無可避免。續租租金開支平均增幅為22%。如將新店及已結束分店計算在內，租金開支共增加接近22%。

人事費用包括基本薪金及按業績發放之花紅獎金。年初基本薪金之平均增幅為3.8%。計入為增幅主要因素的花紅獎金後，全年人事費用增加13%。

資本性開支為35,000,000港元，大部分用作店舖裝修之用。

本集團實行雙線發展策略，分別於旺角開設旗艦店及於圓方開設形象店。旗艦店提供多元化產品以迎合不同顧客需求，形象店則以銷售高檔及時尚設計珠寶為主。

Jewellery Retail (continued)

Mainland China

The contribution from the stores in the Mainland continued to rise. Their turnover in 2007 increased 104% to HK\$1,026 million, which represented 25% of the total turnover in jewellery retail. In 2006 their share was 18%, in 2005 12%.

Same-store growth in turnover was 39%, with some of the stores in Beijing, Shanghai, Guangzhou, Xian and Fuzhou taking top honours. The overall sales in gem-set jewellery priced at RMB50,000 or above more than doubled.

During the year 27 shops were opened in cities including Urumqi, Lanzhou, Nantong, Quanzhou, Haikou, Zhuhai and Zhaoqing, bringing the total at the end of year to 109. One of the new shops was located in a high-end mall in Shanghai.

Capital expenditure during the year reached HK\$27 million, with the fitting out of new shops taking up the bulk of the spending.

Chow Sang Sang Diamond (Shanghai) Co., Ltd. has been operating smoothly since its inception in the second half of the year. Its establishment has facilitated the importation and stocking of diamonds in the Mainland.

Taiwan

With improvements in the second half of 2007, turnover for the year was HK\$71 million, or 2% of the total of the Group's turnover in jewellery retail.

A new management structure was put into place during the year, putting a stronger focus on coordination of marketing direction from the main office in Hong Kong. The loss in Taiwan has narrowed in 2007, and the improvement is expected to pick up its pace as the change in the political climate brings stimulus to the economy.

Wholesale of Precious Metals

Turnover for the year fell by 12% to HK\$3,567 million. However, operating profits registered a 54% growth to HK\$14 million.

With the price of platinum rising to beyond US\$1,500 by the end of the year, trading in the metal dropped to trickles. The volume of trading in gold was lower than in 2006 as less scrap gold was processed.

The business continues to be run on a low-margin, risk-controlled model.

珠寶零售(續)

中國內地

內地分店之盈利貢獻持續增長。2007年度營業額上升104%至1,026,000,000港元，佔珠寶零售總營業額25%。2006年度之佔比為18%，2005年度為12%。

同店營業額增長為39%，以北京、上海、廣州、西安及福州之若干分店表現最佳。售價在50,000元人民幣或以上的珠寶鑲嵌飾品錄得兩倍以上的銷售。

年內共有27家分店開業，包括烏魯木齊、蘭州、南通、泉州、海口、珠海及肇慶等城市，令年底分店數目增至109家。其中一家新店設於上海一個高檔商場內。

年內資本性開支達27,000,000港元，大部分用作新店裝修之用。

周生生鑽石(上海)有限公司自下半年度投入運作後操作順利，令內地鑽石進口及庫存運作更順暢。

台灣

隨著2007年下半年度業績得到改善，全年營業額為71,000,000港元，佔本集團珠寶零售總營業額2%。

年內引入新的管理架構，並重點配合香港總公司的市場方向。台灣分公司的虧損在2007年度收窄，預料業績將隨著台灣政局改變而為經濟帶來的刺激，得以逐步改善。

貴金屬批發

年內的營業額下跌12%至3,567,000,000港元。然而，經營溢利卻錄得54%升幅，達14,000,000港元。

年底鉑金價格升穿1,500美元，交投量逐漸下滑。由於回收黃金量減少，黃金交易量較2006年少。

此項業務繼續以低利潤及風險受監控的模式下營運。

Securities and Futures Broking

For the Hong Kong stock market, it was a year of records. The Hang Seng Index, having broken through 20,000 in December 2006, peaked at 31,958 in October 2007. Total turnover went up to HK\$21,665 billion, more than 2.6 times that of 2006.

Turnover for Chow Sang Sang Securities Limited reached HK\$62 billion, 2.8 times that of 2006. Financing for clients was facilitated in 82 Initial Public Offerings ("IPOs"), generating net profits of HK\$11 million, which was 2.5 times that of 2006 in which there were 55 IPOs.

Despite a dramatic increase in loans to clients, HK\$142 million at the end of 2007 as compared to HK\$85 million in 2006, lending policies were strictly upheld and the quality of loans was maintained. No material provision for bad debt was required.

Commission income rose to HK\$132 million (+149%), and operating profits reached HK\$103 million (+239%).

Investments

Properties

The Group holds properties mainly for its own use as offices, jewellery shops and factory premises. For investment properties, rental income amounted to HK\$9 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 a 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 31 December 2007, the Group held 4,953,500 shares of HKEC and the unrealized gain on the holding amounted to HK\$1,093 million (2006: HK\$421 million). No sale of the shares are being contemplated.

Finance

Financial Position and Liquidity

The Group centralizes 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 31 December 2007, the Group had cash and cash equivalents of HK\$265 million, and total undrawn bank loans and other credit facilities of approximately HK\$1,244 million. The Group generates strong recurring cashflow from its jewellery business.

證券及期貨經紀

本港證券市場年內創多項紀錄。恒生指數在2006年12月衝破20,000點，2007年10月更達31,958點高峰。總成交額升至216,650億港元，較2006年多於2.6倍。

周生生證券有限公司成交額達620億港元，為2006年的2.8倍。年內為82項首次公開招股而向客戶提供融資的淨利達11,000,000港元，為2006年55項首次公開招股融資淨利的2.5倍。

儘管向客戶提供的貸款從2006年年底85,000,000港元激增至2007年年底142,000,000港元，貸款政策仍嚴格執行，而良好貸款質素亦能保持，故無需作重大的壞賬撥備。

佣金收入上升至132,000,000港元(+149%)，經營溢利達103,000,000港元(+239%)。

投資

物業

本集團持有之物業大部分自用為辦公室、珠寶店及廠房。投資物業帶來之租金收入為9,000,000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12月31日，本集團持有4,953,500股港交所股份，未變現收益為1,093,000,000港元(2006年：421,000,000港元)。本集團暫無意出售此等股份。

財務

財務狀況及流動資金

本集團所有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12月31日，本集團擁有之現金及等同現金265,000,000港元，未動用之銀行貸款及其他信貸約為1,244,000,000港元。本集團珠寶業務將繼續產生龐大的經常性現金流動。

Finance (continued)*Financial Position and Liquidity (continued)*

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 31 December 2007 amounted to HK\$286 million, which was unsecured and repayable in one year. The Group has a low gearing ratio of 8%, based on total borrowing of HK\$286 million as a percentage of total shareholders' equity of HK\$3,634 million. As at 31 December 2007, the current ratio stood at a healthy level of 2.6. 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 exposure in Renminbi ("RMB"), New Taiwan dollar, 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 31 December 2007, total foreign currency borrowing excluding RMB borrowing amounted to approximately HK\$8 million (2006: HK\$7 million). RMB loans at year end amounted to RMB219 million (2006: RMB100 million) and are used for the operations in Mainland China. Most of the Group's assets and liabilities, revenues and expenses are denominated in HK dollar, RMB and US dollar.

Charge on Assets

As at 31 December 2007, certain items of properties of the Group with a net carrying value of HK\$155 million (2006: HK\$153 million), and listed equity investments of HK\$221 million (2006: HK\$298 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

Human Resources

At the end of 2007 the Group had 3,175 employees, 59% of whom were in Mainland China. More than 95% of the staff are employed in jewellery retail and manufacture.

Aside from basic salary, employees are rewarded with performance-based bonuses. Fringe benefits such as paid vacation leave, insurance are commensurate with local practices and legal requirements. Individual performance is assessed annually on a uniform framework, which is applied to all territories and is based on openness and objectiveness. It is the Group's policy to abide with best practice principles, to hire the most suitable person for the job with competitive emoluments and to motivate staff with incentives and positive reinforcement.

Because of the predominance of frontline staff, staff training and retention are of primary concern. The Group conducts training both in Hong Kong and in the Mainland, using in-house and external resources where appropriate. Programmes are offered on a variety of subjects, falling mainly into the categories of sales skills and management technique, and pitched at different levels of prior experience and expertise.

財務(續)*財務狀況及流動資金(續)*

本集團政策盡量以無抵押方式取得融資。珠寶業務方面，於2007年12月31日之借貸總額為286,000,000港元，為無抵押貸款及須於一年內償還。本集團維持低水平的資本負債比率8%，為總貸款286,000,000港元佔股東權益3,634,000,000港元之百分比。於2007年12月31日，流動比率維持在2.6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

本集團外匯風險很小，主要在人民幣、新台幣、歐羅及日元；管理方法是以外幣債務為手上同幣資產融資。於2007年12月31日，不計人民幣之外幣借款約為8,000,000港元（2006年：7,000,000港元）。於年底，人民幣借款為219,000,000元人民幣（2006年：100,000,000元人民幣），用於中國內地營運。本集團大部分資產及負債、收入及費用均以港元、人民幣及美元結算。

資產抵押

於2007年12月31日，本集團以賬面淨值155,000,000港元（2006年：153,000,000港元）的若干物業及221,000,000港元（2006年：298,000,000港元）的上市股份投資作為抵押，為本公司若干附屬公司取得銀行信貸。

人力資源

於2007年年底，本集團共有3,175位僱員，其中59%為內地員工。超過95%員工受僱於珠寶零售及製造業務。

除基本薪酬外，員工可獲按表現為分發基準之花紅。附加福利如有薪年假、保險等乃依照當地慣例及法規要求提供。員工的個人表現每年按本集團訂定的統一評核標準進行評核，這套標準以開放及客觀的原則訂定，適用於本集團各地區。本集團一向以最佳慣例宗旨為集團政策，以最具競爭力的薪酬待遇聘用最適合的人材，並以獎勵及正面方式推動員工士氣。

本集團員工以前線人員佔多數，故員工培訓及留任為首要關注。本集團在香港及內地以內部及外界資源提供適當的培訓。培訓課程包括不同項目，主要為銷售及管理技巧，並針對員工不同程度的經驗和專長制訂培訓內容。

Outlook

Hong Kong's stock market started to stumble in November 2007. From 4th quarter 2007 to 1st quarter 2008, the Hang Seng Index shed more than 5,000 points. IPOs are being called off or postponed because of uncertain market conditions. As trading volume has inevitably shrunk, the Group's brokerage arms will see lower income levels in 2008. They have taken precautionary measures in risk control such as tightening their margin lending.

By the end of 1st quarter 2008, the gloom over the United States economy deepens as the subprime crisis and the credit crunch that it triggered continue to affect the markets despite measures taken by the United States Federal Reserve and other central banks. Fears of a recession in the United States have driven the US dollar to new lows and prices of oil, gold, platinum and diamond, as well as other commodities, have all reached new highs.

How the downturn in the United States will affect the Chinese economy is not entirely clear. It might even have an indirect positive effect on the central government's effort to control the overheating of its economy. The sales of jewellery both on the Mainland and in Hong Kong remained robust from the start of 2008 through the Chinese new year holidays to Valentine's Day, with Mainland visitors playing their very important part in boosting sales in Hong Kong. It was unfortunate that just before the holidays freak snowstorms played havoc over parts of central and southern China, causing much loss and grief. Some of the Group's shops were at the risk of not getting their supply of seasonal stock, but thanks to the hard work and resourcefulness of our staff, the shops received their merchandise in time.

As attested by the results, the Mainland operations are making good progress and contributing a fast growing percentage of the Group's profits. In keeping with the strategy of establishing iconic shops, the Group has entered into a lease agreement on a property in Sanlitun, Beijing, in a shopping complex to be managed by the Swire Group. The shop, with an area of nearly 700 sq.m. in three levels in premises that appear as a building on its own, will be fitted out as the Group's first flagship in the Mainland and will open in the middle of 2008, in time for the Olympic Games.

In Hong Kong, after an absence of several years from the district, the Group will open a new store in Queen's Road Central. This will be positioned as a mega-store, like the one in Canton Road Kowloon, but further strengthened in its offering of fine, couture jewellery. In order to accommodate the large number of Mainland visitors frequenting Tsimshatsui in Kowloon, a mega-store will be opened during the first half of 2008 in Park Lane, Nathan Road.

There are certainly reasons to be cautious about the retail sector in the rest of 2008.

展望

香港證券市場在2007年11月開始放緩。由2007年第四季至2008年首季，恒生指數下跌5,000多點。多項首次公開招股因市場不定因素取消或延期。由於市場交投量縮減，預料本集團經紀業務收益在2008年將下跌至較低的水平，故已採取審慎的管控措施如收緊孖展借貸，以減低風險。

於2008年首季末，縱使美國聯邦儲備局及其他中央銀行已採取相應措施，美國的次按風暴及信貸危機的陰霾仍揮之不去。市場對美國經濟衰退的憂慮，令美元創下新低，而燃油、黃鉑金、鑽石及其他商品價格均上升至新高。

美國經濟下滑對中國經濟的影響仍是未知之數，此或許間接有助於中央政府控制過熱的經濟。內地及香港的珠寶銷售在2008年年初至農曆新年假期及情人節一直保持穩健，內地旅客的惠顧對刺激香港銷售佔著十分重要位置。華中及華南部分地區不幸在假期前夕遭受反常的雪災侵襲，損失嚴重。集團部分分店的季節性貨品供應亦受到影響，幸得員工的努力和機智，令分店及時收到貨品應市。

業績表現反映內地運作進展良好，其在集團利潤貢獻的百分佔比也在迅速提高。本集團為貫徹發展形象店的策略，已和太古集團簽訂租約，在其旗下北京三里屯一大型商場開設分店。該店為一獨立建築，樓高三層，總面積約700平方米，為本集團在內地首家旗艦店，將於2008年年中奧運會開幕前開業。

在香港，在中環分店遷離該區數載後，本集團將在皇后大道中開設一家旗艦店，與九龍廣東道旗艦店相若，但會進一步加強提供高級的、優裕的珠寶飾品。另一家旗艦店將於2008年上半年在彌敦道柏麗大道開業，便利大量經常到九龍尖沙咀購物的內地旅客。

由於存在多項因素，2008年餘下期間經營零售要更加謹慎。

Outlook (continued)

The weakening of the US dollar, along with other factors, has driven the price of gold beyond US\$1,000 per ounce, and the price of diamonds has been rising inexorably as demand for better quality goods continued to increase. So far, however, consumers appear to be undeterred, possibly due to the perception that gold and diamonds could be alternative “investments” in such volatile and inflationary economic climates.

One of the administrative measures the central government has undertaken in order to control inflation and overheating of the economy is the restriction on bank lending. Although the Group has not been adversely affected because of its excellent relationships with banks, it nevertheless must be careful in its planning for funding needs.

Another much publicized legislation of the central government is the labour law that has been in effect since the beginning of 2008. Promulgated with the aim to protect workers, the law imposes numerous new obligations on the part of employers. However, as the Group has been abiding with best practice principles in its efforts to retain employees, it envisages that the law will cause no major difficulties other than somewhat higher costs in connection with human resource management.

Such additional costs, however, are insignificant in comparison with the demand for higher wages. The shortage of skilled or experienced workers, together with the inflationary environment, causes the overall labour cost to rise in the Mainland faster than in Hong Kong.

In Hong Kong, the major cost factor is store rentals. Rents for prime shops, especially shops with high visibility, have risen dramatically as purveyors of luxury goods fight for the best premises as showcases for their brands. Setting up iconic shops is a trend that is likely to continue in the luxury retail sector. Although the Group has adopted a similar strategy, it will be prudent in determining how many and where such shops will be opened, and it will consolidate its network in order to keep costs under control and to raise efficiency.

A study funded jointly by participating members of the jewellery industry but conducted independently by a reputable market research firm, indicated that both Chow Sang Sang and Emphasis Jewellery have made significant progress in consumer recognition. The results further showed that Chow Sang Sang was chosen by the surveyed purchasers of diamond jewellery as the “most preferred jewellery store”.

The theme for Chow Sang Sang’s advertising campaign in 2007/2008 consisted of four “platforms”: I shine, I care, I promise, I move. Originally coined to signify the emotions evoked by Chow Sang Sang’s jewellery in consumers’ hearts, it happens to describe neatly and aptly how we wish to present ourselves to consumers; in other words, it encapsulates the service culture that is being assiduously inculcated in the Group’s staff.

展望(續)

美元持續疲弱，再加上其他因素，將金價推至每安士超越1,000美元的高位；市場對優質鑽石需求有增無減，推動鑽石價格上升，然而顧客購買需求似乎未受影響，可能是因為通脹及經濟氣候不穩，黃金及鑽石被認為是另一種「投資」工具選擇的觀念所致。

中央政府已採取多項行政措施控制通脹和經濟過熱，其中一項是限制銀行借貸。雖然集團與銀行關係良好而沒有受到不利影響，但在策劃財務資金需求方面仍會小心謹慎。

另一項中央政府公布的政策是2008年開始實施的勞動合同法。為保障工人，此法例加諸僱主多項新的負擔。然而，由於本集團一向採用最佳慣例宗旨留住僱員，故預計新法例對集團不會造成重大困擾，惟人力資源管理的成本將會增加。

該項成本增加的影響，仍遠不及工資上漲的影響。在熟練及富經驗的工作人員短缺及通脹的情況下，令內地人事費用上升的速度比香港更快。

在香港，租金是影響成本的最大因素。由於高檔品牌爭相於最佳地點設店，黃金地段的店舖租金，尤以位於人流暢旺地點的店舖租金更顯著上升。而設立形象店已成為高檔消費品零售市場的趨勢。雖然本集團亦採取相同的策略，但會審慎地衡量形象店的數量及地點，以配合整個分店網絡，並控制成本，提高效率。

由珠寶業界資助、著名市場調查機構獨立進行的聯合調查顯示，周生生及點睛品在顧客認知度上有明顯的進步。該調查更顯示周生生為消費者心目中「首選的珠寶店」。

周生生2007/2008年度的廣告推廣計劃包含四個主題：「愛•閃耀、愛•關懷、愛•承諾、愛•躍動」。起初的創作是要表達顧客心裡被周生生的貨品喚起的一份感覺，卻恰巧配合了集團渴望向顧客展現的面貌，也正是集團不斷向員工灌輸的服務文化。

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company and the Group for the year ended 31 December 2007.

Principal Activities

The Group's principal activities remained unchanged during the year and consisted of the manufacture and retail of jewellery, wholesale of precious metals, and securities and commodities broking.

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 18 to the financial statements.

Results and Dividends

The Group's profit for the year ended 31 December 2007 and the state of affairs of the Company and the Group as at that date are set out in the financial statements on pages 37 to 114.

An interim dividend of HK8.0 cents per ordinary share was paid on 28 September 2007. The directors recommend the payment of a final dividend of HK26.0 cents per ordinary share in respect of the year to shareholders whose names appear on the register of members on 15 May 2008. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the balance sheet.

Summary Financial Information

A summary of the results for the year and of the assets, liabilities and minority interests of the Group as at 31 December 2007 and for the last seven financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below. This summary does not form part of the audited financial statements.

董事會報告

董事會謹此呈交截至2007年12月31日止年度之報告及本公司與本集團之已審核財務報告。

主要業務

年內本集團之主要業務並無改變，包括珠寶製造及零售、貴金屬批發及證券及商品經紀。

本公司之主要業務為投資控股。附屬公司之主要業務詳情載於財務報告附註18。

業績及股息

本集團截至2007年12月31日止年度之溢利及本公司與本集團於該日之財政狀況載於財務報告第37至114頁內。

本公司於2007年9月28日派發中期股息每普通股8.0港仙。董事建議派發本年度之末期股息每普通股26.0港仙予於2008年5月15日名列於股東名冊上之股東。此項建議已納入財務報告中資產負債表內權益項下作保留溢利之分配。

財務資料摘要

以下列出本集團截至2007年12月31日及過去七個財政年度之業績、資產、負債及少數股東權益之摘要，該等資料摘自已公布經審核之財務報告並已適當地重新分類。此摘要不構成已審核財務報告之一部分。

Summary Financial Information (continued)

財務資料摘要(續)

Results 業績		Year ended 31 December 截至12月31日止年度							
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Turnover	營業額								
Jewellery retail	珠寶零售	4,119,165	2,785,254	2,380,503	2,247,058	1,820,295	1,850,771	1,791,673	2,011,766
Other businesses	其他業務	3,754,418	4,196,226	3,380,151	4,770,033	4,508,114	2,966,788	2,894,557	2,672,610
		7,873,583	6,981,480	5,760,654	7,017,091	6,328,409	4,817,559	4,686,230	4,684,376
Operating profit	經營溢利	644,660	366,696	216,892	238,544	151,786	80,661	8,084	68,065
Share of profits less losses of associates	應佔聯營公司 溢利減虧損	773	1,200	165	2,317	410	143	670	844
Profit before tax	除稅前溢利	645,433	367,896	217,057	240,861	152,196	80,804	8,754	68,909
Tax	稅項	(110,851)	(61,395)	(26,670)	(37,200)	(35,593)	(18,805)	(5,080)	(18,092)
Profit for the year	本年度溢利	534,582	306,501	190,387	203,661	116,603	61,999	3,674	50,817
Attributable to:	應佔溢利：								
Shareholders of the Company	本公司股東	516,278	296,838	187,330	200,888	115,655	62,251	3,690	50,300
Minority interests	少數股東權益	18,304	9,663	3,057	2,773	948	(252)	(16)	517
		534,582	306,501	190,387	203,661	116,603	61,999	3,674	50,817
Assets, Liabilities and Minority Interests 資產、負債及少數股東權益		As at 31 December 於12月31日							
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2005 HK\$'000 千港元	2004 HK\$'000 千港元	2003 HK\$'000 千港元	2002 HK\$'000 千港元	2001 HK\$'000 千港元	2000 HK\$'000 千港元
Total assets	總資產	5,086,561	3,600,101	2,666,365	2,616,514	2,364,341	2,151,295	2,026,756	2,046,448
Total liabilities	總負債	(1,395,864)	(997,974)	(540,306)	(636,911)	(503,228)	(447,382)	(351,232)	(299,095)
Minority interests	少數股東權益	(56,428)	(44,486)	(33,600)	(18,799)	(16,582)	(13,519)	(8,492)	(4,009)
		3,634,269	2,557,641	2,092,459	1,960,804	1,844,531	1,690,394	1,667,032	1,743,344

Charitable Contributions

During the year, the Group made charitable contributions totalling HK\$160,000.

Property, Plant and Equipment and Investment Properties

Details of movements in the property, plant and equipment and investment properties of the Group during the year are set out in notes 14 and 15 to the financial statements, respectively. Further details of the Group's properties are set out on pages 115 and 116 of this annual report.

Share Capital

There were no movements in either the Company's authorized or issued share capital during the year.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Redemption or Sale of Listed Securities of the Company

Pursuant to a stock saving plan set up in May 2007 (the "Plan") by Chow Sang Sang Securities Limited ("CSS Securities"), a wholly-owned indirect subsidiary of the Company, which is open to the staff of the Group, the participating staff may save by investing a designated monthly amount in the Company's shares, with no commission being chargeable to the participants of the 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 transferred all of such shares to the participants during the year.

Save as disclosed above, neither the Company, nor any of its subsidiaries, purchased, redeemed or sold any of the Company's listed securities during the year.

Reserves

Details of movements in the reserves of the Company and the Group during the year are set out in note 31(b) to the financial statements and in the consolidated statement of changes in equity, respectively.

Distributable Reserves

As at 31 December 2007, the Company's reserves available for distribution, calculated in accordance with the provisions of the Bermuda Companies Act 1981, amounted to HK\$1,331,422,000, of which HK\$156,499,000 has been proposed as a final dividend for the year.

慈善捐款

年內本集團之慈善捐款共160,000港元。

物業、機器及設備及投資物業

年內本集團之物業、機器及設備及投資物業之變動詳情分別載於財務報告附註14及15。本集團物業資料之進一步詳情載於本年報第115至116頁內。

股本

年內本公司之法定或已發行股本並無變動。

優先購股權

本公司之附例或百慕達法例並無規定本公司必須向現有股東按持股比例提呈新股之優先購股權之條款。

購買、贖回或出售本公司之上市證券

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之股票儲蓄計劃(「該計劃」)，參與該計劃之員工每月可以指定金額及零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合共1,653股，並其後於年內轉讓所有該等股份予參與者。

除上文披露外，年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。

儲備

年內本公司及本集團之儲備變動詳情分別載於財務報告附註31(b)及綜合權益變動表內。

可分派儲備

於2007年12月31日，本公司根據百慕達1981年公司法條文計算之可分派儲備達1,331,422,000港元，其中156,499,000港元擬派發為本年度之末期股息。

Major Customers and Suppliers

In the year under review, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 52% of the total purchases for the year and purchases from the largest supplier included therein accounted for 17%.

None of the directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers.

Directors

The directors of the Company during the year were:

Executive directors:

Dr. CHOW Kwen Lim
Mr. Vincent CHOW Wing Shing
Dr. Gerald CHOW King Sing
Mr. Winston CHOW Wun Sing

Non-executive directors:

Mr. CHOW Kwen Ling
Dr. CHAN Bing Fun *
Mr. Stephen TING Leung Huel
Mr. CHUNG Pui Lam
Mr. LEE Ka Lun *
Mr. LO King Man *

* Independent non-executive directors

In accordance with the Company's bye-laws, Dr. Gerald CHOW King Sing, Mr. LEE Ka Lun and Mr. LO King Man will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

Directors' and Senior Management's Biographies

Biographical details of the directors and senior management of the Company up to the date of this report are set out on pages 4 to 7 of this annual report.

Directors' Service Contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

主要客戶及供應商

於本回顧年度，本集團五大客戶所佔銷售額佔全年總銷售額少於30%。本集團五大供應商所佔採購額佔全年總採購額52%，當中包括最大供應商所佔採購額達17%。

本公司各董事或其任何聯繫人士或任何股東（就董事所深知，擁有本公司已發行股本5%以上）概無擁有本集團五大供應商之任何實益權益。

董事

年內本公司之董事如下：

執行董事：

周君廉博士
周永成先生
周敬成醫生
周允成先生

非執行董事：

周君令先生
陳炳勳醫生*
丁良輝先生
鍾沛林先生
李家麟先生*
盧景文先生*

* 獨立非執行董事

根據本公司附例，周敬成醫生、李家麟先生及盧景文先生將於即將舉行之股東週年大會任滿依章告退，三位均願膺選連任。

董事及高級管理人員履歷

本公司董事及高級管理人員截至本報告日期之履歷詳情載於本年報第4至7頁。

董事之服務合約

於即將舉行之股東週年大會上建議連任之董事，其與本公司訂立之服務合約概可於一年內為本公司終止，本公司就此無須支付法定賠償以外之補償。

Directors' Interests in Contracts

Save as detailed in note 36(a)(vi) and (vii) to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

Directors' Interests in Shares

As at 31 December 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long positions:

Name of directors	Personal interest	Family interest	Number of shares held			Total	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	
			Corporate interest	Trustee interest	好倉			
董事姓名	個人權益	家屬權益	公司權益	信託人權益	持股數目	總數		
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".

Save as disclosed above, as at 31 December 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.

Directors' Rights to Acquire Shares or Debentures

At no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or their respective spouses 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.

董事於合約之權益

除財務報告附註36(a)(vi)及(vii)所詳述外，年內各董事概無於本公司或其任何附屬公司所訂立任何對本集團業務重要之合約中直接或間接擁有重大權益。

董事於股份之權益

於2007年12月31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」）必須向本公司及香港聯合交易所有限公司（「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）已發行股本中之權益如下：

好倉：

Name of directors	Personal interest	Family interest	Number of shares held			Total	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	
			Corporate interest	Trustee interest	好倉			
董事姓名	個人權益	家屬權益	公司權益	信託人權益	持股數目	總數		
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

請參考「主要股東及其他人士於股份及相關股份之權益」一節之附註。

除上文披露外，於2007年12月31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。

董事購買股份或債券之權利

於年內任何時間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。

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 31 December 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 shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
名稱	身份	持股數目	
Everwin Company Limited	Beneficial Owner 實益持有人	120,000,000 ⁽²⁾	19.94
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
Value Partners Limited	Investment Manager 投資管理人	42,816,000 ⁽⁴⁾	7.11
Top Fit Investments Limited	Beneficial Owner 實益持有人	42,000,000 ⁽³⁾	6.98
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 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 (Cayman) Limited, which held the interests in the Company through the following companies:

Name of companies
公司名稱

Everwin Company Limited
Golden Court Limited

No. of shares held
持股數目

120,000,000
17,591,595

Accordingly, Cititrust (Cayman) Limited was deemed to have interest in the 137,591,595 shares. Dr. CHOW Kwen Lim and Mr. Vincent CHOW Wing Shing, and their respective spouses, were deemed to have interests in the 137,591,595 shares in the Company.

主要股東及其他人士於股份及相關股份之權益

於2007年12月31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：

Name	Capacity	Number of shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比
名稱	身份	持股數目	
Everwin Company Limited	Beneficial Owner 實益持有人	120,000,000 ⁽²⁾	19.94
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
Value Partners Limited	Investment Manager 投資管理人	42,816,000 ⁽⁴⁾	7.11
Top Fit Investments Limited	Beneficial Owner 實益持有人	42,000,000 ⁽³⁾	6.98
CWS Holdings Limited	Beneficial Owner 實益持有人	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) 一項全權信託擁有本公司137,591,595股股份，周君廉博士及周永成先生為其中受益人。Cititrust (Cayman) Limited為該信託之信託人，其透過下列公司擁有本公司之權益：

Name of companies
公司名稱

Everwin Company Limited
Golden Court Limited

No. of shares held
持股數目

120,000,000
17,591,595

因此，Cititrust (Cayman) Limited被視為擁有137,591,595股股份權益。周君廉博士及周永成先生以及彼等各自之配偶均被視為擁有本公司137,591,595股股份權益。

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares (continued)

- (3) 70,398 shares and 52,800 shares in the Company were held by the respective spouses 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 the founder and 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) 42,816,000 shares in the Company were held by a discretionary trust of which Mr. CHEAH Cheng Hye is the founder. The trustee of the trust was Hang Seng Bank Trustee International Limited ("HSB"), which held the interests in the Company through its indirect control over Value Partners Limited.

Value Partners Limited is 100% controlled by Value Partners Group Limited ("VPGL"), which in turn is a 35.65%-controlled company of Cheah Capital Management Limited ("CCML"). CCML is 100% controlled by Cheah Company Limited ("CCL"), which in turn is a 100%-controlled company of HSB.

Accordingly, Mr. CHEAH Cheng Hye, his spouse, HSB, CCL, CCML and VPGL were interested in the 42,816,000 shares in the Company.

Save as disclosed above, as at 31 December 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.

主要股東及其他人士於股份及相關股份之權益 (續)

- (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，該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成立人及其中一名受益人。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) 一項全權信託擁有本公司42,816,000股股份，謝清海先生為該信託之成立人。Hang Seng Bank Trustee International Limited (「HSB」) 為該信託之信託人，透過間接控制Value Partners Limited擁有本公司之權益。

Value Partners Limited由Value Partners Group Limited (「VPGL」) 全權控制，VPGL則為Cheah Capital Management Limited (「CCML」) 擁有35.65%控制權之公司。CCML由Cheah Company Limited (「CCL」) 全權控制，而CCL則為HSB全權控制之公司。

因此，謝清海先生、其配偶、HSB、CCL、CCML及VPGL擁有本公司42,816,000股股份權益。

除上文披露外，於2007年12月31日，除以上「董事於股份之權益」一節所載擁有權益之本公司董事外，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。

Connected Transactions

Connected transactions, which also constitute continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange, undertaken by the Group during the year are set out in note 36 to the financial statements.

The independent non-executive directors have reviewed and confirmed that the relevant continuing connected transactions had been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have reviewed the continuing connected transactions during the year as set out in note 36(a)(i) and (ii) to the financial statements and confirmed that these transactions:

- (i) were approved by the Board of directors of the Company;
- (ii) where applicable, were in accordance with the pricing policies of the Company;
- (iii) had been entered into in accordance with the relevant agreements governing the transactions*²; and
- (iv) have not exceeded the cap or revised cap stated in the relevant announcements.

* *The transactions were reviewed on a sample basis by virtue of the vast numbers of transactions pertaining to the related agreements thereto.*

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float throughout the year and up to the date of this report.

Auditors

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

CHOW Kwen Lim
Chairman

Hong Kong
28 March 2008

關連交易

年內本集團所進行之關連交易及按聯交所證券上市規則第14A章定義而構成之持續關連交易載於財務報告附註36。

獨立非執行董事已審閱及確認有關持續關連交易：

- (i) 為本集團之日常業務；
- (ii) 按照一般商業條款，或對本集團而言不遜於獨立第三者可取得或提供之條款；及
- (iii) 按交易之有關協議條款進行，而交易條款屬公平及合理，並且符合本公司股東之整體利益。

本公司之核數師已審閱載於財務報告附註36(a)(i)及(ii)之年內持續關連交易，並確認此等交易：

- (i) 已獲本公司董事會批准；
- (ii) 如適用，符合本公司之價格政策；
- (iii) 乃按有關交易之協議條款進行*²；及
- (iv) 並無超逾相關公告內所述之上限或經修訂上限。

* 由於就交易相關協議之交易數量龐大，故交易乃按抽樣基準進行審閱。

足夠公眾持股量

本公司根據公開資料及就董事所知，於年內及截至本報告日，本公司一直維持足夠公眾持股量。

核數師

安永會計師事務所任滿告退，有關膺聘其續任本公司核數師之決議案將於即將舉行之股東週年大會上提呈。

承董事會命

主席
周君廉

香港
2008年3月28日

Corporate Governance Practices

The Group recognizes the importance of transparency and accountability to stakeholders and believes good corporate governance is essential to the successful growth of the Group and the enhancement of shareholders' value. The Board will continually review and enhance its corporate governance practices to ensure that they meet stakeholders' expectation and comply with relevant standards.

The Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the financial year ended 31 December 2007.

The Board

Board composition

The Board comprises of four Executive Directors ("ED"), three Non-executive Directors ("NED") and three Independent Non-executive Directors ("INED"), whose biographical details are set out on pages 4 to 6 of this annual report. Saved as the family relationships disclosed therein, the directors do not have material financial, business or other relationships with one another.

Roles and responsibilities

The Board assumes responsibility for leadership and control of the Group and monitors management's performance. It determines the overall strategic direction and management objectives, oversees significant operational and financial matters and ensures a framework of effective controls is in place to enable risks to be assessed and managed. The Board has delegated day-to-day operations to management.

Management is responsible for implementing the Group's business strategies and managing the daily business operations under the leadership of the Group General Manager and the Group Deputy General Manager, who are both EDs.

All directors are requested to give sufficient time and attention to the affairs of the Company. They are also requested to disclose periodically to the Company the number and nature of offices they hold in public listed companies or organizations.

The Board is supported by three committees, namely Audit Committee, Remuneration Committee and Nomination Committee. Their respective defined terms of reference are available at the Company's website at www.chowsangsang.com. All committees are chaired by an INED with the majority of members being INEDs.

企業管治常規

本集團一向確認透明度及問責對各界相關人士之重要性，並相信良好企業管治對本集團之成功發展及提升股東價值而言不可或缺。董事會將繼續檢討及提升其企業管治常規，以確保彼等符合各界相關人士之期望及遵守有關標準。

於截至2007年12月31日止財政年度內，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所載之企業管治常規守則。

董事會

董事會組成

董事會由四名執行董事、三名非執行董事及三名獨立非執行董事組成，彼等之履歷載於本年報第4至6頁內。除當中披露之親屬關係外，董事之間概無重大財務、業務或其他關係。

角色及責任

董事會負責領導及管控本集團，並監察管理層之表現。其釐定整體策略性方向、管理層目標及監督重大運作及財務事宜，並確保本集團具備有效之管控架構，以便評估及管理風險。董事會已將日常運作授權予管理層負責。

在均為執行董事之集團總經理及集團副總經理領導下，管理層負責執行本集團之業務策略及管理日常業務運作。

全體董事均被要求付出足夠時間及精神處理本公司事務。彼等亦會被要求定期向本公司披露彼等於其他上市公司或機構所擔任之職務數目及性質。

董事會由三個委員會支援，分別為審核委員會、薪酬委員會及提名委員會。彼等各自之明確權責範圍已載於本公司網頁 www.chowsangsang.com。各委員會均由獨立非執行董事出任主席，而大部分成員為獨立非執行董事。

The Board (continued)*Roles and responsibilities (continued)*

Members of the Board, along with their participation in the three committees and their attendance record of the relevant meetings in 2007, are listed in the following table. The entries are in the format "number of meetings attended/number of meetings eligible to attend", or "—" where the director is not a member.

董事會 (續)*角色及責任 (續)*

董事會成員連同彼等參與三個委員會之詳情，及於2007年出席有關會議之記錄載於下表，以「出席會議次數／合資格出席會議次數」形式列示，或倘若董事並非成員，則以「—」之形式表示。

Directors 董事		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee* 提名委員會*
Executive Directors	執行董事				
Dr. CHOW Kwen Lim <i>Chairman</i>	周君廉博士 主席	4/4	—	—	—
Mr. Vincent CHOW Wing Shing <i>Group General Manager</i>	周永成先生 集團總經理	4/4	—	—	—
Dr. Gerald CHOW King Sing	周敬成醫生	4/4	—	—	N/A 不適用
Mr. Winston CHOW Wun Sing <i>Group Deputy General Manager</i>	周允成先生 集團副總經理	4/4	—	—	—
Non-executive Directors	非執行董事				
Mr. CHOW Kwen Ling <i>Honorary Chairman</i>	周君令先生 名譽董事長	4/4	—	—	—
Mr. Stephen TING Leung Huel	丁良輝先生	4/4	2/2	2/2	—
Mr. CHUNG Pui Lam	鍾沛林先生	4/4	2/2	2/2	N/A 不適用
Independent Non-executive Directors	獨立非執行董事				
Mr. LEE Ka Lun <i>Chairman of the three committees</i>	李家麟先生 三個委員會之主席	3/4	2/2	2/2	N/A 不適用
Dr. CHAN Bing Fun	陳炳勳醫生	4/4	2/2	2/2	N/A 不適用
Mr. LO King Man	盧景文先生	4/4	2/2	2/2	N/A 不適用
Average attendance rate	平均出席率	98%	100%	100%	N/A 不適用
Date of meetings	會議日期	07/02/2007 28/03/2007 04/07/2007 30/08/2007	22/03/2007 20/08/2007	22/03/2007 20/08/2007	N/A 不適用

* No meeting was held in 2007

* 於2007年並無舉行會議

Chairman and Group General Manager

To reinforce independence, accountability and responsibility, the positions of the Chairman and the Group General Manager are segregated and each plays a distinctive but complementing roles, yet complementing each other. Their respective responsibilities are clearly established and set out in writing. The Chairman ensures that the Board functions properly, with good corporate governance practices and procedures, and the Group General Manager is responsible for managing the Group's business and monitoring the daily operations.

主席及集團總經理

為加強獨立性、問責性及責任，主席及集團總經理之角色分開，各自擔當既獨特且配合之角色，彼此互相補足。彼等各自之職責均以書面明確訂立及載列。主席確保董事會依照良好企業管治常規及程序適當地履行職能；而集團總經理則負責管理本集團業務及監察日常運作。

The Board (continued)*Nomination, appointment and re-election of directors*

The Board has set up a Nomination Committee since June 2005 whose responsibilities include periodic review of the constituency of the Board to ensure that it is appropriately structured with sufficient balance of knowledge, skills and experience to protect the interests of the Group and the shareholders, establishing the procedures and criteria for appointment of directors, and making recommendations to the Board when necessary.

When there is a nomination to directorship, the Committee shall weigh the nominee's expertise, knowledge and experience against those of the existing members before making recommendation to the Board. No meeting was held during the year.

Pursuant to the Company's bye-laws, any director appointed by the Board as an additional director shall hold office only until the next annual general meeting ("AGM"), and the next general meeting if appointed to fill a casual vacancy, but is eligible for re-appointment by the shareholders.

In addition, all directors are subject to re-election by shareholders at the AGM at least once every three years on a rotational basis. All NEDs and INEDs are appointed for specific terms of three years.

Details of those directors who are retiring by rotation and seeking re-election at the forthcoming AGM are set out in the shareholders' circular dated 18 April 2008.

Independence of INEDs

In determining the independence of directors, the Company follows the requirements as set out in the Listing Rules. Each of the INEDs has confirmed with the Company in writing his independence in accordance with the guidelines on directors' independence as set forth in Rule 3.13 of the Listing Rules. Accordingly, the Company considers all INEDs to be independent.

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 confirmed their compliance with the required standard as set out in the Model Code for the year ended 31 December 2007. The directors' interests in shares in the Company as at 31 December 2007 are detailed on page 21 of this annual report.

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.

董事會(續)*董事提名、委任及重選*

董事會自2005年6月起成立提名委員會，其職責包括定期檢討董事會之組成，以確保董事會能恰當地組合並擁有均衡知識技能及經驗以保障本集團及股東之利益，建立委任董事之程序及準則，並於需要時向董事會作出建議。

當有委任董事之提名，委員會會將被提名人之專長、知識及經驗與現有成員作比較，再向董事會作出建議。於年內並無舉行會議。

根據本公司附例，任何由董事會委任為新增之董事，其任期僅直至下屆股東週年大會為止；而倘獲委任為填補臨時空缺者，則其任期僅直至下次股東大會，惟彼等均可由股東再度委任。

此外，所有董事均須最少每隔三年於股東週年大會上輪席告退，並由股東重選。所有非執行董事及獨立非執行董事之任期均為三年。

將於即將舉行之股東週年大會上輪席告退並尋求重選之有關董事詳情，載於2008年4月18日刊發之股東通函內。

獨立非執行董事之獨立性

本公司根據上市規則所載規定釐定董事之獨立性。每位獨立非執行董事已根據上市規則第3.13條所載列之董事獨立性指引，以書面向本公司確定其獨立性。因此，本公司認為全體獨立非執行董事均為獨立。

證券交易

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。截至2007年12月31日止年度，經作出具體諮詢後，全體董事確認彼等均遵守標準守則所載之規定標準。於2007年12月31日，董事持有本公司股份權益之詳情載於本年報第21頁。

可能擁有本集團尚未公布之股價敏感資料之有關員工，亦需遵守一套書面內部指引，其條款不比標準守則寬鬆。

The Board (continued)*Board proceedings*

The Board meets regularly to discuss and decide on corporate affairs, including Group strategy, financial performance, material acquisitions and disposals, corporate governance and outlook. At least 14 days prior notice is given for each regular meeting and agenda with supporting Board papers are provided to directors no less than 3 days prior to the meeting to ensure they have timely access to relevant information. The yearly regular meeting schedules are normally provided to directors at the beginning of each year.

Directors participated Board meetings in person or by telecommunication. Directors who are considered having conflict of interests or material interests in proposed transactions or contemplated issues will abstain from voting on the relevant resolution.

Draft Board minutes, with details of matters considered, directors' concerns and views and decisions reached, are circulated to directors within a specified time period after the meeting for their comment. Final draft of the minutes will be tabled at the following Board meeting for approval. Apart from formal meetings, matters requiring Board approval were arranged by circulation of written resolutions.

Management support

Comprehensive Board papers are prepared and distributed quarterly to directors to keep them well-informed of the Group's business developments, financial performance and analysis, and compliance and monitoring matters.

Internal guidelines with continuing updates in areas on the Company's and the directors' obligations under the Listing Rules, and the latest development or material changes on ordinances, rules or regulations are prepared and provided to directors from time to time to ensure their compliance, where appropriate, and they are well equipped in discharging their responsibilities.

Directors have free access to management for additional information, as and when required and may solicit independent professional advice at the Company's expenses, if necessary.

The Company has prepared and provided to each director a Directors' Manual, which includes the statutory obligations, duties and responsibilities for being a director and terms of reference of the various board committees. The Directors' Manual is updated from time to time to reflect the latest developments in those areas.

董事會(續)*董事會會議程序*

董事會會議會定期舉行以討論及決定集團事務，包括集團策略、財務表現、重大收購及出售、企業管治及展望。每次定期會議均向董事發出最少14日事先通告，而會議議程及詳盡董事會文件於會議前最少3日提供予董事，以確保彼等可適時審閱相關資料。年度定期會議時間表一般於每年年初提供予董事。

董事親身或透過電子通訊系統參與董事會會議。若董事於擬進行交易或事項中存有利益衝突或擁有重大權益，其須就相關決議案放棄投票。

董事會會議記錄草稿會於會議後指定時間內提供予董事，當中載有經討論事項、董事關注事項與觀點，及所達致決定之詳情，以供董事提供意見。會議記錄之定稿將於下一次董事會會議提呈批核。除正式會議外，其他需要董事會批准之事宜以傳閱書面決議案之形式安排批准。

管理層支援

本公司每季度均編製及向各董事提供詳盡之董事會文件，以使彼等獲提供有關本集團業務發展、財務表現與分析，以及法規遵守與監管事宜之資料。

載有本公司及董事根據上市規則之責任，以及條例、規則或法規之最新發展或重大變動之持續更新內部指引均不時予以編製並提供予董事，以確保彼等適當地遵守及獲得相關更新資料以履行彼等之責任。

當有需要時，董事可隨時接觸管理層以取得額外資料，亦可尋求獨立專業意見，費用概由本公司承擔。

本公司已編製並向各董事提供董事手冊，當中載有作為董事之法定責任、職務及職責，亦載有各董事委員會之權責範圍。董事手冊會不時更新，以反映相關之最新資料。

The Board (continued)*Directors' liability insurance*

The Company has arranged for liability insurance, with coverage being reviewed periodically, to indemnify the directors from their risk exposure arising from corporate activities.

Remuneration of Directors and Senior Management

The Board has established a Remuneration Committee since January 2005 whose responsibilities include the review of the remuneration policies and packages for all directors and senior members of management and making recommendations for the Board's approval.

The remuneration of directors consists of a basic annual fee with additional payments for serving on committees. It is not set on an individual basis. EDs receive additional pay packages by virtue of their positions in management.

The Group's policy aims at providing competitive remuneration packages to attract, retain and motivate staff. The pay packages include, in different combinations according to rank and grade: salary, housing allowance, awards based on gross profit on sales, performance-based discretionary bonus and MPF contribution as well as benefits such as medical insurance and educational allowances. Currently, there are no stock-option plan in place.

During the year, the Committee has reviewed the remuneration of the directors and senior members of management, and recommended to the Board for approval the annual adjustment thereof.

Details of the directors' remuneration are detailed in note 8 to the financial statements as set out on pages 73 to 74 of this annual report.

Accountability and Audit*Financial reporting*

The directors acknowledge their responsibility for overseeing the preparation of the Group's financial statements to give a true and fair view of the state of affairs and of the results and cash flows of the Group. In preparing the financial statements of the Company and the Group for the year, the Board has adopted generally accepted accounting principles and standards in Hong Kong and applied consistently appropriate accounting policies; made reasonable judgements and estimates; and prepared the financial statements on a going concern basis.

董事會(續)*董事責任保險*

本公司已為董事購買責任保險，為彼等因集團業務而面對之風險提供賠償保障，而承保範圍會定期審閱。

董事及高級管理人員之薪酬

董事會自2005年1月起成立薪酬委員會，其職責包括審閱全體董事及高級管理人員之薪酬政策及待遇組合，以及作出建議待董事會批核。

董事薪酬包括基本年度袍金及出任委員會成員之額外酬金，薪酬並非以個別董事釐定。執行董事會按彼等在管理層之職位而獲取額外薪酬待遇。

本集團政策旨在提供具競爭力之薪酬待遇組合，以吸引、保留及推動員工。薪酬待遇按職級釐定不同組合，其中包括薪金、房屋津貼、以銷售毛利為計算基準之獎金、以表現為計算基準之酌情花紅、強積金供款，以及醫療保險及教育津貼等福利。目前，本集團並無購股權計劃。

年內，委員會已檢討董事及高級管理人員之薪酬及建議董事會批准年度薪酬調整。

董事酬金詳情載於本年報第73至74頁之財務報告附註8內。

問責及審核*財務匯報*

董事確認彼等須負責監管本集團財務報告之編製，藉以真實而公平地反映本集團之財政狀況、業績及現金流量。於編製本公司及本集團本年度財務報告時，董事會已採用香港普遍採納之會計原則及準則，並貫徹使用適當之會計政策；作出合理判斷及估計；並按持續經營基準編製財務報告。

Accountability and Audit (continued)*External auditors*

The Group's principal independent external auditors are Ernst & Young. Their reporting responsibilities on the financial statements of the Group are set out in the Independent Auditors' Report on pages 35 to 36 of this annual report.

The services provided by Ernst & Young and the associated fees thereof for 2007 were as follows:

Audit	審計
Taxation	稅務
Others	其他

The Board is satisfied with the audit fees, process and effectiveness of Ernst & Young and has recommended their reappointment as the Company's external auditors at the forthcoming AGM.

Audit Committee

Since 1999 the Board has had an Audit Committee in place, whose principal role is to review the Group's financial reporting, internal controls and corporate governance issues and to make recommendations to the Board. All of its members possess appropriate professional qualifications, accounting or management expertise as required under the Listing Rules.

In 2007, the Committee's review covered reports from external auditors, the Group's accounting principles and practices, the development in accounting standards and the associated impacts on the Group, the risk management issues, the compliance and financial reporting matters, including reviewing and recommending the 2006 annual report and 2007 interim report for the Board's approval, the effectiveness of internal controls and the work done by internal auditors. The Committee discussed the above matters, where appropriate, with management and the external auditors.

The Committee considers the independence of external auditors along with the associated fees on audit and non-audit services. The Committee approved the 2007 audit fees of the external auditors.

問責及審核(續)*外聘核數師*

本集團之主要獨立外聘核數師為安永會計師事務所。有關彼等對本集團財務報告之申報責任載於本年報第35至36頁之獨立核數師報告內。

安永會計師事務所於2007年提供之服務及其相關費用如下：

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
	2,432	1,970
	422	376
	66	69
	<u>2,920</u>	<u>2,415</u>

董事會信納安永會計師事務所之核數費用、審計過程及其有效性，並建議於應屆股東週年大會上續聘其出任本公司之外聘核數師。

審核委員會

自1999年起，董事會已成立審核委員會，其主要角色為檢討本集團財務報告、內部管控及企業管治事宜，並向董事會提供建議。委員會全體成員均具備上市規則所規定之合適專業資格、會計或管理專長。

於2007年，委員會已審閱外聘核數師報告、本集團之會計原則及慣例、會計準則發展及對本集團之相關影響、風險管理事項、法規遵守及財務報告事宜，包括審閱2006年年報及2007年中期報告並推薦予董事會批核、內部管控之有效性及系統稽核員所進行之工作。委員會已適當地與管理層及外聘核數師討論上述事宜。

委員會亦考慮外聘核數師之獨立性以及審計及非審計服務之相關費用。委員會已批准2007年之外聘核數師審計費用。

Accountability and Audit (continued)*Internal control*

The Board, through the Audit Committee, is responsible for ensuring that adequate internal controls are in place to safeguard the Group's assets and manage risks. Policies and procedures are designed for providing reasonable assurance against material misstatement or loss and managing risks of failure in operational systems and achievement of the Group's objectives.

Major internal controls currently in place within the Group included the following:

- An organizational structure with defined lines of responsibility and accountability has been maintained.
- Inventories are safeguarded by an established control system. All inventory movements are properly recorded and reconciled. Control procedures are in place for verification and cross-checking with source documents.
- Posting of sales is automated at the points of sales to provide true and accurate trading records.
- Policies are set to cover the integrity of trading practices, safekeeping of customer assets, and credit control for the securities and commodities broking business and wholesale of precious metals.
- Funding for the Group's operations and financial reporting of the Group's regional performance are monitored centrally by the corporate Treasury and Accounting Department based in Hong Kong.
- All major or material connected transactions of the Company require the pre-approval from INEDs.
- Business plans are prepared annually. Income and expenditures are subject to regular budgetary review.
- Information gathered and collated by the Group's various departments relating to the daily operations is presented at weekly and monthly management meetings, at which variances, deficiencies and anomalies are discussed and remedied.
- Information access is managed on a need-to-know basis. Guidelines and procedures are in place to safeguard privileged information such as customer details. Access to the Internet and use of e-mail systems are regulated for security.

問責及審核(續)*內部管治*

董事會透過審核委員會負責確保本集團有足夠內部管治，以保障本集團資產及管理風險。政策及程序乃為重大誤報或損失提供合理保障，並管理運作系統失靈及無法達成本集團目標之風險而設計。

本集團現有之主要內部管治包括以下各項：

- 確立訂有明確責任及問責方向之企業架構。
- 存貨受一套已建立之管治系統保障。所有存貨流動均妥善記錄及核對，亦就與原始文件核證及對證而實施之管治程序。
- 銷售資料由銷售點以自動化系統輸入，使交易記錄真確無誤。
- 證券及期貨經紀業務及貴金屬批發業務均有政策管理交易之完整性、妥善保管客戶資產及信貸控制。
- 本集團營運所需資金及各地區營運表現之財務匯報由香港總公司財政部及會計部中央監察。
- 本公司所有主要或重大關連交易必須獲得獨立非執行董事預先批准。
- 業務計劃會每年編製。收入及開支受控於定期預算檢討。
- 本集團各部門收集及整理有關日常運作之資料於每週及每月之管理層會議上提呈，任何差異、不足及異常之處均會於會上討論及糾正。
- 查閱資訊乃按應知方知基準管理。已製訂指引及程序以保存機密資料，如客戶資料。連接互聯網及使用電郵系統均為保障安全性而受規管。

Accountability and Audit (continued)

Internal control (continued)

The Company's internal audit department, reporting to the Group General Manager, is responsible for monitoring the adherence to operational procedures and policies on the safekeeping of fixed assets and inventory.

The Board and the Audit Committee have reviewed the Group's internal control system for the year ended 31 December 2007, with reference to the internal audit reports and the representations made by management. The Audit Committee and the Board are satisfied that:

- an ongoing process is in place to identify, evaluate and manage the significant risks faced by the Group; and
- a proper system of internal control is in place, and has been subject to adequate review for the year.

Corporate Communication

Investor communication

The Board recognizes the importance of good communication with stakeholders. Information in relation to the Group is provided in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars. Such published documents together with the corporate information, major events as well as its products and services are made available on the Company's website. Press releases and newsletters with the Group's latest development and activities are published periodically.

The Company's AGM provides a valuable forum for the Board to communicate directly with the shareholders, at which the Chairman and directors are present to answer shareholders' questions and exchange views. The forthcoming AGM will be held on 15 May 2008, details of which are set out in the notice of AGM in the shareholders' circular dated 18 April 2008.

The Company has regular meetings with financial analysts and fund managers, so as to enhance the Group's relationship with the investor community and facilitate their understanding of the Group's strategies and operations.

The Company's website also provides email address, fax and telephone number by which enquiries may be put to the Company.

問責及審核(續)

內部管治(續)

本公司之系統稽核部，負責監察遵守有關妥善保存固定資產與存貨之營運程序及政策，並向集團總經理報告結果。

董事會及審核委員會已檢閱截至2007年12月31日止年度本集團之內部管治系統，經參考系統稽核部提交之報告，以及管理層作出之陳述，審核委員會及董事會信納：

- 現有持續程序，以識別、評估及管理本集團面對之重大風險；及
- 現有妥善內部管治系統，其已於年內獲充分檢討。

企業傳訊

投資者傳訊

董事會確認與各界相關人士保持良好溝通之重要性。有關本集團之資料透過數個正式渠道適時提供，包括中期及年度報告、公告及通函。該等已刊發文件，連同本集團企業資料、主要事項以及產品及服務均載於本公司網頁。載有本集團之最新發展及活動之新聞稿及通訊刊物亦會定期刊發。

本公司之股東週年大會為董事會提供一個寶貴平台，讓彼等直接與股東溝通，主席及董事亦會出席解答股東提問及交換意見。本公司謹訂於2008年5月15日舉行應屆股東週年大會，有關詳情載於2008年4月18日刊發之股東通函中股東週年大會通告內。

本公司與財務分析員及基金經理會定期舉行會議，從而提升本集團與投資界之關係及協助彼等了解本集團之策略及運作。

大眾可透過本公司網頁提供之電郵地址、傳真及電話號碼向本公司作出查詢。

Corporate Communication (continued)

Internal communication

The Group's staff members are interlinked by Intranet for prompt sharing of information. Regular meetings of staff members from Hong Kong, Mainland China and Taiwan are held to share and discuss issues on achieving the Group's strategic objectives, actual operational practices, local rules and compliance practices.

The Group recognizes the importance of communication between management and operations. To enhance the consciousness of the operational staff on compliance issues and to enable them to have a basic understanding on the disclosure obligation of the Group, written internal guidelines and presentations and updates thereof, on the Listing Rules in areas to which the day-to-day operations of the Group may relate, have been prepared and given from time to time to operational staff.

Corporate and Social Responsibilities

The Group believes in good corporate citizenship. We are committed to delivering quality products and services to our customers, offering a health and safety working environment to employees, maintaining a strong and sustainable financial performance to investors and creating a positive impact in the communities where we conduct business.

Business ethics

The Company is committed to a high standard of business ethics and integrity. Guidelines on code of conduct defining the ethical standards expected of all employees, and the Group's non-discriminatory employment practices have been adopted. Guidelines are posted in the Company's Intranet for ease of access by all staff.

Employee safety and health

The Group values and promotes safe and healthy working practices. Objectives and standards, aiming at cultivating such a positive culture and enhancing the safety consciousness, are set for employees. Employees are educated through training. Policies and guidelines are available on the Group's Intranet for their ease of reference.

The Group also encouraged employees to have a healthy and balanced life. During the year various social functions, both indoor and outdoor, have been organized for staff participation with their families.

企業傳訊 (續)

內部傳訊

本集團之員工透過內聯網互相連繫，以即時共用資料。香港、中國內地及台灣之同事會參與定期舉行之會議，以分享及討論達成集團策略目標、實際經營慣例、當地法規，以及遵守法規慣例等事宜。

本集團明白管理層及運作層之間溝通之重要性。為提高營運人員對遵守法規事宜之意識及使彼等得知本集團披露責任之基本知識，本集團已編製並不時向營運人員提供及作相應介紹及更新內容有關本集團於日常營運中可能涉及之上市規則範疇之內部指引。

企業及社會責任

本集團深信良好的企業應承擔公民責任，並承諾致力向客戶提供優質產品及服務、為員工提供健康及安全工作環境、為投資者維持強健及可持續之財務表現，並力求在本集團經營業務之社會中產生正面影響。

商業道德

本公司致力維持高水平之商業道德及誠信。本集團已採納一套行為準則指引，當中列明全體員工須具備之道德標準及本集團採納之反歧視僱傭慣例。指引登載於本公司內聯網，以供全體員工取閱。

員工安全及健康

本集團重視及推廣安全及健康工作常規。以培養正面文化及提升安全意識為目的之目標及準則，已為員工制定，並透過培訓教育員工。政策及指引已載於本集團內聯網，方便員工參考。

本集團亦鼓勵員工有健康及平衡的生活。年內，已安排各種戶內及戶外聯誼活動讓員工及彼等家人參與。

Corporate and Social Responsibilities (continued)*Environmental protection*

We recognize our duty to minimize the environmental impact arising from our operation. The Group adopts good environmental practices in office premises and consumption of resources. Supporting practical measures and policies aiming at protecting and preserving the environment are in place, which include minimization of the use of paper and electricity, recycling of paper and toner cartridges, designing packaging made of biodegradable material and residual use in the hands of consumers, and printing annual reports on paper bearing the Forest Stewardship Council certification.

The Group's environmental protection commitment statement together with a comprehensive list of tips on environmental protection, are posted on the Company's Intranet for easy access and reference by all staff. A committee is responsible for reviewing and making suggestions on issue concerning environmental protection and occupational safety.

Contributions to the community

The Group continues to provide support to social activities organized by educational, cultural and charitable organizations in Hong Kong and Mainland China mainly in the form of sponsorship. As an example, the Group provides sponsorship 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. Directors and senior members of management have contributed their time and expertise to various public services and activities.

企業及社會責任(續)*環境保護*

本集團自覺有責任減低其業務對環境之影響。本集團於辦公室及使用資源方面採用良好環保常規，並實行支持環境保護及保育之實際措施及政策，包括減少用紙及用電、循環再用紙張及碳粉匣、以可分解物料及可令顧客再用之設計包裝，及以獲林業管理公司頒授認證之紙張印刷年報。

本集團對保護環境之承諾聲明連同有關環境保護提示的詳盡列表，已載於本公司內聯網，讓全體員工取閱及參考。本集團一個委員會負責就環境保護及職安方面事宜作檢討及提供建議。

貢獻社會

本集團繼續主要透過提供贊助向香港及中國內地教育、文化及慈善機構舉辦之社區活動提供支持。作為例子，本集團向香港特別行政區10周年紀念一項主要慶祝活動「三星閃爍 金沙流采 – 神秘的古蜀文明」展覽提供贊助。董事及高級管理人員亦付出時間，以其專業知識投身於多項公職及公開活動。



■ **Certified Public Accountants**
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8 Finance Street, Central, Hong Kong
■ Phone: 852 2846 9888
Fax: 852 2868 4432

■ **執業會計師**
香港中環
金融街8號
國際金融中心2期18樓
■ 電話: 852 2846 9888
傳真: 852 2868 4432

To the shareholders of
Chow Sang Sang Holdings International Limited
(Incorporated in Bermuda with limited liability)

We have audited the financial statements of Chow Sang Sang Holdings International Limited set out on pages 37 to 114, which comprise the consolidated and company balance sheets as at 31 December 2007, and the consolidated profit and loss account, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

致周生生集團國際有限公司
(於百慕達註冊成立之有限公司)
列位股東

本核數師已審核列載於第37至114頁周生生集團國際有限公司之財務報告，此等財務報告包括於2007年12月31日之綜合及公司資產負債表、截至該日止年度之綜合損益賬、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報告須承擔之責任

貴公司董事須負責按照香港會計師公會頒布之香港財務報告準則及香港公司條例之披露規定編製及真實而公平地列報此等財務報告。此責任包括設計、實施及保持與編製及真實而公平地列報財務報告相關之內部管控，以使財務報告不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和採用適當之會計政策；及按情況作出合理之會計估計。

核數師之責任

本核數師之責任是根據本核數師審核工作的結果，對此等財務報告提出意見。本核數師報告按照百慕達1981年公司法第90條的規定，僅向整體股東作出，除此以外，不可作其他用途。本核數師概不就本報告之內容，對任何其他人士負責或承擔法律責任。

本核數師已根據香港會計師公會頒布之香港審核準則進行審核。該等準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定財務報告是否不存有任何重大錯誤陳述。

Auditors' responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and the true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants

Hong Kong
28 March 2008

核數師之責任(續)

審核涉及執行程序以獲取有關財務報告所載金額及披露資料之審核憑證。所選定的程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致財務報告存有重大錯誤陳述的風險。在評估該等風險時，核數師會考慮與該公司編製及真實而公平地列報財務報告相關之內部管控，以設計適當的審核程序，但並非為對公司之內部管控之有效性發表意見。審核亦包括評估董事所採用之會計政策之合適性及所作出的會計估計之合理性，以及評估財務報告之整體列報方式。

本核數師相信，我們所獲得之審核憑證是充足和適當地為我們之審核意見提供基礎。

意見

本核數師認為，財務報告已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於2007年12月31日之財政狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定而適當編製。

執業會計師
安永會計師事務所

香港
2008年3月28日

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2007

綜合損益賬

截至2007年12月31日止年度

		Note	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Turnover	營業額	5		
Jewellery retail	珠寶零售		4,119,165	2,785,254
Other businesses	其他業務		3,754,418	4,196,226
			7,873,583	6,981,480
Cost of sales	銷售成本		(6,472,603)	(6,009,547)
Gross profit	毛利		1,400,980	971,933
Other income	其他收入		108,647	62,982
Selling and distribution costs	銷售及分銷費用		(641,688)	(512,075)
Administrative expenses	行政費用		(189,314)	(157,844)
Other gains, net	其他收益·淨值		5,399	16,890
Finance costs	財務費用	7	(39,364)	(15,190)
Share of profits of associates	應佔聯營公司溢利		773	1,200
Profit before tax	除稅前溢利	6	645,433	367,896
Tax	稅項	10	(110,851)	(61,395)
Profit for the year	年內溢利		534,582	306,501
Attributable to:	應佔溢利：			
Shareholders of the Company	本公司股東	11	516,278	296,838
Minority interests	少數股東權益		18,304	9,663
			534,582	306,501
Dividends	股息	12		
Interim	中期		48,154	42,134
Proposed final	擬派末期		156,499	96,307
			204,653	138,441
Earnings per share attributable to shareholders of the Company	本公司股東應佔每股盈利	13		
Basic	基本		85.8 cents 仙	49.3 cents 仙

CONSOLIDATED BALANCE SHEET

As at 31 December 2007

綜合資產負債表

於2007年12月31日

		Note 附註	2007 HK\$'000 千港元	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	14	356,903	341,034
Investment properties	投資物業	15	126,950	117,050
Intangible assets	無形資產	16	271	320
Other assets	其他資產	17	51,341	43,233
Interests in associates	於聯營公司權益	19	11,457	10,652
Available-for-sale investments	可供出售投資	20	1,111,922	439,972
Deferred tax assets	遞延稅項資產	29	2,267	2,855
Total non-current assets	總非流動資產		<u>1,661,111</u>	<u>955,116</u>
Current assets	流動資產			
Inventories	存貨	21	2,092,366	1,567,589
Accounts receivable	應收賬款	22	211,880	102,028
Receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款	22	395,856	253,389
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	23	55,260	48,259
Investments at fair value through profit or loss	按盈虧訂定公平價值投資	24	13,479	12,246
Available-for-sale investments	可供出售投資	20	-	7,723
Derivative financial instruments	衍生金融工具	27	4,982	3,001
Tax recoverable	可收回稅項		420	289
Cash held on behalf of clients	代客戶持有現金	25	386,666	365,579
Cash and cash equivalents	現金及等同現金	25	264,541	284,882
Total current assets	總流動資產		<u>3,425,450</u>	<u>2,644,985</u>
Current liabilities	流動負債			
Accounts payable	應付賬款	26	118,062	112,606
Payables arising from securities and futures broking	證券及期貨經紀產生之應付賬款	26	614,080	509,794
Other payables and accruals	其他應付賬款及應計項目		253,141	157,168
Derivative financial instruments	衍生金融工具	27	9,451	1,111
Interest-bearing bank borrowings	計息銀行貸款	28	286,229	126,592
Tax payable	應付稅項		57,974	34,325
Total current liabilities	總流動負債		<u>1,338,937</u>	<u>941,596</u>
Net current assets	流動資產淨值		<u>2,086,513</u>	<u>1,703,389</u>
Total assets less current liabilities	總資產減流動負債		<u>3,747,624</u>	<u>2,658,505</u>
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	29	56,927	56,378
Net assets	資產淨值		<u><u>3,690,697</u></u>	<u><u>2,602,127</u></u>

CONSOLIDATED BALANCE SHEET

As at 31 December 2007

綜合資產負債表

於2007年12月31日

		Note 附註	2007 HK\$'000 千港元	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	30	150,480	150,480
Reserves	儲備	31(a)	3,327,290	2,310,854
Proposed final dividend	擬派末期股息	12	156,499	96,307
			3,634,269	2,557,641
Minority interests	少數股東權益		56,428	44,486
Total equity	總權益		<u>3,690,697</u>	<u>2,602,127</u>

CHOW Kwen Lim
Director

周君廉
董事

Vincent CHOW Wing Shing
Director

周永成
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

		Attributable to shareholders of the Company			
		Issued share capital	Share premium	Leasehold land and buildings revaluation reserve 租賃 土地及樓宇 重估儲備	Investment revaluation reserve 投資 重估儲備
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2006	於2006年1月1日	150,480	99,724	339,471	163,779
Change in equity for 2006	2006年權益變動				
Changes in fair value of available-for-sale investments	可供出售投資 公平價值變動	-	-	-	268,997
Exchange realignment	匯兌調整	-	-	-	-
Total income recognized directly as change in equity	直接確認為權益變動 之總收入	-	-	-	268,997
Profit for the year	年內溢利	-	-	-	-
Total income for the year	年內總收入	-	-	-	268,997
Transfer to retained profits	撥往保留溢利	-	-	-	-
Final 2005 dividend declared	已宣派2005年末期股息	-	-	-	-
Interim 2006 dividend	2006年中期股息	12	-	-	-
Proposed final 2006 dividend	擬派2006年末期股息	12	-	-	-
At 31 December 2006	於2006年12月31日	<u>150,480</u>	<u>99,724</u>	<u>339,471</u>	<u>432,776</u>

綜合權益變動表

截至2007年12月31日止年度

本公司股東應佔

General reserve	Difference arising from acquisition of minority interests	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total	Minority interests	Total equity
一般儲備	收購少數股東權益產生之差額	外匯變動儲備	保留溢利	擬派末期股息	合計	少數股東權益	總權益
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
10,000	-	5,878	1,250,897	72,230	2,092,459	33,600	2,126,059
-	-	-	-	-	268,997	-	268,997
-	-	13,711	-	-	13,711	1,223	14,934
-	-	13,711	-	-	282,708	1,223	283,931
-	-	-	296,838	-	296,838	9,663	306,501
-	-	13,711	296,838	-	579,546	10,886	590,432
(10,000)	-	-	10,000	-	-	-	-
-	-	-	-	(72,230)	(72,230)	-	(72,230)
-	-	-	(42,134)	-	(42,134)	-	(42,134)
-	-	-	(96,307)	96,307	-	-	-
-	-	19,589	1,419,294	96,307	2,557,641	44,486	2,602,127

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2007

		Attributable to shareholders of the Company				
		Issued share capital	Share premium	Leasehold land and buildings revaluation reserve 租賃 土地及樓宇 重估儲備	Investment revaluation reserve 投資 重估儲備	
		已發行股本	股份溢價	租賃 土地及樓宇 重估儲備	投資 重估儲備	
		Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2007	於2007年1月1日		150,480	99,724	339,471	432,776
Change in equity for 2007	2007年權益變動					
Changes in fair value of available-for-sale investments	可供出售投資 公平價值變動		-	-	-	671,942
Exchange realignment	匯兌調整		-	-	-	-
Total income recognized directly as change in equity	直接確認為權益變動 之總收入		-	-	-	671,942
Profit for the year	年內溢利		-	-	-	-
Total income for the year	年內總收入		-	-	-	671,942
Acquisition of minority interests	收購少數股東權益		-	-	-	-
Final 2006 dividend declared	已宣派2006年末期股息		-	-	-	-
Interim 2007 dividend	2007年中期股息	12	-	-	-	-
Proposed final 2007 dividend	擬派2007年末期股息	12	-	-	-	-
At 31 December 2007	於2007年12月31日		150,480	99,724*	339,471*	1,104,718*

* These reserve accounts comprise the consolidated reserves of HK\$3,327,290,000 (2006: HK\$2,310,854,000) in the consolidated balance sheet.

綜合權益變動表

截至2007年12月31日止年度

本公司股東應佔

General reserve	Difference arising from acquisition of minority interests	Exchange fluctuation reserve	Retained profits	Proposed final dividend	Total	Minority interests	Total equity
一般儲備	收購少數股東權益產生之差額	外匯變動儲備	保留溢利	擬派末期股息	合計	少數股東權益	總權益
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
-	-	19,589	1,419,294	96,307	2,557,641	44,486	2,602,127
-	-	-	-	-	671,942	-	671,942
-	-	27,972	-	-	27,972	3,230	31,202
-	-	27,972	-	-	699,914	3,230	703,144
-	-	-	516,278	-	516,278	18,304	534,582
-	-	27,972	516,278	-	1,216,192	21,534	1,237,726
-	4,897	-	-	-	4,897	(9,592)	(4,695)
-	-	-	-	(96,307)	(96,307)	-	(96,307)
-	-	-	(48,154)	-	(48,154)	-	(48,154)
-	-	-	(156,499)	156,499	-	-	-
-*	4,897*	47,561*	1,730,919*	156,499	3,634,269	56,428	3,690,697

* 此等儲備賬目組成綜合資產負債表之綜合儲備3,327,290,000港元(2006年: 2,310,854,000港元)。

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2007

綜合現金流量表

截至2007年12月31日止年度

	Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元 (Restated) (重列)
Cash flows from operating activities	經營業務之現金流量		
Profit before tax	除稅前溢利	645,433	367,896
Adjustments for:	調整：		
Finance costs	財務費用	39,364	15,190
Share of profits of associates	應佔聯營公司溢利	(773)	(1,200)
Interest income	利息收入	(58,619)	(28,783)
Dividend income from listed investments	上市投資之股息收入	(15,026)	(8,193)
Dividend income from unlisted investments	非上市投資之股息收入	(640)	(604)
Net loss on disposal of items of property, plant and equipment	出售物業、機器及設備淨虧損	2,895	1,497
Gain on disposal of an intangible asset	出售一項無形資產收益	(451)	-
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	(2,664)	(1,852)
Net loss on disposal of derivative financial instruments	出售衍生金融工具淨虧損	3,032	22,084
Net fair value gains on investment properties	投資物業之公平價值淨收益	(9,900)	(14,600)
Net fair value gains 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收益	(1,371)	(400)
Net fair value losses/(gains) on derivative financial instruments	衍生金融工具之公平價值淨虧損/(收益)		
- transactions not qualifying as hedges	- 不符合對沖之交易	6,323	(1,890)
Depreciation	折舊	49,477	41,807
Impairment of accounts receivable	應收賬款減值	-	5
Impairment/(reversal of impairment) of receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款減值/(減值撥回)	(166)	9
Write-down of inventories to net realizable value	撇銷存貨至可變現淨值	571	16,290
		657,485	407,256
Increase in inventories	存貨之增加	(509,614)	(211,229)
Increase in accounts receivable	應收賬款之增加	(108,324)	(41,987)
Increase in receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款之增加	(142,301)	(140,710)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款之減少/(增加)	(5,957)	22,964
Decrease in investments at fair value through profit or loss	按盈虧訂定公平價值投資之減少	2,802	6,722
Increase in cash held on behalf of clients	代客戶持有現金之增加	(21,087)	(173,159)
Increase in accounts payable	應付賬款之增加	6,998	66,076
Increase in payables arising from securities and futures broking	證券及期貨經紀產生之應付賬款之增加	104,286	292,437
Increase in derivative financial instruments	衍生金融工具之增加	(3,032)	(22,084)
Increase in other payables and accruals	其他應付賬款及應計項目之增加	97,379	40,135
Cash generated from operations	經營所得現金	78,635	246,421
Interest received	已收利息	58,109	28,654
Interest paid	已付利息	(27,509)	(9,358)
Hong Kong profits tax paid	已付香港利得稅	(67,570)	(17,203)
Elsewhere taxes paid	已付其他地區稅項	(18,619)	(8,859)
Net cash inflow from operating activities	經營業務之現金流入淨額	23,046	239,655

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December 2007

綜合現金流量表

截至2007年12月31日止年度

	Note	2007	2006
	附註	HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)
Net cash inflow from operating activities		23,046	239,655
Cash flows from investing activities	投資活動之現金流量		
Interest received		355	129
Purchases of items of property, plant and equipment		(65,214)	(40,295)
Proceeds from disposal of items of property, plant and equipment		34	31
Proceeds from disposal of an intangible asset		500	–
Increase in other assets		(8,108)	(9,315)
Purchases of available-for-sale investments		–	(100)
Proceeds from disposal of available-for-sale investments		7,723	–
Acquisition of minority interests		(4,695)	–
Dividends received from associates		252	252
Dividends received from listed investments		15,026	8,193
Dividends received from unlisted investments		640	604
Net cash outflow from investing activities		(53,487)	(40,501)
Cash flows from financing activities	融資活動之現金流量		
New bank loans		941,022	309,107
Repayment of bank loans		(781,385)	(280,356)
Interest paid		(11,038)	(5,832)
Dividends paid		(144,461)	(114,364)
Net cash inflow/(outflow) from financing activities		4,138	(91,445)
Net increase/(decrease) in cash and cash equivalents	現金及等同現金之增加/(減少)淨額	(26,303)	107,709
Cash and cash equivalents at beginning of year		284,882	175,082
Effect of foreign exchange rate changes, net		5,962	2,091
Cash and cash equivalents at end of year	於年終之現金及等同現金	264,541	284,882
Analysis of balances of cash and cash equivalents	現金及等同現金結存分析		
Cash and bank balances		212,899	198,613
Non-pledged time deposits with original maturity of less than three months when acquired		51,642	86,269
		264,541	284,882

BALANCE SHEET

As at 31 December 2007

資產負債表

於2007年12月31日

		Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Non-current assets	非流動資產			
Interests in subsidiaries	於附屬公司權益	18	<u>1,583,783</u>	<u>1,663,185</u>
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	23	<u>338</u>	<u>218</u>
Cash and cash equivalents	現金及等同現金	25	<u>1,000</u>	<u>812</u>
Total current assets	總流動資產		1,338	1,030
Current liabilities	流動負債			
Other payables and accruals	其他應付賬款及應計項目		<u>3,495</u>	<u>2,631</u>
Net current liabilities	流動負債淨值		(2,157)	(1,601)
Net assets	資產淨值		<u>1,581,626</u>	<u>1,661,584</u>
Equity	權益			
Issued capital	已發行股本	30	<u>150,480</u>	150,480
Reserves	儲備	31(b)	<u>1,274,647</u>	1,414,797
Proposed final dividend	擬派末期股息	12	<u>156,499</u>	96,307
Total equity	總權益		<u>1,581,626</u>	<u>1,661,584</u>

CHOW Kwen Lim
Director

周君廉
董事

Vincent CHOW Wing Shing
Director

周永成
董事

1. Corporate information

Chow Sang Sang Holdings International Limited is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, Church Street, Hamilton HM 11, Bermuda.

During the year, the Group was involved in the following principal activities:

- manufacture and retail of jewellery
- wholesale of precious metals
- securities and commodities broking

2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, certain buildings, derivative financial instruments, debt securities and certain equity investments, which have been measured at fair value as further explained in note 2.4 to the financial statements. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2007. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company’s subsidiaries. An acquisition of minority interests is accounted for using the entity concept method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognized as an equity transaction.

1. 公司資料

周生生集團國際有限公司乃於百慕達註冊成立之有限公司。本公司之註冊辦事處位於Clarendon House, Church Street, Hamilton HM 11, Bermuda。

年內本集團從事之主要業務如下：

- 珠寶製造及零售
- 貴金屬批發
- 證券及商品經紀

2.1 編製基準

此等財務報告乃按照香港會計師公會頒布之香港財務報告準則(包括所有香港財務報告準則、香港會計準則及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。除本財務報告附註2.4之進一步解釋，以公平價值計量之投資物業、若干樓宇、衍生金融工具、債務證券及若干股份投資外，此等報告乃按歷史成本慣例編製。此等財務報告以港元列報，而所有價值均調整至千元，惟另有指明者除外。

綜合基準

綜合財務報告包括本公司及其附屬公司(統稱「本集團」)截至2007年12月31日止年度之財務報告。任何可能存在之不同會計政策已作出調整以使其一致。附屬公司之業績自其收購日期，即本集團取得其控制權之日期計入，並一直計入至有關控制權終止之日期止。本集團內部所有重大交易及結餘均在編製綜合賬目時對銷。

少數股東權益為外間股東於本公司附屬公司之業績及淨資產權益，並非由本集團持有。收購少數股東權益乃以實體概念方法入賬，而代價與應佔所收購資產淨值之賬面值之差額確認為股份交易。

2.2 Impact of new and revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards has no material effect on these financial statements.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

Except for HKAS 1 Amendment and HKFRS 7, the adoption of HK(IFRIC)-Int 8, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 10 has had no material effect on the Group's financial statements for the year ended 31 December 2007.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) Amendment to HKAS 1 Presentation of Financial Statements – Capital Disclosures

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in note 38 to the financial statements.

(b) HKFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements, and comparative information has been included/revised where appropriate. There has been no effect on the financial position or results of operations of the Group.

2.2 新訂及經修訂香港財務報告準則之影響

本集團就本年度之財務報告首次採納下列新訂及經修訂之香港財務報告準則。除若干情況引致新訂及經修訂會計政策及額外披露外，採納此等新訂及經修訂準則對此等財務報告並無構成重大影響。

香港會計準則 第1號修訂本	資本披露
香港財務報告 準則第7號	金融工具：披露
香港（國際財務報告 詮釋委員會） －詮釋第8號	香港財務報告準則 第2號之範圍
香港（國際財務報告 詮釋委員會） －詮釋第9號	重新評估嵌入式 衍生工具
香港（國際財務報告 詮釋委員會） －詮釋第10號	中期財務報告 及減值

除香港會計準則第1號修訂本及香港財務報告準則第7號外，採納香港（國際財務報告詮釋委員會）－詮釋第8號、香港（國際財務報告詮釋委員會）－詮釋第9號及香港（國際財務報告詮釋委員會）－詮釋第10號對本集團截至2007年12月31日止年度之財務報告並無重大影響。

採納此等新訂及經修訂香港財務報告準則之主要影響如下：

(a) 香港會計準則第1號修訂財務報告之呈報方式－資本披露

此修訂要求本集團作出披露，以便使用財務報告人士可以評估本集團管理資本之目標、政策及過程。此等新披露載於財務報告附註38。

(b) 香港財務報告準則第7號金融工具：披露

此準則要求作出若干披露，以便使用財務報告人士可以評估本集團金融工具的重要性及該等金融工具所涉風險的性質與程度。在財務報告內各部分均可見新增披露，在適當情況下，已加入／修訂比較資料。此準則對本集團的財務狀況或經營業績並無影響。

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKAS 1 (Revised)	Presentation of Financial Statements ¹
HKAS 23 (Revised)	Borrowing Costs ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ²
HKFRS 2 Amendments	Share-based Payment – Vesting Conditions and Cancellation ¹
HKFRS 3 (Revised)	Business Combinations ²
HKFRS 8	Operating Segments ¹
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions ³
HK(IFRIC)-Int 12	Service Concession Arrangements ⁴
HK(IFRIC)-Int 13	Customer Loyalty Programmes ⁵
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴

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

² Effective for annual periods beginning on or after 1 July 2009

³ Effective for annual periods beginning on or after 1 March 2007

⁴ Effective for annual periods beginning on or after 1 January 2008

⁵ Effective for annual periods beginning on or after 1 July 2008

HKAS 1 has been revised to separate owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expense recognized in profit or loss, together with all other items of recognized income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

2.3 已頒布但未生效香港財務報告準則之影響

本集團尚未於此等財務報告採用以下已頒布但未生效之新訂及經修訂香港財務報告準則。

香港會計準則第1號(經修訂)	財務報告之呈報方式 ¹
香港會計準則第23號(經修訂)	貸款成本 ¹
香港會計準則第27號(經修訂)	綜合及單一財務報告 ²
香港財務報告準則第2號修訂本	以股份為基礎的支付—歸屬條件及取消 ¹
香港財務報告準則第3號(經修訂)	商業合併 ²
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 ³
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 ⁴
香港(國際財務報告詮釋委員會)—詮釋第13號	客戶忠誠計劃 ⁵
香港(國際財務報告詮釋委員會)—詮釋第14號	香港會計準則第19號—界定福利資產之限制、最低資金需求及兩者之相互關係 ⁴

¹ 於2009年1月1日或以後開始之會計年度生效

² 於2009年7月1日或以後開始之會計年度生效

³ 於2007年3月1日或以後開始之會計年度生效

⁴ 於2008年1月1日或以後開始之會計年度生效

⁵ 於2008年7月1日或以後開始之會計年度生效

香港會計準則第1號已修訂，以分開擁有人及非擁有人權益變動。權益變動表僅將包括與擁有人進行之交易詳情，而所有非擁有人權益變動會獨立呈報。此外，此準則引入全面收益表：於單一報表或兩份相連報表中呈報於損益確認之所有收支項目，連同所有其他已確認收支。本集團仍在評估會以一份或兩份報表呈報。

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards (continued)

HKAS 23 has been revised to require capitalization of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group. In accordance with the transitional provisions in the revised standard, the Group shall apply the revised standard on a prospective basis to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009.

HKAS 27 has been revised to require a change in the ownership interest of a subsidiary to be accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. It must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group expects to adopt the revised HKAS 27 from 1 January 2010.

HKFRS 2 has been amended to restrict the definition of "vesting condition" to a condition that includes an explicit or implicit requirement to provide services. Any other conditions are non-vesting conditions, which have to be taken into account to determine the fair value of the equity instruments granted. In the case that the award does not vest as the result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this must be accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, does not expect significant implications on its accounting for share-based payments.

HKFRS 3 has been revised to introduce a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. It must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group expects to adopt the revised HKFRS 3 from 1 January 2010.

HKFRS 8, which will replace HKAS 14 "Segment Reporting", specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 January 2009.

2.3 已頒布但未生效香港財務報告準則之影響(續)

香港會計準則第23號已修訂，規定將收購、興建或生產合資格資產直接應佔之貸款成本資本化。由於本集團有關貸款成本之現行政策符合經修訂準則之規定，故經修訂準則應不會對本集團構成任何財務影響。根據經修訂準則之過渡條款，本公司須於未來按經修訂準則應用，有關合資格資產之貸款成本資本化開始日期為2009年1月1日或以後。

香港會計準則第27號已修訂，規定將於附屬公司權益之擁有權變動入賬列作權益交易。因此，該變動將不會對商譽構成任何影響，亦不會產生盈虧。此外，經修訂準則更改附屬公司所產生之虧損以及失去附屬公司控制權之會計處理。此準則必須於未來期間應用，並將影響日後收購及與少數股東權益之交易。本集團預期自2010年1月1日起採納經修訂香港會計準則第27號。

香港財務報告準則第2號已修訂，限制將「歸屬條件」之定義包含明示或隱含要求提供服務之條件。其餘任何條件均為非歸屬條件，該等條件須在釐定所授出之股權工具之公平價值時予以考慮。倘獎勵在實體或交易對手之控制下因未能符合非歸屬條件而不予歸屬時，該獎勵必須入賬列為已註銷。本集團並無訂立附有非歸屬條件之以股份為基礎之支付計劃，故預期不會對其以股份為基礎之支付會計處理構成重大影響。

香港財務報告準則第3號已修訂，加入數項與商業合併會計處理之改變，該等改變將影響收購期間所確認之商譽金額、所呈報之業績，以及於未來呈報之業績。此準則必須於未來期間應用，並將影響日後收購及與少數股東權益之交易。本集團預期自2010年1月1日起採納經修訂香港財務報告準則第3號。

香港財務報告準則第8號將取代香港會計準則第14號「分部呈報」，其具體說明實體應如何報告有關其經營分部資料，並以實體之主要營運決策人可用作分配資源至有關分部及評估其表現之組成部分之資料為依據。該準則亦規定披露有關分部所提供之產品及服務之資料、本集團經營所在地區及本集團來自主要客戶之收益。本集團預期於2009年1月1日起採納香港財務報告準則第8號。

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards (continued)

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognize the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credits is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. The Group expects to adopt the interpretation from 1 January 2009.

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 "Employee Benefits", on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognized as an asset, in particular, when a minimum funding requirement exists.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that the adoption of HKFRS 8 may result in new or amended disclosures. In respect of the remaining new and revised HKFRSs, it is not yet in a position to state whether they would have a significant impact on the Group's results of operations and financial position.

2.3 已頒布但未生效香港財務報告準則之影響(續)

香港(國際財務報告詮釋委員會)－詮釋第11號規定，僱員獲授本集團股權工具之安排須入賬列為以股權支付計劃，即使該等工具乃由本集團向其他人士購買或由股東提供所需股權工具。香港(國際財務報告詮釋委員會)－詮釋第11號亦涉及本集團內兩個或以上實體以股份為基礎的支付交易之會計方法。由於本集團現時並無有關交易，故該詮釋應不會對本集團構成任何財務影響。

香港(國際財務報告詮釋委員會)－詮釋第12號規定，公共對私人之特許權服務安排之營運商須按照合約安排之條款將換取建築服務而已收或應收之代價確認為財務資產及／或無形資產。香港(國際財務報告詮釋委員會)－詮釋第12號亦涉及在政府或公營實體授出興建或提供及／或供應公共服務之基礎建設之合約時，營運商應如何應用現有香港財務報告準則將由服務特許權所產生之責任及權利入賬。由於本集團現時並無有關安排，故該詮釋應不會對本集團構成任何財務影響。

香港(國際財務報告詮釋委員會)－詮釋第13號規定，作為銷售交易一部分之授予客戶應得忠誠獎勵須入賬列為銷售交易之獨立部分。銷售交易所收代價須在應得忠誠獎勵與銷售之其他部分之間分配。分配至應得忠誠獎勵之金額乃經參考公平價值釐定並予以遞延，直至該獎勵獲贖回或該負債另行撤銷為止。本集團預期自2009年1月1日起採納此詮釋。

香港(國際財務報告詮釋委員會)－詮釋第14號涉及如何評估香港會計準則第19號「僱員福利」下界定福利計劃(尤其出現最低資金規定時)未來供款之退款或扣減可確認為資產之限額。

本集團正在評估初次應用此等新訂及經修訂香港財務報告準則之影響。至今所得結論認為，採納香港財務報告準則第8號可能引致新或修訂之披露。有關餘下之新訂及經修訂香港財務報告準則，本集團尚未能確定採納後會否對其經營業績及財務狀況構成重大影響。

2.4 Summary of significant accounting policies**Subsidiaries**

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities. The results of subsidiaries are included in the Company's profit and loss account to the extent of dividends received and receivable. The Company's interests in subsidiaries are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture entity and the basis on which the assets are to be realized upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

- (a) a subsidiary, if the Company has unilateral control, directly or indirectly, over the joint venture;
- (b) a jointly-controlled entity, if the Company does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;
- (c) an associate, if the Company does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or
- (d) an equity investment accounted for in accordance with HKAS 39, if the Company holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

2.4 主要會計政策概要**附屬公司**

附屬公司乃本公司直接或間接控制其財政及營運政策之實體，以便於從其業務中獲益。附屬公司之業績已包括在本公司損益賬內之已收及應收股息。本公司於附屬公司之權益按成本減去任何減值虧損列賬。

合營公司

合營公司為按合約安排成立之實體，由此本集團及其他訂約方承擔一經濟活動。該合營公司乃本集團及其他訂約方擁有權益之獨立經營實體。

合營各方訂立之合營公司協議訂明合營各方之出資額、合營期限以及於合營公司解散時將予變現資產之基準。合營公司之經營損益及任何盈餘資產由合營各方按彼等各自之出資額比例或按合營公司協議之條款進行分配。

合營公司會被視為：

- (a) 附屬公司，如本公司對合營公司直接或間接擁有單方面之控制權；
- (b) 共同控權合資公司，如本公司對合營公司並無單方面控制權，但直接或間接擁有共同控制權；
- (c) 聯營公司，如本公司並無單方面或共同之控制權，但直接或間接持有不少於20%之合營公司註冊資本及對其有重大影響力；或
- (d) 按照香港會計準則第39號處理之股份投資，如本公司直接或間接持有不足20%之合營公司註冊資本，且對合營公司沒有共同控制權，及對其沒有重大影響力。

2.4 Summary of significant accounting policies (continued)**Associates**

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's interests in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated profit and loss account and consolidated reserves, respectively. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates, except where unrealized losses provide evidence of an impairment of the asset transferred.

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill previously eliminated against consolidated retained profits prior to 1 January 2005

Prior to the adoption of the HKICPA's Statement of Standard Accounting Practice 30 "Business Combinations" in 2001, goodwill arising on acquisition was eliminated against consolidated retained profits in the year of acquisition. On the adoption of HKFRS 3, such goodwill remains eliminated against consolidated retained profits and is not recognized in the profit and loss account when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2.4 主要會計政策概要(續)**聯營公司**

聯營公司乃除附屬公司或共同控權合資公司外，本集團長期持有其一般不少於20%之股本投票權，及對其有重大影響力之實體。

本集團於聯營公司之權益以權益會計法按本集團應佔資產淨值減任何減值虧損於綜合資產負債表列賬。本集團所佔聯營公司購入後之業績及儲備已分別計入綜合損益賬及綜合儲備內。本集團與其聯營公司之間之交易所產生之未變現收益及虧損以本集團於聯營公司之權益為限予以撇銷，惟倘能提供證據顯示未變現虧損為已轉讓出現減值之資產則除外。

商譽

收購附屬公司產生之商譽乃商業合併成本超逾於收購當日本集團權益應佔所收購可辨認資產、負債及或然負債之淨公平價值。

過往於2005年1月1日前自綜合保留溢利撇銷之商譽

於2001年採納香港會計師公會之會計實務準則第30號「商業合併」前，因收購產生之商譽須於收購年度自綜合保留溢利撇銷。在採納香港財務報告準則第3號後，該等商譽繼續自綜合保留溢利撇銷，及不會於與商譽有關之全部或部分業務出售或與商譽有關之現金產生單位減值時於損益賬中確認。

商譽以外之非財務資產減值

倘若有跡象顯示出現減值或須就資產進行年度減值測試(不包括存貨、遞延稅項資產、財務資產、投資物業及商譽)，則估計資產之可收回金額。資產之可收回金額按資產或現金產生單位之使用價值與公平價值減銷售成本之較高者計算，並就個別資產而釐定，除非有關資產並無產生在頗大程度上獨立於其他資產或資產組別產生之現金流入，在此情況下，可收回金額就資產所屬之現金產生單位而釐定。

2.4 Summary of significant accounting policies (continued)**Impairment of non-financial assets other than goodwill (continued)**

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the profit and loss account in the period in which it arises in those expense categories consistent with the function of the impaired asset, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss of an asset other than goodwill and certain financial assets is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization) had no impairment loss been recognized for the asset in prior years. A reversal of such impairment loss is credited to the profit and loss account in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

2.4 主要會計政策概要(續)**商譽以外之非財務資產減值(續)**

如資產之賬面值超逾其可收回金額時，減值虧損方予確認。於評估使用價值時，估計日後現金流量按反映現時市場評估之貨幣時間價值及資產特定風險之稅前折現率折現至現值。除非該資產以重估數額列賬，減值虧損方根據有關會計政策就該重估資產處理，否則任何減值虧損於產生當期之損益賬內與減值資產性質一致之支出類別中扣除。

於每個報告日均會評估是否有任何跡象顯示過往年度確認之減值虧損不再存在或可能已經減少。倘存有任何該等跡象，便估計可收回金額。除商譽及若干財務資產外，僅於釐定該資產之可收回金額之估計出現變動時，於先前已確認之減值虧損方可撥回，惟倘若於以往年度該資產並無任何確認減值虧損，則對比經折舊／攤銷之賬面值，高出金額不得撥回。除非該資產以重估金額列賬，減值虧損之撥回方根據有關會計政策就該重估資產處理，否則任何減值虧損之撥回於產生當期計入損益賬內。

關連人士

在下列情況下，有關人士將視為與本集團有關連：

- (a) 有關人士透過一名或多名中介人，直接或間接：(i)控制本集團，或受本集團控制，或與本集團受相同控制；(ii)於本集團擁有一定權益可對本集團行使重大影響；或(iii)可共同控制本集團；
- (b) 有關人士為一聯繫人士；
- (c) 有關人士為一共同控權合資公司；
- (d) 有關人士為本集團之主要管理人員；
- (e) 有關人士為(a)或(d)項所述之任何人士之直系家屬；
- (f) 有關人士乃(d)或(e)項所述人士直接或間接控制、共同控制或受其重大影響，或擁有重大投票權之實體；或
- (g) 有關人士乃為本集團或與本集團有關連的任何實體的僱員利益而設的受僱後福利計劃。

2.4 Summary of significant accounting policies (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit and loss account in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalized as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	Over the shorter of the lease terms and 2.5%
Plant and machinery	10% to 30%
Leasehold improvements, furniture, fixtures and equipment	10% to 33%
Motor vehicles	30%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the profit and loss account in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The transitional provisions set out in paragraph 80A of HKAS 16 "Property, Plant and Equipment" have been adopted for property, plant and equipment stated at valuation. As a result, those assets stated at revalued amounts based on revaluations which were reflected in the financial statements for the year ended 31 December 1993 have not been revalued by class as at the balance sheet date. On disposal of a revalued asset, the relevant portion of the leasehold land and buildings revaluation reserve realized in respect of the previous valuations is transferred to retained profits as a movement in reserves.

For a transfer from owner-occupied properties to investment properties, the related revaluation surplus is retained in the leasehold land and buildings revaluation reserve and remains there until the subsequent disposal or retirement of the property, whereby that time the revaluation surplus is transferred to retained profits.

2.4 主要會計政策概要(續)

物業、機器及設備及折舊

物業、機器及設備按成本或估值減累計折舊及任何減值虧損後列賬。物業、機器及設備項目成本包括購入價及使資產處於擬定用途之運作狀況及地點之任何直接應佔成本。物業、機器及設備項目投入運作後所產生之支出，如維修及保養，一般於產生該筆支出期間從損益賬中扣除。倘若清楚顯示該筆支出已致使日後運用該物業、機器及設備項目所預期取得之未來經濟利益增加，以及倘若該項目之成本能可靠地計量時，則該筆支出會資本化作為該資產之額外成本或作重置。

折舊以直線法計算，按每項物業、機器及設備項目之估計可使用年期撇銷其成本或估值至其剩餘價值。就此而言，所使用之主要年度折舊率如下：

租賃土地及樓宇	按租賃年期與2.5%兩者較低者
機器及設備	10%至30%
租賃物業裝修、傢俬、裝置及設備	10%至33%
汽車	30%

倘若物業、機器及設備項目之組件可使用年期有所不同，該項目之成本或估值按合理基準予以分配各組件，而每組件個別計算折舊。

剩餘價值、可使用年期及折舊方法於每個結算日檢核及作適當調整。

物業、機器及設備項目於出售或估計其使用或出售不再產生未來經濟利益時，不再確認入賬。任何出售或棄用之盈虧以出售時所得款項淨額及有關資產賬面值之差額計算，並於不再確認資產之年度在損益賬內確認。

按估值列賬之物業、機器及設備已採納香港會計準則第16號「物業、機器及設備」第80A段所載之過渡條款。因此，該等按截至1993年12月31日止年度財務報告所述重估以重估金額列賬之資產，於結算日並無按其類別再作重估。出售經重估之資產時，就過往估值而需予變現之相關租賃土地及樓宇重估儲備，由儲備撥往保留溢利內，作為儲備之變動。

自用物業轉撥為投資物業，有關重估盈餘保留於租賃土地及樓宇重估儲備中，直至該物業日後出售或棄用，屆時重估盈餘撥往保留溢利。

2.4 Summary of significant accounting policies (continued)**Investment properties**

Investment properties are interests in leasehold land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions as at the balance sheet date.

Gains or losses arising from changes in the fair values of investment properties are included in the profit and loss account in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognized in the profit and loss account in the year of the retirement or disposal.

Intangible assets (other than goodwill)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

The Group's intangible assets, representing eligibility rights to trade on or through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Futures Exchange Limited (the "Futures Exchange"), have indefinite useful lives and are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net sales proceeds and the carrying amount of the relevant asset and are recognized in the profit and loss account when the asset is derecognized.

Other assets

Other assets held on a long term basis are stated at amortized cost using the effective interest method less any impairment losses.

2.4 主要會計政策概要(續)**投資物業**

投資物業指持作賺取租賃收入及／或獲得資本升值之租賃土地及樓宇權益，包括符合投資物業定義屬經營租約之租賃物業權益，其非用作生產或提供貨品或服務或行政用途。該等物業初次按成本計量，包括交易成本。於初次確認後，投資物業按公平價值列賬，以反映於結算日之市場狀況。

投資物業公平價值變動所產生之盈虧計入產生年度之損益賬。

任何棄用或出售投資物業之盈虧在棄用或出售當年之損益賬中確認。

無形資產(商譽除外)

無形資產之可使用年期乃評估為有限或無限。具有有限年期之無形資產按可使用經濟年期攤銷，並於該無形資產出現減值跡象時作評估減值。具有有限可使用年期之無形資產之攤銷年期及攤銷方法須至少於每個結算日作檢核。

本集團之無形資產乃可於或透過香港聯合交易所有限公司(「聯交所」)及香港期貨交易所有限公司(「期交所」)進行交易之權利，具無限可使用年期並於每年按個別或於現金產生單位檢核作減值測試。該等無形資產並不予以攤銷。具無限年期之無形資產之可使用年期於每年作評估，以釐定無限可使用年期之評估是否持續可靠。如否定，則可使用年期之評估自此由按無限年期更改為按有限年期計量。

不再確認無形資產所產生盈虧按出售所得款項淨額與有關資產賬面值差額計算，並於不再確認該資產時在損益賬內確認。

其他資產

長期持有之其他資產乃以實質利息法計算攤銷成本減去任何減值虧損入賬。

2.4 Summary of significant accounting policies (continued)

Investments and other financial assets

Financial assets in the scope of HKAS 39 are classified as investments at fair value through profit or loss, loans and receivables or available-for-sale investments, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each balance sheet date.

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Investments at fair value through profit or loss

Investments at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts. Gains or losses on investments held for trading are recognized in the profit and loss account. The net fair value gain or loss recognized in the profit and loss account does not include any dividends on these financial assets, which are recognized in accordance with the policy set out for "Revenue recognition" below.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit and loss account when the loans and receivables are derecognized or impaired, as well as through the amortization process.

2.4 主要會計政策概要(續)

投資及其他財務資產

香港會計準則第39號界定財務資產適當地分類為按盈虧訂定公平價值投資、貸款及應收款項或可供出售投資。財務資產於初步確認時按公平價值計量，而當財務資產並非按盈虧訂定公平價值投資，則按公平價值加直接應佔交易成本計量。本集團於初次確認後將其財務資產分類，並於許可及適當情況下，於每個結算日重新考慮此分類。

本集團於首次成為合約訂約方時即考慮該合約是否含有嵌入式衍生工具，而於有分析顯示嵌入式衍生工具之經濟特性及風險與主合約者並無密切關係，則會評估嵌入式衍生工具是否須與主合約分開處理。僅於合約條款大幅修改合約所需之現金流量時方進行重新評估。

正常情況下購入及出售之財務資產於交易日確認，即本集團承諾購入或出售該資產之日期。正常情況下購入或出售乃於規例或市場慣例一般設定之期間內交付購入或出售財務資產。

按盈虧訂定公平價值投資

按盈虧訂定公平價值投資包括持作買賣之財務資產。為於近期內作出用途而購入之財務資產，均列為持作買賣。除非已列作有效對沖工具或財務擔保合約，否則衍生工具亦分類為持作買賣。持作買賣投資之收益或虧損於損益賬確認。於損益賬確認之公平價值盈虧並不包括該等財務資產之任何股息，該等股息根據下文「收入確認」所載之政策確認。

倘符合以下條件，則財務資產可於初次確認時列作按盈虧訂定公平價值：(i)此認定可撇除或大幅減少因按一個不同基準計量資產或確認收益或虧損而出現之不一致處理；(ii)此等資產屬根據一套文件風險管理策略按公平價值基準管理及評估表現之一組財務資產之部分；或(iii)此財務資產含有須個別入賬之嵌入式衍生工具。

貸款及應收款項

貸款及應收款項乃附有固定或可釐定付款金額而沒有在活躍市場中報價之非衍生財務資產。該等資產其後以實質利息法計算攤銷成本減任何減值撥備後入賬。攤銷成本乃於計入任何收購之折讓或溢價後計算，並包括組成實質利率之費用及交易成本。收益及虧損乃於不再確認貸款及應收款項或其減值時透過攤銷程序在損益賬確認。

2.4 Summary of significant accounting policies (continued)

Investments and other financial assets (continued)

Available-for-sale investments

Available-for-sale investments are non-derivative financial assets in listed and unlisted equity or debt securities that are designated as available for sale or are not classified in any of the other two categories. After initial recognition, available-for-sale investments are measured at fair value, with gains or losses recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account. Interest and dividends earned are reported as interest income and dividend income, respectively, and are recognized in the profit and loss account as "Other income" in accordance with the policies set out for "Revenue recognition" below. Losses arising from the impairment of such investments are recognized in the profit and loss account as "Impairment losses on available-for-sale financial assets" and are transferred from the investment revaluation reserve.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating the fair value, such securities are stated at cost less any impairment losses.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; a discounted cash flow analysis; and other valuation models.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the impairment loss is recognized in the profit and loss account. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group.

2.4 主要會計政策概要(續)

投資及其他財務資產(續)

可供出售投資

可供出售投資乃於上市及非上市股份或債務證券之可供出售之非衍生財務資產，或未被列入其他兩類之財務資產。初始確認後，可供出售投資以公平價值計量，其盈虧乃計入權益之獨立部分，直至該項投資不再確認或被判斷須減值，屆時過往於權益內呈報之累計盈虧將計入損益賬。所賺取之利息及股息，分別呈報為利息收入及股息收入，並根據下文「收入確認」所載之政策於損益賬確認為「其他收入」。該等投資減值所產生之虧損於損益賬確認為「可供出售財務資產之減值虧損」，並轉撥自投資重估儲備。

當因(a)有關投資之合理公平價值估計之變化範圍很大；或(b)於該範圍內之各估計數之概率無法合理評估及應用，而未能可靠計算非上市股份證券之公平價值時，有關證券均按成本減去任何減值虧損列賬。

公平價值

在有序金融市場交易活躍之投資之公平價值乃參考結算日營業時間結束時之市場買入價而釐定。倘若無活躍市場之投資，其公平價值則以估價方法釐定。估價方法包括使用近期公平市場交易、參照本質大致相同之其他財務工具之現行市場價值、折現現金流量分析及其他估值模式。

財務資產減值

本集團於每個結算日評估是否存在客觀證據顯示一項或一組財務資產出現減值。

按攤銷成本入賬資產

倘有客觀證據顯示按攤銷成本入賬之貸款及應收款項出現減值虧損，則減值虧損按該資產賬面值與其原實質利率(即初次確認時計算之實質利率)折現之估計未來現金流量(不包括尚未產生之未來信貸虧損)現值之差額計算。減值虧損直接減少或通過使用備抵賬戶減少該資產之賬面金額。減值虧損於損益賬確認。當並無實際預期可於未來收回及所有抵押品已被變現或轉移至本集團時，貸款及應收款項連同任何有關撥備會被撇銷。

2.4 Summary of significant accounting policies (continued)**Impairment of financial assets (continued)***Assets carried at amortized cost (continued)*

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. Any subsequent reversal of an impairment loss is recognized in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

In relation to accounts and other receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor and significant changes in the technological, market economic or legal environment that have an adverse effect on the debtor) that the Group will not be able to collect all of the amounts due under the original terms of an invoice. The carrying amount of the receivables is reduced through the use of an allowance account. Impaired debts are derecognized when they are assessed as uncollectible.

Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Available-for-sale investments

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the profit and loss account, is transferred from equity to the profit and loss account. A provision for impairment is made for available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgement. In addition, the Group evaluates other factors, such as the share price volatility. Impairment losses on equity instruments classified as available for sale are not reversed through the profit and loss account.

Impairment losses on debt instruments are reversed through the profit and loss account, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the profit and loss account.

2.4 主要會計政策概要(續)**財務資產減值(續)***按攤銷成本入賬資產(續)*

倘其後減值虧損金額減少，且此減少客觀上與確認減值以後發生之事項有關，則以往確認之減值虧損將由備抵賬戶撥回。其後任何減值虧損撥回於損益賬內確認，惟有關資產之賬面值不得超過撥回當日之攤銷成本。

就應收賬款及其他應收賬款而言，減值撥備乃於有客觀證據(如可能無力償債或債務人面臨重大財政困難及科技、市場經濟或法律環境出現重大變動而對債務人構成不利影響)顯示本集團將無法根據票據之原有條款收回所有款項時作出。應收款項之賬面值乃透過使用備抵賬戶減少。已減值債款於被評估為不可收回時不再確認。

按成本入賬資產

因公平價值未能可靠計量而不按公平價值入賬之無報價股份工具倘有客觀證據顯示其出現減值虧損，則該虧損金額為資產賬面值與按當時市場相類似財務資產之回報率折現之估計未來現金流量現值兩者之差額。此等資產之減值虧損不可撥回。

可供出售投資

倘可供出售資產出現減值，則其成本(扣除任何本金及攤銷)與當時公平價值之差額，再扣減以往於損益賬確認為減值虧損之金額，自權益撥至損益賬。當可供出售股份投資之公平價值出現重大或持續性下跌至低於其成本，或倘有其他客觀證據顯示出現減值，則會對其作出減值撥備。釐定「重大」或「持續性」之定義須作出判斷。此外，本集團亦會評估股價波動等其他因素。已分類作可供出售之權益工具之減值虧損不可於損益賬撥回。

倘就債務工具減值虧損於損益賬確認後出現可客觀計量之公平價值增加，則其減值虧損可於損益賬撥回。

2.4 Summary of significant accounting policies (continued)**Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities at amortized cost (including interest-bearing loans and borrowings)

Financial liabilities including accounts and other payables and interest-bearing bank borrowings are initially stated at fair value less directly attributable transaction costs and are subsequently measured at amortized cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Gains and losses are recognized in the profit and loss account when the liabilities are derecognized as well as through the amortization process.

2.4 主要會計政策概要(續)**不再確認財務資產**

財務資產(或如適用,財務資產其中一部分或一組類似之財務資產其中一部分)在下列情況下不再確認:

- 自該資產收取現金流量之權利已屆滿;
- 本集團保留收取來自該資產現金流量之權利,惟已根據「轉遞」安排就向第三者承擔責任全數支付款項並無重大延誤;或
- 本集團已轉讓其來自該資產收取現金流量之權利,並(a)已轉讓該資產之大部分風險及回報,或(b)無轉讓或保留該資產之大部分風險及回報,惟已轉讓該資產之控制權。

倘若本集團已轉讓其自資產收取現金流量之權利,在並無轉讓或保留資產之大部分風險及回報,亦無轉讓資產之控制權之情況下,則該資產按本集團繼續參與該資產之程度確認。倘以擔保已轉讓資產之方式作為繼續參與,乃按資產之原賬面值與本集團可能需要支付之最高代價兩者之較低者計量。

倘若繼續參與以已轉讓資產之書面及/或購買選擇權(包括以現金支付選擇權或類似條文)方式進行,則本集團繼續參與之程度為本集團可能購回已轉讓資產之金額,惟按資產公平價值計量之書面認沽權證(包括以現金支付選擇權或類似條文)除外,在此情況下,本集團繼續參與之程度被限制於已轉讓資產公平價值與選擇權行使價兩者之較低者。

按攤銷成本入賬財務負債(包括計息貸款及借貸)

財務負債包括應付賬款及其他應付賬款以及計息銀行貸款,初次按公平價值減直接應佔交易成本列賬,其後以實質利息法計算攤銷成本計量,惟倘折現之影響不大,則按成本列賬。

收益及虧損乃於不再確認負債時及透過攤銷過程在損益賬確認。

2.4 Summary of significant accounting policies (continued)**Financial guarantee contracts**

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognized initially at its fair value less transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognized at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with HKAS 18 "Revenue".

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the profit and loss account.

Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and bullion contracts to hedge certain of its risks associated with foreign currency and bullion price fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the profit and loss account.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of bullion contracts is calculated by reference to the quoted market bullion prices as at the close of business as at the balance sheet date.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis and comprises direct materials, direct labour and an appropriate proportion of production overheads. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 主要會計政策概要(續)**財務擔保合約**

香港會計準則第39號界定財務擔保合約以財務負債處理。財務擔保合約初次按其公平價值減收購或發行財務擔保合約直接應佔之交易成本確認，惟當有關合約按盈虧訂定公平價值確認則除外。於初次確認後，本集團按(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之數額；及(ii)初次確認之數額，於適當時扣除根據香港會計準則第18號「收益」所確認累計攤銷，兩者之較高計量財務擔保合約。

不再確認財務負債

財務負債於負債之責任已解除或註銷或屆滿時不再確認。

當現有財務負債為同一貸款人以大致上不同條款之負債取代時，或現有負債之條款有重大修改時，有關交換或修改則被視為不再確認為原有負債及確認為一項新負債，而有關賬面值之差額乃於損益賬確認。

衍生金融工具及對沖

本集團使用遠期外幣合約及貴金屬合約等衍生金融工具對沖其有關外幣及貴金屬價格波動之風險。該等衍生金融工具初次按訂立衍生合約當日之公平價值確認，其後再按公平價值重新計量。當衍生工具在公平價值為正數時以資產列賬，為負數時以負債列賬。

不符合作對沖會計處理之衍生工具，其公平價值變動所產生之收益或虧損乃直接計入損益賬。

遠期外幣合約之公平價值經參考到期狀況相若合約之當時遠期匯率計量。貴金屬合約之公平價值經參考於結算日營業時間結束時之貴金屬市場報價計算。

存貨

存貨乃按成本與可變現淨值兩者中之較低者列賬。成本包括直接原料、直接工資及適當比例之生產費用，乃按先進先出法計算。可變現淨值是根據估計售價扣除直至完成及出售所需之任何估計成本計算。

2.4 Summary of significant accounting policies (continued)**Cash and cash equivalents**

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheets, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the profit and loss account, or in equity if it relates to items that are recognized directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences as at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2.4 主要會計政策概要(續)**現金及等同現金**

就綜合現金流量表而言，現金及等同現金包括流動現金及活期存款及於購入後三個月內到期，可隨時轉換為已知金額現金及承受價值改變風險不大之短期高流動性投資，扣除須按要求償還之銀行透支，為本集團現金管理之組成部分。

就資產負債表而言，現金及等同現金包括流動現金及銀行存款，包括使用不受限制之有期存款。

所得稅

所得稅包括本期及遞延稅項。所得稅於損益賬確認，或如該項所得稅與於權益確認之項目有關，則於權益直接確認。

本期及過往期間之本期稅項資產及負債乃按預期可自稅務機關收回或繳付之金額計算。

於結算日之資產及負債之稅基與其在財務報告賬面值之間所有暫時性差異，須按負債法計提遞延稅項撥備。

除下述外，所有應課稅暫時性差異均確認為遞延稅項負債：

- 倘若由商譽或於初次確認一項非商業合併交易之資產或負債所產生之遞延稅項負債，而在交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司及聯營公司投資之應課稅暫時性差異而言，倘若撥回暫時性差異之時間可以控制，以及暫時性差異不大可能在可見將來撥回。

除下述外，所有可於稅務上扣除之暫時性差異、承前未用稅項撥回及未用稅項虧損，如日後有可能出現應課稅溢利，可用作抵銷該等可扣除暫時性差異、承前未用稅項撥回及未用稅項虧損，均確認為遞延稅項資產：

- 倘若由於在非商業合併之交易中初次確認資產或負債而產生之有關可扣除暫時性差異之遞延稅項資產，對會計溢利或應課稅溢利或虧損均無影響；及
- 對涉及附屬公司及聯營公司投資之可扣除暫時性差異而言，只在暫時性差異有可能在可見將來撥回，以及日後可用該等暫時性差異抵銷可能出現之應課稅溢利，才確認遞延稅項資產。

2.4 Summary of significant accounting policies (continued)**Income tax (continued)**

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Conversely, previously unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from the rendering of services, in the period in which such services are provided;
- (c) commissions and brokerage income on dealings in securities and futures contracts, on the transaction dates when the relevant contract notes are executed;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset;
- (f) dividend income, when the shareholders' right to receive payment has been established; and
- (g) income from the sale of investments at fair value through profit or loss and available-for-sale investments, on the transaction dates when the relevant contract notes are executed.

2.4 主要會計政策概要(續)**所得稅(續)**

遞延稅項資產之賬面值於每個結算日予以審閱，倘不再可能有足夠應課稅溢利用作抵銷相關遞延稅項資產之全部或部分，則減少遞延稅項資產賬面值。相反，於可能有足夠應課稅溢利用作抵銷相關遞延稅項資產之全部或部分時，則確認過往不予確認之遞延稅項資產。

遞延稅項資產及負債以預期適用於變現資產或償還負債之稅率計量，按於結算日已經生效或大致上已經生效之稅率(及稅法)為基準。

倘現有可依法執行權利，容許本期稅項資產抵銷本期稅項負債，而該遞延稅項涉及同一應課稅實體及同一稅務機關，則遞延稅項資產及遞延稅項負債予以對銷。

收入確認

當本集團可能有經濟收益並能作出可靠計算，收入按下列基準予以確認：

- (a) 銷售貨品方面，當擁有權之主要風險及回報轉予買家，即本集團對已售貨品已無一般擁有權應有之有效管控；
- (b) 提供服務方面，於提供服務期內；
- (c) 證券及期貨合約交易之佣金及經紀收入，於有關合約執行之交易日期；
- (d) 租金收入，按租賃期時間比例基準；
- (e) 利息收入，採用實質利息法，按應計基準，以有關利率在有關金融工具之預計年期內折現估計未來現金收入至有關財務資產之賬面淨值；
- (f) 股息收入，當股東收取股息權利確立；及
- (g) 出售按盈虧訂定公平價值投資及可供出售投資收入，於有關合約執行之交易日期。

2.4 Summary of significant accounting policies (continued)

Employee benefits*Paid leave carried forward*

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilized by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

Pension schemes and other retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance in Hong Kong for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' relevant income and are charged to the profit and loss account as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China and Taiwan are required to participate in central pension schemes operated by the respective local municipal governments. These subsidiaries are required to contribute 6% to 23% of their payroll costs to the central pension schemes. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the respective central pension schemes.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the profit and loss account on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under the operating leases are charged to the profit and loss account on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognized on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

2.4 主要會計政策概要(續)

僱員福利*結轉有薪假期*

本集團根據僱傭合約按曆年基準向其僱員提供有薪年假。在若干情況下，各僱員於結算日尚未動用之假期准予結轉至下個年度使用。於結算日，按僱員於年內所得有薪假期之預計未來成本已當作一項應計費用並予以結轉。

退休金計劃及其他退休福利

本集團根據香港的強制性公積金計劃條例實施一項界定供款強制性公積金退休利益計劃(「強積金計劃」)，供所有合資格之僱員參與。供款按僱員有關入息之某一百分比提撥，並於根據強積金計劃規定需要支付時自損益賬扣除。強積金計劃資產乃與本集團資產分開，由獨立管理基金持有。根據強積金計劃規定，本集團作出之僱主供款利益全數歸屬於僱員，至於本集團作出之僱主自願性供款則除外，當僱員在供款利益完全歸屬於僱員前離職，供款會退回本集團。

本集團於中國內地及台灣運作之附屬公司之僱員均須參加由當地市政府運作的中央退休金計劃。此等附屬公司須提撥薪金費用之6%至23%為中央退休金計劃供款，並根據中央退休金計劃規定須予供款時於損益賬扣除。

租約

倘若資產擁有權之全部回報及風險絕大部分保留於出租人之租約，以經營租約處理。倘若本集團為出租人時，本集團於經營租約下租出資產包括在非流動資產內，於經營租約下之應收租金以直線法按租期計入損益賬內。倘若本集團為承租人時，於經營租約下之應付租金以直線法按租期於損益賬扣除。

經營租約之預付土地租賃付款最初按成本列報，並於其後以直線法在租約年期確認。當租賃金額無法可靠地分配為土地部分及樓宇部分，全部租賃金額乃計入土地及樓宇成本，列作物業、機器及設備之融資租賃。

2.4 Summary of significant accounting policies (continued)**Dividends**

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum of association and Bye-Laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions are initially recorded using the functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and an associate are currencies other than the Hong Kong dollar. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their profit and loss accounts are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange fluctuation reserve. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the profit and loss account.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Borrowing costs

Borrowing costs are recognized as expenses in the profit and loss account in the period in which they are incurred.

2.4 主要會計政策概要(續)**股息**

董事建議派發之末期股息於資產負債表權益項下保留溢利作獨立分配列賬，直至此等股息獲股東於股東大會批准。當此等股息獲股東批准及宣派後始確認為負債。

中期股息乃同時予以建議派發及宣派，此乃本公司組織章程大綱及附例授予董事宣派中期股息之權力。因此，中期股息於建議派發及宣派時即確認為負債。

外幣

此等財務報告乃以本公司之功能及呈報貨幣港元列報。本集團內每個實體均自行決定其功能貨幣，而每實體之財務報告所包含之項目均採用該功能貨幣計量。外幣結算交易最初以交易當日之功能貨幣匯率記錄。以外幣計算之貨幣資產及負債按結算日之功能貨幣匯率重新換算。全部差額計入損益賬。以外幣歷史成本計算之非貨幣項目按交易當日之匯率換算。以外幣公平價值計算之非貨幣項目按釐定公平價值當日之匯率換算。

若干海外附屬公司及聯營公司之功能貨幣為港元以外之貨幣。於結算日，此等實體之資產與負債按結算日之匯率換算為本公司之呈報貨幣，而損益賬則按年度之加權平均匯率換算為港元。換算產生之匯率差額乃計入外匯變動儲備。出售海外實體時，有關該特定海外業務而已於權益確認之遞延累計款額於損益賬確認。

就綜合現金流量表而言，海外附屬公司之現金流量乃按現金流量當日之匯率換算為港元。年內海外附屬公司日常產生之現金流量乃按年內之加權平均匯率換算為港元。

貸款成本

貸款成本於產生期間在損益賬確認為開支。

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Fair value of unlisted equity investments

The unlisted equity investments have been valued by using valuation techniques including estimated discounted cash flows and based on information from a variety of sources, including:

- (i) the latest financial information of the unlisted equity securities; and
- (ii) the fair value of the underlying asset of the investment.

The fair value of the unlisted equity investments stated at fair value as at 31 December 2007 was HK\$15,126,000 (2006: HK\$15,765,000) (note 20).

3. 主要會計判斷及估計

管理層須就編製本集團之財務報告時對影響於報告日期之收入、開支、資產及負債呈報數額以及或然負債披露事項作出判斷、估計及假設。然而，此等判斷及估計之不確定性，可能引致日後須就受影響之資產或負債賬面值作出重大調整之結果。

判斷

應用本集團之會計政策時，除涉及估計之判斷外，管理層作出下列對財務報告已確認金額影響重大之判斷：

投資物業與自用物業之分類

本集團須判斷物業是否屬於投資物業，並就有關判斷制訂準則。投資物業乃持作收取租金或獲取資本升值或兩者之物業。因此，本集團考慮一物業是否帶來現金流量大致獨立於本集團所持其他資產。

某些物業一部分持作賺取租金或獲取資本升值，另一部分用作生產或供應貨品或服務或作行政用途。倘此等部分可獨立出售（或根據融資租賃方式分別出租），本集團將該等部分個別入賬。倘該等部分不可獨立出售，惟用作生產或供應貨品或服務或作行政用途之部分不大，有關物業方可列作投資物業。

管理層已就個別物業作出判斷，以釐定有關配套設施是否重大至足以使該物業不合列作投資物業之資格。

估計不明朗因素

於結算日就未來及其他主要估計不明朗因素所作之主要假設，很大機會引致須於下一個財政年度就資產及負債賬面值作出重大調整者論述如下。

非上市股份投資之公平價值

非上市股份投資已採用包括估計折現現金流量等估值方法，並按照來自不同來源之資料進行估值，包括：

- (i) 非上市股份證券之最近期財務資料；及
- (ii) 投資之相關資產之公平價值。

於2007年12月31日，按公平價值列賬之非上市股份投資之公平價值為15,126,000港元（2006年：15,765,000港元）（附註20）。

3. Significant accounting judgements and estimates (continued)**Estimation uncertainty (continued)***Estimation of impairment of receivables*

The Group determines the impairment of accounts receivable, receivables arising from securities and futures broking and other receivables based on objective evidence of impairment and historical loss experience of the respective individual balances of the counterparties.

Estimation of realizability of deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of deferred tax assets as at 31 December 2007 was HK\$2,267,000 (2006: HK\$2,855,000). Further details are contained in note 29 to the financial statements.

4. Segment information

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products and services they provide. Each of the Group's business segments represents a strategic business unit that offers products and services which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

- (a) manufacture and retail of jewellery;
- (b) wholesale of precious metals;
- (c) securities and futures broking; and
- (d) other businesses (including property and other investments).

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets and capital expenditure are attributed to the segments based on the location of the assets.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. 主要會計判斷及估計 (續)**估計不明朗因素 (續)***應收款項減值之估計*

本集團根據減值客觀證據及交易對手各自結餘之過往虧損經驗釐定應收賬款、證券及期貨經紀產生之應收款項及其他應收款項之減值。

遞延稅項資產可變現性之估計

所有未用稅項虧損，如日後有可能出現應課稅溢利，可用作抵銷該等虧損，均確認為遞延稅項資產。釐定可確認之遞延稅項資產金額時，管理層須根據未來應課稅溢利之可能時間及水平以及未來稅務規劃策略作出重大判斷。於2007年12月31日，遞延稅項資產賬面值為2,267,000港元(2006年：2,855,000港元)。詳情載於財務報告附註29。

4. 分部資料

分部資料按以下兩部形式呈報：(i)按業務分部為主要分部呈報基準；及(ii)按地區分部為次要分部呈報基準。

本集團經營之業務乃根據各項業務之性質及所提供之產品及服務分開架構及管理。本集團各項業務分部代表一策略性經營單位，其提供之產品及服務所承擔之風險及回報均有別於其他業務分部。業務分部概要如下：

- (a) 珠寶製造及零售；
- (b) 貴金屬批發；
- (c) 證券及期貨經紀；及
- (d) 其他業務(包括物業及其他投資)。

於確定本集團之地區分部時，收益乃按客戶之位置分配予各分部，而資產及資本性開支乃按資產之位置分配予各分部。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市價。

NOTES TO FINANCIAL STATEMENTS

4. Segment information (continued)

(a) Business segments

The following tables present revenue, profit and certain asset, liability and other segment information for the Group's business segments for the years ended 31 December 2007 and 2006.

		Manufacture and retail of jewellery 珠寶製造 及零售 HK\$'000 千港元	Wholesale of precious metals 貴金屬 批發 HK\$'000 千港元	Securities and futures broking 證券及 期貨經紀 HK\$'000 千港元	Other businesses 其他業務 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2007							
Segment revenue	分部收益						
Sales to external customers	銷售予外界客戶	4,119,165	3,566,770	131,619	56,029	-	7,873,583
Intersegment sales	內部銷售	243,936	247,697	-	1,718	(493,351)	-
Other income from external sources	其他外界收益	20,817	1	53,033	7,742	-	81,593
Other intersegment income	其他內部收益	2,954	-	-	130	(3,084)	-
Total	總收益	<u>4,386,872</u>	<u>3,814,468</u>	<u>184,652</u>	<u>65,619</u>	<u>(496,435)</u>	<u>7,955,176</u>
Segment results	分部業績	<u>500,311</u>	<u>13,859</u>	<u>102,921</u>	<u>19,817</u>	<u>-</u>	<u>636,908</u>
Interest income	利息收入						11,652
Dividend income	股息收入						15,402
Unallocated expenses	未分配費用						(8,646)
Finance costs	財務費用						(10,656)
Share of profits of associates	應佔聯營公司溢利						773
Profit before tax	除稅前溢利						645,433
Tax	稅項						(110,851)
Profit for the year	年內溢利						<u>534,582</u>
Assets and liabilities	資產及負債						
Segment assets	分部資產	<u>2,874,736</u>	<u>33,593</u>	<u>829,223</u>	<u>447,641</u>	<u>(255,055)</u>	<u>3,930,138</u>
Interests in associates	於聯營公司權益						11,457
Unallocated assets	未分配資產						1,144,966
Total assets	總資產						<u>5,086,561</u>
Segment liabilities	分部負債	<u>445,515</u>	<u>22,695</u>	<u>653,390</u>	<u>117,679</u>	<u>(255,055)</u>	<u>984,224</u>
Unallocated liabilities	未分配負債						411,640
Total liabilities	總負債						<u>1,395,864</u>
Other segment information	其他分部資料						
Depreciation	折舊	48,203	151	1,055	68	-	49,477
Net (gain)/loss on disposal of derivative financial instruments	出售衍生金融工具淨(收益)/虧損	4,165	(1,133)	-	-	-	3,032
Net fair value gains on investment properties	投資物業之公平價值淨收益	-	-	-	9,900	-	9,900
Capital expenditure	資本性開支	<u>63,786</u>	<u>-</u>	<u>889</u>	<u>539</u>	<u>-</u>	<u>65,214</u>

4. 分部資料(續)

(a) 業務分部

下表為本集團截至2007年及2006年12月31日止年度之業務分部收益、溢利、若干資產、負債及其他分部資料。

4. Segment information (continued)

(a) Business segments (continued)

		Manufacture and retail of jewellery 珠寶製造 及零售 HK\$'000 千港元	Wholesale of precious metals 批發 貴金屬 HK\$'000 千港元	Securities and futures broking 證券及 期貨經紀 HK\$'000 千港元	Other businesses 其他業務 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2006							
Segment revenue	分部收益						
Sales to external customers	銷售予外界客戶	2,785,254	4,041,210	52,956	102,060	–	6,981,480
Intersegment sales	內部銷售	150,177	233,547	–	1,727	(385,451)	–
Other income from external sources	其他外界收益	17,415	1	21,941	4,019	–	43,376
Other intersegment income	其他內部收益	3,601	–	–	128	(3,729)	–
Total	總收益	<u>2,956,447</u>	<u>4,274,758</u>	<u>74,897</u>	<u>107,934</u>	<u>(389,180)</u>	<u>7,024,856</u>
Segment results	分部業績	<u>302,616</u>	<u>8,985</u>	<u>30,334</u>	<u>18,403</u>	<u>–</u>	<u>360,338</u>
Interest income	利息收入						11,175
Dividend income	股息收入						8,431
Unallocated expenses	未分配費用						(7,348)
Finance costs	財務費用						(5,900)
Share of profits of associates	應佔聯營公司溢利						1,200
Profit before tax	除稅前溢利						367,896
Tax	稅項						(61,395)
Profit for the year	年內溢利						<u>306,501</u>
Assets and liabilities	資產及負債						
Segment assets	分部資產	<u>2,289,971</u>	<u>26,844</u>	<u>669,672</u>	<u>495,652</u>	<u>(380,723)</u>	3,101,416
Interests in associates	於聯營公司權益						10,652
Unallocated assets	未分配資產						488,033
Total assets	總資產						<u>3,600,101</u>
Segment liabilities	分部負債	<u>389,670</u>	<u>17,582</u>	<u>534,197</u>	<u>211,103</u>	<u>(380,723)</u>	771,829
Unallocated liabilities	未分配負債						226,145
Total liabilities	總負債						<u>997,974</u>
Other segment information	其他分部資料						
Depreciation	折舊	40,794	151	862	–	–	41,807
Net loss on disposal of derivative financial instruments	出售衍生金融工具 淨虧損	17,155	4,929	–	–	–	22,084
Net fair value gains on investment properties	投資物業之公平 價值淨收益	–	–	–	14,600	–	14,600
Capital expenditure	資本性開支	<u>38,542</u>	<u>–</u>	<u>1,753</u>	<u>–</u>	<u>–</u>	<u>40,295</u>

4. 分部資料(續)

(a) 業務分部(續)

4. Segment information (continued)

(b) Geographical segments

The following tables present revenue and certain asset and expenditure information for the Group's geographical segments for the years ended 31 December 2007 and 2006.

4. 分部資料(續)

(b) 地區分部

下表為本集團截至2007年及2006年12月31日止年度之地區分部收益、若干資產及開支資料。

		Hong Kong and Macau 香港及澳門 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2007						
Segment revenue	分部收益					
Sales to external customers	銷售予外界客戶	<u>6,775,552</u>	<u>1,026,693</u>	<u>71,338</u>	<u>-</u>	<u>7,873,583</u>
Other segment information	其他分部資料					
Segment assets	分部資產	<u>2,994,912</u>	<u>1,017,561</u>	<u>84,832</u>	<u>(167,167)</u>	<u>3,930,138</u>
Interests in associates	於聯營公司權益					<u>11,457</u>
Unallocated assets	未分配資產					<u>1,144,966</u>
Total assets	總資產					<u>5,086,561</u>
Capital expenditure	資本性開支	<u>36,069</u>	<u>27,070</u>	<u>2,075</u>	<u>-</u>	<u>65,214</u>
		Hong Kong and Macau 香港及澳門 HK\$'000 千港元	Mainland China 中國內地 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
2006						
Segment revenue	分部收益					
Sales to external customers	銷售予外界客戶	<u>6,409,365</u>	<u>503,029</u>	<u>69,086</u>	<u>-</u>	<u>6,981,480</u>
Other segment information	其他分部資料					
Segment assets	分部資產	<u>2,493,809</u>	<u>693,087</u>	<u>74,660</u>	<u>(160,140)</u>	<u>3,101,416</u>
Interests in associates	於聯營公司權益					<u>10,652</u>
Unallocated assets	未分配資產					<u>488,033</u>
Total assets	總資產					<u>3,600,101</u>
Capital expenditure	資本性開支	<u>12,668</u>	<u>25,413</u>	<u>2,214</u>	<u>-</u>	<u>40,295</u>

5. 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 year.

Revenue from the following activities has been included in turnover:

Sale 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

		Group 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
		7,732,317	6,919,461
		132,645	54,040
		8,621	7,979
		<u>7,873,583</u>	<u>6,981,480</u>

6. Profit before tax

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

Charging:

Cost of inventories sold	銷貨成本		
Write-down of inventories to net realizable value	撇銷存貨至可變現淨值		
Depreciation	折舊	14	
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		
Auditors' remuneration	核數師酬金		
Employee benefits expense* (excluding directors' remuneration (note 8)): Wages and salaries	僱員福利開支* (不包括董事酬金(附註8)): 工資及薪金		
Pension scheme contributions	退休金計劃供款		
Less: Forfeited contributions	減: 已沒收供款		
Net pension scheme contributions	退休金計劃供款淨額		
Impairment of accounts receivable	應收賬款減值	22	
Direct operating expenses arising on rental-earning investment properties	可收取租金之投資物業直接經營開支		
Net loss on disposal of items of property, plant and equipment	出售物業、機器及設備淨虧損		
Net loss on disposal of derivative financial instruments [^]	出售衍生金融工具淨虧損 [^]		
Net fair value losses/(gains) on derivative financial instruments – transactions not qualifying as hedges [#]	衍生金融工具之公平價值淨虧損/(收益) – 不符合作對沖之交易 [#]		

5. 營業額

營業額乃年內撇除退回、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：

6. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)：

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
		6,472,603	6,009,547
		571	16,290
		49,477	41,807
		166,247	139,376
		2,567	2,058
		347,305	277,145
		20,108	15,940
		(102)	(57)
		<u>20,006</u>	<u>15,883</u>
		<u>367,311</u>	<u>293,028</u>
		–	5
		1,091	959
		2,895	1,497
		3,032	22,084
		6,323	(1,890)

6. Profit before tax (continued)

Crediting:	計入：
Interest income	利息收入
Dividend income from listed investments	上市投資之股息收入
Dividend income from unlisted investments	非上市投資之股息收入
Impairment/(reversal of impairment) of receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款減值／(減值撥回)
Foreign exchange differences, net	匯兌差額，淨值
Gain on disposal of an intangible asset #	出售一項無形資產收益#
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
Net fair value gains on investment properties #	投資物業之公平價值淨收益#
Net fair value gains 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收益#

* The employee benefits expense has included an amount of HK\$1,740,000 (2006: HK\$1,503,000) paid to a director's spouse as employee remuneration.

^ The net loss on disposal of derivative financial instruments has included the net loss on bullion contracts of HK\$8,943,000 (2006: HK\$23,549,000), which is included in "Cost of sales" on the face of the consolidated profit and loss account.

These balances are included in "Other gains, net" on the face of the consolidated profit and loss account.

7. Finance costs

Interest on bank loans and overdrafts wholly repayable within five years	須於五年內全數償還之銀行貸款及透支利息
Interest on other loans wholly repayable within five years	須於五年內全數償還之其他貸款利息

6. 除稅前溢利(續)

Note 附註	2007 HK\$'000 千港元	2006 HK\$'000 千港元
	(58,619)	(28,783)
	(15,026)	(8,193)
	(640)	(604)
22	(166)	9
	(10,340)	(2,469)
	(451)	-
	(2,664)	(1,852)
15	(9,900)	(14,600)
	(1,371)	(400)

* 僱員福利開支包括支付予一名董事配偶作為僱員酬金之金額1,740,000港元(2006年：1,503,000港元)。

^ 出售衍生金融工具淨虧損包括出售貴金屬合約淨虧損8,943,000港元(2006年：23,549,000港元)，此金額包含在綜合損益賬上「銷售成本」中。

此等結餘包含在綜合損益賬上「其他收益，淨值」中。

7. 財務費用

	Group 本集團	
	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Interest on bank loans and overdrafts wholly repayable within five years	39,155	15,009
Interest on other loans wholly repayable within five years	209	181
	<u>39,364</u>	<u>15,190</u>

8. Directors' remuneration

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Fees	袍金	1,861	1,290
Other emoluments:	其他酬金：		
Salaries and allowances	薪金及津貼	5,541	5,371
Discretionary bonuses paid and payable	已付及應付酌情花紅	2,211	1,440
Pension scheme contributions	退休金計劃供款	154	145
		<u>7,906</u>	<u>6,956</u>
		<u>9,767</u>	<u>8,246</u>

8. 董事酬金

根據上市規則及香港公司條例第161條之規定，本年度之董事酬金披露如下：

An analysis of remuneration paid and payable to directors during the year is as follows:

年內已付及應付予董事之酬金分析如下：

		Fees	Salaries and allowances	Discretionary bonuses paid and payable	Pension scheme contributions	Total
		袍金	薪金及津貼	已付及應付酌情花紅	退休金計劃供款	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
2007						
Executive directors:	執行董事：					
Dr. CHOW Kwen Lim	周君廉博士	193	1,525	465	-	2,183
Mr. Vincent CHOW Wing Shing	周永成先生	170	1,839	891	92	2,992
Dr. Gerald CHOW King Sing	周敬成醫生	193	275	100	14	582
Mr. Winston CHOW Wun Sing	周允成先生	170	1,560	755	48	2,533
		<u>726</u>	<u>5,199</u>	<u>2,211</u>	<u>154</u>	<u>8,290</u>
Non-executive directors:	非執行董事：					
Mr. CHOW Kwen Ling	周君令先生	170	342	-	-	512
Mr. Stephen TING Leung Huel	丁良輝先生	193	-	-	-	193
Mr. CHUNG Pui Lam	鍾沛林先生	193	-	-	-	193
Dr. CHAN Bing Fun *	陳炳勳醫生*	193	-	-	-	193
Mr. LEE Ka Lun *	李家麟先生*	193	-	-	-	193
Mr. LO King Man *	盧景文先生*	193	-	-	-	193
		<u>1,135</u>	<u>342</u>	<u>-</u>	<u>-</u>	<u>1,477</u>
		<u>1,861</u>	<u>5,541</u>	<u>2,211</u>	<u>154</u>	<u>9,767</u>

* Independent non-executive directors

* 獨立非執行董事

8. Directors' remuneration (continued)

8. 董事酬金(續)

	Fees	Salaries and allowances	Discretionary bonuses paid and payable	Pension scheme contributions	Total
	袍金	薪金及津貼	酌情花紅	退休金計劃供款	合計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
2006					
Executive directors:	執行董事：				
Dr. CHOW Kwen Lim	135	1,526	278	-	1,939
Mr. Vincent CHOW Wing Shing	115	1,752	598	87	2,552
Dr. Gerald CHOW King Sing	135	275	60	14	484
Mr. Winston CHOW Wun Sing	115	1,476	504	44	2,139
	<u>500</u>	<u>5,029</u>	<u>1,440</u>	<u>145</u>	<u>7,114</u>
Non-executive directors:	非執行董事：				
Mr. CHOW Kwen Ling	115	342	-	-	457
Mr. Stephen TING Leung Huel	135	-	-	-	135
Mr. CHUNG Pui Lam	135	-	-	-	135
Dr. CHAN Bing Fun *	135	-	-	-	135
Mr. LEE Ka Lun *	135	-	-	-	135
Mr. LO King Man *	135	-	-	-	135
	<u>790</u>	<u>342</u>	<u>-</u>	<u>-</u>	<u>1,132</u>
	<u>1,290</u>	<u>5,371</u>	<u>1,440</u>	<u>145</u>	<u>8,246</u>

* Independent non-executive directors

* 獨立非執行董事

There were no other emoluments payable to the independent non-executive directors during the year (2006: HK\$nil).

年內並無其他酬金應付予獨立非執行董事(2006年：零港元)。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2006: HK\$nil).

年內董事並無訂立任何放棄或同意放棄任何酬金的安排(2006年：零港元)。

9. Five highest paid employees

The five highest paid employees of the Group during the year included three (2006: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2006: two) non-director, highest paid employees for the year are as follows:

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

The remuneration of the two non-director, highest paid employees fell within the following bands:

HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元
HK\$5,500,001 to HK\$6,000,000	5,500,001港元至6,000,000港元

10. 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 year. 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
Charge for the year	年內稅項
Underprovision/(overprovision)	過往年度撥備不足／
in prior years	(超額撥備)
Current – Elsewhere	本期 – 其他地區
Deferred (note 29)	遞延(附註29)
Total tax charge for the year	年內稅項總額

9. 五名最高薪酬僱員

本年度本集團五名最高薪酬僱員包括三名(2006年:三名)董事,其詳細酬金資料載於上述附註8。其餘兩名(2006年:兩名)最高薪酬非董事僱員詳細酬金資料如下:

2007	2006
HK\$'000	HK\$'000
千港元	千港元
3,346	3,264
5,242	1,756
167	163
8,755	5,183

兩名最高薪酬非董事僱員酬金組別如下:

Number of employees	
僱員人數	
2007	2006
–	1
1	1
1	–
2	2

10. 稅項

香港利得稅乃按年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則、闡釋及慣例為基礎之通用稅率計算。

Group	
本集團	
2007	2006
HK\$'000	HK\$'000
千港元	千港元
77,316	49,576
113	(736)
32,278	10,096
1,144	2,459
110,851	61,395

10. Tax (continued)

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

		Group 本集團			
		2007		2006	
		HK\$'000	%	HK\$'000	%
		千港元		千港元	
Profit before tax	除稅前溢利	645,433		367,896	
Tax at the statutory tax rate	按法定稅率計算稅項	112,951	17.5	64,382	17.5
Difference in tax rates applied for specific provinces or local authority	應用於特定省份或當地機關之稅率差異	1,053		(2,673)	
Adjustments in respect of current tax of previous years	就以往年度之稅項作本期調整	113		(736)	
Profits attributable to associates	應佔聯營公司溢利	(135)		(210)	
Estimated income not subject to tax	無須繳稅之估計收入	(5,942)		(3,219)	
Estimated expenses not deductible for tax	不可扣稅之估計支出	2,894		1,636	
Tax losses utilized from previous periods	使用以往期間之稅項虧損	(1,094)		(461)	
Estimated tax losses not recognized	尚未確認之估計稅項虧損	1,011		2,676	
Tax charge at the Group's effective rate	按本集團實質稅率計算之稅項	110,851	17.2	61,395	16.7

The Group's share of tax attributable to associates amounting to HK\$196,000 (2006: HK\$918,000) is included in "Share of profits of associates" on the face of the consolidated profit and loss account.

For companies operated in Mainland China, corporate taxes have been calculated on the estimated assessable profits for the year at the rates ranging from 12% to 33% (2006: ranging from 0% to 33%). In the prior year, certain subsidiaries of the Group established in Mainland China were exempted from the People's Republic of China's corporate income tax under the relevant tax law of People's Republic of China.

10. 稅項(續)

下表是按本公司及其大部分附屬公司註冊成立所在司法權區之法定稅率計算並適用於除稅前溢利之稅項支出，以及按實質稅率計算之稅項支出進行對賬：

本集團應佔聯營公司稅項為196,000港元(2006年：918,000港元)，已包含在綜合損益賬上「應佔聯營公司溢利」中。

就於中國內地營運之公司而言，企業稅乃按年內之估計應課稅溢利按介乎12%至33%之稅率(2006年：介乎0%至33%)計算。於上年度，根據中華人民共和國之有關稅法，本集團於中國內地成立之若干附屬公司獲豁免繳納中華人民共和國之企業所得稅。

11. Profit attributable to shareholders of the Company

The consolidated profit attributable to shareholders of the Company for the year ended 31 December 2007 includes a profit of HK\$64,503,000 (2006: HK\$114,889,000) which has been dealt with in the financial statements of the Company (note 31(b)).

12. Dividends

Interim – HK8.0 cents (2006: HK7.0 cents) per ordinary share	中期 – 每股普通股8.0港仙 (2006年：7.0港仙)
Proposed final – HK26.0 cents (2006: HK16.0 cents) per ordinary share	擬派末期 – 每股普通股26.0港仙 (2006年：16.0港仙)

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

13. Earnings per share attributable to shareholders of the Company

The calculation of basic earnings per share is based on the profit for the year attributable to shareholders of the Company of HK\$516,278,000 (2006: HK\$296,838,000), and the weighted average number of 601,920,000 (2006: 601,920,000) ordinary shares in issue during the year.

Diluted earnings per share for the years ended 31 December 2007 and 2006 have not been presented as no diluting events existed during these years.

11. 本公司股東應佔溢利

截至2007年12月31日止年度，本公司股東應佔綜合溢利包括本公司財務報告內之一項溢利64,503,000港元（2006年：114,889,000港元）（附註31(b)）。

12. 股息

2007 HK\$'000 千港元	2006 HK\$'000 千港元
48,154	42,134
156,499	96,307
<u>204,653</u>	<u>138,441</u>

擬派之年度末期股息須經本公司股東於即將舉行之股東週年大會上批准。

13. 本公司股東應佔每股盈利

每股基本盈利乃按年內本公司股東應佔溢利516,278,000港元（2006年：296,838,000港元）及年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。

由於此兩個年度並無攤薄事項，故並無呈報截至2007年及2006年12月31日止年度之每股攤薄盈利。

14. Property, plant and equipment

14. 物業、機器及設備

Group

本集團

		Leasehold land and buildings	Plant and machinery	Leasehold improvements, furniture, fixtures and equipment	Motor vehicles	Total
		租賃土地 及樓宇	機器 及設備	租賃物業 裝修、 傢俬、 裝置及設備	汽車	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
As at 31 December 2007	於2007年12月31日					
At 1 January 2007:	於2007年1月1日：					
Cost or valuation	成本或估值	299,433	9,636	114,324	3,387	426,780
Accumulated depreciation	累計折舊	(37,408)	(3,548)	(43,077)	(1,713)	(85,746)
Net carrying amount	賬面淨值	<u>262,025</u>	<u>6,088</u>	<u>71,247</u>	<u>1,674</u>	<u>341,034</u>
At 1 January 2007, net of accumulated depreciation	於2007年1月1日， 扣除累計折舊	262,025	6,088	71,247	1,674	341,034
Additions	添置	–	4,958	57,607	2,649	65,214
Disposals	出售	–	(90)	(2,642)	(197)	(2,929)
Depreciation provided during the year	年內折舊撥備	(10,879)	(2,608)	(35,126)	(864)	(49,477)
Exchange realignment	匯兌調整	181	227	2,540	113	3,061
At 31 December 2007, net of accumulated depreciation	於2007年12月31日， 扣除累計折舊	<u>251,327</u>	<u>8,575</u>	<u>93,626</u>	<u>3,375</u>	<u>356,903</u>
At 31 December 2007:	於2007年12月31日：					
Cost or valuation	成本或估值	299,656	14,469	152,550	5,869	472,544
Accumulated depreciation	累計折舊	(48,329)	(5,894)	(58,924)	(2,494)	(115,641)
Net carrying amount	賬面淨值	<u>251,327</u>	<u>8,575</u>	<u>93,626</u>	<u>3,375</u>	<u>356,903</u>

14. Property, plant and equipment (continued)

14. 物業、機器及設備(續)

Group
本集團

		Leasehold land and buildings 租賃土地 及樓宇 HK\$'000 千港元	Plant and machinery 機器 及設備 HK\$'000 千港元	Leasehold improvements, furniture, fixtures and equipment 租賃物業 裝修、 傢俬、 裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 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					
At 1 January 2006:	於2006年1月1日：					
Cost or valuation	成本或估值	299,322	7,367	95,316	3,061	405,066
Accumulated depreciation	累計折舊	(26,604)	(2,057)	(32,244)	(1,337)	(62,242)
Net carrying amount	賬面淨值	<u>272,718</u>	<u>5,310</u>	<u>63,072</u>	<u>1,724</u>	<u>342,824</u>
At 1 January 2006, net of accumulated depreciation	於2006年1月1日， 扣除累計折舊	272,718	5,310	63,072	1,724	342,824
Additions	添置	-	2,328	37,298	669	40,295
Disposals	出售	-	-	(1,528)	-	(1,528)
Depreciation provided during the year	年內折舊撥備	(10,787)	(1,639)	(28,639)	(742)	(41,807)
Exchange realignment	匯兌調整	94	89	1,044	23	1,250
At 31 December 2006, net of accumulated depreciation	於2006年12月31日， 扣除累計折舊	<u>262,025</u>	<u>6,088</u>	<u>71,247</u>	<u>1,674</u>	<u>341,034</u>
At 31 December 2006:	於2006年12月31日：					
Cost or valuation	成本或估值	299,433	9,636	114,324	3,387	426,780
Accumulated depreciation	累計折舊	(37,408)	(3,548)	(43,077)	(1,713)	(85,746)
Net carrying amount	賬面淨值	<u>262,025</u>	<u>6,088</u>	<u>71,247</u>	<u>1,674</u>	<u>341,034</u>

Certain of the Group's leasehold land and buildings were revalued on 31 December 1993 by Knight Frank & Kan, independent professionally qualified valuers. The leasehold land and buildings were revalued on an open market, existing use basis. Since 1995, no further revaluations of the Group's leasehold land and buildings have been carried out, as the Group has relied upon the exemption, provided under the transitional provisions of HKAS 16, from the requirement to carry out future revaluations of its property, plant and equipment which were stated at valuation at that time.

Had these leasehold land and buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amount would have been approximately HK\$42,739,000 (2006: HK\$44,704,000).

本集團若干租賃土地及樓宇於1993年12月31日經獨立專業合資格測量師簡福銓測量行重估。該等租賃土地及樓宇根據現時用途按公開市值基準重估。本集團自1995年採納香港會計準則第16號之過渡條款賦予之豁免，根據物業、機器及設備之當時估值列賬，並無為其租賃土地及樓宇再作重估。

倘若此等租賃土地及樓宇以歷史成本減累計折舊及減值虧損列賬，其賬面值約為42,739,000港元(2006年：44,704,000港元)。

14. Property, plant and equipment (continued)

The Group's leasehold land and buildings included above are held under the following lease terms:

As at 31 December 2007 於 2007年 12月 31日

At cost:

Long term leases
Medium term leases

按成本：

長期租約
中期租約

At 1993 valuation:
Long term leases
Medium term leases

按 1993年 估值：
長期租約
中期租約

As at 31 December 2006

於 2006年 12月 31日

At cost:

Long term leases
Medium term leases

按成本：

長期租約
中期租約

At 1993 valuation:
Long term leases
Medium term leases

按 1993年 估值：
長期租約
中期租約

Hong Kong 香港 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Total 合計 HK\$'000 千港元
666	3,311	3,977
25,666	219	25,885
26,332	3,530	29,862
78,757	–	78,757
191,037	–	191,037
269,794	–	269,794
296,126	3,530	299,656

Hong Kong 香港 HK\$'000 千港元	Elsewhere 其他地區 HK\$'000 千港元	Total 合計 HK\$'000 千港元
666	3,088	3,754
25,666	219	25,885
26,332	3,307	29,639
78,757	–	78,757
191,037	–	191,037
269,794	–	269,794
296,126	3,307	299,433

As at 31 December 2007, certain of the Group's leasehold land and buildings with an aggregate net carrying value of approximately HK\$83,893,000 (2006: HK\$88,170,000) were pledged to secure general banking facilities granted to the Group (note 28).

於 2007年 12月 31日，本集團以若干總賬面淨值約 83,893,000 港元（2006年：88,170,000 港元）之租賃土地及樓宇作抵押，為本集團所獲一般銀行信貸作擔保（附註 28）。

15. Investment properties

Carrying amount at 1 January 於1月1日之賬面值
 Net gains from a fair value adjustment 公平價值調整之淨收益

Carrying amount at 31 December 於12月31日之賬面值

The Group's investment properties are held under the following lease terms:

Long term leases: 長期租約：
 Hong Kong 香港

Medium term leases: 中期租約：
 Hong Kong 香港
 Elsewhere 其他地區

The Group's investment properties were revalued on 31 December 2007 by DTZ Debenham Tie Leung Limited, independent professionally qualified valuers, at HK\$126,950,000 on an open market, existing use basis. The investment properties are leased to third parties under operating leases, further summary details of which are included in note 34(a) to the financial statements.

As at 31 December 2007, the Group's investment properties with an aggregate value of HK\$71,000,000 (2006: HK\$65,000,000) were pledged to secure general banking facilities granted to the Group (note 28).

15. 投資物業

Group
 本集團

2007 2006
 HK\$'000 HK\$'000
 千港元 千港元

117,050 102,450
 9,900 14,600

126,950 117,050

本集團之投資物業按下列租期持有：

2007 2006
 HK\$'000 HK\$'000
 千港元 千港元

10,950 9,850

89,500 82,100
 26,500 25,100

126,950 117,050

於2007年12月31日，本集團之投資物業由獨立專業合資格測量師戴德梁行有限公司根據現時用途按公開市值基準重估為126,950,000港元。該等投資物業以經營租約租予第三者，其概要載於財務報告附註34(a)內。

於2007年12月31日，本集團以總值71,000,000港元(2006年：65,000,000港元)之投資物業作抵押，為本集團所獲一般銀行信貸作擔保(附註28)。

16. Intangible assets

Trading rights

Cost at 1 January, net of accumulated amortization	於1月1日之成本，扣除累計攤銷
Disposal	出售
Cost at 31 December, net of accumulated amortization	於12月31日之成本，扣除累計攤銷
Cost (gross carrying amount)	成本(賬面總值)
Accumulated amortization	累計攤銷
Disposal	出售
At 31 December	於12月31日

Upon the adoption of HKAS 38, trading rights are considered to have indefinite lives because they are expected to contribute to the net cash flows of the Group indefinitely, which are not amortized.

17. Other assets

Cost of membership for a seat at The Chinese Gold and Silver Exchange Society	金銀業貿易場會籍成本
Deposits with the Stock Exchange: Compensation fund	於聯交所按金：賠償基金
Fidelity fund	信用保證基金
Stamp duty deposit	印花稅按金
Contributions in cash to the Central Clearing and Settlement System Guarantee Fund	於中央結算及交收系統保證基金之現金供款
Admission fee paid to Hong Kong Securities Clearing Company Limited	香港中央結算有限公司之入會費用
Deposit with the HKFE Clearing Corporation Limited	於香港期貨結算有限公司之按金
Rental deposits *	租賃按金*

* The rental deposits are related to office properties and retail shops leased by the Group (note 34(b)) and the majority of the lease arrangements are over one year. Included in this total is an aggregate amount of approximately HK\$10 million (2006: approximately HK\$13 million) relating to operating leases expiring within one year. The directors are of the opinion that such deposits are of a long term nature on the basis that the related leases are expected to be renewed upon their respective expiry dates. Accordingly, the directors consider it appropriate to classify such deposits as non-current assets.

16. 無形資產

		Group 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
		320 (49)	320 -
		<u>271</u>	<u>320</u>
		620 (300) (49)	620 (300) -
		<u>271</u>	<u>320</u>

採納香港會計準則第38號後，由於交易權預期為本集團無限期限帶來現金流量淨額，故被視為擁有無限年期而不作攤銷。

17. 其他資產

		Group 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
		1,500	1,500
		250	300
		250	300
		250	250
		250	300
		300	300
		1,500	2,871
		<u>47,041</u>	<u>37,412</u>
		<u>51,341</u>	<u>43,233</u>

* 此乃本集團之辦公室及零售店租約(附註34(b))之相關租賃按金，大部分租約超過一年，其中約有10,000,000港元(2006年：約13,000,000港元)屬一年內到期之經營租約。董事認為，按有關租約預期於各自到期時續約之基準，此等按金應屬長期性質。因此，董事認為將此等按金分類為非流動資產為合適。

18. Interests in subsidiaries

Unlisted shares/investments, at cost
Due from subsidiaries

非上市股份／投資，按成本
附屬公司欠款

18. 於附屬公司權益

Company 本公司	
2007	2006
HK\$'000	HK\$'000
千港元	千港元
1,085,873	1,085,873
497,910	577,312
1,583,783	1,663,185

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

附屬公司欠款乃無抵押、免息及並無固定還款期。

Particulars of the subsidiaries are as follows:

附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Acclaim Holdings Limited 雅慶有限公司	British Virgin Islands 英屬維爾京群島	US\$600,000 600,000美元	—	100	Investment holding 投資控股
Chow Sang Sang Bullion Dealers Limited 周生生金號有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Bullion broking 貴金屬經紀
Chow Sang Sang (China) Company Limited *	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	HK\$100,000,000 100,000,000港元	—	100	Sale of jewellery 珠寶銷售
Chow Sang Sang Commodities Limited 周生生商品有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Dormant 暫無營業
Chow Sang Sang Corporate Gift Limited 周生生企業禮品有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Sale of corporate gift products 企業禮品銷售
Chow Sang Sang Diamond (Shanghai) Co., Ltd. **#	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	US\$2,400,000 2,400,000美元	—	100	Diamond trading 鑽石買賣

18. Interests in subsidiaries (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立/註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本/ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Finance Limited 周生生財務有限公司	Hong Kong 香港	HK\$15,000,000 15,000,000港元	—	100	Group financing 集團融資
Chow Sang Sang Futures Limited 周生生期貨有限公司	Hong Kong 香港	HK\$5,000,000 5,000,000港元	—	100	Commodity broking 商品經紀
Chow Sang Sang Holdings (BVI) Limited 周生生集團(英屬維爾京群島) 有限公司	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	100	—	Investment holding 投資控股
Chow Sang Sang Holdings Limited 周生生集團有限公司	Hong Kong 香港	HK\$250 250港元	—	100	Investment holding 投資控股
Chow Sang Sang Industrial (Fuzhou) Co., Ltd.** 周生生實業(福州)有限公司**	People's Republic of China/ Mainland China 中華人民共和國/ 中國內地	HK\$12,180,000 12,180,000港元	—	100	Property investment 物業投資
Chow Sang Sang International (Shunde) Limited 周生生國際(順德)有限公司	Hong Kong/ Mainland China 香港/ 中國內地	HK\$2 2港元	—	100	Property investment 物業投資
Chow Sang Sang Investments Limited 周生生投資有限公司	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Investment holding 投資控股
Chow Sang Sang Jewellery (China) Co. Ltd. 周生生珠寶金行(中國) 有限公司	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Chow Sang Sang Jewellery (China) Limited# 周生生珠寶(中國)有限公司#	Hong Kong 香港	HK\$1 1港元	—	100	Investment holding 投資控股
Chow Sang Sang Jewellery Company Limited 周生生珠寶金行有限公司	Hong Kong 香港	HK\$30,000,000 30,000,000港元	—	100	Manufacture and retail of jewellery 珠寶製造及零售
Chow Sang Sang Jewellery (Foshan) Co., Ltd.** 周生生珠寶(佛山) 有限公司**	People's Republic of China/ Mainland China 中華人民共和國/ 中國內地	HK\$120,166,800 120,166,800港元	—	100	Manufacture and sale of jewellery 珠寶製造及銷售

18. Interests in subsidiaries (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Jewellery Pte Ltd	Singapore 新加坡	SG\$2 2坡元	—	100	Dormant 暫無營業
Chow Sang Sang Jewellery (Shaanxi) Co., Ltd.** 周生生珠寶金行 (陝西)有限公司**	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	HK\$21,400,000 21,400,000港元	—	100	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shandong) Co., Ltd.*** 周生生珠寶(山東) 有限公司***	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	RMB70,000,000 70,000,000元人民幣	—	70	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Shanghai) Co., Ltd.*** 周生生珠寶(上海) 有限公司***	People's Republic of China/ Mainland China 中華人民共和國／ 中國內地	US\$1,000,000 1,000,000美元	—	61	Manufacture and sale of jewellery 珠寶製造及銷售
Chow Sang Sang Jewellery (Taiwan) Limited 周生生珠寶行股份 有限公司	British Virgin Islands/ Taiwan 英屬維爾京群島／ 台灣	US\$50,000 50,000美元	—	100	Sale of jewellery 珠寶銷售
Chow Sang Sang Manufacturing International Limited 周生生首飾廠國際有限公司	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Chow Sang Sang Nominees Limited 周生生代理人有限公司	Hong Kong 香港	HK\$1,000,000 1,000,000港元	—	100	Provision of nominee services 提供代理服務
Chow Sang Sang Property Holdings N.V.	Netherlands Antilles/ Hong Kong 荷蘭安的列斯／ 香港	US\$30,000 30,000美元	—	100	Property investment 物業投資

18. Interests in subsidiaries (continued)

18. 於附屬公司權益(續)

Name 名稱	Place of incorporation/ registration and operations 成立／註冊 及經營地點	Nominal value of issued ordinary share capital/ registered capital 已發行 普通股本／ 註冊股本面值	Percentage of equity attributable to the Company 本公司所佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Chow Sang Sang Properties Limited 周生生置業有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Property investment 物業投資
Chow Sang Sang Securities Limited 周生生證券有限公司	Hong Kong 香港	HK\$10,000,000 10,000,000港元	—	100	Securities broking 證券經紀
Chow Sang Sang Trading (China) Company Limited 周生生貿易(中國) 有限公司	British Virgin Islands/ Hong Kong 英屬維爾京群島／ 香港	US\$1 1美元	—	100	Sale of jewellery 珠寶銷售
Emphasis Jewellery Company Limited 點睛品珠寶有限公司	Macau 澳門	MOP25,000 25,000澳門元	—	100	Retail of jewellery 珠寶零售
Fullink Developments Inc.	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Dormant 暫無營業
Tsin Chuk Kam Manufactory Ltd. 千足金製造廠有限公司	British Virgin Islands/ Mainland China 英屬維爾京群島／ 中國內地	US\$100,000 100,000美元	—	100	Processing of jewellery 珠寶加工
World Commercial Sales Company Limited 世界批發行有限公司	Hong Kong 香港	HK\$2,500,000 2,500,000港元	—	100	Wholesale of precious metals 貴金屬批發
338.Net Limited	Hong Kong 香港	HK\$2 2港元	—	100	Provision of information technology services 提供資訊科技服務

* The company was registered as a wholly foreign-invested commercial enterprise under the law of the People's Republic of China.

* 根據中華人民共和國法律註冊之全外商投資商業企業。

** The companies were registered as wholly foreign-owned enterprises under the law of the People's Republic of China.

** 根據中華人民共和國法律註冊之全外商投資企業。

*** The companies were registered as sino-foreign equity joint venture enterprises under the law of the People's Republic of China.

*** 根據中華人民共和國法律註冊之中外合資合營公司。

The companies were newly incorporated during the year.

於年內新註冊成立之公司。

19. Interests in associates

Share of net assets 應佔淨資產
Loan from an associate 欠聯營公司之貸款

The loan from an associate is unsecured, interest-free and has no fixed terms of repayment.

Particulars of the associates are as follows:

Name 名稱	Particulars of issued shares held/ registered capital 所持已發行股本/ 註冊股本詳情	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Percentage of ownership interest attributable to the Group 本集團所佔 權益百分比		Principal activities 主要業務
			2007	2006	
Foo Sang Enterprises Company Limited 富生置業有限公司	Ordinary shares of HK\$100 each 每股面值100港元 之普通股	Hong Kong 香港	36.63	36.63	Property investment 物業投資
Qingdao Kang Hua Diamond Co., Ltd.* 青島康華鑽石有限公司*	RMB7,440,000 7,440,000元人民幣	People's Republic of China/ Mainland China 中華人民共和國/ 中國內地	32	32	Processing of diamonds 鑽石加工

The above companies are not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network.

* The company was registered as a sino-foreign equity joint venture enterprise under the law of the People's Republic of China.

The above associates are indirectly held by the Company and have been accounted for using the equity method in these financial statements.

The following table illustrates the summarized financial information of the Group's associates:

		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Assets 資產		39,762	36,012
Liabilities 負債		6,109	5,720
Revenue 收益		18,127	19,459
Profit after tax 除稅後溢利		2,221	3,394

19. 於聯營公司權益

	Group 本集團	
	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Share of net assets 應佔淨資產	11,585	10,780
Loan from an associate 欠聯營公司之貸款	(128)	(128)
	<u>11,457</u>	<u>10,652</u>

欠聯營公司之貸款乃無抵押、免息及並無固定還款期。

聯營公司之詳情如下：

Name 名稱	Particulars of issued shares held/ registered capital 所持已發行股本/ 註冊股本詳情	Place of incorporation/ registration and operations 成立/註冊及 經營地點	Percentage of ownership interest attributable to the Group 本集團所佔 權益百分比		Principal activities 主要業務
			2007	2006	
Foo Sang Enterprises Company Limited 富生置業有限公司	Ordinary shares of HK\$100 each 每股面值100港元 之普通股	Hong Kong 香港	36.63	36.63	Property investment 物業投資
Qingdao Kang Hua Diamond Co., Ltd.* 青島康華鑽石有限公司*	RMB7,440,000 7,440,000元人民幣	People's Republic of China/ Mainland China 中華人民共和國/ 中國內地	32	32	Processing of diamonds 鑽石加工

上述公司並非由香港安永會計師事務所或其他安永國際成員公司所審核。

* 根據中華人民共和國法律註冊之中外合資合營公司。

上述聯營公司由本公司間接持有，在本財務報告以權益法會計處理。

下表呈列本集團聯營公司之財務資料概要：

20. Available-for-sale investments

Non-current	非流動
Listed equity investments in Hong Kong at market value (Note)	香港上市股份投資，按市值(附註)
Unlisted equity investments at fair value	非上市股份投資，按公平價值
Unlisted equity investments at cost	非上市股份投資，按成本
Unlisted debt security at fair value	非上市債務證券，按公平價值
Current	流動
Unlisted debt security at fair value	非上市債務證券，按公平價值
Total	合計
An analysis of the available-for-sale investments by issuer is as follows:	按發行人劃分之可供出售投資分析如下：
Equity investments:	股份投資：
Corporate entities	企業實體
Debt securities:	債務證券：
Financial institutions	財務機構

During the year, the gross gain of the Group's available-for-sale investments recognized directly in equity amounted to HK\$671,942,000 (2006: HK\$268,997,000).

The above investments consist of (i) equity securities which have no fixed maturity date or coupon rate; and (ii) a debt security which bears interest at a rate of 4.25% to 6.0% per annum (effective interest rate: 5.2% per annum) and with the maturity date on 9 May 2012. In the prior year, the debt securities bore interest at rates ranging from 3.2% to 6.0% per annum (effective interest rates: 3.2% to 5.2% per annum) and with the maturity dates on 7 October 2007 and 9 May 2012.

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments and debt securities have been estimated using valuation techniques including discounted cash flow analysis, and based on assumptions which make use of market parameters as supported by open market value, historical dividend income, etc. The directors believe that the estimated fair values resulting from the valuation technique are reasonable, and that they are the most appropriate values as at the balance sheet date.

20. 可供出售投資

Group	
本集團	
2007	2006
HK\$'000	HK\$'000
千港元	千港元
1,093,733	421,791
15,126	15,765
739	100
2,324	2,316
18,189	18,181
1,111,922	439,972
-	7,723
1,111,922	447,695
1,109,598	437,656
2,324	10,039
1,111,922	447,695

年內，直接於權益確認之本集團可供出售投資總收益為671,942,000港元(2006年：268,997,000港元)。

上述投資包括(i)並無固定到期日或票面息率之股份證券；及(ii)按年利率4.25%至6.0%計息(實質利率：年利率5.2%)並於2012年5月9日到期之一項債務證券。於上年度，債務證券按年利率3.2%至6.0%計息(實質利率：年利率3.2%至5.2%)並於2007年10月7日及2012年5月9日到期。

上市股份投資之公平價值乃根據市價計算。非上市股份投資及債務證券之公平價值乃採用包括折現現金流量分析等估值方法估計，所作之假設乃使用透過由公開市值支持之市場參數、歷年股息收入等。董事相信就估值方式產生之估計公平價值屬合理，並為於結算日最合適之價值。

20. Available-for-sale investments (continued)

As at 31 December 2007, an unlisted equity investment with a carrying amount of HK\$739,000 (2006: HK\$100,000) was stated at cost because the range of reasonable fair value estimates is so significant that the directors are of the opinion that its fair value cannot be measured reliably. The Group does not intend to dispose of it in the near future.

As at 31 December 2007, the Group's listed equity investments with a carrying value of HK\$220,800,000 (2006: HK\$298,025,000) were pledged to secure general banking facilities granted to the Group (note 28).

The market values of the Group's listed equity investments as at the date of approval of these financial statements was approximately HK\$682,592,000.

Note:

On 6 March 2000, under the Schemes of Arrangements of the Stock Exchange and the Futures Exchange and pursuant to the Exchanges and Clearing Houses (Merger) Ordinance, the Group received 6,223,500 shares of HK\$1.00 each in Hong Kong Exchanges and Clearing Limited ("HKEC"), six exchange trading rights in the Stock Exchange and one exchange trading right in the Futures Exchange as a consideration for the cancellation of its six shares held in the Stock Exchange and one share held in the Futures Exchange. As at 1 January 2007 and 31 December 2007, the Group held 4,953,500 shares of HKEC. During the year, the Group disposed of one of the trading rights in the Stock Exchange, resulting a gain of HK\$451,000 (note 6).

21. Inventories

Goods held for sale 持作銷售之貨品

20. 可供出售投資(續)

於2007年12月31日，由於合理公平價值估計範圍太大，令董事認為無法可靠地計量其公平價值，故賬面值739,000港元(2006年：100,000港元)之非上市股份投資乃按成本列賬。本集團並無意於可見未來出售該等投資。

於2007年12月31日，本集團以上市股份投資賬面值220,800,000港元(2006年：298,025,000港元)作抵押，為本集團所獲一般銀行信貸作擔保(附註28)。

於批核此等財務報告當日，本集團上市股份投資之市值約為682,592,000港元。

附註：

於2000年3月6日，根據交易所及結算所(合併)條例之股份合併計劃，本集團取得香港交易及結算有限公司(「交易及結算所」)6,223,500股每股1.00港元之股份及六個聯交所及一個期交所交易權，以取代原在聯交所持有之六股股份及在期交所持有之一股股份。於2007年1月1日及2007年12月31日，本集團持有交易及結算所4,953,500股股份。本集團於年內出售其中一個聯交所交易權，獲得451,000港元之收益(附註6)。

21. 存貨

		Group 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
		2,092,366	1,567,589

22. 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 wholesale of precious metals is normally conducted on a cash basis.

Securities and commodities broking

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

22. 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

本集團一般向其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。

		Group 本集團	
		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	211,902	102,050
Impairment	減值	(22)	(22)
Accounts receivable	應收賬款	211,880	102,028
Receivables arising from securities and futures broking conducted in the ordinary course of business:	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	270,492	168,812
Clearing houses	結算所	8,446	11,730
Loans to margin clients	孖展客戶貸款	117,026	73,121
		395,964	253,663
Impairment	減值	(108)	(274)
Receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款	395,856	253,389
Total accounts receivable and receivables arising from securities and futures broking	應收賬款及證券及期貨經紀產生之應收賬款總額	607,736	355,417

Apart from the receivable balances arising from securities and futures broking, the remaining balances are non-interest-bearing.

除證券及期貨經紀產生之應收賬款結餘外，其他結餘均為免息。

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

The movements in provisions for impairment of accounts receivable and receivables arising from securities and futures broking are as follows:

Accounts receivable:	應收賬款：		
At 1 January	於1月1日	22	17
Impairment losses recognized (note 6)	已確認之減值虧損(附註6)	-	5
At 31 December	於12月31日	<u>22</u>	<u>22</u>
Receivables arising from securities and futures broking:	證券及期貨經紀產生之應收賬款：		
At 1 January	於1月1日	274	265
Impairment losses recognized (note 6)	已確認之減值虧損(附註6)	29	29
Impairment losses reversed (note 6)	已撥回減值虧損(附註6)	(195)	(20)
At 31 December	於12月31日	<u>108</u>	<u>274</u>

Included in the above provisions for impairment of accounts receivable and receivables arising from securities and futures broking is a provision for individually impaired receivables of HK\$22,000 (2006: HK\$22,000) and HK\$108,000 (2006: HK\$274,000) with carrying amounts of HK\$22,000 (2006: HK\$22,000) and HK\$108,000 (2006: HK\$274,000), respectively. Such provision was determined after taking into account the ageing of respective account receivable balances, the creditworthiness of the debtors, their repayment history and their historical write-off experience. Such receivables are not expected to be recovered. The Group does not hold any collateral or other credit enhancements over these balances.

The ageing analysis of the accounts receivable and receivables arising from securities and futures broking not impaired as at the balance sheet date, based on the due date, is as follows:

Not yet due	未逾期		
Within 30 days past due	逾期30日內	96,973	65,353
31 to 60 days past due	逾期31至60日	13,657	13,738
61 to 90 days past due	逾期61至90日	1,623	4,686
Over 90 days past due	逾期超過90日	299	11,529
Loans to margin clients*	孖展客戶貸款*	490,711	282,297
		<u>117,025</u>	<u>73,120</u>
		<u>607,736</u>	<u>355,417</u>

22. 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之減值撥備變動如下：

		Group 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Accounts receivable:	應收賬款：		
At 1 January	於1月1日	22	17
Impairment losses recognized (note 6)	已確認之減值虧損(附註6)	-	5
At 31 December	於12月31日	<u>22</u>	<u>22</u>
Receivables arising from securities and futures broking:	證券及期貨經紀產生之應收賬款：		
At 1 January	於1月1日	274	265
Impairment losses recognized (note 6)	已確認之減值虧損(附註6)	29	29
Impairment losses reversed (note 6)	已撥回減值虧損(附註6)	(195)	(20)
At 31 December	於12月31日	<u>108</u>	<u>274</u>

上述應收賬款及證券及期貨經紀產生之應收賬款減值撥備中分別包括個別已減值應收賬款撥備22,000港元(2006年：22,000港元)及108,000港元(2006年：274,000港元)。該等賬面值為22,000港元(2006年：22,000港元)及108,000港元(2006年：274,000港元)。有關撥備乃經考慮各項應收賬款結餘之賬齡、債務人之信譽、彼等之還款紀錄及過往撇銷紀錄後釐定。有關應收賬款預期將不能被收回。本集團並無就該等結餘持有任何抵押品或其他加強信貸措施。

於結算日，無須減值之應收賬款及證券及期貨經紀產生之應收賬款根據到期日之賬齡分析如下：

		Group 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元 (Restated) (重列)
Not yet due	未逾期	378,159	186,991
Within 30 days past due	逾期30日內	96,973	65,353
31 to 60 days past due	逾期31至60日	13,657	13,738
61 to 90 days past due	逾期61至90日	1,623	4,686
Over 90 days past due	逾期超過90日	299	11,529
Loans to margin clients*	孖展客戶貸款*	490,711	282,297
		<u>117,025</u>	<u>73,120</u>
		<u>607,736</u>	<u>355,417</u>

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

- * Loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the directors, an ageing analysis is not relevant in view of the nature of the business of securities margin financing. As at 31 December 2007, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK\$468,940,000 (2006: HK\$239,591,000).

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Except for loans to margin clients, the Group does not hold any collateral or other credit enhancements over these balances.

23. Prepayments, deposits and other receivables

		Group 本集團		Company 本公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Prepayments	預付款項	36,300	30,924	242	218
Deposits	按金	11,717	10,383	–	–
Other receivables	其他應收賬款	7,243	6,952	96	–
		55,260	48,259	338	218

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

22. 應收賬款／證券及期貨經紀產生之應收賬款(續)

- * 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，故無披露賬齡分析。於2007年12月31日，有關孖展客戶貸款以證券抵押作抵押品之總市值為468,940,000港元（2006年：239,591,000港元）。

未逾期及未減值之應收款項與大量並無最近欠賬記錄之分散客戶有關。已逾期惟未減值之應收款項與多名於本集團擁有良好信貸記錄之獨立客戶有關。根據過往經驗，本公司董事認為由於信貸質素並無重大轉變，且結餘仍然被視為可全數收回，故無須就該等結餘作出減值撥備。除孖展客戶貸款外，本集團並無就該等結餘持有任何抵押品或信貸提升。

23. 預付款項、按金及其他應收賬款

上述資產概無逾期或已減值。包含在上述財務資產結餘之相關應收賬款沒有近期不履約紀錄。

24. Investments at fair value through profit or loss

Listed equity investments in Hong Kong, at market value

香港上市股份投資，按市值

The above equity investments as at 31 December 2007 were held for trading and issued by corporate entities.

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

An analysis of cash and cash equivalents is as follows:

		Group 本集團		Company 本公司	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Cash and bank balances	現金及銀行存款	212,899	198,613	1,000	812
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	51,642	86,269	-	-
Cash and cash equivalents	現金及等同現金	<u>264,541</u>	<u>284,882</u>	<u>1,000</u>	<u>812</u>

As at the balance sheet date, the cash and bank balances of the Group's subsidiaries operating in Mainland China denominated in Renminbi ("RMB") amounted to RMB51,271,000 (approximately HK\$54,798,000) (2006: RMB32,722,000 (approximately HK\$32,614,000)). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for varying periods from one day to seven days depending on the cash requirements of the Group, and earn interest at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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 recognized the corresponding accounts payable to respective clients on the 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.

24. 按盈虧訂定公平價值投資

Group
本集團

2007
HK\$'000
千港元

2006
HK\$'000
千港元

13,479

12,246

上述於2007年12月31日之股份投資乃持作買賣用途，並由企業實體發行。

25. 現金及等同現金／代客戶持有現金

現金及等同現金之分析如下：

於結算日，本集團在中國內地營運之附屬公司以人民幣為單位之現金及銀行存款為51,271,000元人民幣（約54,798,000港元）（2006年：32,722,000元人民幣（約32,614,000港元））。人民幣不能自由兌換其他貨幣，然而，根據中國之外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

銀行現金根據每日銀行存款利率按浮動利率賺取利息。定期存款之存款期由一日至七日不等，視乎本集團之現金需求而定，並按各定期存款利率賺取利息。銀行結餘存於信譽良好而近期並無不履約紀錄之銀行。

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所產生之款項。本集團已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債務。

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

Accounts payable	應付賬款
Payables arising from securities and futures broking conducted in the ordinary course of business:	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
Total accounts payable and payables arising from securities and futures broking	應付賬款及證券及期貨經紀產生之應付賬款總額

The ageing analysis of the accounts payable and payables arising from securities and futures broking as at the balance sheet date, based on the due date, is as follows:

Within 30 days (including amounts 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 [#]	應付現金客戶賬款 [#]
Margin clients accounts payable*	應付孖展客戶賬款*

[#] Included in the cash clients accounts payable arising from dealing in securities conducted in the ordinary course of business was an amount of approximately HK\$351,328,000 (2006: HK\$343,581,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 31 December 2007, the cash clients accounts payable included an amount of HK\$4,284,000 (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 ageing analysis is disclosed as, in the opinion of the directors, an ageing 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 ageing analysis is disclosed as, in the opinion of the directors, an ageing analysis is not relevant in view of the nature of the business of securities margin financing.

26. 應付賬款／證券及期貨經紀產生之應付賬款

Group 本集團	
2007 HK\$'000 千港元	2006 HK\$'000 千港元 (Restated) (重列)
118,062	112,606
576,581	491,415
15,734	13,254
21,765	5,125
614,080	509,794
732,142	622,400

於結算日，應付賬款及證券及期貨經紀產生之應付賬款根據到期日之賬齡分析如下：

Group 本集團	
2007 HK\$'000 千港元	2006 HK\$'000 千港元 (Restated) (重列)
128,381	107,781
9,846	4,428
1,600	5,522
139,827	117,731
576,581	491,415
15,734	13,254
732,142	622,400

[#] 包括在日常業務過程中進行證券買賣產生之應付現金客戶賬款內約351,328,000港元(2006年：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12月31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4,284,000港元(2006年：2,896,000港元)。此賬款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，故無披露賬齡分析。

27. Derivative financial instruments

Assets
Forward currency contracts

資產
遠期外幣合約

Liabilities
Bullion contracts

負債
貴金屬合約

The forward currency contracts and bullion contracts are stated at their fair values. The above transactions involving derivative financial instruments are conducted with financial institutions which obligations rated grade "A" or above.

As at 31 December 2007, the aggregate notional amount of the forward currency contracts was HK\$470,568,000 (2006: HK\$377,894,000) and the aggregate contractual amount of the bullion contracts was HK\$140,768,000 (2006: HK\$66,272,000).

The purpose of the above contracts entered into by the Group is to manage the Group's currency rate and bullion price exposures. Such contracts did not meet the criteria for hedge accounting.

27. 衍生金融工具

		Group 本集團	
		2007	2006
		HK\$'000	HK\$'000
		千港元	千港元
		4,982	3,001
		9,451	1,111

遠期外幣合約及貴金屬合約按其公平價值列賬。上述涉及衍生金融工具之交易乃與信貸評級獲評定為「A」級或以上之金融機構進行。

於2007年12月31日，遠期外幣合約之名義數額總值為470,568,000港元(2006年：377,894,000港元)，而貴金屬合約之合約數額總值為140,768,000港元(2006年：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。彼等並不符合對沖會計處理之條件。

28. Interest-bearing bank borrowings

Bank loans, unsecured and wholly repayable within one year

銀行貸款，無抵押及須於一年內全數償還

(a) As at 31 December 2007, the Group's banking facilities amounted to HK\$1,225,405,000 (2006: HK\$505,377,000), of which HK\$286,229,000 (2006: HK\$126,592,000) had been utilized as at the balance sheet date. Certain of the banking facilities amounting to HK\$478,000,000 (2006: HK\$183,000,000) are secured by certain assets of the Group as disclosed in notes 14, 15 and 20 to the financial statements.

(b) A corporate guarantee has been given by a minority shareholder of a subsidiary of the Group in respect of an unsecured bank loan of RMB10,000,000 (approximately HK\$10,688,000) (2006: HK\$nil).

The effective interest rates of the unsecured bank loans as at the balance sheet date are as follows:

Hong Kong dollar 港元
Renminbi 人民幣
New Taiwan dollar 新台幣

The carrying amounts of the unsecured bank loans as at the balance sheet date are denominated in the following currencies:

Hong Kong dollar 港元
Renminbi 人民幣
New Taiwan dollar 新台幣

28. 計息銀行貸款

Group
本集團

2007 2006
HK\$'000 HK\$'000
千港元 千港元

286,229 **126,592**

(a) 於2007年12月31日，本集團之銀行信貸為1,225,405,000港元（2006年：505,377,000港元），其中286,229,000港元（2006年：126,592,000港元）於結算日已動用。若干銀行信貸478,000,000港元（2006年：183,000,000港元）以本集團於財務報告附註14、15及20披露之若干資產作為抵押。

(b) 本集團一家附屬公司一名少數股東就無抵押銀行貸款10,000,000元人民幣（約10,688,000港元）（2006年：零港元）作出公司擔保。

無抵押銀行貸款於結算日之實質利率如下：

2007 2006
% %

5.3 5.6
6.3 5.4
3.6 3.2

無抵押銀行貸款於結算日之賬面值以下列貨幣為單位：

Group
本集團

2007 2006
HK\$'000 HK\$'000
千港元 千港元

45,000 20,000
233,533 99,670
7,696 6,922

286,229 **126,592**

29. Deferred tax

The movements in deferred tax liabilities and assets during the years 2007 and 2006 are as follows:

Group
本集團**2007****Deferred tax liabilities****遞延稅項負債****Depreciation allowance in excess of related depreciation and revaluation of properties**

折舊撥備超過有關折舊及物業重估

HK\$'000

千港元

At 1 January 2007

於2007年1月1日

56,378

Deferred tax charged to the profit and loss account during the year (note 10)

年內於損益賬扣除之遞延稅項
(附註10)**549**

Gross deferred tax liabilities recognized in the consolidated balance sheet at 31 December 2007

於2007年12月31日於綜合資產負債表
確認之遞延稅項負債總額**56,927****2006****Deferred tax liabilities****遞延稅項負債****Depreciation allowance in excess of related depreciation and revaluation of properties**

折舊撥備超過有關折舊及物業重估

HK\$'000

千港元

At 1 January 2006

於2006年1月1日

54,979

Deferred tax charged to the profit and loss account during the year (note 10)

年內於損益賬扣除之遞延稅項
(附註10)**1,399**

Gross deferred tax liabilities recognized in the consolidated balance sheet at 31 December 2006

於2006年12月31日於綜合資產負債表
確認之遞延稅項負債總額**56,378**

29. Deferred tax (continued)

Group
本集團

2007

Deferred tax assets

遞延稅項資產

		Decelerated tax depreciation	Losses available for offsetting against future taxable profits	Others	Total
		減速 稅項折舊 HK\$'000 千港元	用作抵銷 未來應課稅 溢利之虧損 HK\$'000 千港元	其他 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2007	於2007年1月1日	2,564	291	-	2,855
Deferred tax credited/ (charged) to the profit and loss account during the year (note 10)	年內於損益賬 撥回/(扣除) 之遞延稅項 (附註10)	(800)	(154)	359	(595)
Exchange realignment	匯兌調整	-	-	7	7
Gross deferred tax assets recognized in the consolidated balance sheet at 31 December 2007	於2007年12月31日 於綜合資產負債 表確認之遞延稅 項資產總額	<u>1,764</u>	<u>137</u>	<u>366</u>	<u>2,267</u>

2006

Deferred tax assets

遞延稅項資產

		Decelerated tax depreciation	Losses available for offsetting against future taxable profits	Others	Total
		減速 稅項折舊 HK\$'000 千港元	用作抵銷 未來應課稅 溢利之虧損 HK\$'000 千港元	其他 HK\$'000 千港元	合計 HK\$'000 千港元
At 1 January 2006	於2006年1月1日	2,524	1,378	-	3,902
Deferred tax credited/ (charged) to the profit and loss account during the year (note 10)	年內於損益賬 撥回/(扣除) 之遞延稅項 (附註10)	40	(1,100)	-	(1,060)
Exchange realignment	匯兌調整	-	13	-	13
Gross deferred tax assets recognized in the consolidated balance sheet at 31 December 2006	於2006年12月31日 於綜合資產負債 表確認之遞延稅 項資產總額	<u>2,564</u>	<u>291</u>	<u>-</u>	<u>2,855</u>

29. Deferred tax (continued)

The Group has tax losses arising in Hong Kong and elsewhere of HK\$211,000 (2006: HK\$3,579,000) and HK\$30,272,000 (2006: HK\$17,871,000), respectively. The tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits of the companies in which the tax losses arose, whilst those arising in Taiwan and Macau were available for a maximum period of five years and three years, respectively. Deferred tax assets have not been recognized in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is uncertain whether sufficient taxable profit will be available against which the tax losses can be utilized.

As at 31 December 2007, there was no significant unrecognized deferred tax liability (2006: HK\$nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

30. Share capital

Authorized:	法定：
1,000,000,000 (2006: 1,000,000,000) ordinary shares of HK\$0.25 each	1,000,000,000股每股面值 0.25港元之普通股 (2006年：1,000,000,000股)
Issued and fully paid:	已發行及繳足：
601,920,000 (2006: 601,920,000) ordinary shares of HK\$0.25 each	601,920,000股每股面值 0.25港元之普通股 (2006年：601,920,000股)

29. 遞延稅項(續)

本集團於香港及其他地區產生之稅項虧損分別為211,000港元(2006年：3,579,000港元)及30,272,000港元(2006年：17,871,000港元)。於香港產生之稅項虧損可無限期用作抵銷該等產生稅項虧損公司之未來應課稅溢利，而於台灣及澳門產生之稅項虧損之最長可用期限分別為五年及三年。由於此等虧損乃來自仍在虧損之附屬公司，且未並能確定是否有足夠應課稅溢利可用作抵銷稅項虧損，故並無就此等虧損確認遞延稅項資產。

於2007年12月31日，就本集團若干附屬公司或聯營公司未匯出溢利之應付稅項，由於該等款額匯出時，本集團並無額外之稅項負債，故並無重大未確認之遞延稅項負債(2006年：零港元)。

本公司向其股東派發之股息並無涉及所得稅。

30. 股本

2007 HK\$'000 千港元	2006 HK\$'000 千港元
250,000	250,000
150,480	150,480

31. Reserves

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 40 to 43 of the financial statements.

The amount of goodwill arising on the acquisition of subsidiaries in prior years, which remains eliminated against the consolidated retained profits, amounted to HK\$4,832,000 (2006: HK\$4,832,000).

(b) Company

			Share premium	Contributed surplus	Retained profits	Total
		Note	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		附註	千港元	千港元	千港元	千港元
At 1 January 2006	於2006年1月1日		99,724	975,582	363,043	1,438,349
Profit for the year	年內溢利	11	–	–	114,889	114,889
Interim 2006 dividend	2006年中期股息	12	–	–	(42,134)	(42,134)
Proposed final 2006 dividend	擬派2006年末期股息	12	–	–	(96,307)	(96,307)
At 31 December 2006 and 1 January 2007	於2006年12月31日及2007年1月1日		99,724	975,582	339,491	1,414,797
Profit for the year	年內溢利	11	–	–	64,503	64,503
Interim 2007 dividend	2007年中期股息	12	–	–	(48,154)	(48,154)
Proposed final 2007 dividend	擬派2007年末期股息	12	–	–	(156,499)	(156,499)
At 31 December 2007	於2007年12月31日		99,724	975,582	199,341	1,274,647

The Company's contributed surplus arose in 1992 as a result of the Group's reorganization and represents the difference between the nominal value of the Company's shares allocated under the reorganization scheme and the then consolidated net asset value of the acquired subsidiaries.

Under the Bermuda Companies Act 1981, the contributed surplus is distributable to shareholders under certain circumstances.

31. 儲備

(a) 本集團

本集團之儲備額及年內及以往年度之變動列載於財務報告第40至43頁之綜合權益變動表內。

以往年度因收購附屬公司產生之商譽並仍於綜合保留溢利撇銷之數值達4,832,000港元(2006年: 4,832,000港元)。

(b) 本公司

本公司於1992年產生之繳入盈餘來自本集團重組，乃根據重組計劃配發之本公司股份面值與被收購附屬公司當時之綜合資產淨值之差額。

根據百慕達1981年公司法，在若干情況下，繳入盈餘可分派予股東。

32. Maturity profile of assets and liabilities

An analysis of the maturity profile of certain assets and liabilities of the Group analyzed by the remaining period as at the balance sheet date to the contractual maturity date, as disclosed pursuant to the Listing Rules, is as follows:

32. 資產及負債之到期情況

根據上市規則規定，按於結算日至合約到期日之尚餘期間作出之本集團若干資產及負債到期情況分析如下：

	Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	After 5 years	Undated	Total
	須按要 求償還	3個月或 以下	3個月 以上 至1年	1年以 上 至5年	5年以 上	無期限	合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2007	於2007年12月31日						
Assets	資產						
Unlisted debt security	-	-	-	2,324	-	-	2,324
Accounts receivable	21,102	190,778	-	-	-	-	211,880
Receivables arising from securities and futures broking	170,591	225,265	-	-	-	-	395,856
Derivative financial instruments	-	1,321	2,281	1,380	-	-	4,982
Cash held on behalf of clients	186,666	200,000	-	-	-	-	386,666
Cash and cash equivalents	212,899	51,642	-	-	-	-	264,541
	<u>591,258</u>	<u>669,006</u>	<u>2,281</u>	<u>3,704</u>	<u>-</u>	<u>-</u>	<u>1,266,249</u>
Liabilities	負債						
Accounts payable	-	118,062	-	-	-	-	118,062
Payables arising from securities and futures broking	367,062	247,018	-	-	-	-	614,080
Derivative financial instruments	-	-	-	-	-	9,451	9,451
Interest-bearing bank borrowings	-	200,894	85,335	-	-	-	286,229
	<u>367,062</u>	<u>565,974</u>	<u>85,335</u>	<u>-</u>	<u>-</u>	<u>9,451</u>	<u>1,027,822</u>

32. Maturity profile of assets and liabilities (continued)

32. 資產及負債之到期情況(續)

	Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	After 5 years	Undated	Total
	須按要 求償還	3個月或 以下	以上 至1年	1年以 上至5年	5年以 上	無期限	合計
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2006 (Restated)							
於2006年12月31日 (重列)							
Assets							
Unlisted debt securities	–	–	7,723	–	2,316	–	10,039
Accounts receivable	14,737	87,291	–	–	–	–	102,028
Receivables arising from securities and futures broking	106,328	147,061	–	–	–	–	253,389
Derivative financial instruments	–	924	1,800	277	–	–	3,001
Cash held on behalf of clients	15,579	350,000	–	–	–	–	365,579
Cash and cash equivalents	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							
Accounts payable	–	112,606	–	–	–	–	112,606
Payables arising from securities and futures broking	356,834	152,960	–	–	–	–	509,794
Derivative financial instruments	–	–	–	–	–	1,111	1,111
Interest-bearing bank borrowings	–	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>

33. Contingent liabilities

As at the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

	Group 本集團	2006 HK\$'000 千港元	Company 本公司	2006 HK\$'000 千港元
Guarantees for banking and other facilities of certain subsidiaries 為若干附屬公司之銀行及其他信貸擔保	-	-	403,891	215,521

(a) The Company has executed guarantees to banks for gold trading facilities granted to certain subsidiaries. The utilized amount of such facilities covered by the Company's guarantees which also represented the financial exposure of the Company as at 31 December 2007 amounted to US\$22 million (approximately HK\$169 million) (2006: US\$15 million (approximately HK\$118 million)). The total amounts of such facilities covered by the Company's guarantees as at 31 December 2007 amounted to US\$58 million (approximately HK\$454 million) and HK\$20 million (2006: US\$53 million (approximately HK\$410 million) and HK\$20 million).

(b) The Company has executed guarantees to banks for banking facilities granted to certain subsidiaries. The utilized amount of such facilities covered by the Company's guarantees which also represented the financial exposure of the Company as at the balance sheet date amounted to HK\$235 million (2006: HK\$98 million). The total amount of such facilities covered by the Company's guarantees as at the balance sheet date amounted to HK\$1,174 million (2006: HK\$475 million).

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

The Group leases its investment properties (note 15) 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 31 December 2007, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Within one year 一年內	6,116	5,978
In the second to fifth years, inclusive 二至五年，首尾兩年包括在內	2,202	2,159
	8,318	8,137

33. 或然負債

於結算日，並無於財務報告中撥備之或然負債如下：

	Group 本集團	2006 HK\$'000 千港元	Company 本公司	2006 HK\$'000 千港元
Guarantees for banking and other facilities of certain subsidiaries 為若干附屬公司之銀行及其他信貸擔保	-	-	403,891	215,521

(a) 本公司已就若干附屬公司獲授之黃金買賣信貸向銀行簽立擔保。本公司擔保所涵蓋之該等信貸之已動用金額，亦即本公司於2007年12月31日之財務風險，為22,000,000美元（約169,000,000港元（2006年：15,000,000美元（約118,000,000港元））。於2007年12月31日，本公司擔保之該等信貸總金額為58,000,000美元（約454,000,000港元）及20,000,000港元（2006年：53,000,000美元（約410,000,000港元）及20,000,000港元）。

(b) 本公司已就若干附屬公司獲授之銀行信貸向銀行簽立擔保。本公司擔保所涵蓋之該等信貸已動用金額為235,000,000港元（2006年：98,000,000港元），亦即本公司於結算日之財務風險。於結算日，本公司擔保所涵蓋之該等信貸總金額為1,174,000,000港元（2006年：475,000,000港元）。

34. 經營租約承擔**(a) 出租人**

本集團以經營租約安排租出其投資物業（附註15），經磋商訂定期限為一至三年。租約條款一般要求租客支付保證按金及根據普遍市場環境作定期租金調整。

於2007年12月31日，本集團就與租客訂定不可撤銷之經營租約，按到期日，未來最低租賃應收款項總額如下：

	2007 HK\$'000 千港元	2006 HK\$'000 千港元
Within one year 一年內	6,116	5,978
In the second to fifth years, inclusive 二至五年，首尾兩年包括在內	2,202	2,159
	8,318	8,137

34. Operating lease arrangements (continued)**(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 31 December 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

35. Commitments

In addition to the operating lease commitments detailed in note 34(b) above, the Group had the following capital commitments in respect of property, plant and equipment as at the balance sheet date:

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

34. 經營租約承擔(續)**(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。此等物業及店舖租期經磋商訂定為期一至十年。

於2007年12月31日，本集團就不可撤銷之經營租約，按到期日，未來最低租賃應付款項總額如下：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
187,841	128,884
311,954	153,425
38,437	51,909
538,232	334,218

35. 承擔

除上述附註34(b)詳載之經營租約承擔外，本集團於結算日有以下有關物業、機器及設備之資本承擔：

2007	2006
HK\$'000	HK\$'000
千港元	千港元
2,810	—
1,379	1,480
4,189	1,480

36. Connected and related party transactions

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with connected and/or related parties during the year:

(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 with Foshan Shunde Jinpeng Jewelry Co., Ltd. ("Jinpeng"), a company controlled by a former director of a subsidiary, for engaging Jinpeng to provide sub-contracting services for the year ended 31 December 2007. The sub-contracting fees were charged based on the product type, product volume and the prevailing market processing fees. Total processing fees paid to Jinpeng for the year amounted to HK\$3,403,000 (2006: HK\$5,516,000).
- (ii) On 21 December 2006 and 3 July 2007, certain subsidiaries of the Company renewed the purchase agreement and entered into a supplementary note with Shanghai Jinghua Diamond and Jewellery Co., Ltd. ("Shanghai Jinghua"), a fellow subsidiary of Qingdao Jinghua Diamond and Jewellery Co., Ltd. ("Qingdao Jinghua"), which is a 24.86% shareholder of a 70%-owned subsidiary of the Company for purchasing polished diamonds from Shanghai Jinghua for the year ended 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 year amounted to HK\$28,123,000 (2006: HK\$14,189,000).
- (iii) On 21 December 2006 and 8 October 2007, certain subsidiaries of the Company renewed the sale agreements with Shanghai Jinghua and Qingdao Jinghua for selling rough diamonds and polished diamonds to Shanghai Jinghua and Qingdao Jinghua for the year ended 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 and Qingdao Jinghua for the year amounted to HK\$4,328,000 (2006: HK\$222,000).

36. 關連人士交易

除已於本財務報告其他部分詳載之交易及結餘外，本集團於年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) 於2006年12月21日，本公司一間全資附屬公司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一間附屬公司一名前董事所控制之公司。分包費用乃根據產品種類、數量及當時加工費市價釐定。年內向金鵬珠寶繳付之加工費總額為3,403,000港元（2006年：5,516,000港元）。
- (ii) 於2006年12月21日及2007年7月3日，本公司若干附屬公司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及簽訂一補充協議。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%股權之附屬公司的一名持有24.86%股權的股東。採購代價乃根據打磨鑽石之類別、數量及當時市價釐定。年內向上海京華採購總額為28,123,000港元（2006年：14,189,000港元）。
- (iii) 於2006年12月21日及2007年10月8日，本公司若干附屬公司就向上海京華及青島京華於截至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。年內銷售予上海京華及青島京華之總額為4,328,000港元（2006年：222,000港元）。

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

- (iv) On 21 December 2006, a wholly-owned subsidiary of the Company renewed the polishing service agreement with Qingdao Jinghua for engaging Qingdao Jinghua to provide rough diamonds polishing services for the year ended 31 December 2007. The processing fees were charged according to an agreed price list which was determined with reference to open market rates. Total processing fees paid to Qingdao Jinghua for the year amounted to HK\$1,861,000 (2006: HK\$1,679,000).
- (v) On 1 December 2006, certain subsidiaries of the Company renewed the agency service agreement with Shanghai Jinghua for engaging Shanghai Jinghua to arrange for the importing of diamonds through the Shanghai Diamond Exchange for the year ended 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 fee paid to Shanghai Jinghua for the year amounted to HK\$208,000 (2006: HK\$450,000).
- (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 spouses of Mr. CHOW Kwen Ling and Dr. CHOW Kwen Lim and the administrator of a late director of the Company, for two years 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 for the year amounted to HK\$2,040,000 (2006: HK\$1,950,000).
- (vii) A wholly-owned subsidiary of the Company renewed leases with related companies, in which certain directors and their respective spouses have interests, for the lease of the Company's directors' quarters with a total monthly rental of HK\$70,000 for the year ended 31 December 2007. The lease rentals were determined with reference to open market rentals. Total rentals paid for the year amounted to HK\$840,000 (2006: HK\$840,000).

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

36. 關連人士交易 (續)**(a) 與關連人士進行之交易 (續)**

- (iv) 於2006年12月21日，本公司一間全資附屬公司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公開市場價格後釐定。年內繳付青島京華之加工費總額為1,861,000港元(2006年：1,679,000港元)。
- (v) 於2006年12月1日，本公司若干附屬公司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。年內繳付上海京華之代理費用總額為208,000港元(2006年：450,000港元)。
- (vi) 於2007年4月1日，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。年內繳付租金總額為2,040,000港元(2006年：1,950,000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宿舍續訂租約，於截至2007年12月31日止一年內，每月租金總額70,000港元。租金乃參考公開市值租金釐定。年內繳付租金總額為840,000港元(2006年：840,000港元)。

上述所有關連人士交易，按上市規則第14A章定義，亦構成持續關連交易。

36. Connected and related party transactions (continued)

(a) Transactions with connected and/or related parties (continued)

Payables to related parties:

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

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

(b) Guarantees for banking facilities for subsidiaries

The Company and certain wholly-owned subsidiaries of the Company have provided corporate guarantees to banks for facilities granted to certain non-wholly-owned subsidiaries. The utilized amount of such facilities amounted to approximately HK\$70,006,000 (2006: HK\$90,766,000). The total amount of such facilities amounted to approximately HK\$78,022,000 (2006: HK\$98,673,000).

(c) Remuneration of key management personnel of the Group

The aggregate amount of remuneration paid to key management personnel during the year, including the amounts paid 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

Further details of directors' emoluments are included in note 8 to the financial statements.

36. 關連人士交易(續)

(a) 與關連人士進行之交易(續)

應付關連人士賬款：

Group 本集團	
2007 HK\$'000 千港元	2006 HK\$'000 千港元
323	1,809
7,741	-
<u>156</u>	<u>1,867</u>

應付關連人士賬款乃無抵押、免息及於發單後一個月內還款。

(b) 就附屬公司銀行信貸提供之擔保

本公司及本公司若干全資附屬公司已就授予若干非全資附屬公司之信貸向銀行提供公司擔保。該等信貸之已動用金額約為70,006,000港元(2006年：90,766,000港元)。該信貸總額約為78,022,000港元(2006年：98,673,000港元)。

(c) 本集團主要管理人員酬金

年內，已付主要管理人員之酬金總額，包括已付本公司執行董事之金額，詳列如下：

2007 HK\$'000 千港元	2006 HK\$'000 千港元
726	500
13,018	13,162
9,534	4,706
545	552
<u>23,823</u>	<u>18,920</u>

董事酬金詳情載於財務報告附註8。

37. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the balance sheet date are as follows:

Group

本集團

2007

Financial assets

財務資產

		Financial assets at fair value through profit or loss – held for trading 按盈虧訂定 公平價值之 財務資產 – 持作買賣 HK\$'000 千港元	Loans and receivables 貸款及 應收款項 HK\$'000 千港元	Available- for-sale financial assets 可供出售 財務資產 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Other assets	其他資產	-	51,341	-	51,341
Available-for-sale investments	可供出售投資	-	-	1,111,922	1,111,922
Accounts receivable	應收賬款	-	211,880	-	211,880
Receivables arising from securities and futures broking	證券及期貨經紀產生 之應收賬款	-	395,856	-	395,856
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他應收 賬款之財務資產	-	18,960	-	18,960
Investments at fair value through profit or loss	按盈虧訂定 公平價值投資	13,479	-	-	13,479
Derivative financial instruments	衍生金融工具	4,982	-	-	4,982
Cash held on behalf of clients	代客戶持有現金	-	386,666	-	386,666
Cash and cash equivalents	現金及等同現金	-	264,541	-	264,541
		<u>18,461</u>	<u>1,329,244</u>	<u>1,111,922</u>	<u>2,459,627</u>

Financial liabilities

財務負債

		Financial liabilities at fair value through profit or loss – held for trading 按盈虧訂定 公平價值之 財務負債 – 持作買賣 HK\$'000 千港元	Financial liabilities at amortized cost 按攤銷 成本入賬 財務負債 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Interests in associates (note 19)	於聯營公司權益(附註19)	-	128	128
Accounts payable	應付賬款	-	118,062	118,062
Payables arising from securities and futures broking	證券及期貨經紀產生 之應付賬款	-	614,080	614,080
Financial liabilities included in other payables and accruals	計入其他應付賬款及 應計項目之財務負債	-	77,541	77,541
Derivative financial instruments	衍生金融工具	9,451	-	9,451
Interest-bearing bank borrowings	計息銀行貸款	-	286,229	286,229
		<u>9,451</u>	<u>1,096,040</u>	<u>1,105,491</u>

37. 按類別分類之金融工具

於結算日，各類別之金融工具賬面值如下：

37. Financial instruments by category (continued)

37. 按類別分類之金融工具(續)

Group

本集團

2006

Financial assets

財務資產

		Financial assets at fair value through profit or loss – held for trading 按盈虧訂定 公平價值之 財務資產 – 持作買賣 HK\$'000 千港元	Loans and receivables	Available- for-sale financial assets	Total
			貸款及 應收款項 HK\$'000 千港元	可供出售 財務資產 HK\$'000 千港元	合計 HK\$'000 千港元
Other assets	其他資產	–	43,233	–	43,233
Available-for-sale investments	可供出售投資	–	–	447,695	447,695
Accounts receivable	應收賬款	–	102,028	–	102,028
Receivables arising from securities and futures broking	證券及期貨經紀產生 之應收賬款	–	253,389	–	253,389
Financial assets included in prepayments, deposits and other receivables	計入預付款項、 按金及其他應收 賬款之財務資產	–	17,335	–	17,335
Investments at fair value through profit or loss	按盈虧訂定 公平價值投資	12,246	–	–	12,246
Derivative financial instruments	衍生金融工具	3,001	–	–	3,001
Cash held on behalf of clients	代客戶持有現金	–	365,579	–	365,579
Cash and cash equivalents	現金及等同現金	–	284,882	–	284,882
		<u>15,247</u>	<u>1,066,446</u>	<u>447,695</u>	<u>1,529,388</u>

Financial liabilities

財務負債

		Financial liabilities at fair value through profit or loss – held for trading 按盈虧訂定 公平價值之 財務負債 – 持作買賣 HK\$'000 千港元	Financial liabilities at amortized cost	Total
			按攤銷 成本入賬 財務負債 HK\$'000 千港元	合計 HK\$'000 千港元
Interests in associates (note 19)	於聯營公司權益(附註19)	–	128	128
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	–	509,794	509,794
Financial liabilities included in other payables and accruals	計入其他應付賬款及 應計項目之財務負債	–	51,768	51,768
Derivative financial instruments	衍生金融工具	1,111	–	1,111
Interest-bearing bank borrowings	計息銀行貸款	–	126,592	126,592
		<u>1,111</u>	<u>800,888</u>	<u>801,999</u>

37. Financial instruments by category (continued)

Company

本公司

Financial assets

財務資產

		2007 Loans and receivables 貸款及 應收款項 HK\$'000 千港元	2006 Loans and receivables 貸款及 應收款項 HK\$'000 千港元
Interests in subsidiaries (note 18)	於附屬公司權益(附註18)	497,910	577,312
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收賬款之財務資產	96	-
Cash and cash equivalents	現金及等同現金	1,000	812
		<u>499,006</u>	<u>578,124</u>

Financial liabilities

財務負債

		2007 Financial liabilities at amortized cost 按攤銷成本 入賬財務負債 HK\$'000 千港元	2006 Financial liabilities at amortized cost 按攤銷成本 入賬財務負債 HK\$'000 千港元
Financial liabilities included in other payables and accruals	計入其他應付賬款及 應計項目之財務負債	-	-
		<u>-</u>	<u>-</u>

38. 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 for 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 seeks to minimize 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 currency risk, credit risk, liquidity risk and equity securities price risk. The Board reviews and agrees policies for managing each of these risks and they are summarized below.

37. 按類別分類之財務資產(續)

38. 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，如直接自其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核之政策進行，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、流動資金風險及股份證券價格風險。董事會檢核並同意下文所概述管理各項此等風險之政策。

38. Financial risk management objectives and policies (continued)**(a) Financial risk factors (continued)***Interest rate risk*

The Group is exposed to interest rate risk due to potential changes in interest rates of interest-bearing financial assets and liabilities. Interest-bearing financial assets are mainly loans to margin clients which are mostly short-term in nature, whereas interest-bearing financing liabilities are primarily short-term bank borrowings with primarily floating interest rates which expose the Group to cash flow interest rate risk.

For Hong Kong dollar floating-rate borrowings, assuming the amount of liability outstanding as at the balance sheet date was outstanding for the whole year, a 50 basis-point increase/decrease in interest rates at 31 December 2007 and 2006 would have decreased/increased the Group's profit before tax by HK\$225,000 and HK\$100,000, respectively. For Renminbi floating-rate borrowings, a 50 basis-point increase/decrease in interest rates at 31 December 2007 and 2006 would have decreased/increased the Group's profit before tax by HK\$1,168,000 and HK\$498,000, respectively. The sensitivity to interest rate used is considered reasonable, with all other variables held constant.

The Group's interest rate risk exposure also arises from margin financing and other lending activities. The Group has the legal capacity to quickly recall such loans or re-price its loans to an appropriate level. A 50 basis-point increase/decrease in interest rates at 31 December 2007 and 2006 would have increased/decreased the Group's profit before tax by HK\$811,000 and HK\$473,000, respectively. The analysis is prepared assuming the amount of assets carried as at the balance sheet date was carried for the whole year. The sensitivity to interest rate used is considered reasonable, with all other variables held constant.

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 foreign exchange forward contracts to manage certain of its foreign currency exposures on significant and recurring future commercial transactions mainly relating to its US dollar-denominated purchases. Hedging is only considered for firm commitments.

The Group's assets and liabilities are mainly denominated in Hong Kong dollar, Renminbi and US dollar. Currency risks are managed by partly financing non-Hong Kong dollar assets with loans denominated in the relevant currency.

38. 財務風險管理目標及政策(續)**(a) 財務風險因素(續)***利率風險*

本集團由於計息財務資產及負債之利率潛在變動而承受利率風險。計息財務資產主要為孖展客戶貸款，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，導致本集團承受現金流量利率風險。

就港元浮動利率貸款而言，假設於結算日結欠之負債金額乃於整個年度結欠，利率於2007年及2006年12月31日增加／減少50個基點，將分別減少／增加本集團除稅前溢利225,000港元及100,000港元。就人民幣浮動利率貸款而言，利率於2007年及2006年12月31日增加／減少50個基點，將分別減少／增加本集團除稅前溢利1,168,000港元及498,000港元。在所有其他變數維持不變之情況下，本集團認為對所用利率之敏感度乃屬合理。

本集團之利率風險亦來自孖展借貸及其他貸款活動。本集團擁有法定能力要求即時收回有關貸款或重訂其貸款至適當水平。利率於2007年及2006年12月31日增加／減少50個基點，將分別增加／減少本集團除稅前溢利811,000港元及473,000港元。此分析乃假設於結算日列賬之資產金額乃於整個年度列賬而達致。在所有其他變數維持不變之情況下，本集團認為對所用利率之敏感度乃屬合理。

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。本集團利用外匯遠期合約管理其重大及經常性未來商業交易之若干外幣風險，該等交易主要以美元為單位之採購。本集團僅就確定承擔進行對沖。

本集團之資產及負債主要以港元、人民幣及美元為單位。管理外幣風險之方法為以相關貨幣為單位之債務為部分非港元資產融資。

38. Financial risk management objectives and policies (continued)**(a) Financial risk factors (continued)***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 concentrations of credit risk with respect to its jewellery retail business as it has a large number of diversified customers. For accounts receivable arising from the wholesale of diamonds and precious metals, the Group trades only with recognized 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 minimize 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.

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

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts receivable and receivables arising from securities and futures broking are disclosed in note 22 to the financial statements.

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 fluctuation 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. The Group maintains significant flexibility to respond to opportunities and events by ensuring that committed credit lines are available. All debts of the Group as at 31 December 2007 would mature in less than one year.

The maturity profile of the Group's principal financial liabilities as at the balance sheet date, based on the contracted undiscounted payments, are disclosed in note 32 to the financial statements.

38. 財務風險管理目標及政策(續)**(a) 財務風險因素(續)***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，故並無重大集中之信貸風險。就鑽石及貴金屬批發產生之應收賬款，本集團僅與獲確認及有信譽之第三者及金商進行交易。本集團自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。本集團對逾期應收賬款維持嚴格控制，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。

本集團其他財務資產，主要包括現金及等同現金、非上市債務證券投資、其他應收賬款及衍生金融工具，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。

本集團承受之信貸風險由應收賬款及證券及期貨經紀產生之應收賬款產生，有關信貸風險之進一步量化資料於財務報告附註22中披露。

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。本集團透過確保擁有可動用之已承諾信貸額度，維持充裕靈活性以回應商機及事件。於2007年12月31日，本集團所有債項到期日均少於一年。

於結算日，本集團按已訂約但未折現款項計算之主要財務負債之到期情況於財務報告附註32中披露。

38. Financial risk management objectives and policies (continued)

(a) Financial risk factors (continued)

Equity securities price risk

Equity securities price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The fair value of these listed equity investments are affected by market forces and other factors. The Group is exposed to equity price risk arising from individual equity investments classified as available-for-sale investments (note 20) and trading equity investments (note 24) as at 31 December 2007. The Group's listed investments are listed on the Stock Exchange and are valued at quoted market prices as at the balance sheet date. The majority of the listed equity investments are held for non-trading purpose.

The market equity indices for the Stock Exchange, at the close of business of the nearest trading day in the year to the balance sheet date, and their respective highest and lowest points during the year were as follows:

	31 December 12月31日 2007	High/low 高/低 2007	31 December 12月31日 2006	High/low 高/低 2006
Hong Kong – Hang Seng Index 香港 – 恒生指數	27,812	31,958/ 18,659	19,964	20,049/ 14,843

The following table demonstrates the sensitivity to every 10% change in the fair values of the equity investments, with all other variables held constant and before any impact on tax, based on their carrying amounts as at the balance sheet date. For the purpose of this analysis, for the available-for-sale equity investments the impact is deemed to be on the investment revaluation reserve and no account is given for factors such as impairment which might impact on the profit and loss account.

38. 財務風險管理目標及政策(續)

(a) 財務風險因素(續)

股份證券價格風險

股份證券價格風險指股份證券之公平價值因股份指數水平及個別證券價值出現變動而下跌之風險。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。本集團因於2007年12月31日被分類為可供出售投資(附註20)及買賣股份投資(附註24)之個別股份投資而承受股份價格風險。本集團之上市投資於聯交所上市，以結算日所報市價計值。大部分上市股份投資乃持作非買賣用途。

於本年度最接近結算日之交易日營業時間結束時，聯交所之市場股份指數及其各自於年內之最高及最低點數如下：

下表顯示按於結算日之賬面值計算，於所有其他變數不變及計入任何稅項影響前對股份投資公平價值每10%變動之敏感度。就本分析而言，對可供出售投資之有關影響被視為對投資重估儲備造成影響，且並無計及減值等可能影響損益賬之因素。

	Carrying amount of equity investments 股份投資 之賬面值 HK\$'000 千港元	Increase/ decrease in profit before tax 除稅前溢利 增加/減少 HK\$'000 千港元	Increase/ decrease in equity 權益 增加/減少 HK\$'000 千港元
2007			
Investments listed in Hong Kong 於香港上市之投資			
– Available-for-sale – 可供出售	1,093,733	–	109,373
– Held-for-trading – 持作買賣	13,479	1,348	–
Unlisted investments at fair value 按公平價值之非上市投資			
– Available-for-sale – 可供出售	15,126	–	1,513
2006			
Investments listed in Hong Kong 於香港上市之投資			
– Available-for-sale – 可供出售	421,791	–	42,179
– Held-for-trading – 持作買賣	12,246	1,225	–
Unlisted investments at fair value 按公平價值之非上市投資			
– Available-for-sale – 可供出售	15,765	–	1,577

38. Financial risk management objectives and policies (continued)**(b) Capital management**

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain a healthy capital ratio in order to support its business and to enhance shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and business strategies. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, raise and repay debts or issue new shares. The Group is not subject to any externally imposed capital requirements except for certain subsidiaries engaged in securities and futures dealing and broking, which are regulated entities under the Securities and Futures Commission of Hong Kong and subject to the respective minimum capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2007 and 2006.

The Group monitors capital using a gearing ratio, which is total borrowings to total shareholders' equity. Total borrowings includes interest-bearing bank and other borrowings. Total shareholders' equity comprises all components of equity attributable to the equity holders of the Company. The Group's policy is to maintain the gearing ratio at a reasonable level. The gearing ratios as at the balance sheet dates were as follows:

Total borrowings	借貸總額
Total shareholders' equity	股東權益總額
Gearing ratio	資本負債比率

(c) Fair value

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

39. Comparative amounts

During the year, 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/Receivables arising from securities and futures broking" of HK\$11,730,000, and "Accounts payable/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 year's presentation.

40. Approval of the financial statements

The financial statements were approved and authorized for issue by the Board of directors on 28 March 2008.

38. 財務風險管理目標及政策(續)**(b) 資本管理**

本集團資本管理之主要目標為保障本集團持續經營業務之能力，並維持穩健之資本比率，以支持其業務及增加股東之價值。

鑑於經濟狀況及業務策略之變動，本集團管理其股本架構，並對其作出調整。為維持或調整股本架構，本集團可能調整向股東派付之股息、增加及償還債項或發行新股。除若干附屬公司從事證券及期貨買賣及經紀業務，而為根據香港證券及期貨事務監察委員會受規管實體，並須遵守各自最低資本規定外，本集團無須遵守任何外在實施之資本規定。截至2007年及2006年12月31日止年度，本集團之目標、政策或程序並無作出變動。

本集團按資本負債比率，即借貸總額對比股東權益總額，監控資本。借貸總額包括計息銀行貸款及其他借貸。股東權益總額包括本公司權益持有人應佔權益之所有部分。本集團之政策為將資本負債比率維持在合理水平。於結算日之資本負債比率如下：

		Group 本集團	
		2007 HK\$'000 千港元	2006 HK\$'000 千港元
Total borrowings	借貸總額	<u>286,229</u>	<u>126,592</u>
Total shareholders' equity	股東權益總額	<u>3,634,269</u>	<u>2,557,641</u>
Gearing ratio	資本負債比率	<u>7.9%</u>	<u>4.9%</u>

(c) 公平價值

於結算日，本集團財務資產及負債之賬面值與其公平價值相若。

39. 比較數字

於年內，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/應付結算所賬款由「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/證券及期貨經紀產生之應收賬款」之比較數字11,730,000港元/與「應付賬款/證券及期貨經紀產生之應付賬款」之比較數字5,125,000港元已重新分類以符合本年度之呈報方式。

40. 財務報告之批核

本財務報告於2008年3月28日經董事會批核及授權刊發。

PARTICULARS OF PROPERTIES HELD

As at 31 December 2007

所持物業詳情

於2007年12月31日

Description 摘要	Lot Number 地段號數	Use 用途	Gross Floor Area 建築面積 (Sq. ft. approx.) (大約平方呎)	Type 種類	Lease Term 租期
Hong Kong 香港					
# 229 Nathan Road, Kowloon 九龍彌敦道229號全幢	K.I.L. 6357	Rental/own use 出租／自用	31,527*	Commercial 商業	Medium 中
# G/F & M/F, 326-328 Castle Peak Road, Kowloon 九龍青山道326-328號 地下連閣樓	N.K.I.L. 2507 & 2177	Rental/own use 出租／自用	2,790*	Commercial 商業	Medium 中
# G/F & 1/F, 99-101 Wuhu Street, Hunghom, Kowloon 九龍紅磡蕪湖街99-101號 地下及1樓	H.H.I.L. 472, 471 & 447 s A	Own use 自用	2,345*	Commercial 商業	Medium 中
# Roof, G/F & 1/F, 432 Prince Edward Road West, Kowloon 九龍太子道西432號地下、 1樓及天台	N.K.I.L. 2266 R.P.	Rental/own use 出租／自用	2,562*	Commercial 商業	Medium 中
Flat A, 11/F and Roof, 199 Nam Cheong Street, Kowloon 九龍南昌街199號11樓A座連天台	N.K.I.L. 1230 s.A.R.P. & s.B.ss.2	Rental 出租	2,391*	Residential 住宅	Medium 中
2/F, Flats A & B 3/F, 4/F, 5/F & Flat A 6/F, 231 Nathan Road, Kowloon 九龍彌敦道231號2樓、3樓A 及B座、4樓、5樓及6樓A座	K.I.L. 6642	Rental/own use 出租／自用	11,380*	Commercial 商業	Medium 中
Units A1, A2, A3, A4, A6, A8, A11, A13, 1/F & Unit A4, 8/F & Units A1, A3, A4, A5, A7, A9, 10/F, Block A, 489-491 Castle Peak Road, Kowloon 九龍青山道489-491號A座1樓 A1、A2、A3、A4、A6、A8、 A11、A13、8樓A4及10樓A1、 A3、A4、A5、A7及A9	N.K.I.L. 3515 s C, D & F	Own use 自用	41,912	Industrial 工業	Medium 中
Car Ports No. 7 & 22 on G/F, Car Ports No. 26 & 57 on Basement, Ho On Mansion, 107-109 Austin Road, Kowloon 九龍柯士甸道107-109號 好安樓地下車位7及22號及 地庫車位26及57號	K.I.L. 10223	Own use 自用	N/A 不適用	Car park 車位	Long 長
Car Parking Space No. B162 in Basement, Balwin Court, 154-164 Argyle Street, Kowloon 九龍亞皆老街154-164號寶雲閣 地庫B162車位	R.P. of K.I.L. 4208	Rental 出租	N/A 不適用	Car park 車位	Long 長
# G/F-3/F, 691-693 Nathan Road, Kowloon 九龍彌敦道691-693號地下至3樓	K.I.L. 2444 s.A.R.P. & 2444 R.P.	Rental/own use 出租／自用	9,890*	Commercial 商業	Long 長

PARTICULARS OF PROPERTIES HELD

As at 31 December 2007

所持物業詳情

於2007年12月31日

Description 摘要	Lot Number 地段號數	Use 用途	Gross Floor Area 建築面積	Type 種類	Lease Term 租期
Hong Kong 香港					
# 85 Castle Peak Road, Yuen Long, New Territories 新界元朗青山公路85號全幢	Lot No. 3640 in D.D. 120	Own use 自用	3,255	Commercial 商業	Medium 中
# Shop B, G/F, 430 Prince Edward Road West, Kowloon 九龍太子道西430號地下B舖	N.K.I.L. 2268 R.P. & 2267 R.P.	Own use 自用	1,078*	Commercial 商業	Medium 中
# Shop B, G/F, 70-78 Kwong Fuk Road, Tai Po, New Territories 新界大埔廣福道70-78號地下B舖	Tai Po Town Lot No. 28	Own use 自用	2,089*	Commercial 商業	Medium 中
# G/F, 47-49 Tai Po Road, Kowloon 九龍大埔道47-49號地下	N.K.I.L. 1230 s.B.R.P. & R.P.	Own use 自用	1,660*	Commercial 商業	Medium 中
Shop No. 305, G/F, Lok Hin Terrace, 350 Chai Wan Road, Hong Kong 香港柴灣道350號樂軒台 地下305號舖	Chai Wan Inland Lot No. 149	Rental 出租	175*	Commercial 商業	Medium 中
Mainland China 中國內地					
Unit 501, Block 4, Meile Village, Rongshan Community Association, Ronggui Street Representative Office, Shunde District, Foshan City, Guangdong Province 廣東省佛山市順德區容桂街道 辦事處容山居委會 美樂村4座501室	N/A 不適用	Own use 自用	1,010	Residential 住宅	Long 長
East of Guangzhou Highway, Licun Management Zone, Licun District, Lunjiao Town, Shunde District, Foshan City, Guangdong Province 廣東省佛山市順德區倫教鎮荔村 管理區廣珠路東側	N/A 不適用	Rental/own use 出租/自用	123,700	Industrial/ commercial 工業/ 商業	Medium 中
10-21-3 Zone, Luoxing Road, Mawei Free Trade Zone, Fuzhou, Fujian Province 福建省福州市馬尾保稅區 羅星路10-21-3小區	N/A 不適用	Rental 出租	188,050	Industrial/ commercial 工業/ 商業	Medium 中
# Unit No. 1-1, Fuilihua Mansion, No.150 Qinghui Road, Daliang Town, Shunde District, Foshan City, Guangdong Province 廣東省佛山市順德區大良鎮 清暉路150號富麗華大廈1號之1	N/A 不適用	Own use 自用	1,906	Commercial 商業	Long 長

Location of branches
分行地點

* Saleable area
可售賣面積



Mixed Sources
Product group from well-managed forests, controlled sources and recycled wood or fiber
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