



building for the

future

INTERIM REPORT
2008 中期報告

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Corporate Information

企業資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Lau Luen-hung, Thomas (Managing Director)
Mr. Doo Wai-hoi, William

NON-EXECUTIVE DIRECTORS

Dató Dr. Cheng Yu-tung (Chairman)
Dr. Cheng Kar-shun, Henry
Mr. Lau Luen-hung, Joseph
Ms. Lau Yuk-wai, Amy

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lam Siu-lun, Simon (ACA, FTIHK)
Mr. Cheung Yuet-man, Raymond
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

QUALIFIED ACCOUNTANT

Mr. Poon Fuk-chuen, Terry (CPA)

COMPANY SECRETARY

Ms. Siu Po-sim, Katherine (ACS, ACIS)

AUTHORISED REPRESENTATIVES

Mr. Lau Luen-hung, Thomas
Ms. Siu Po-sim, Katherine (ACS, ACIS)

AUDIT COMMITTEE

Mr. Lam Siu-lun, Simon (ACA, FTIHK) (Chairman of the Audit Committee)
Mr. Cheung Yuet-man, Raymond
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

REMUNERATION COMMITTEE

Mr. Lau Luen-hung, Thomas (Chairman of the Remuneration Committee)
Mr. Lam Siu-lun, Simon (ACA, FTIHK)
The Hon. Shek Lai-him, Abraham
Mr. Hui Chiu-chung, Stephen

REGISTERED OFFICE

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

董事局

執行董事

劉鑾鴻先生(董事總經理)
杜惠愷先生

非執行董事

拿督鄭裕彤博士(主席)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事

林兆麟先生(ACA, FTIHK)
張悅文先生
石禮謙議員
許照中先生

合資格會計師

潘福全先生(CPA)

公司秘書

蕭寶嬋女士(ACS, ACIS)

授權代表

劉鑾鴻先生
蕭寶嬋女士(ACS, ACIS)

審核委員會

林兆麟先生(ACA, FTIHK)(審核委員會主席)
張悅文先生
石禮謙議員
許照中先生

薪酬委員會

劉鑾鴻先生(薪酬委員會主席)
林兆麟先生(ACA, FTIHK)
石禮謙議員
許照中先生

註冊辦事處

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay
Hong Kong

PRINCIPAL BANKER

Bank of China (Hong Kong) Limited

AUDITORS

Deloitte Touche Tohmatsu

SOLICITORS

Richards Butler
Sit, Fung, Kwong & Shum

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE (BRANCH REGISTRAR)

Computershare Hong Kong Investor Services Limited
Rooms 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE (REGISTRAR)

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705
Grand Cayman KY1-1107
Cayman Islands

SHARE INFORMATION

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31st December
Share price at 30th June, 2008: HK\$10.96
Market capitalization at 30th June, 2008: HK\$18,705 million

WEBSITE ADDRESS

www.lifestylehk.com.hk

總辦事處及主要營業地點

香港
銅鑼灣
軒尼詩道555號
東角中心20樓

主要往來銀行

中國銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行

律師

齊伯禮律師行
薛馮鄭岑律師行

香港股份過戶登記處(分處)

香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓
1712-1716室

開曼群島股份過戶登記處(總處)

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705
Grand Cayman KY1-1107
Cayman Islands

股份資料

上市地點：香港聯合交易所有限公司主板
股份代號：1212
每手買賣單位：500股
財政年度年結：十二月三十一日
於二零零八年六月三十日股價：10.96港元
於二零零八年六月三十日市值：187.05億港元

網址

www.lifestylehk.com.hk

Financial Highlights – Half Year Ended 30th June, 2008

財務摘要 – 截至二零零八年六月三十日止半年度

- Turnover amounted to HK\$1,697.0 million, representing 19.5% increase
營業額增加19.5%至1,697,000,000港元
- Profit for the period surged by 41.9% to HK\$606.3 million
期內溢利增加41.9%至606,300,000港元
- Earnings per share increased 40.9% to HK cents 35.5
每股盈利增加40.9%至35.5港仙
- Interim dividend of HK cents 12.0 per share
中期股息每股12.0港仙

Financial Results

財務業績

The Board of Directors (the “Board”) of Lifestyle International Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results for the six months ended 30th June, 2008 of the Company and its subsidiaries (collectively, the “Group”), together with comparative figures for the previous period, as follows:

Condensed Consolidated Income Statement

For the six months ended 30th June, 2008

利福國際集團有限公司(「本公司」)董事局(「董事局」)欣然宣佈，本公司及其附屬公司(統稱「本集團」)截至二零零八年六月三十日止六個月之未經審核綜合業績，連同一個期間之比較數字如下：

簡明綜合收益表

截至二零零八年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元 (Unaudited) (未經審核)	2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核) (Restated) (重列)
		NOTES 附註	
Turnover	營業額	3	1,696,982
Cost of sales	銷售成本	4	(744,751)
Gross profit	毛利		952,231
Other operating income	其他經營收入		33,446
Selling and distribution costs	銷售及分銷成本		(312,996)
Administrative expenses	行政開支		(111,339)
Investment income	投資收入	5	81,196
Fair value changes on investment properties	投資物業公平值變動		173,746
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		5,008
Share of profits of associates	應佔聯營公司溢利		133
Finance costs	融資成本	6	(44,780)
Profit before taxation	除稅前溢利	7	776,645
Taxation	稅項	8	(153,870)
Profit for the period	本期間溢利		622,775
Attributable to:	應佔部分：		
Equity holders of the Company	本公司股東		606,253
Minority interests	少數股東權益		15,628
			622,775
Dividends	股息	9	230,370
Earnings per share	每股盈利	10	
– Basic	– 基本		HK\$0.355港元
– Diluted	– 攤薄		HK\$0.353港元
			HK\$0.252港元
			HK\$0.250港元

Condensed Consolidated Balance Sheet

At 30th June, 2008

簡明綜合資產負債表

於二零零八年六月三十日

			30th June, 2008 二零零八年 六月三十日	31st December, 2007 二零零七年 十二月三十一日
	NOTES 附註		HK\$'000 千港元 (Unaudited) (未經審核)	HK\$'000 千港元 (Audited) (經審核)
Non-current assets		非流動資產		
Investment properties		投資物業	11 374,139	19,620
Property, plant and equipment		物業、廠房及設備	12 3,458,153	2,727,584
Deposit paid for prepaid lease payments		就預付租賃款項所支付按金	1,128,921	1,085,016
Interests in associates		於聯營公司權益	13 912,156	–
Interest in a jointly controlled entity		於一家共同控制實體權益	479,739	468,938
Deferred tax assets		遞延稅項資產	3,638	5,611
Available-for-sale investments		可供出售投資	14 30,065	31,918
Financial assets at fair value through profit or loss		按公平值計入損益之 金融資產	15 345,456	154,285
Club debenture		會所債券	1,350	1,350
Loan receivables		應收貸款	16 499,718	467,718
			7,233,335	4,962,040
Current assets		流動資產		
Inventories		存貨	63,419	60,309
Trade and other receivables		應收賬款及其他應收款項	17 202,893	181,470
Amount due from a jointly controlled entity		應收一家共同控制實體款項	1,821	46,046
Financial assets at fair value through profit or loss		按公平值計入損益之 金融資產	15 –	36,531
Held for trading investments		持作買賣投資	18 75,463	–
Loan receivable		應收貸款	16 2,000	2,000
Bank balances and cash		銀行結存及現金	2,371,355	3,598,388
			2,716,951	3,924,744
Assets of disposal group classified as held for sale		分類為持作出售之 出售集團資產	19 –	1,547,459
			2,716,951	5,472,203

Condensed Consolidated Balance Sheet (continued)
At 30th June, 2008

簡明綜合資產負債表(續)
於二零零八年六月三十日

		NOTES 附註	30th June, 2008 二零零八年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31st December, 2007 二零零七年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	20	1,079,050	1,411,958
Tax payable	應繳稅項		153,753	94,137
Bank borrowings – due within one year	銀行借貸 – 一年內到期		460,000	406,810
			1,692,803	1,912,905
Liabilities of disposal group classified as held for sale	分類為持作出售之 出售集團負債	19	–	615,773
			1,692,803	2,528,678
Net current assets	流動資產淨值		1,024,148	2,943,525
			8,257,483	7,905,565
Non-current liabilities	非流動負債			
Bank borrowings-due after one year	銀行借貸 – 一年後到期		2,400,000	2,600,000
Deferred tax liabilities	遞延稅項負債		66,970	26,883
Derivative instrument	衍生工具		10,086	1,002
Other payable	其他應付款項		60,000	60,000
Loan from a minority shareholder of a subsidiary	一家附屬公司一名 少數股東提供之貸款		18,329	–
			2,555,385	2,687,885
			5,702,098	5,217,680
Capital and reserves	資本及儲備			
Share capital	股本	21	8,533	8,525
Reserves	儲備		5,119,256	4,648,193
Equity attributable to equity holders of the Company	本公司股東應佔權益		5,127,789	4,656,718
Minority interests	少數股東權益		574,309	560,962
			5,702,098	5,217,680

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2008

簡明綜合權益變動表

截至二零零八年六月三十日止六個月

		Attributable to equity holders of the Company 本公司股東應佔部分									
		Share capital	Share premium	Asset revaluation reserve	Exchange reserve	Share based payment reserve	Investment reserve	Accumulated profits	Total	Minority interests	Total
		股本	股份溢價	重估儲備	匯兌儲備	付款儲備	投資儲備	累計溢利	總計	股東權益少數	總計
		HK\$'000	HK\$'000	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	千港元	千港元
At 1st January, 2007	於二零零七年一月一日	8,480	3,199,948	3,680	8,812	20,600	36,103	576,357	3,853,980	4,929	3,858,909
Fair value changes on investments	投資公平值變動	-	-	-	-	-	26,204	-	26,204	-	26,204
Deferred tax liability arising on fair value changes on available-for-sale investments	可供出售投資公平值變動產生之遞延稅項負債	-	-	-	-	-	(4,585)	-	(4,585)	-	(4,585)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	(5,335)	-	-	-	(5,335)	18	(5,317)
Net income (expense) recognised directly in equity	直接於權益確認之收入(開支)淨額	-	-	-	(5,335)	-	21,619	-	16,284	18	16,302
Profit for the period	本期間溢利	-	-	-	-	-	-	427,115	427,115	15,628	442,743
Total recognised income and expense for the period	本期間已確認之收入及開支總額	-	-	-	(5,335)	-	21,619	427,115	443,399	15,646	459,045
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	6,144	-	-	6,144	-	6,144
Exercise of share options	行使購股權	5	6,549	-	-	-	-	-	6,554	-	6,554
Dividend paid	已派付股息	-	(178,176)	-	-	-	-	-	(178,176)	-	(178,176)
At 30th June, 2007	於二零零七年六月三十日	8,485	3,028,321	3,680	3,477	26,744	57,722	1,003,472	4,131,901	20,575	4,152,476
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	87,518	-	-	-	87,518	9,054	96,572
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	-	87,518	-	-	-	87,518	9,054	96,572
Profit for the period	本期間溢利	-	-	-	-	-	-	596,970	596,970	11,501	608,471
Transfer to profit or loss on sale of available-for-sale investments (net of deferred tax)	出售可供出售投資時轉撥至損益(扣除遞延稅項)	-	-	-	-	-	(57,722)	-	(57,722)	-	(57,722)
Total recognised income and expense for the period	本期間已確認收入及開支總額	-	-	-	87,518	-	(57,722)	596,970	626,766	20,555	647,321
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	25,891	-	-	25,891	-	25,891
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	-	-	519,832	519,832
Exercise of share options	行使購股權	40	63,813	-	-	(15,640)	-	2,859	51,072	-	51,072
Dividend paid	已派付股息	-	(178,912)	-	-	-	-	-	(178,912)	-	(178,912)
At 31st December, 2007	於二零零七年十二月三十一日	8,525	2,913,222	3,680	90,995	36,995	-	1,603,301	4,656,718	560,962	5,217,680
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	35,294	-	-	-	35,294	6,984	42,278
Net income recognised directly in equity	直接於權益確認之收入淨額	-	-	-	35,294	-	-	-	35,294	6,984	42,278
Profit for the period	本期間溢利	-	-	-	-	-	-	606,253	606,253	16,522	622,775
Total recognised income for the period	本期間已確認收入總額	-	-	-	35,294	-	-	606,253	641,547	23,506	665,053
Release upon disposal of a subsidiary	出售一家附屬公司時撥回	-	-	-	(1,327)	-	-	-	(1,327)	(885)	(2,212)
Reduction on minority interest upon equity interest swap	股權置換時扣減少數股東權益	-	-	-	-	-	-	-	-	(9,274)	(9,274)
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	51,241	-	-	51,241	-	51,241
Exercise of share options	行使購股權	8	9,972	-	-	-	-	-	9,980	-	9,980
Dividend paid	已派付股息	-	(230,370)	-	-	-	-	-	(230,370)	-	(230,370)
At 30th June, 2008	於二零零八年六月三十日	8,533	2,692,824	3,680	124,962	88,236	-	2,209,554	5,127,789	574,309	5,702,098

Condensed Consolidated Cash Flow Statement

For the six months ended 30th June, 2008

簡明綜合現金流量表

截至二零零八年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年	2007 二零零七年
NOTE 附註		HK\$'000 千港元 (Unaudited) (未經審核)	HK\$'000 千港元 (Unaudited) (未經審核)
Net cash from operating activities	經營業務所得現金淨額	275,429	374,758
Net cash used in investing activities	投資活動所用現金淨額		
Purchase of index-linked notes	購入與指數掛鈎票據	(195,000)	(585,750)
Purchase of equity-linked notes	購入與權益掛鈎票據	–	(155,950)
Purchase of available-for-sale investments	購入可供出售投資	–	(39,316)
Purchase of held for trading investments	購入持作買賣投資	(172,139)	(49,144)
Purchase of property, plant and equipment	購入物業、廠房及設備	(233,921)	(17,884)
Purchase of investment properties	購入投資物業	(1,328)	–
Deposit for prepaid lease payment	預付租賃款項按金	(11,497)	(229,313)
Capital contribution to a jointly controlled entity	向一家共同控制實體注資	–	(182,000)
Proceeds from redemption of index-linked notes	贖回與指數掛鈎票據所得款項	–	467,549
Proceeds from redemption of equity-linked notes	贖回與權益掛鈎票據所得款項	38,997	116,700
Proceeds on disposal of held for trading investments	出售持作買賣投資所得款項	125,415	56,272
Interest from financial assets at fair value through profit or loss	按公平值計入損益之 金融資產之利息	10,063	17,747
Dividend from available-for-sale investments	可供出售投資之股息	1,950	112
Interest from derivative instrument	衍生工具之利息	3,067	489
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司，扣除所收購現金 及現金等價物	24 (689,861)	–
Increase in loan receivables	應收貸款增加	(32,000)	(74,668)
Other investing cash flows	其他投資現金流量	44,430	(78)
		(1,111,824)	(675,234)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額		
Proceeds from issue of shares	發行股份所得款項	9,980	6,554
New bank borrowings raised	新造銀行借貸	101,200	500,000
Repayments of bank borrowings	償還銀行借貸	(251,200)	(20,000)
Loan from a minority shareholder of a subsidiary	一家附屬公司一名少數股東 提供之貸款	18,329	–
Other financing cash flows	其他融資現金流量	(288,860)	(217,477)
		(410,551)	269,077
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(1,246,946)	(31,399)
Effect of foreign exchange rate difference	匯率差異之影響	13,345	469
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	3,604,956	2,584,087
Cash and cash equivalents at end of the period, representing bank balances and cash	期終現金及現金等價物， 即銀行結存及現金	2,371,355	2,553,157

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. Significant accounting policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31st December, 2007.

In the current interim period, the Group has applied, for the first time some interpretations (“new Interpretations”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1st January, 2008. The adoption of the new Interpretations has no material effect on how the results and financial position for the current and prior accounting periods are prepared and presented. Accordingly, no prior period adjustment is required.

The Group has not early applied the following new and revised Hong Kong Accounting Standards (“HKASs”) and Hong Kong Financial Reporting Standards (“HKFRSs”) or interpretations that have been issued but are not yet effective.

簡明綜合財務報表附註

1. 編製基準

簡明綜合財務報表乃遵照香港聯合交易所有限公司(「聯交所」)證券上市規則附錄16之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」編製。

2. 主要會計政策

除投資物業及若干金融工具按公平值計量外，簡明綜合財務報表乃按歷史成本基準編製。

簡明綜合財務報表所用會計政策與本集團編製截至二零零七年十二月三十一日止年度之年度綜合財務報表所遵循者貫徹一致。

於本中期期間，本集團首次應用由香港會計師公會頒佈，並於本集團自二零零八年一月一日開始之財政年度生效之多項詮釋(「新詮釋」)。應用新詮釋對現時及過往會計期間業績及財務狀況之編製及呈報方式並無構成重大影響，故毋須作出前期調整。

本集團並無提早應用下列已頒佈惟尚未生效之新訂及經修訂香港會計準則(「香港會計準則」)及香港財務報告準則(「香港財務報告準則」)或詮釋。

Notes to the Condensed Consolidated Financial Statements (continued)

2. Significant accounting policies (continued)

HKAS 1 (Revised)	Presentation of financial statements ¹
HKAS 23 (Revised)	Borrowing costs ¹
HKAS 27 (Revised)	Consolidated and separate financial statements ²
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation ¹
HKFRS 2 (Amendment)	Vesting conditions and cancellations ¹
HKFRS 3 (Revised)	Business combinations ²
HKFRS 8	Operating segments ²
HK(IFRIC)*-INT 13	Customer loyalty programmes ³

1 Effective for annual periods beginning on or after 1st January, 2009.

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

3 Effective for annual periods beginning on or after 1st July, 2008.

* IFRIC represents the International Financial Reporting Interpretations Committee.

The adoption of HKFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. The adoption of HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The Directors of the Company anticipate that the application of the other new or revised standards, amendments and interpretations will have no material impact on the results and the financial position of the Group.

簡明綜合財務報表附註(續)

2. 主要會計政策(續)

香港會計準則第1號 (經修訂)	財務報表呈列 ¹
香港會計準則第23號 (經修訂)	借貸成本 ¹
香港會計準則第27號 (經修訂)	綜合及獨立財務報表 ²
香港會計準則第32及1號(修訂)	可沽財務工具及清盤時所產生責任 ¹
香港財務報告準則第2號(修訂)	歸屬條件及註銷 ¹
香港財務報告準則第3號(經修訂)	業務合併 ²
香港財務報告準則第8號	經營分部 ²
香港(國際財務報告詮釋委員會)* — 詮釋第13號	顧客長期支持計劃 ³

1 於二零零九年一月一日或之後開始之年度期間生效。

2 於二零零九年七月一日或之後開始之年度期間生效。

3 於二零零八年七月一日或之後開始之年度期間生效。

* 國際財務報告詮釋委員會指國際財務報告詮釋委員會。

採納香港財務報告準則第3號(經修訂)或會影響收購日期為首個年度報告期間於二零零九年七月一日或以後開始之日或以後之業務合併。採納香港會計準則第27號(經修訂)將對母公司於附屬公司所持不導致失去控制權之擁有權權益變動之會計處理造成影響，有關變動將列為股權交易。本公司董事預計應用其他新訂或經修訂準則、修訂及詮釋將不會對本集團業績及財務狀況造成重大影響。

Notes to the Condensed Consolidated Financial Statements (continued)**3. Turnover and segment information**

Turnover represents the amount received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes, income from concessionaire sales, services income and rental income during the period, and is analysed as follows:

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)
Sales of goods – direct sales	貨品銷售—直接銷售	1,011,117	861,032
Income from concessionaire sales	特許專櫃銷售收入	607,373	506,766
Rental income	租金收入	39,689	23,085
Services income	服務收入	38,803	28,679
		1,696,982	1,419,562

Minimum Guarantee Sales Commission of HK\$17,322,000 (2007: HK\$17,029,000) which was previously included in other operating income has been reclassified as Income from Concessionaire sales in Turnover. Minimum Guarantee Sales Commission represents the shortfall between the agreed minimum commission and the commission calculated on a percentage of the concessionaire sales. The Directors consider that the reclassification reflects more appropriately the nature of this income.

簡明綜合財務報表附註(續)**3. 營業額及分部資料**

營業額指本集團期內就向外界客戶售出貨品的已收及應收款項減折扣及銷售相關稅項，特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元 (Restated) (重列)
Sales of goods – direct sales	貨品銷售—直接銷售	1,011,117	861,032
Income from concessionaire sales	特許專櫃銷售收入	607,373	506,766
Rental income	租金收入	39,689	23,085
Services income	服務收入	38,803	28,679
		1,696,982	1,419,562

早前計入其他經營收入之最低保證銷售佣金17,322,000港元(二零零七年：17,029,000港元)已重新分類為營業額下特許專櫃銷售收入。最低保證銷售佣金指協定最低佣金與按特許專櫃銷售某一百分比所計算佣金間之缺額。董事認為，是項重新分類能更適當反映此項收入之性質。

Notes to the Condensed Consolidated Financial Statements (continued)

3. Turnover and segment information (continued)

Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China (the "PRC"). The location of the Group's operations is the basis on which the Group reports its primary segment information for the current period.

For the six months ended 30th June, 2008

簡明綜合財務報表附註(續)

3. 營業額及分部資料(續)

地區分部

本集團業務位於香港及中華人民共和國(「中國」)。本集團按業務所在地點作為本期間分類資料之主要呈報基準。

截至二零零八年六月三十日止六個月

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Turnover	營業額			
External sales	對外銷售	1,422,758	274,224	1,696,982
Result	業績			
Segment result	分部業績	477,219	84,123	561,342
Investment income	投資收入	79,490	1,706	81,196
Fair value changes on investment properties	投資物業公平值變動		173,746	173,746
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		5,008	5,008
Share of profits of associates	應佔聯營公司溢利		133	133
Finance costs	融資成本			(44,780)
Profit before taxation	除稅前溢利			776,645
Taxation	稅項	(90,722)	(63,148)	(153,870)
Profit for the period	本期間溢利			622,775

Notes to the Condensed Consolidated Financial Statements (continued)**3. Turnover and segment information (continued)***Geographical segments (continued)*

For the six months ended 30th June, 2007

簡明綜合財務報表附註(續)**3. 營業額及分部資料(續)***地區分部(續)*

截至二零零七年六月三十日止六個月

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Turnover	營業額			
External sales	對外銷售	1,249,885	169,677	1,419,562
Result	業績			
Segment result	分部業績	424,742	37,069	461,811
Investment income	投資收入	75,178	915	76,093
Share of profit of a jointly controlled entity	應佔一家共同控制實體 溢利		3,408	3,408
Finance costs	融資成本			(38,740)
Profit before taxation	除稅前溢利			502,572
Taxation	稅項	(74,344)	14,515	(59,829)
Profit for the period	本期間溢利			442,743

4. Cost of sales**4. 銷售成本**Six months ended 30th June,
截至六月三十日止六個月

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The costs of sales are analysed as follows:	銷售成本分析如下：		
Cost of goods sold	貨品銷售成本	719,699	611,612
Other cost of sales	其他銷售成本	25,052	22,770
		744,751	634,382

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

5. Investment income

5. 投資收入

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest income on bank deposits	銀行存款利息收入	32,392	56,727
Interest income on loan receivables	應收貸款利息收入	16,794	5
Other interest income	其他利息收入	571	24
Dividend income from available-for-sale investments	可供出售投資之股息收入	1,950	112
Impairment loss on available-for-sale investments	可供出售投資減值虧損	(1,853)	-
Change in fair value of financial assets	金融資產公平值變動		
Financial assets at fair value through profit or loss (Note)	按公平值計入損益之金融資產 (附註)	8,525	14,777
Held for trading investments (Note)	持作買賣投資(附註)	28,834	7,128
Derivative instruments (Note)	衍生工具(附註)	(6,017)	(2,680)
		81,196	76,093

Note: Fair value changes include interest income of financial assets at fair value through profit or loss, held for trading investments and derivative instruments.

附註：公平值變動包括按公平值計入損益之金融資產、持作買賣投資及衍生工具之利息收入。

6. Finance costs

6. 融資成本

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank loans, overdrafts and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行貸款、 透支及其他借貸	57,838	37,029
Finance leases	融資租約	-	2
Others	其他	652	1,709
		58,490	38,740
Less: Amount capitalised	減：資本化金額	(13,710)	-
		44,780	38,740

Notes to the Condensed Consolidated Financial Statements (continued)

7. Profit before taxation

簡明綜合財務報表附註(續)

7. 除稅前溢利

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列項目：		
Depreciation	折舊	69,204	66,962
Share-based payments	股份付款	51,241	6,144
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	64
and after crediting:	及計入下列項目：		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	69	-

8. Taxation

8. 稅項

		Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
The charge comprises:	支出包括下列項目：		
Hong Kong Profits Tax	香港利得稅		
Current period	即期	92,337	70,982
Underprovision in prior year	過往年度撥備不足	93	1,843
People's Republic of China ("PRC")	中華人民共和國(「中國」)		
Enterprise Income Tax	企業所得稅	19,380	-
		111,810	72,825
Deferred tax charge (credit)	遞延稅項支出(抵免)		
Current period	即期	43,275	(12,996)
Attributable to change in tax rate	稅率變動所引致遞延稅項	(1,215)	-
		153,870	59,829

Notes to the Condensed Consolidated Financial Statements (continued)

8. Taxation (continued)

Hong Kong Profits Tax is provided at 16.5% (six months ended 30th June, 2007: 17.5%) of the estimated assessable profit for the period. PRC Enterprise Income Tax is provided at 25% (six months ended 30th June, 2007: 33%) on the estimated assessable profit for the period. Tax charge of HK\$9,831,000 in respect of PRC Enterprise Income Tax on taxable profit for the six months ended 30th June, 2007 has been absorbed by utilising tax losses carried forward. Deferred tax credit for 2007 includes a recognition of deferred tax asset of HK\$14,515,000 for tax losses incurred in PRC previously not recognised as deferred tax asset due to the unpredictability of future profit streams.

At 30th June 2008, the Group has unrecognised deferred tax liability of approximately HK\$5,946,000 in relation to withholding tax on undistributed earnings of approximately HK\$59,457,000 arising during the period from 1st January 2008 to 30th June 2008 of the subsidiary in the PRC, which is held by a company incorporated in British Virgin Islands. No liability has been recognised in respect of the withholding tax because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

9. Dividends

During the period, a dividend of HK cents 13.50 (six months ended 30th June, 2007: HK cents 10.50*) per share was paid to shareholders as the final dividend for the year ended 2007 (six months ended 30th June, 2007: year ended 2006).

The Board have resolved to declare the payment of an interim dividend of HK cents 12.0 (2007: HK cents 10.50*) in cash per share for the six months ended 30th June, 2008, which will be paid on 12th September, 2008 to shareholders whose names appear on the Register of Members of the Company on 5th September, 2008.

(Note:* The dividends per share were adjusted for the effect of subdivision of share capital (one into two) completed in September 2007)

簡明綜合財務報表附註(續)

8. 稅項(續)

香港利得稅按本期間之估計應課稅溢利按16.5%(截至二零零七年六月三十日止六個月:17.5%)稅率作出撥備。中國企業所得稅按本期間之估計應課稅溢利按25%(截至二零零七年六月三十日止六個月:33%)稅率作出撥備。按截至二零零七年六月三十日止六個月之應課稅溢利計算之中國企業所得稅稅項支出9,831,000港元已透過動用結轉稅項虧損抵銷。二零零七年之遞延稅項抵免包括確認於中國產生之稅項虧損之遞延稅項資產14,515,000港元,該等資產過往基於日後溢利來源難以預測而並無確認為遞延稅項資產。

於二零零八年六月三十日,本集團就於中國由一家於英屬維爾京群島註冊成立之公司持有之附屬公司於二零零八年一月一日至二零零八年六月三十日期間之未分配盈利約59,457,000港元之預扣稅,有未確認遞延稅項負債約5,946,000港元。由於本集團可控制撥回暫時差額之時間,且該等差額可能將不會於可見將來撥回,故並無就預扣稅確認負債。

9. 股息

期內,本公司已向股東派付股息每股13.50港仙(截至二零零七年六月三十日止六個月:10.50*港仙),作為截至二零零七年度(截至二零零七年六月三十日止六個月:截至二零零六年度)之末期股息。

董事局已議決宣佈派發截至二零零八年六月三十日止六個月之中期股息每股現金12.0港仙(二零零七年:10.50*港仙),中期股息將於二零零八年九月十二日派付予於二零零八年九月五日名列本公司股東名冊之股東。

(附註:*每股股息已就於二零零七年九月完成股本拆細(一拆二)之影響作出調整)

Notes to the Condensed Consolidated Financial Statements (continued)

10. Earnings per share

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company for the six months ended 30th June, 2008 is based on the following data:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Earnings	盈利		
Profit for the period attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之 本公司股東應佔本期間溢利	606,253	427,115
		'000 千股	'000 千股 (Restated) (重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	1,706,337	1,696,743
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可發行普通股之潛在攤薄影響	9,133	11,300
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	1,715,470	1,708,043

The earnings per share and the weighted average number of shares for 2007 were restated to adjust for the effect of sub-division of share capital (one into two) completed in September 2007.

簡明綜合財務報表附註(續)

10. 每股盈利

截至二零零八年六月三十日止六個月，本公司普通股股東應佔每股基本及攤薄盈利乃根據以下數據計算：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Earnings	盈利		
Profit for the period attributable to equity holders of the Company for the purpose of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之 本公司股東應佔本期間溢利	606,253	427,115
		'000 千股	'000 千股 (Restated) (重列)
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	1,706,337	1,696,743
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可發行普通股之潛在攤薄影響	9,133	11,300
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	1,715,470	1,708,043

二零零七年之每股盈利及股份加權平均數已就於二零零七年九月完成股本拆細(一拆二)之影響作出調整而重列。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

11. Investment properties

11. 投資物業

		30th June, 2008 二零零八年 六月三十日 HK\$'000 千港元
Fair value at 1st January	於一月一日之公平值	19,620
Acquisition of subsidiaries	收購附屬公司	183,561
Addition	添置	1,328
Increase in fair value recognised in the consolidated income statement	於綜合收益表確認之 公平值增加	169,630
Fair value at 30th June	於六月三十日之公平值	374,139

The carrying amount of investment properties shown above comprises:

上述投資物業之賬面值包括：

		30th June, 2008 二零零八年 六月三十日 HK\$'000 千港元	31st December 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Land in Hong Kong held under long lease	於香港根據長期租約持有之土地	19,620	19,620
Land in PRC held under medium lease	於中國根據中期租約持有之土地	354,519	-
		374,139	19,620

At 30th June, 2008, the directors estimated the carrying amount of the investment property situated in Hong Kong did not differ significantly from that which would be determined using fair values at the balance sheet date. Consequently, no fair value gains or loss has been recognised in the current period.

於二零零八年六月三十日，董事估計，位於香港之投資物業賬面值與按結算日之公平值釐定之賬面值並無重大差異。因此，在本期間並無確認任何公平值損益。

The fair values of the Group's investment properties in PRC at 30th June, 2008 have been determined by the directors of the Company with reference to the valuation carried out by an independent qualified professional valuer by reference to market evidence of transaction prices for similar properties. The increase in fair value amounting to HK\$169,630,000 was recognised in the consolidated income statement during the period.

本集團於二零零八年六月三十日於中國之投資物業公平值乃由本公司董事經參考獨立合資格專業估值師參考類似物業交易價格之市場例證後進行之估值釐定。本期間於綜合收益表確認169,630,000港元之公平值增加。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

12. Property, plant and equipment

12. 物業、廠房及設備

		Six months ended 30th June, 2008 截至二零零八年 六月三十日止六個月 HK\$'000 千港元
Carrying value at 1st January	於一月一日之賬面值	2,727,584
Additions	添置	233,921
Acquisition of subsidiaries	收購附屬公司	544,324
Disposals	出售	(104)
Depreciation	折舊	(69,204)
Exchange adjustment	匯兌調整	21,632
Carrying value at 30th June	於六月三十日之賬面值	3,458,153

13. Interests in associates

13. 於聯營公司權益

		2008 二零零八年 HK\$'000 千港元
Cost of investment in associates, unlisted (note (a))	於非上市聯營公司之投資成本(附註(a))	912,023
Share of post-acquisition profits, net of dividend received	分佔收購後扣除已收股息之溢利	133
		912,156

Notes to the Condensed Consolidated Financial Statements (continued)

13. Interests in associates (continued)

As at 30th June, 2008, the Group had interests in the following associates:

Name of entity	Form of business structure	Place/ country of incorporation/ registration	Principal place of operation	Proportion of nominal value of issued capital/registered capital held by the Group 2008	Proportion of voting power held 2008	Principal activity
實體名稱	業務結構模式	註冊成立/ 註冊地點/國家	主要經營地點	本集團所持已發行 股本/註冊 股本面值比例 二零零八年	所持投票權比例 二零零八年	主要業務
石家莊北國入百集團有限責任公司(「北人集團」) ("Beiren Group")	Incorporation 註冊成立	PRC 中國	PRC 中國	30% (note (b)) (附註(b))	30%	Investment holding of a group of companies engaging in operation of department stores, supermarkets, electrical appliances malls and property leasing 從事百貨店、超市、電器用品商場及物業租賃業務之集團公司 投資控股
河北北國開元廣場有限責任公司(「開元廣場」) ("Kaiyuan Square")	Incorporation 註冊成立	PRC 中國	PRC 中國	48% (note (c)) (附註(c))	48%	Property holding and leasing 物業持有及租賃

Notes:

- (a) Included in the cost of investment in associates is HK\$466,878,000,000 of cost of investment in associates held by 河北旭源貿易有限公司 (Hebei Xuyuan Trading Company Limited) ("Hebei Xuyuan") acquired as a result of equity interest swap as described in note 25. The remaining balance of HK\$445,145,000 represented cost of investment in Kaiyuan Square which became an associate upon equity interest swap as described in note 25.
- (b) The Group holds equity interest of 30% in Beiren Group indirectly through a 60% owned subsidiary, 河北旭源貿易有限公司.
- (c) The Group holds equity interest of 48% in Kaiyuan Square indirectly through a 60% owned subsidiary, Ample Sun Group Limited.

The above table lists the associates of the Group which, in the opinion of the directors of the Company, principally affected the results of the period or form a substantial portion of the net assets of the group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

簡明綜合財務報表附註(續)

13. 於聯營公司權益(續)

於二零零八年六月三十日，本集團於以下聯營公司擁有權益：

附註：

- (a) 聯營公司投資成本當中包括附註25所述，因股權置換而收購河北旭源貿易有限公司(「河北旭源」)所持聯營公司之投資成本466,878,000,000港元。餘額445,145,000港元指開元廣場之投資成本，如附註25所述，開元廣場於股權置換時成為本公司之聯營公司。
- (b) 本集團間接透過其擁有60%權益之附屬公司河北旭源貿易有限公司持有北人集團30%股本權益。
- (c) 本集團間接透過其擁有60%權益之附屬公司益良集團有限公司持有開元廣場48%股本權益。

上表載列本公司董事認為主要影響本集團期內業績或構成集團資產淨值重大部分之聯營公司。本公司董事認為，載列其他聯營公司之詳情會導致篇幅過於冗長。

Notes to the Condensed Consolidated Financial Statements (continued)**14. Available-for-sale investments**

Available-for-sale investments comprise of unlisted investment in unlisted equity securities issued by a mutual fund company incorporated in Bermuda. They are denominated in USD and are measured at quoted price based on the valuation amount provided by the counterparty financial institution. During the period, an impairment loss of HK\$1,853,000 (six months ended 30th June, 2007: nil) has been recognised in consolidated income statement.

15. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprises:

簡明綜合財務報表附註(續)**14. 可供出售投資**

可供出售投資包括由於百慕達註冊成立之互惠基金公司所發行非上市股本證券之非上市投資。該等投資以美元為單位，並按由交易方財務機關所提供估值金額之報價計算。期內，1,853,000港元(截至二零零七年六月三十日止六個月：無)之減值虧損已於綜合收益表確認。

15. 按公平值計入損益之金融資產

按公平值計入損益之金融資產包括：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Index-linked notes (note)	與指數掛鈎票據(附註)	345,456	154,285
Equity-linked note	與權益掛鈎票據	-	36,531
		345,456	190,816
Less: Amounts due within one year shown under current assets	減：列入流動資產於一年內到期之款項	-	(36,531)
Amounts due after one year	一年後到期之款項	345,456	154,285

Note: The index-linked notes are denominated in United States Dollars ("USD") with principal amount of USD45,000,000 (31st December, 2007: USD20,000,000). The obligations of interest accrual depends on the difference between the USD 10-Year Constant Maturity Swap ("CMS") Rate and the USD 30-Year CMS Rate. The issuer has options to redeem the notes before maturity or at maturity, settled at the principal amount plus any accrued and unpaid interest. Accrued interests are paid at fixed intervals on a quarterly basis. The index-linked notes are designated as financial assets at fair value through profit or loss upon initial recognition as they contain one or more embedded derivatives.

The maturity dates of the index-linked notes outstanding as at 30th June, 2008 are June 2017 and February 2018 respectively. The maturity date of those outstanding as at 31st December, 2007 was June 2017 and was therefore classified as non-current. They are stated at fair values on each balance sheet date based on valuation amount provided by the counterparty financial institution.

附註：本金額為45,000,000美元(二零零七年十二月三十一日：20,000,000美元)之與指數掛鈎票據乃以美元(「美元」)結算，並按十年期美元固定期限交換(「固定期限交換」)利率與三十年期美元固定期限交換利率之差額釐定累計利息。發行人有權於到期時或之前，以本金額加任何累計及未付利息贖回有關票據。累計利息按固定季度期間支付。由於與指數掛鈎票據包含一種或多種附帶衍生工具，故其於初步確認時獲指定為按公平值計入損益之金融資產。

於二零零八年六月三十日尚未行使之與指數掛鈎票據將分別於二零一七年六月及二零一八年二月到期，而於二零零七年十二月三十一日尚未行使之與指數掛鈎票據之到期日將為二零一七年六月，故分類為非流動。與指數掛鈎票據於每個結算日按由訂約方財務機關所提供估值金額，以公平值列賬。

Notes to the Condensed Consolidated Financial Statements (continued)

16. Loan receivables

Loan receivables comprise:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets	非流動資產		
Loan extended in relation to	就瀋陽項目提供之		
a project in Shenyang (note (a))	貸款(附註(a))	199,718	167,718
Loan to EganaGoldpfeil (Holdings)	向聯洲國際集團有限公司(「聯洲國際」)		
Limited ("Egana") (note (b))	提供之貸款(附註(b))	300,000	300,000
		499,718	467,718
Current asset:	流動資產:		
Other loan receivable (note (c))	其他應收貸款(附註(c))	2,000	2,000
		501,718	469,718

Notes:

(a) The loan represents the amount drawn down and remained outstanding as at 30th June, 2008 from the HK\$200 million facility the Company granted to a third party group of companies ("Borrower Group") who is in the process of taking over a retail property project in the PRC. The loan is secured by the shares in certain companies of the Borrower Group and guaranteed by a third party individual. The loan bears interest at the Hong Kong prime rate offered by The Hongkong and Shanghai Banking Corporation Limited and is repayable after 18 months from the loan agreement date on 6th November, 2006. In connection with this loan facility, a fellow subsidiary of the Company was granted an option from this Borrower Group to acquire certain interests in the retail property project which the Borrower Group is contemplating. The repayment date of the loan was extended to 6th November, 2008 according to supplemental agreement entered into between the borrower and the Company on 6th May, 2008. As at 30th June, 2008, the fair value of the option is not material.

(b) On 24th September, 2007, the Group granted a bridging loan of HK\$300 million for an initial term of four months (the "Bridging Loan") to EganaGoldpfeil (Holdings) Limited ("Egana" or together with its subsidiaries the "Egana Group") in connection with the Group's participation in the financial restructuring of the Egana Group ("Proposed Restructuring"). The Bridging Loan bears interest at 2% above the Hong Kong prime rate offered by The Hongkong and Shanghai Banking Corporation Limited and is secured by a charge over all equity interests in a wholly-owned subsidiary of Egana that owns a brand, a charge over certain office premises of the Egana Group in Hong Kong and a charge over 434,345,736 shares of HK\$1.00 each in the capital of Egana, representing approximately 29.67% of the issued share capital held by the major shareholder of Egana.

The Group's intended participation in the financial restructuring of the Egana Group is to pursue, as part of the Group's business strategy, the branded goods retail and distribution business through taking a controlling interest in Egana. According to the latest published unaudited financial statements of Egana, before any debt and business restructuring, the Egana Group had as at 30th November, 2007, total assets amounting to approximately HK\$4.3 billion, net deficit of approximately HK\$1 billion and was indebted to a group of bank creditors (the "Bank Group") of approximately HK\$3.6 billion.

簡明綜合財務報表附註(續)

16. 應收貸款

應收貸款包括:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Non-current assets	非流動資產		
Loan extended in relation to	就瀋陽項目提供之		
a project in Shenyang (note (a))	貸款(附註(a))	199,718	167,718
Loan to EganaGoldpfeil (Holdings)	向聯洲國際集團有限公司(「聯洲國際」)		
Limited ("Egana") (note (b))	提供之貸款(附註(b))	300,000	300,000
		499,718	467,718
Current asset:	流動資產:		
Other loan receivable (note (c))	其他應收貸款(附註(c))	2,000	2,000
		501,718	469,718

附註:

(a) 有關貸款指本集團授予第三方公司集團(「借方集團」)200,000,000港元信貸中已提取而於二零零八年六月三十日尚未償還之金額。借方集團目前正收購中國一個零售物業項目。有關貸款獲借方集團以旗下若干公司之股份抵押，並由第三方個別人士擔保。有關貸款以香港上海滙豐銀行有限公司提供之香港最優惠利率計息，並須於貸款協議日期二零零六年十一月六日起計18個月後償還。根據此項信貸，本公司一家同系附屬公司獲借方集團授予認購權購入借方集團擬進行之零售物業項目若干權益。根據借方與本公司於二零零八年五月六日訂立之補充協議，有關貸款之償還日期押後至二零零八年十一月六日。於二零零八年六月三十日，有關認購權之公平值並不重大。

(b) 於二零零七年九月二十四日，本集團就本集團參與聯洲國際集團有限公司(「聯洲國際」，連同其附屬公司統稱「聯洲國際集團」)財務重組(「建議重組」)向聯洲國際授出過渡貸款300,000,000港元，初步期限為四個月(「過渡貸款」)。過渡貸款以香港上海滙豐銀行有限公司提供之香港最優惠利率加2厘計息，並以聯洲國際擁有一個品牌之一家全資附屬公司的全部股本權益、聯洲國際集團在香港之若干辦公室物業以及聯洲國際股本中434,345,736股每股面值1.00港元之股份(即聯洲國際主要股東所持佔已發行股本約29.67%之股份)作為抵押。

本集團擬參與聯洲國際集團財務重組，作為本集團業務策略其中一環，目的為透過獲得聯洲國際之控股權益，涉足名牌貨品零售及分銷業務。根據聯洲國際最近期刊發之未經審核財務報表，在未計及任何債項及業務重組前，聯洲國際集團於二零零七年十一月三十日之資產總值約為4,300,000,000港元，虧絀淨額約為1,000,000,000港元，並結欠債權銀行(「銀行集團」)約3,600,000,000港元。

Notes to the Condensed Consolidated Financial Statements (continued)

16. Loan receivables (continued)

Notes: (continued)

(b) (continued)

According to the conditional debt restructuring agreement which took effect on 26th May, 2008 entered among the Company, Egana and the Bank Group (the "DRA"), subject to certain conditions, the Group has agreed to inject into Egana an aggregate of approximately HK\$1.2 billion as new capital (by way of subscription of new shares and convertible bonds issued by the Egana Group) that may result in the Group becoming the controlling shareholder of the Egana Group, and the Bank Group has agreed the waiver of debts to reduce the indebtedness to approximately HK\$2.0 billion. The proposed capital injection by the Group and waiver of debts by the Bank Group will improve the financial position of the Egana Group from net deficit to net assets upon the Proposed Restructuring becoming effective.

A circular dated 30th June, 2008 in relation to, among other things, the entering into of the conditional DRA as contemplated under the Proposed Restructuring has been issued by the Company. As stated in the Company's announcement dated 29th July, 2008, the extraordinary general meeting (the "EGM") convened and held on 29th July, 2008 by the Company to approve the form and substance of the proposed subscription agreements for the issuing of new shares and convertible bonds of the Egana Group to the Group (the "Subscription Agreements") was adjourned until further notice of the Company as the Company required further time to clarify with Egana the issues as mentioned in the announcement of the Company dated 22nd July, 2008 ("Matters").

As at the date of this report, the directors are of the view that upon satisfactory clearance of the Matters and fulfillment of conditions precedent in the restructuring documents, including DRA and Subscription Agreements and subject to any further unforeseen material adverse changes, the Proposed Restructuring will proceed as planned. As such, subsequent to the balance sheet date, the maturity date of the Bridging Loan has further been extended to 20th August, 2008 to facilitate the smooth progress of the Proposed Restructuring and the Group is prepared, when necessary and appropriate, to further extend the maturity date of the Bridging Loan.

As mentioned above, upon the Proposed Restructuring becoming effective, additional capital will be injected by the Group as well as waiver of debts by the Bank Group, at which time the financial position of the Egana Group will be improved to enable further business opportunities and the repayment of the Bridging Loan. Accordingly, no provision for impairment losses of the Bridging Loan has been made in the condensed consolidated financial statements.

- (c) The amount represents a loan advanced to a third party. It is secured, bears interest at 5.5% per annum and is payable in 2008.

簡明綜合財務報表附註(續)

16. 應收貸款(續)

附註：(續)

(b) (續)

根據本公司、聯洲國際與銀行集團所訂立於二零零八年五月二十六日生效之有條件債項重組協議(「債項重組協議」)，在若干條件規限下，本集團同意以認購聯洲國際集團所發行新股份及可換股債券之方式，向聯洲國際合共注資約1,200,000,000港元，作為新資本，此舉或會使本集團成為聯洲國際集團之控股股東，而銀行集團同意，將債項減免至約2,000,000,000港元。本集團建議注資及銀行集團免除債項，將使聯洲國際集團於建議重組生效後之財務狀況得以改善，由錄得虧蝕淨額轉為具資產淨值。

本公司已刊發日期為二零零八年六月三十日之通函，內容關於(其中包括)訂立根據建議重組所擬定之有條件債項重組協議。誠如本公司日期為二零零八年七月二十九日之公佈所述，由於本公司需額外時間與聯洲國際釐清有關本公司日期為二零零八年七月二十二日之公佈所述事宜(「有關事宜」)，故本公司就批准有關向本集團發行聯洲國際集團新股份及可換股債券之建議認購協議(「認購協議」)之形式及內容而於二零零八年七月二十九日召開及舉行之股東特別大會(「股東特別大會」)已延期，直至本公司另行通知。

於本報告日期，董事認為，待有關事宜妥為釐清及重組文件(包括債項重組協議及認購協議)之先決條件達成後，建議重組將按計劃進行，惟須視乎並無出現任何不可預計重大不利變動。因此，為促使建議重組順利進行，過渡貸款之到期日已進一步延至二零零八年八月二十日，本集團已準備於有需要及適當時進一步延展過渡貸款的到期日。

誠如上文所述，於建議重組生效後，本集團及銀行集團將分別注入額外資本及免除債項，屆時，聯洲國際集團之財務狀況將大大改善，能夠進一步抓緊商機及償還過渡貸款。因此，並無於簡明綜合財務報表就過渡貸款之減值虧損作出撥備。

- (c) 有關款額指墊付予第三方之貸款。貸款為有抵押，按5.5厘之年利率計息，須於二零零八年償還。

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

17. Trade and other receivables

17. 應收賬款及其他應收款項

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade receivables	應收賬款	46,060	66,075
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	156,833	115,395
Total trade and other receivables	應收賬款及其他應收款項總額	202,893	181,470

Included in trade and other receivables are trade receivables of HK\$46,060,000 (31st December, 2007: HK\$66,075,000).

應收賬款46,060,000港元(二零零七年十二月三十一日: 66,075,000港元)已計入應收賬款及其他應收款項。

The Group's retail sales to customers are mainly on cash basis, either in cash, debit card or credit card payments. The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales. An aged analysis of the Group's trade receivables as at the balance sheet date is as follows:

本集團向顧客作出的零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。由於本集團主要應收賬款來自信用卡銷售，故並無既定信貸政策。本集團於結算日之應收賬款賬齡分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 – 30 days	0至30日	43,695	62,649
31 – 60 days	31至60日	1,510	1,806
61 – 90 days	61至90日	273	428
Over 90 days	超過90日	582	1,192
		46,060	66,075

18. Held for trading investments

18. 持作買賣投資

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Unlisted debt securities	非上市債務證券	75,463	-

Notes to the Condensed Consolidated Financial Statements (continued)

19. Disposal group classified as held for sale

The assets and liabilities attributable to a subsidiary, Kaiyuan Square which was sold and became an associate during the period as described in note 25, has been classified as assets of disposal group classified as held for sale and liabilities associated with assets classified as liabilities of disposal group classified as held for sale. The carrying amounts of the major assets and liabilities as at 31st December, 2007, which have been presented separately in the consolidated balance sheet, are as follows:

		2007 二零零七年 HK\$'000 千港元
Investment properties	投資物業	1,538,938
Trade and other receivables	應收賬款及其他應收款項	1,953
Bank balances and cash	銀行結存及現金	6,568
Assets classified as held for sale	分類為持作出售資產	1,547,459
Trade and other payables	應付賬款及其他應付款項	(615,773)
Liabilities of associated with assets classified as held for sale	與分類為持作出售資產有關之負債	(615,773)
Net assets classified as held for sale	分類為持作出售之資產淨值	931,686

20. Trade and other payables

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade payables	應付賬款	165,745	220,306
Concessionaire sales payable	應付特許專櫃銷售款項	437,350	635,571
Other payables, deposits and accrued charges	其他應付款項、按金及應計費用	475,955	556,081
		1,079,050	1,411,958

An aged analysis of the Group's trade payables at the balance sheet dates is as follows:

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 – 30 days	0至30日	162,752	181,448
31 – 60 days	31至60日	2,156	27,075
61 – 90 days	61至90日	321	7,767
Over 90 days	超過90日	516	4,016
		165,745	220,306

簡明綜合財務報表附註(續)

19. 分類為持作出售之出售集團

按附註25所述，附屬公司開元廣場於期內已出售並成為聯營公司，其應佔資產及負債已分類為持作出售之出售集團資產及與分類為持作出售之出售集團負債之資產相關之負債。於二零零七年十二月三十一日，於綜合資產負債表獨立呈列之主要資產及負債賬面值如下：

20. 應付賬款及其他應付款項

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Trade payables	應付賬款	165,745	220,306
Concessionaire sales payable	應付特許專櫃銷售款項	437,350	635,571
Other payables, deposits and accrued charges	其他應付款項、按金及應計費用	475,955	556,081
		1,079,050	1,411,958

本集團於結算日之應付賬款賬齡分析如下：

		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
0 – 30 days	0至30日	162,752	181,448
31 – 60 days	31至60日	2,156	27,075
61 – 90 days	61至90日	321	7,767
Over 90 days	超過90日	516	4,016
		165,745	220,306

Notes to the Condensed Consolidated Financial Statements (continued)

簡明綜合財務報表附註(續)

21. Share capital

21. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.005 each	每股面值0.005港元之普通股		
Authorised:	法定：		
At 31st December, 2007 and 30th June, 2008	於二零零七年十二月三十一日及 二零零八年六月三十日	4,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2008	於二零零八年一月一日	1,705,083,000	8,525
Exercise of share options (note)	行使購股權（附註）	1,620,000	8
At 30th June, 2008	於二零零八年六月三十日	1,706,703,000	8,533

Note: During the period, 1,620,000 shares of HK\$0.005 each were issued at HK\$6.16 per share upon the exercise of the 2005 share options of the Company by share options holders and all these shares rank pari passu with other ordinary shares of the Company in all respects.

附註：期內，本公司於購股權持有人行使本公司二零零五年購股權後按每股6.16港元發行共1,620,000股每股面值0.005港元之股份，所有該等股份於各方面與本公司其他普通股享有同等權益。

Notes to the Condensed Consolidated Financial Statements (continued)

22. Share-based payment transactions

The Company has share options scheme for eligible employees and director of the Company. Details of specific categories of options are as follows:

Details of specific categories of options are as follows:

簡明綜合財務報表附註(續)

22. 股份付款交易

本公司為其合資格僱員及董事設有購股權計劃。特定類別購股權詳情如下：

特定類別購股權詳情如下：

Option type 購股權種類	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價 HK\$ 港元	Adjusted exercise price 經調整行使價 HK\$ 港元
2005 二零零五年	7.10.2005 二零零五年十月七日	7.10.2005 – 7.10.2008 二零零五年十月七日 至二零零八年十月七日	7.10.2006 – 26.3.2014 二零零六年十月七日 至二零一四年三月二十六日	12.32 12.32	6.16 (note (a)) 6.16 (附註(a))
2006 二零零六年	16.3.2006 二零零六年三月十六日	16.3.2006 – 16.3.2009 二零零六年三月十六日 至二零零九年三月十六日	16.3.2007 – 26.3.2014 二零零七年三月十六日 至二零一四年三月二十六日	12.74 12.74	6.37 (note (a)) 6.37 (附註(a))
2007A 二零零七年甲	31.8.2007 二零零七年八月三十一日	31.8.2007 – 1.10.2011 二零零七年八月三十一日 至二零一一年十月一日	1.10.2009 – 26.3.2014 二零零九年十月一日 至二零一四年三月二十六日	37 37	18.50 18.50
2007B 二零零七年乙	31.8.2007 二零零七年八月三十一日	31.8.2007 – 1.10.2010 二零零七年八月三十一日 至二零一零年十月一日	1.10.2008 – 26.3.2014 二零零八年十月一日 至二零一四年三月二十六日	37 37	18.50 18.50
2007C 二零零七年丙	25.9.2007 二零零七年九月二十五日 (note (b)) (附註(b))	31.8.2007 – 1.10.2010 二零零七年八月三十一日 至二零一零年十月一日	1.10.2008 – 26.3.2014 二零零八年十月一日 至二零一四年三月二十六日	37 37	18.50 18.50

Notes:

- (a) The exercise price has been adjusted upon sub-division of shares of the Company of HK\$0.01 to HK\$0.005 on 27th September, 2007.
- (b) Option subject to approval of independent shareholders was proposed and granted by Board of Directors on 31st August, 2007. The approval was subsequently obtained on 25th September, 2007 which is the date of grant as defined in accordance with HKFRS 2.

附註：

- (a) 行使價已於二零零七年九月二十七日本公司股份由0.01港元拆細為0.005港元後作出調整。
- (b) 董事局於二零零七年八月三十一日建議及授出有待獨立股東批准之購股權，其後於根據香港財務報告準則第2號界定之授出日期二零零七年九月二十五日取得批准。

Notes to the Condensed Consolidated Financial Statements (continued)

22. Share-based payment transactions (continued)

The following table discloses movements of the Company's share options held by certain employees and directors:

2008

Option type	購股權種類	Outstanding at 31st December, 2007 於二零零七年 十二月三十一日 尚未行使	Exercised during period 期內行使	Lapsed during period 期內失效	Outstanding at 30th June, 2008 於二零零八年 六月三十日 尚未行使
2005	二零零五年	6,757,000	(1,620,000)	(45,000)	5,092,000
2006	二零零六年	9,156,000	–	–	9,156,000
2007A	二零零七年甲	11,340,000	–	(220,000)	11,120,000
2007B	二零零七年乙	10,630,000	–	–	10,630,000
2007C	二零零七年丙	17,020,000	–	–	17,020,000
Total	總計	54,903,000	(1,620,000)	(265,000)	53,018,000
Exercisable at end of the period	於期終可予行使				1,505,000
		HK\$ 港元	HK\$ 港元	HK\$ 港元	HK\$ 港元
Weighted average exercise price per share	每股加權平均行使價	14.96	6.16	16.40	15.22

The Group recognised an expense in the consolidated income statement of approximately HK\$51.2 million (six months ended 30th June, 2007: HK\$6.1 million) for the period ended 30th June, 2008 in relation to share options granted by the Company.

簡明綜合財務報表附註(續)

22. 股份付款交易(續)

下表披露若干僱員及董事所持本公司購股權之變動：

二零零八年

於截至二零零八年六月三十日止期內，本集團就本公司授出購股權於綜合收益表確認開支約51,200,000港元(截至二零零七年六月三十日止六個月：6,100,000港元)。

Notes to the Condensed Consolidated Financial Statements (continued)
23. Capital and other commitments

簡明綜合財務報表附註(續)
23. 資本及其他承擔

		30th June, 2008 二零零八年 六月三十日 HK\$'000 千港元	31st December, 2007 二零零七年 十二月三十一日 HK\$'000 千港元
Capital expenditure in respect of the acquisition of property, plant and equipment	有關購入物業、廠房及設備之資本開支		
– Authorised but not contracted for	– 已授權惟未訂約	3,367,864	3,820,900
– Contracted for but not provided in the financial statements	– 已訂約惟未於財務報表撥備	737,600	374,700
		4,105,464	4,195,600
Capital expenditure in respect of the acquisition of land use right contracted for but not provided in the financial statements	有關收購土地使用權而已訂約惟未於財務報表撥備之資本開支	–	10,500
Other commitments in respect of acquisition of equity interests of PRC companies	有關收購中國公司股本權益之其他承擔	–	770,400
		4,105,464	4,976,500

24. Acquisition of subsidiaries

During the period, the Group has acquired 100% interest in each of 大連伊都錦商廈有限公司 (“Dalian Co”), 青島伊都錦商廈有限公司 (“Qingdao Co”), 天津伊都錦商廈有限公司 (“Tianjin Co”), and 哈爾濱伊都錦商廈有限公司 (“Haerbin Co”) (collectively referred to as “Itokin Companies”) from Itokin Co., Ltd., an independent third party, for a consideration of HK\$743,467,000. Itokin Companies mainly hold buildings and building under construction situated in PRC. The acquisitions have been accounted for as acquisitions of assets as the subsidiaries acquired are not businesses.

24. 收購附屬公司

期內，本集團自獨立第三方Itokin Co., Ltd.收購大連伊都錦商廈有限公司(「大連公司」)、青島伊都錦商廈有限公司(「青島公司」)、天津伊都錦商廈有限公司(「天津公司」)及哈爾濱伊都錦商廈有限公司(「哈爾濱公司」)各公司(統稱「伊都錦公司」)之全部權益，代價為743,467,000港元。伊都錦公司主要於中國持有樓宇及在建樓宇。由於收購該等附屬公司並不涉及收購業務，故收購按資產收購入賬。

Notes to the Condensed Consolidated Financial Statements (continued)

24. Acquisition of subsidiaries (continued)

The net assets of Itokin Companies acquired in these transactions are as follows:

		Itokin Companies 伊都錦公司 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	544,324
Investment properties	投資物業	183,561
Interests in associates	於聯營公司之權益	–
Other receivables	其他應收款項	2,006
Bank balances and cash	銀行結存及現金	35,489
Trade and other payables	應付賬款及其他應付款項	(18,613)
Short-term loan	短期貸款	(3,300)
		743,467
Satisfied by:	經下列方式支付：	
Cash consideration	現金代價	725,350
Other payable	其他應付款項	18,117
		743,467
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	725,350
Bank balances and cash acquired	所收購銀行結存及現金	(35,489)
		689,861

25. Equity interests swap

On 18th April, 2008, the Group entered into an equity interests swap agreement with the purchaser, 河北開元房地產開發股份有限公司 Hebei Kaiyuan Real Estate Development Joint Stock Company Limited (“Kaiyuan Real Estate”), an independent third party, for the disposal of 51% equity interest in Kaiyuan Square which was held by a 60% effectively owned subsidiary of the Company, 石家莊旭恆貿易有限公司 (Shijiazhuang Xuheng Trading Company Limited), in exchange for the entire equity interest in 河北旭源貿易有限公司 (Hebei Xuyuan Trading Company Limited) (“Hebei Xuyuan”) and its associates (“Hebei Xuyuan Group”) held by Kaiyuan Real Estate (“Equity Interests Swap”). This transaction was completed on 30th April, 2008. Kaiyuan Square became an associate of the Group after this transaction.

簡明綜合財務報表附註(續)

24. 收購附屬公司(續)

於該等交易所收購伊都錦公司之資產淨值如下：

25. 股權置換

於二零零八年四月十八日，本集團與屬獨立第三方之買方河北開元房地產開發股份有限公司(「開元房地產」)訂立股權置換協議，以出售於開元廣場(由本公司擁有60%實際股本權益之附屬公司石家莊旭恆貿易有限公司持有)之51%股本權益，以換取由開元房地產持有之河北旭源貿易有限公司(「河北旭源」)及其聯營公司(「河北旭源集團」)全部股本權益(「股權置換」)。該項交易於二零零八年四月三十日完成。開元廣場於交易完成後成為本集團之聯營公司。

Notes to the Condensed Consolidated Financial Statements (continued)

25. Equity interests swap (continued)

The net assets of Hebei Xuyuan and its associates acquired upon the Equity Interests Swap, which has been accounted for using the purchase method, were as follows:

		Hebei Xuyuan Group's carrying amount 河北旭源集團 之賬面值 HK\$'000 千港元	Provisional fair value adjustment 暫定 公平值調整 HK\$'000 千港元 (note) (附註)	Provisional fair value 暫定 公平值 HK\$'000 千港元
Interests in associates	於聯營公司之權益	199,265	267,613	466,878
Other receivables	其他應收款項	3,805	-	3,805
Bank balances and cash	銀行結存及現金	71	-	71
		203,141	267,613	470,754
Total consideration	總代價			470,754
Satisfied by:	經下列方式支付：			
Net assets of Kaiyuan Square disposed of	出售開元廣場之資產淨值			470,754
Net cash inflow arising on acquisition	收購產生之現金流入淨額			
Cash consideration paid	已付現金代價			-
Bank balances and cash acquired	所收購銀行結存及現金			71
				71

Note: The provisional fair value adjustments of interests in associates represented mainly the appreciation of value of land and buildings of the associates of Hebei Xuyuan.

Hebei Xuyuan Group contributed HK\$1,309,000 to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1st January, 2008, effect to total group revenue and profit for the period would have been insignificant.

簡明綜合財務報表附註(續)

25. 股權置換(續)

於股權置換時所收購河北旭源及其聯營公司之資產淨值按購入法列賬如下：

附註：於聯營公司權益之暫定公平值調整主要指河北旭源聯營公司之土地及樓宇升值。

河北旭源集團由收購日期至結算日止期間為本集團帶來溢利1,309,000港元。

倘收購於二零零八年一月一日完成，對集團期內總收入及溢利之影響並不重大。

Notes to the Condensed Consolidated Financial Statements (continued)**25. Equity interests swap (continued)**

The net assets of Kaiyuan Square at the date of disposal upon the Equity Interests Swap as described above was as follows:

簡明綜合財務報表附註(續)**25. 股權置換(續)**

上文所述於股權置換時，開元廣場於出售日期之資產淨值如下：

		Kaiyuan Square
		開元廣場
		HK\$'000
		千港元
Investment property	投資物業	1,562,110
Other receivables	其他應收款項	3,300
Bank balances and cash	銀行結存及現金	413
Trade and other payables	應付賬款及其他應付款項	(637,408)
Deferred tax liabilities	遞延稅項負債	(1,029)
		927,386
Minority interest	少數股東權益	(9,274)
		918,112
Transferred to interest in associates	轉撥至於聯營公司之權益	(445,145)
		472,967
Reserve realised	已變現儲備	(2,213)
		470,754
Satisfied by:	經下列方式支付：	
100% interest in Hebei Xuyuan and its associates	於河北旭源及其聯營公司之全部權益	470,754
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration received	已收現金代價	-
Bank balances and cash disposed of	所出售銀行結存及現金	(413)
		(413)

Notes to the Condensed Consolidated Financial Statements (continued)

26. Related party balances and transactions

During the period, the Group had entered into the following significant transactions with the following related parties:

簡明綜合財務報表附註(續)

26. 有關連人士結餘及交易

期內，本集團曾與以下有關連人士進行下列重大交易：

Name of related party 有關連人士名稱	Nature of transaction 交易性質	Six months ended 30th June, 截至六月三十日止六個月	
		2008 二零零八年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元
Chow Tai Fook Jewellery Co., Ltd. ("CTF Jewellery") 周大福珠寶金行有限公司(「周大福珠寶」)	Income from concessionaire sales (note (a)) 特許專櫃銷售收入(附註(a))	5,816	4,949
周大福珠寶金行(深圳)有限公司 (「周大福深圳」)	Income from concessionaire sales (note (a)) 特許專櫃銷售收入(附註(a))	–	527
周大福珠寶金行(蘇州)有限公司 (「周大福蘇州珠寶」)	Income from concessionaire sales (note (a)) 特許專櫃銷售收入(附註(a))	1,682	–
Shanghai Joinbuy City Plaza Co., Ltd. ("Property JV") 上海九百城市廣場有限公司 (「物業合營企業」)	Rental and management fee paid (note (b)) 已付租金及管理費(附註(b))	85,262	73,301
Hong Kong Island Development Limited ("HK Island") 香島發展有限公司(「香島」)	Rental, vetting fee, air-conditioning charges and management fee paid (note (a)) 已付租金、審批費用、空調費及管理費 (附註(a))	21,049	17,730
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司(「寶聯防污」)	Cleaning service (note (a)) 清潔服務(附註(a))	6,490	5,190

Notes to the Condensed Consolidated Financial Statements (continued)

26. Related party balances and transactions

Notes:

- (a) CTF Jewellery, 周大福深圳, 周大福蘇州珠寶, HK Island and PPS are companies in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests.
- (b) Property JV is a jointly controlled entity in which the Group has 50% interest. During the period, the Group paid rental and management fee of HK\$68,750,000 and HK\$16,512,000 (six months ended 30th June, 2007: HK\$62,500,000 and HK\$10,801,000) respectively to the Property JV.
- (c) At 30th June, 2008, concessionaire sales payable included amounts of approximately HK\$3,692,000 and HK\$2,784,000 (31st December, 2007: HK\$12,233,000 and HK\$2,869,000) aged within 30 days due to CTF Jewellery and 周大福蘇州珠寶 respectively in which related parties, Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amount was trading in nature and relate to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.

27. Contingent liabilities

Pursuant to two sales and purchase agreements entered into among the subsidiaries in 1985 and 1996, certain properties were transferred within the Group. The assignments of these properties have not been executed. If no exemption for stamp duty is granted under the Stamp Duty Ordinance, upon execution of the assignment of the properties, the Group will be subject to an aggregate stamp duty of approximately HK\$38.9 million.

28. Post balance sheet event

According to the joint announcement made by the Group and Egana on 29th July, 2008, an extension letter dated 29th July, 2008 was signed between the Group and Egana to extend to maturity date of the Bridging Loan to a date no later than 20th August, 2008 (unless a later date is approved by the Group in writing).

簡明綜合財務報表附註(續)

26. 有關連人士結餘及交易

附註:

- (a) 周大福珠寶、周大福深圳、周大福蘇州珠寶、香島及寶聯防污為本公司董事拿督鄭裕彤博士及鄭家純博士持有實益權益的公司。
- (b) 物業合營企業為本集團擁有50%權益之共同控制實體。期內，本集團分別向物業合營企業支付租金及管理費68,750,000港元及16,512,000港元(截至二零零七年六月三十日止六個月: 62,500,000港元及10,801,000港元)。
- (c) 於二零零八年六月三十日，應付特許專權銷售款項包括須於30天內支付予有關連人士周大福珠寶及周大福蘇州珠寶款項分別約3,692,000港元及2,784,000港元(二零零七年十二月三十一日: 12,233,000港元及2,869,000港元)。本公司兩名董事拿督鄭裕彤博士及鄭家純博士持有該等公司實益權益。該筆款項屬貿易性質，與特許專權銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專權經營協議條款償還。

27. 或然負債

根據附屬公司間於一九八五年及一九九六年訂立之兩份買賣協議，若干物業於本集團內公司間轉讓，惟該等物業轉讓至今仍未執行。倘未能根據印花稅條例獲豁免印花稅，則本集團於轉讓該等物業時，將須繳付合共約38,900,000港元印花稅。

28. 結算日後事項

根據本集團與聯洲國際於二零零八年七月二十九日之聯合公佈，本集團與聯洲國際已簽署日期為二零零八年七月二十九日之延長函件，同意延長過渡貸款的到期日至二零零八年八月二十日之前(除非本集團書面批准較後日期)。

Report on Review of Interim Financial Information

中期財務資料審閱報告

Deloitte.

德勤

**TO THE BOARD OF DIRECTORS OF
LIFESTYLE INTERNATIONAL HOLDINGS LIMITED**
(Incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 5 to 35, which comprises the condensed consolidated balance sheet of Lifestyle International Holdings Limited as of 30th June, 2008 and the related condensed consolidated income statement, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

致利福國際集團有限公司
董事局
(於開曼群島註冊成立之有限公司)

引言

本核數師已審閱載於第5至35頁之中期財務資料。此中期財務資料包括利福國際集團有限公司於二零零八年六月三十日之簡明綜合資產負債表與截至該日止六個月期間之相關簡明綜合收益表、簡明綜合權益變動表和簡明綜合現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會（「香港會計師公會」）頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」。董事須負責根據香港會計準則第34號編製及呈列該中期財務資料。本核數師之責任是根據審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向閣下作為一個團體報告結論，且並無其他目的。本核數師不會就本報告之內容向任何其他人士負責或承擔任何責任。

審閱範圍

本核數師已根據香港會計師公會頒佈之香港審閱委聘準則第2410號「由實體獨立核數師審閱中期財務資料」進行審閱。審閱中期財務資料包括主要向負責財務和會計事務之人員作出查詢，並進行分析和其他審閱程序。審閱範圍遠少於根據香港核數準則進行審核之範圍，故本核數師不能保證本核數師將知悉在審核中可能發現之所有重大事項。因此，本核數師不會發表審核意見。

結論

按照本核數師之審閱，本核數師並無發現任何事項，令本核數師相信中期財務資料在各重大方面未有根據香港會計準則第34號編製。

Emphasis of matters

Without qualifying our review conclusion, we draw attention to note 16(b) to the condensed consolidated financial statements which indicates that the Group has extended a bridging loan of HK\$300 million (“Bridging Loan”) to EganaGoldpfeil (Holdings) Limited (“Egana”) (together with its subsidiaries the “Egana Group”) during the year ended 31st December, 2007 and which remains outstanding as at the date of this report. The Group has entered into a conditional debt restructuring agreement with Egana, and the bank creditors of the Egana Group during the period for the proposed restructuring of the indebtedness of the Egana Group (the “Proposed Restructuring”) which may result in the Group becoming the controlling shareholder of the Egana Group. The Proposed Restructuring is subject to the approvals of the relevant regulatory bodies and shareholders of both the Group and the Egana Group, and the satisfaction or waiver of certain conditions included in the restructuring documents not yet satisfied or waived. The Bridging Loan will be fully repaid upon the Proposed Restructuring becoming effective, at which time it is proposed to be replaced with additional financing from the Group of approximately HK\$1.2 billion. Subsequent to the end of the period, the Group extended the maturity date of the Bridging Loan to 20th August, 2008 and has indicated that it may be prepared to further extend the maturity date. An extraordinary general meeting held by the Company on 29th July, 2008 to approve the form and substance of the proposed subscription agreements for the issuing of new shares and convertible bonds of the Egana Group was adjourned until further notice to enable the Company to clarify certain issues with Egana related to the Proposed Restructuring. As the ultimate recovery of the Bridging Loan and subsequent proposed investment depends on the long-term success of the Proposed Restructuring, which cannot presently be determined, no provision for impairment losses has been made in the condensed consolidated financial statements.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
11th August, 2008

強調事項

儘管吾等並無保留意見，務請垂注簡明綜合財務報表附註16(b)，當中顯示 貴集團於截至二零零七年十二月三十一日止年度向聯洲國際集團有限公司（「聯洲國際」，連同其附屬公司統稱「聯洲國際集團」）提供過渡貸款3億港元（「過渡貸款」），而過渡貸款於本報告日期仍未償還。 貴集團已於期內就建議重組聯洲國際集團之債項（「建議重組」）與聯洲國際及聯洲國際集團之債權銀行訂立有條件債項重組協議，此舉或會使 貴集團成為聯洲國際集團之控股股東。建議重組須待有關監管機構以及 貴集團及聯洲國際集團股東批准，而該等重組文件若干條件尚未達成或獲豁免。過渡貸款將會在建議重組生效後全部償還，建議屆時過渡貸款會由 貴集團提供約12億港元額外資金代替。於本期間結束後， 貴集團將過渡貸款之到期日延至二零零八年八月二十日，並表明或準備進一步延遲該到期日。 貴公司就批准建議認購協議之形式及內容以便聯洲國際集團發行新股份及可換股債券而於二零零八年七月二十九日舉行之股東特別大會已延期，直至另行通知，以便 貴公司與聯洲國際就建議重組釐清若干事項。由於過渡貸款最終能否收回及其後的建議投資，取決於建議重組取得長期佳績，而此情況現時未能確定，故並無於簡明綜合財務報表作出減值虧損撥備。

德勤•關黃陳方會計師行
執業會計師
香港
二零零八年八月十一日

Interim Dividend

中期股息

The Board have resolved to declare the payment of an interim dividend of HK cents 12.0 (2007: HK cents 10.50*) in cash per share for the six months ended 30th June, 2008, which will be paid on Friday, 12th September, 2008 to shareholders whose names appear on the Register of Members of the Company on Friday, 5th September, 2008.

(Note: * adjusted for subdivision of shares)

董事局已議決宣佈派發截至二零零八年六月三十日止六個月之中期股息每股現金12.0港仙(二零零七年：10.50*港仙)，中期股息將於二零零八年九月十二日(星期五)派付予二零零八年九月五日(星期五)名列本公司股東名冊之股東。

(附註：*已就股份拆細調整)

Closure of Register of Members

截止過戶登記

The Register of Members of the Company will be closed from Wednesday, 3rd September, 2008 to Friday, 5th September, 2008 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend for the six months ended 30th June, 2008, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2nd September, 2008.

本公司將由二零零八年九月三日(星期三)至二零零八年九月五日(星期五)(首尾兩天包括在內)期間暫停辦理股份過戶手續，該期間將不會登記任何股份過戶。為確保符合資格獲取截至二零零八年六月三十日止六個月之中期股息，所有股份過戶文件連同有關股票及過戶表格須於二零零八年九月二日(星期二)下午四時三十分前，送交本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室，辦理過戶手續。

Financial Review

財務回顧

Turnover and Sales Proceeds

For the review period, the Group's turnover grew to HK\$1,697.0 million, a 19.5% increase from HK\$1,419.6 million recorded in 2007. The Group's net sales proceeds amounted to HK\$3,664.7 million, with the flagship store in Causeway Bay ("SOGO CWB") contributing HK\$2,662.1 million, the Tsimshatsui store ("SOGO TST") HK\$253.0 million, and Shanghai Jiuguang Department Store ("Shanghai Jiuguang") HK\$749.6 million that respectively accounted for 72.6%, 6.9% and 20.5% of the Group's sales proceeds. The growth was attributable again to the impressive same-store sales growth of approximately 13.6% at SOGO CWB, 27.6% at SOGO TST, and 43.4% (or 30.4% in RMB term) at Shanghai Jiuguang.

Gross Profit and Gross Profit Margin

Gross profit margin as a percentage of net sales proceeds was 26.0% for the first half of 2008, compared with 25.6% for the same period in 2007. The growth was partly due to improvement of the concessionaire commission rate at Shanghai Jiuguang of 0.4 percentage point to 20.8% while the commission rates of the Hong Kong operations remained stable at around 23.3%. Gross profit rose to approximately HK\$952.2 million, up 21.3% from HK\$785.2 million in 2007. Gross profit margin as a percentage of turnover was 56.1%, compared with 55.3% in 2007.

EBITDA and Net Profit

During the period under review, the Group's EBITDA (earnings before interest, taxation, depreciation and amortization) rose to HK\$858.2 million (including HK\$173.7 million of fair value change on the Group's investment properties), an increase of 55.6% from HK\$551.5 million in 2007. The Group's EBITDA margin for the period, calculated based on turnover, was 50.6% compared with 38.9% in the previous year. The Group's core EBITDA margin before the fair value change on investment properties was 40.3% and the slight improvement in EBITDA margin was mainly a result of operating leverage accruing to our self-owned store strategy although the improvement was slightly offset by the additional share based payments charged during the period in respect of the employee share options granted last year.

營業額及銷售所得款項

回顧期內，本集團營業額增至1,697,000,000港元，較二零零七年之1,419,600,000港元增加19.5%。本集團之銷售所得款項淨額達3,664,700,000港元，銅鑼灣旗艦店（「銅鑼灣崇光」）、尖沙咀店（「尖沙咀崇光」）及上海久光百貨（「上海久光」）分別貢獻2,662,100,000港元、253,000,000港元及749,600,000港元，佔本集團銷售所得款項之72.6%、6.9%及20.5%。增幅再度源自銅鑼灣崇光、尖沙咀崇光及上海久光之驕人同店銷售額增長約13.6%、27.6%及43.4%（或按人民幣計算之30.4%）。

毛利及毛利率

二零零八年上半年按佔銷售所得款項淨額百分比計算之毛利率為26.0%，二零零七年同期則為25.6%。部分增幅乃由於上海久光之特許專櫃佣金增加0.4個百分點至20.8%，而香港業務之佣金則仍維持約23.3%。毛利增至約952,200,000港元，較二零零七年之785,200,000港元上升21.3%。按佔營業額百分比計算之毛利率為56.1%，二零零七年則為55.3%。

EBITDA及純利

回顧期內，本集團之EBITDA（未計利息、稅項、折舊及攤銷之盈利）升至858,200,000港元（包括本集團投資物業之公平值變動173,700,000港元），較二零零七年之551,500,000港元增加55.6%。本集團於期內按營業額計算之EBITDA率為50.6%，去年則為38.9%。本集團未計投資物業公平值變動前之核心EBITDA率為40.3%，而EBITDA率稍微改善主要由於自置店舖策略產生經營槓桿比率，然而，有關改善被期內就去年授出之僱員購股權扣除之額外股份付款開支略為抵銷。

The Group's net profit attributable to shareholders for the period was HK\$606.3 million, up 41.9% from HK\$427.1 million recorded in the same period in 2007. The surge in net profit for the period was a result of same-store sales increase at our stores as well as an revaluation surplus (after tax) of HK\$130.3 million on the Group's investment properties in Mainland China. Net profit margin, before this investment properties fair value change, as a percentage of turnover dropped slightly from 30.1% to 28.0% due mainly to the income tax charge for the first time at Shanghai Jiuguang whereas it was a deferred tax credit last year as well as the additional share based payments mentioned above.

The Group's other operating costs remained relatively stable except, as mentioned above, that a relatively significant increase was recorded during the period for administrative costs due to the additional share based payments of approximately HK\$45.1 million related to certain share options granted to staff and a Director in August and September 2007 respectively.

Finance Costs

Finance costs of HK\$44.8 million mainly comprised interest costs from the Group's bank loans and other finance charges. Increase in interest expense was mainly due to interest on additional loans drawn for funding the acquisition of the land use right in Shenyang and construction costs in Suzhou. The lower interest rate environment during the first half of 2008 compared with last year helped lower the Group's overall interest expense. An amount of approximately HK\$13.7 million of interest expense has been capitalised as part of the development costs of the Group's PRC projects.

Liquidity and Financial Resources

The Group was at a net debt position as at 30th June, 2008 before counting the investments of approximately HK\$451.0 million, with approximately HK\$2,371.4 million of cash and bank balances, and approximately HK\$2,860.0 million of bank loans. The cash and bank balances, mostly in US dollar and Hong Kong dollar and to a lesser extent in RMB, were held mainly at banks as short-term deposits for interest income. The Group's bank loans included a Hong Kong dollar term loan of HK\$2,750.0 million at period end, repayable semi-annually. This loan facility bears interest with reference to HIBOR. The remaining loan balance represents working capital RMB loans bearing interest rates at approximately 6% per annum.

Pledge of Assets

As at 30th June, 2008, certain of the Group's land and buildings with book value of HK\$1,658.1 million (31st December, 2007: HK\$1,680.3 million), together with shares in certain subsidiaries of the Group, were pledged to a bank to secure a HK\$4,000.0 million banking facilities granted to the Group of which HK\$2,750.0 million remained outstanding.

本集團期內之股東應佔純利為606,300,000港元，較二零零七年同期錄得之427,100,000港元增加41.9%。期內純利飆升乃由於本集團店舖之同店銷售額增加，以及本集團於中國內地之投資物業的除稅後重估盈餘130,300,000港元所致。按營業額百分比計算之純利率（尚未計入此項投資物業公平值變動）由30.1%輕微下降至28.0%，主要由於上海久光首次出現所得稅開支所致，而去年則錄得一項遞延稅項抵免及上述額外股份付款。

除如上文所述期內行政開支由於二零零七年八月及九月就分別授予員工及一名董事之若干購股權作出約45,100,000港元之額外股份付款而出現較顯著上升外，本集團之其他經營成本仍相對穩定。

融資成本

融資成本44,800,000港元主要包括本集團銀行貸款之利息成本及其他融資費用。利息開支增加，主要由於就撥付收購瀋陽土地使用權及蘇州建築成本而提取額外貸款之利息所致。二零零八年上半年較去年底之環境，有助減少本集團整體利息開支。為數約13,700,000港元之利息開支已撥充資本，作為本集團中國項目開發成本之一部分。

流動資金及財務資源

於二零零八年六月三十日，本集團於未計及約451,000,000港元之投資前處於淨債務狀況，現金及銀行結存約為2,371,400,000港元，而銀行貸款則約為2,860,000,000港元。現金及銀行結存主要為美元及港元，另有小部分為人民幣，大部分存放於銀行作為短期存款，以賺取利息收入。本集團銀行貸款包括於期末一筆港元定期貸款2,750,000,000港元，須每半年還款。該筆融資貸款按香港銀行同業拆息計息。其餘貸款結餘為營運資金人民幣貸款，按每年約6厘之年利率計息。

資產抵押

於二零零八年六月三十日，本集團將賬面值為1,658,100,000港元（二零零七年十二月三十一日：1,680,300,000港元）之若干土地及樓宇，連同本集團若干附屬公司之股份向銀行抵押，作為本集團獲授銀行融資額4,000,000,000港元之抵押，其中2,750,000,000港元仍未償還。

Review of Operations

業務回顧

General Retail Environment

Hong Kong

In the first four months of 2008, Hong Kong's retail market continued to enjoy the growth momentum carried forward from last year, before the growth rate began to moderate in May under the effect of low sentiment in the global and local financial and property markets and the negative impact of the earthquake in Sichuan, the PRC. The exceptionally wet weather during most part of June also adversely affected the retail sales. Overall, Hong Kong's total retail sales value increased by 15.9% year-on-year to approximately HK\$139 billion for the first 6 months of 2008, with the increase in fuels, automobiles and jewellery and watches contributing particularly significantly to the sum. The department store segment showed an impressive 13.9% year-on-year growth for the first six months of the year, thanks to the influx of mainland shoppers and tourists and in the case of mainland shoppers, the appreciation of the RMB helped fuelling the growth of their spending in Hong Kong.

Mainland China

Mainland China remained one of the fastest-growing emerging economies in the world during the review period, logging still a 10.4% growth in GDP for the first six months of the year even under various measures initiated by the government to slow down the growth. The burgeoning middle class and increasing number of high net worth individuals continued to drive up demand for discretionary as well as luxury products. Like many other countries, Mainland China faces uncertainties brought about by the current global financial turbulence and inflationary pressure. However, rising income level and domestic consumption of this economic giant continued to fuel the growth in the retail sector, which recorded a 21.4% increase in sales value during the review period comparing to the same period last year.

Performance by Stores

SOGO CWB

By and large, the strong growth momentum of this store built on the previous year continued during the first five months of the period under review. This came before the month-long rainy days in June, which dampened consumer sentiment and spending, causing the growth of the store to turn moderate. A total of approximately HK\$2.66 billion in sales revenue was recorded, representing a 13.6% increase year-on-year. During the "Thankful Week" in May, our semi-annual promotion event, the store achieved a record-breaking of \$40.9 million in daily sales notwithstanding the fact that the event took place only a week after the Sichuan earthquake. This reflected strong customer loyalty to SOGO CWB.

Thanks to its premium location and leading industry status, SOGO CWB remained the shopping Mecca for Hong Kong people and in-bound tourists from Mainland China and other countries. The store also owed its consistent performance to its innovative marketing initiatives and high brand recognition. With its leading position in the department sector in Hong Kong and its renowned "one-stop-shop" concept, the store has seen its shopper traffic stabilized over the years. During the review period, daily shopper traffic stayed at around 90,000. Average per-ticket sales amounted to approximately HK\$520, representing an increase of 13.8%.

一般零售環境

香港

香港零售市場於二零零八年首四個月繼續承接去年之增長勢頭，直至五月起在全球及本地金融及房地產市場氣候低迷以及中國四川地震帶來之負面影響下，增長開始放緩。六月大部分時間異常多雨，亦對零售銷售額構成不利影響。整體而言，香港之零售銷售總額於二零零八年首六個月按年增加15.9%至約139,000,000,000港元，燃料、汽車及珠寶與鐘錶銷售額增長對零售銷售總額帶來的貢獻尤其顯著。有賴內地消費者及遊客湧入，加上人民幣升值，令內地消費者在香港之消費能力得以提升，百貨店部分於本年度首六個月按年錄得13.9%之驕人增長。

中國內地

於回顧期內，中國內地仍為全球增長最快之新興經濟體系之一，即使政府採取多項措施減慢增長，本年度首六個月之國民生產總值仍錄得10.4%之增幅。國內中產階級及高淨值人士數目攀升，繼續帶動自主選擇性產品及名貴產品的需求。一如許多其他國家，中國內地須面對現時環球金融市場波動及通脹壓力所帶來的不明朗因素。然而，收入水平上升及本土龐大之經濟消費繼續推動零售業增長，於回顧期內錄得之銷售額較去年同期增長21.4%。

店舖表現

銅鑼灣崇光

整體而言，銅鑼灣崇光於回顧期間首五個月延續去年之強勁增長勢頭。直至六月份連場大雨削弱消費意慾及消費，令店舖增長放緩。總銷售收益按年躍升13.6%至約2,660,000,000港元。該店於五月展開半年一度的「感謝週」推廣活動，縱使四川地震剛剛發生一個星期，仍然創下40,900,000港元的單日銷售額佳績，足證銅鑼灣崇光深受顧客愛戴。

由於位處黃金地段，加上其市場領導地位，銅鑼灣崇光繼續為香港市民以及中國內地及其他國家訪港旅客之購物聖地。該店得以穩定增長，亦有賴其創新的市場推廣活動及高品牌知名度。憑藉其於香港百貨業之領導地位，加上其著名的「一站式商店」概念，該店得以於過往數年維持穩定顧客人流。於回顧期間，每日平均顧客人流維持約90,000人次。平均每宗銷售額亦增加13.8%至約520港元。

SOGO TST

Into its third year of operation, the store has firmly established itself as a widely popular shopping destination for young and fashion-conscious customers in Kowloon. The merchandising and brand mix of SOGO TST has been further adjusted and enriched to meet market demand and efforts have also been invested on the marketing and promotion front. During the period under review, traffic at SOGO TST continued to improve, thanks to the continuous rise in the number of inbound tourists and the growing popularity of the store. Sales during the period increased 27.6% year-on-year to approximately HK\$253.0 million. Average per-ticket sales improved by 12.2% to approximately HK\$330.

Shanghai Jiuguang

As our first store in Mainland China, Shanghai Jiuguang has been delivering consistently outstanding performance since its inception in late 2004. Today, it is one of the most sought-after shopping destinations in Shanghai. Position as a department store offering a quality lifestyle shopping environment and experience and a vast array of renowned international brands and premium products, the store continued to grow in popularity, as evident by a staggering 30.4% (in RMB term) same-store sales growth recorded for the period under review. Daily traffic rose to approximately 48,000 from 42,100, with average per-ticket sales increasing approximately 8.0% to RMB271.

Expansion in Mainland China

The new stores under our expansion plan in Mainland China that we have been working on are progressing well and upon their opening will significantly strengthen the Group's store portfolio in Mainland China.

Both the Suzhou store, a one-stop shopping complex featuring a department store as well as a variety of entertainment and dining facilities and the Dalian store, which the Group acquired in 2007, will open in the fourth quarter of 2008. Following on their heels will be the Tianjin store, which is expected to open in the first quarter of 2009. Meanwhile, major development work for the Shenyang store is being planned and opening of the store is scheduled for the second half of 2010.

To establish the Group's presence in the retail market in the northern part of Mainland China, the Group completed in April 2008 a transaction, through a 60% owned investment holding company, whereby 51% of its 99% indirect subsidiary, a property investment company that owns a shopping mall in Shijiazhuang, was exchanged, through the same 60% owned investment holding company, for a 30% equity interest in the Beiren Group and 16.05% equity interest in Beiguo, a 73.96% subsidiary of the Beiren Group. Beiren Group, a state-owned enterprise and together with its subsidiary Beiguo, is a leading retail group based in Shijiazhuang, Hebei Province that primarily owns and operates 5 department stores, 13 supermarkets, and a number of outlets selling items in the electrical appliances and consumer electronics and jewellery categories.

During the review period, Beiren Group recorded a 21.1% growth year-on-year in gross sales to approximately RMB3,953 million.

尖沙咀崇光

隨著業務踏入第三年，尖沙咀崇光已奠定九龍區人氣購物熱點之穩固位置，深受年輕人及潮流人士歡迎。因應市場需求，本集團已進一步調整及加強尖沙咀崇光之商品及品牌種類，並投放更多資源於市場策劃及宣傳推廣方面。回顧期間，訪港旅客人數持續上升，加上店舖名氣日增，帶動尖沙咀崇光人流持續增加。期內銷售額按年增加27.6%至約253,000,000港元，平均每宗銷售額亦躍升12.2%至約330港元。

上海久光

作為本集團首家中國內地百貨店，上海久光自二零零四年年底成立以來一直維持驕人業績。時至今日，上海久光已成為上海市購物熱點之一。該店一直為顧客提供舒適的購物環境，帶給他們優質的購物體驗，以及多元化國際品牌商品及高級產品，受歡迎程度與日俱增，同店銷售額於回顧期間按人民幣計算錄得30.4%之驚人增長。每日平均人流由42,100人次增加至約48,000人次，平均每宗銷售額亦躍升約8.0%至人民幣271元。

於中國內地拓展業務

本集團中國內地拓展計劃下的各家新店施工進度理想，待該等店舖開業後，本集團中國內地百貨店之面積將大幅增加。

蘇州店為一站式購物中心，設有百貨店及一系列娛樂及餐飲設施，大連店則為本集團於二零零七年收購之百貨店，兩家店舖均將於二零零八年第四季度開業。預期天津店將緊隨上述兩家分店於二零零九年首季開業。與此同時，瀋陽店之主要發展工程現正進行規劃，可望於二零一零年下半年開業。

為確立本集團於中國內地華北零售市場之地位，本集團於二零零八年四月透過一家擁有60%權益之投資控股公司完成一項交易，據此，由本集團擁有99%權益之間接附屬公司（於石家莊擁有一家購物中心之物業投資公司）之51%權益，已透過同一家擁有60%權益之投資控股公司換取北人集團30%股權及北國（北人集團擁有73.96%權益之附屬公司）16.05%股權。北人集團乃國營企業，連同其附屬公司北國，為以河北省石家莊為基地之主要零售集團，主要擁有及經營5家百貨店、13家超級市場及多家電器產品、消費電子產品及珠寶銷售門市。

於回顧期間，北人集團之銷售總額按年增長21.1%至約人民幣3,953,000,000元。

Acquisition of EganaGoldpfeil (Holdings) Limited

The Group has been involving since September 2007 in the debt restructuring of EganaGoldpfeil (Holdings) Limited (“Egana”), a Hong Kong-listed company that owns and leases a portfolio of internationally renowned brands of luxury products. In late May 2008, the Group, creditor banks and Egana entered into a conditional debt restructuring agreement. Successful completion of the acquisition will enable the Group to get access to Egana’s portfolio of well-known brands in various product categories, which the Group believes will be a good fit for Mainland China’s consumer product market. The extraordinary general meeting (“EGM”) of the Company convened to approve the restructuring proposal, including the subscription of new shares and convertible bonds of Egana was held on 29th July, 2008 and was adjourned pending further information to be provided by Egana on matters related to certain Chinese customs (the “Matters”). As at the date of this report, the parties are still working to resolving the Matters and the date of resumption of the EGM of the Company has not been announced.

收購聯洲國際集團有限公司

本集團自二零零七年九月起涉及重組聯洲國際集團有限公司(「聯洲國際」)債務，該公司為一家擁有及出租多個國際著名品牌之香港上市公司。於二零零八年五月底，本集團、債權銀行與聯洲國際訂立有條件債項重組協議。收購成功完成將有助本集團取得聯洲國際旗下各類產品的知名品牌組合，本集團相信，該等組合非常適合中國內地消費品市場。本公司於二零零八年七月二十九日就批准重組計劃(包括認購聯洲國際新股份及可換股債券)召開股東特別大會(「股東特別大會」)，其後因有待聯洲國際提供有關若干中國關稅事宜(「關稅事宜」)之進一步資料而押後舉行。於本報告日期，訂約方仍在解決關稅事宜，故此尚未公佈重開本公司股東特別大會之日期。

Outlook and Plan

展望與計劃

In view of the current economic climate, the management takes a cautious view on the outlook of the retail market in the second half of 2008 in Hong Kong and other China cities. The exceptionally robust sales growth in the second half of last year, which was largely a result of the buoyant property and stock markets in Mainland China and Hong Kong, set a relatively high base for this year. As such, the sales growth in the second half of this year should expect to be rather moderate. However, the management still believes the underlying strengths of the Group's operations will remain solid and intact. Regardless of the external environment, the Group always strives to seek growth and achieve its business objectives through careful planning and by bringing into full play the Group's business vision.

Looking ahead, the retail industry of both Hong Kong and Mainland China will be girding for different kinds of challenge amidst the current global economic uncertainties. We will, however, continue to strengthen the profitability and cash flow of our existing operations, including SOGO CWB, SOGO TST and Shanghai Jiuguang. In addition, the Group will invest efforts in the new stores which will be gradually rolled out in different cities in Mainland China. Notwithstanding rising inflation and the current financial uncertainties being faced by most economies of the world (including the US and Europe) that are expected to last for a while, the management believes that Mainland China's economic growth driven by domestic consumption will remain strong, which should provide a relatively better retail environment for our new stores.

Moreover, we will be on the lookout for acquisition opportunities that are conducive to the Group's long-term growth. The recent consolidation of the property market in Mainland China should be in the Group's favour when opportunities arise in respect of new sites for our store expansion.

鑑於目前的經濟氣候，管理層對二零零八年下半年香港及其他中國城市之零售市場前景抱持審慎態度。於上年度下半年，主要因中國內地及香港之房地產及股票市場暢旺，帶動銷售額錄得異常增長，故為本年度訂下相對較高基準。本年度下半年之銷售額增長預期將屬溫和。然而，管理層仍然相信，上述因素將無損本集團業務之雄厚根基，而不論外來環境好壞，本集團仍將透過審慎周詳計劃及全面實踐本集團業務遠見，致力尋求增長及達致其業務目標。

展望未來，香港及中國內地零售業將會由於目前全球經濟不明朗因素的影響而面臨各種挑戰。然而，本集團將繼續加強銅鑼灣崇光、尖沙咀崇光及上海久光等現有業務之盈利能力及現金流量。此外，本集團亦將投放資源於快將在中國內地不同城市開業之新店。儘管歐美等全球大部分經濟體系正面對通脹加劇及目前各種財政不明朗因素，而有關局面預期將持續一段時間，管理層仍然相信，由中國內地消費帶動的經濟增長將持續強勁，為本集團新店提供相對較佳的零售環境。

此外，本集團將密切注視對本集團長遠增長有利之收購機會。中國內地房地產市場之近期整合將有利本集團，當商機湧現時，有助集團物色新地點作拓展店舖之用。

Directors' and Chief Executives' Interests in Shares and Underlying Shares

董事及行政總裁於股份及相關股份之權益

At 30th June, 2008, the interests and short positions of the Directors and chief executive in the shares of the Company, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to Section 352 of Part XV of the SFO, to be entered in the register maintained by the Company referred to therein, or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

於二零零八年六月三十日，董事及行政總裁於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之本公司股份、相關股份及債券中擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所（包括彼等根據證券及期貨條例該等條文被當作或視為擁有之權益及淡倉），或須根據證券及期貨條例第XV部第352條於該條所述本公司存置之登記冊記錄，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

(i) Directors' interests in the issued shares of the Company

(i) 董事於本公司已發行股份之權益

Name of Director	Nature of interest and capacity	Number of shares held	Approximate percentage of interest in the issued share capital of the Company (Note 3) 佔本公司已發行股本權益之概約百分比(附註3)
董事姓名	權益性質及身分	所持股份數目	
Mr. Lau Luen-hung, Thomas ("Mr. Thomas Lau") 劉鑾鴻先生 (「劉鑾鴻先生」)	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1,080,000,000	63.28%
	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	40,000,000	2.34%
	Beneficial owner 實益擁有人	10,661,000	0.62%

Notes:

1. Real Reward Limited ("Real Reward"), which is jointly owned by United Goal Resources Limited ("United Goal") and Go Create Limited ("Go Create") in equal shares, holds 1,080,000,000 shares. United Goal, a company incorporated in the British Virgin Islands, is ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Lau Luen-hung, Joseph ("Mr. Joseph Lau") as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 1,080,000,000 shares held by Real Reward.
2. Dynamic Castle Limited ("Dynamic Castle"), which is wholly-owned by Mr. Thomas Lau, holds 40,000,000 shares. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the 40,000,000 shares held by Dynamic Castle.
3. As at 30th June, 2008, the issued share capital of the Company was HK\$8,533,515.00 divided into 1,706,703,000 shares of HK\$0.005 each.

附註：

1. 由 United Goal Resources Limited (「United Goal」)與Go Create Limited(「Go Create」)共同平均擁有之Real Reward Limited(「Real Reward」)持有1,080,000,000股。United Goal為於英屬維爾京群島註冊成立之公司，由劉鑾鴻先生及合資格受益人為劉鑾雄先生(「劉鑾雄先生」)若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視為於Real Reward所持1,080,000,000股中擁有權益。
2. 由劉鑾鴻先生全資擁有之Dynamic Castle Limited(「Dynamic Castle」)持有40,000,000股。根據證券及期貨條例，劉鑾鴻先生被視為於Dynamic Castle持有之40,000,000股中擁有權益。
3. 於二零零八年六月三十日，本公司之已發行股本為8,533,515.00港元，分為1,706,703,000股每股面值0.005港元之股份。

(ii) Directors' interests in associated corporations of the Company

(ii) 董事於本公司相聯法團之權益

Name of director 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interest and capacity 權益性質及身分	Number of shares held 所持股份數目	Percentage of interest 權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Real Reward	Interest in controlled corporation (Note 1) 受控制公司權益(附註1)	1	50%
	Crystal Key Investment Limited	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Grandville Venture Corp.	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	50,000	100%
	Global Centre Investments Limited	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Leeson Limited 麗信有限公司	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%
	Wise Ocean Limited 偉洋有限公司	Interest in controlled corporation (Note 2) 受控制公司權益(附註2)	1	100%

Notes:

1. United Goal, a company incorporated in the British Virgin Islands and ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Joseph Lau as eligible beneficiaries, has 50% interest in Real Reward. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in the one share in Real Reward.
2. United Goal, a company incorporated in the British Virgin Islands and ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Joseph Lau as eligible beneficiaries, has 50% interest in Real Reward. Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited are, either direct or indirect, wholly-owned subsidiaries of Real Reward. By virtue of SFO, Mr. Thomas Lau is deemed to be interested in the shares held by Real Reward in Crystal Key Investment Limited, Grandville Venture Corp., Global Centre Investments Limited, Leeson Limited and Wise Ocean Limited.

All the interests stated above represented long positions. As at 30th June, 2008, the directors and chief executives had no short positions recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO.

附註：

1. United Goal為於英屬維爾京群島註冊成立之公司，擁有Real Reward 50%權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家族成員之家族信託最終擁有。根據證券及期貨條例，劉鑾鴻先生被視為於Real Reward之1股中擁有權益。
2. United Goal為於英屬維爾京群島註冊成立之公司，擁有Real Reward 50%權益，並由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家族成員之家族信託最終擁有。Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司為Real Reward直接或間接全資附屬公司。根據證券及期貨條例，劉鑾鴻先生被視為於Real Reward在Crystal Key Investment Limited、Grandville Venture Corp.、Global Centre Investments Limited、麗信有限公司及偉洋有限公司持有之股份中擁有權益。

上述全部權益均為好倉。於二零零八年六月三十日，本公司根據證券及期貨條例第XV部第352條規定存置之登記冊並無記錄董事及行政總裁擁有任何淡倉。

Substantial Shareholders

主要股東

Interests in the issued shares and underlying shares of the Company

As at 30th June, 2008, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required, pursuant to Section 336 of Part XV of the SFO, to be entered in the register maintained by the Company referred to therein:

(i) Long positions in the shares and the underlying shares of the Company

於本公司已發行股份及相關股份之權益

於二零零八年六月三十日，據董事或本公司行政總裁所知，下列人士（不包括董事或本公司行政總裁）於本公司之股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或須根據證券及期貨條例第XV部第336條於該條所述本公司存置之登記冊記錄：

(i) 於本公司股份及相關股份中之好倉

Name of Shareholder	Nature of interest and capacity	Number of shares held	Approximate percentage of interest in the issued share capital of the Company (Note 4) 佔本公司已發行股本權益之概約百分比 (附註4)
股東名稱	權益性質及身分	所持股份數目	
Real Reward	Beneficial owner (Note 1) 實益擁有人 (附註1)	1,080,000,000	63.28%
United Goal	Interest in controlled corporation (Note 2) 受控制公司權益 (附註2)	1,080,000,000	63.28%
Asia Prime Assets Limited ("Asia Prime")	Interest in controlled corporation (Note 2) 受控制公司權益 (附註2)	1,080,000,000	63.28%
Go Create	Interest in controlled corporation (Note 3) 受控制公司權益 (附註3)	1,080,000,000	63.28%
Chow Tai Fook Enterprises Limited ("CTF") 周大福企業有限公司 (「周大福」)	Interest in controlled corporation (Note 3) 受控制公司權益 (附註3)	1,080,000,000	63.28%
JPMorgan Chase & Co.	(a) Beneficial owner (a) 實益持有人	1,931,500	8.09%
	(b) Investment manager (b) 投資經理	102,055,000	
	(c) Custodian (c) 託管人	34,082,373	
		Total: 合共：138,068,873	

(ii) Short positions in the shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of shares	Percentage of issued share capital in the Company (Note 4) 佔本公司已發行股本百分比(附註4)
股東名稱	身分	股份數目	
JPMorgan Chase & Co.	Beneficial owner 實益擁有人	1,784,500	0.10%

(ii) 本公司股份及相關股份中之淡倉

(iii) Lending pool with respect of the shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of shares	Percentage of issued share capital in the Company (Note 4) 佔本公司已發行股本百分比(附註4)
股東名稱	身分	股份數目	
JPMorgan Chase & Co.	Custodian 託管人	34,082,373	2.00%

(iii) 可供借出之本公司股份及相關股份

Notes:

1. Real Reward is a company jointly owned by United Goal and Go Create in equal shares. United Goal is ultimately owned by Mr. Thomas Lau and a family trust with certain family members of Mr. Joseph Lau as eligible beneficiaries. Go Create is wholly-owned by CTF of which family members of Dató Dr. Cheng Yu-tung have controlling interests. Mr. Thomas Lau, Mr. Joseph Lau and Dr. Cheng Kar-shun, Henry, being Directors, are also directors of Real Reward.
2. Asia Prime, a company wholly-owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal, a 50% shareholder of Real Reward. By virtue of the SFO, Asia Prime and United Goal are deemed to be interested in the 1,080,000,000 shares held by Real Reward. Mr. Thomas Lau and Mr. Joseph Lau, being Directors, are directors of United Goal and Mr. Thomas Lau is also the sole director of Asia Prime.
3. Go Create, a company incorporated in the British Virgin Islands and wholly-owned by CTF of which family members of Dató Dr. Cheng Yu-tung have controlling interests, has 50% interest in Real Reward. By virtue of the SFO, CTF and Go Create are deemed to be interested in the 1,080,000,000 shares held by Real Reward. Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, being Directors, are directors of CTF and Dr. Cheng Kar-shun, Henry is also a director of Go Create.
4. As at 30th June, 2008, the issued share capital of the Company was HK\$8,533,515.00 divided into 1,706,703,000 shares of HK\$0.005 each.

附註：

1. Real Reward由United Goal與Go Create共同平均擁有。United Goal由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家族成員之家族信託最終擁有。Go Create由周大福全資擁有，而拿督鄭裕彤博士之家族成員於周大福擁有控股權益。董事劉鑾鴻先生、劉鑾雄先生及鄭家純博士亦為Real Reward之董事。
2. Asia Prime由劉鑾鴻先生全資擁有，其持有United Goal全部已發行股本超過三分之一，而United Goal為持有Real Reward 50%權益之股東。根據證券及期貨條例，Asia Prime及United Goal被視為於Real Reward持有之1,080,000,000股股份中擁有權益。董事劉鑾鴻先生及劉鑾雄先生為United Goal之董事，而劉鑾鴻先生亦為Asia Prime唯一之董事。
3. Go Create於英屬維爾京群島註冊成立，由拿督鄭裕彤博士之家族成員擁有控股權益之周大福全資擁有，Go Create於Real Reward擁有50%權益。根據證券及期貨條例，周大福及Go Create被視為於Real Reward持有之1,080,000,000股中擁有權益。董事拿督鄭裕彤博士及鄭家純博士為周大福之董事，而鄭家純博士亦為Go Create之董事。
4. 於二零零八年六月三十日，本公司之已發行股本為8,533,515.00港元，分為1,706,703,000股每股面值0.005港元之股份。

Share Option Scheme

購股權計劃

The Company's share option scheme (the "Scheme") was adopted for a period of 10 years commencing 27th March, 2004 pursuant to a written resolution of the sole shareholder for the purpose of providing incentives or rewards to selected full-time employees and directors for their contribution to the Group.

Under the Scheme, the Company may grant options to selected full-time employees and directors of the Company and its subsidiaries, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to eligible advisors and consultants to the Company and its subsidiaries at the discretion of the Board of Directors.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point of time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders, independent non-executive directors, or any of their respective associates (including a discretionary trust whose discretionary objects include a substantial shareholder or an independent non-executive director or any of their respective associates) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be also approved by the Company's shareholders.

Option granted must be taken up within the time limit specified in the offer letter (which shall not be later than 5 days from the date of offer), upon payment of HK\$1 per option. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and deemed to be granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and deemed to be granted. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

本公司根據唯一股東之書面決議案採納購股權計劃(「該計劃」)，由二零零四年三月二十七日起為期十年，旨在向經甄選之全職僱員及董事就彼等對本集團所作貢獻提供獎勵或獎賞。

根據該計劃，本公司可向本公司及其附屬公司經甄選之全職僱員及董事授出購股權，以認購本公司股份。此外，本公司可不時按董事局酌情權向本公司及其附屬公司之合資格顧問及諮詢顧問授出購股權。

如未經本公司股東事先批准，根據該計劃可授出購股權所涉及股份總數，不得超過本公司於任何時間已發行股份10%。如未經本公司股東事先批准，於任何一年，就任何個別人士所獲授及可獲授之購股權已發行及將發行之股份數目，不得超過本公司於任何時間已發行股份1%。授予主要股東、獨立非執行董事或任何彼等各自之聯繫人士(包括全權信託，而有關全權受益人包括主要股東或獨立非執行董事或任何彼等各自之聯繫人士)超過本公司股本0.1%或價值超過5,000,000港元之購股權，亦必須經本公司股東事先批准。

授出之購股權須於提呈函件所指定時限(不得遲於提呈日期起計5日)內接納，接納時須就每份購股權支付1港元。購股權可於接納及被視為已授出當日或之後起至董事局知會各承授人屆滿當日止期間內隨時行使，惟由接納及被視為已授出購股權當日起計不得超過10年。行使價由本公司董事釐定，將不低於(i)授出日期本公司股份收市價；(ii)緊接授出日期前五個營業日股份平均收市價；及(iii)本公司股份面值三者之較高者。

Details of Options Granted by the Company

本公司授出購股權之詳情

As at 30th June, 2008, options to subscribe for an aggregate of 53,018,000 shares of the Company granted to a Director (as disclosed above) and certain full-time employees pursuant to the Scheme remained outstanding, details of which were as follows:

於二零零八年六月三十日，誠如上文所披露，本公司根據該計劃向一名董事及若干全職僱員授出可供認購合共53,018,000股本公司股份且尚未行使之購股權詳情如下：

	Date of grant	Number of share options 購股權數目					Outstanding as at 30th June, 2008 於二零零八年六月三十日 尚未行使	Option period 購股權期限	Subscription price per share 每股認購價
		Outstanding as at 1st January, 2008 於二零零八年一月一日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Cancelled during the period 期內註銷			
Director 董事									
Mr. Thomas Lau 劉鑾鴻先生	7/10/2005 二零零五年十月七日	1,008,000	-	-	-	1,008,000	7/10/2006 – 26/3/2014 (Note 1) 二零零六年十月七日至 二零一四年三月二十六日 (附註1)	HK\$6.16 6.16港元	
	16/03/2006 二零零六年三月十六日	9,156,000	-	-	-	9,156,000	16/3/2007 – 26/3/2014 (Note 2) 二零零七年三月十六日至 二零一四年三月二十六日 (附註2)	HK\$6.37 6.37港元	
	31/08/2007 二零零七年八月三十一日	17,020,000	-	-	-	17,020,000	01/10/2008 – 26/03/2014 (Note 3) 二零零八年十月一日至 二零一四年三月二十六日 (附註3)	HK\$18.50 18.50港元	
Employees 僱員	7/10/2005 二零零五年十月七日	5,749,000	-	(1,620,000)	(45,000)	4,084,000	7/10/2006 – 26/3/2014 (Note 1) 二零零六年十月七日至 二零一四年三月二十六日 (附註1)	HK\$6.16 6.16港元	
	31/08/2007 二零零七年八月三十一日	21,970,000	-	-	(220,000)	21,750,000	01/10/2008 – 26/03/2014 (Note 3) 二零零八年十月一日至 二零一四年三月二十六日 (附註3)	HK\$18.50 18.50港元	
Total 總計		54,903,000	-	(1,620,000)	(265,000)	53,018,000			

Notes:

1. The options, granted on 7th October, 2005, are exercisable from 7th October, 2006 to 26th March, 2014 (both days inclusive) subject to the following vesting period:
 - (i) up to 40% of the options commencing 7th October, 2006;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 7th October, 2007;
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing 7th October, 2008.
2. The options, granted on 16th March, 2006, are exercisable from 16th March, 2007 to 26th March, 2014 (both days inclusive) subject to the following vesting period:
 - (i) up to 40% of the options commencing 16th March, 2007;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 16th March, 2008;
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing 16th March, 2009.
3. The options, granted on 31st August, 2007, are exercisable from 1st October, 2008 to 26th March, 2014 (both days inclusive) subject to the following vesting period:
 - (i) up to 40% of the options commencing 1st October, 2008 or 1st October, 2009;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 1st October, 2009 or 1st October, 2010;
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 1st October, 2010 or 1st October, 2011.

附註：

1. 該等於二零零五年十月七日授出之購股權可於二零零六年十月七日至二零一四年三月二十六日期間(包括首尾兩日)行使，有關歸屬期如下：
 - (i) 自二零零六年十月七日起最多40%之購股權；
 - (ii) 自二零零七年十月七日起最多70%之購股權(包括上個期間指定限額並未行使之購股權)；
 - (iii) 自二零零八年十月七日起最多100%之購股權(包括上個期間指定限額並未行使之購股權)。
2. 該等於二零零六年三月十六日授出之購股權可於二零零七年三月十六日至二零一四年三月二十六日期間(包括首尾兩日)行使，有關歸屬期如下：
 - (i) 自二零零七年三月十六日起最多40%之購股權；
 - (ii) 自二零零八年三月十六日起最多70%之購股權(包括上個期間指定限額並未行使之購股權)；
 - (iii) 自二零零九年三月十六日起最多100%之購股權(包括上個期間指定限額並未行使之購股權)。
3. 該等於二零零七年八月三十一日授出之購股權可於二零零八年十月一日至二零一四年三月二十六日期間(包括首尾兩日)行使，有關歸屬期如下：
 - (i) 自二零零八年十月一日或二零零九年十月一日起最多40%之購股權；
 - (ii) 自二零零九年十月一日或二零一零年十月一日起最多70%之購股權(包括上個期間指定限額並未行使之購股權)；
 - (iii) 自二零一零年十月一日或二零一一年十月一日起最多100%之購股權(包括上個期間指定限額並未行使之購股權)。

Additional Information

其他資料

Employees

As at 30th June, 2008, the Group had a total of about 1,020 employees in Hong Kong, 768 employees in the PRC and 2 employees in Japan. The costs of employee (excluding directors' emoluments) including share option charges amounted to HK\$129.4 million (2007: HK\$111.6 million). The Group ensures that the pay levels of its employees are competitive according to market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30th June, 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Code on Corporate Governance Practices

The Company has complied with the code provisions laid down in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct regarding its Directors' securities transactions. Specific enquiry has been made to all Directors, and all Directors have confirmed their compliance with all the relevant requirements as set out in the Model Code during the period.

Audit Committee

The Audit Committee of the Company is to review and supervise the financial reporting process and internal control procedures of the Group. The Group's interim results for the six months ended 30th June, 2008 have been reviewed by the Audit Committee and the Company's auditors. The auditors included in its review report an "Emphasis of Matters" paragraph in respect of the Group's loan receivable from Egana (see Report on Review of Interim Financial Information).

The Audit Committee of the Company comprises four Independent Non-executive Directors, namely, Mr. Lam Siu-lun, Simon, Mr. Cheung Yuet-man, Raymond, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen. Mr. Lam is the Chairman of the Audit Committee and a certified public accountant.

Remuneration Committee

The Remuneration Committee is to consider the remuneration of the Directors and senior management of the Group. The Remuneration Committee comprises three Independent Non-executive Directors, namely, Mr. Lam Siu-lun, Simon, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen and Executive Director, Mr. Lau Luen-hung, Thomas. Mr. Lau is the Chairman of the Remuneration Committee.

僱員

於二零零八年六月三十日，本集團分別於香港、中國及日本共僱用約1,020名、768名及2名員工。僱員成本包括購股權支出(但不包括董事酬金)為129,400,000港元(二零零七年：111,600,000港元)。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。

購買、出售或贖回本公司上市證券

截至二零零八年六月三十日止六個月內，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

企業管治常規守則

本公司一直遵守香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載企業管治常規守則之守則條文。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為其本身有關董事進行證券交易的操守準則。經向全體董事作出具體查詢後，全體董事確認，彼等於本期間內一直遵守標準守則所載各項相關規定。

審核委員會

本公司之審核委員會負責審閱及監督本集團之財務申報程序及內部監控措施。審核委員會及本公司核數師已審閱本集團截至二零零八年六月三十日止六個月之中期業績。核數師於其審閱報告「強調事項」一段內載列有關本集團應收聯洲國際貸款之詳情(見中期財務資料審閱報告)。

本公司審核委員會由四名獨立非執行董事組成，分別為林兆麟先生、張悅文先生、石禮謙議員及許照中先生。林先生為審核委員會主席及執業會計師。

薪酬委員會

薪酬委員會負責審議董事及本集團高級管理人員之薪酬。薪酬委員會由三名獨立非執行董事分別為林兆麟先生、石禮謙議員及許照中先生以及執行董事劉鑾鴻先生組成。劉先生為薪酬委員會主席。

Acknowledgement

致謝

I would like to thank the Board, management and all of our staff for their hard work and dedication, as well as our shareholders and customers for their support to the Group.

本人謹此向董事局、管理人員及全體員工努力不懈、盡心全意為本集團效力，以及股東及顧客一直對本集團之鼎力支持致以衷心謝意。

On behalf of the Board
Lifestyle International Holdings Limited
Lau Luen-hung, Thomas
Managing Director

Hong Kong, 11th August, 2008

代表董事局
利福國際集團有限公司
董事總經理
劉鑾鴻

香港，二零零八年八月十一日

Lifestyle International Holdings Limited
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