



CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock code 股份代號: 116

INTERIM REPORT 2010

2010 中期報告

The Board of Directors (the "Board") of Chow Sang Sang Holdings International Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2010. The interim financial report has been reviewed by the Audit Committee of the Board.

周生生集團國際有限公司(「本公司」)董事會欣然宣布本公司及其附屬公司(「本集團」)截至二零一零年六月三十日止六個月之未經審核中期業績。中期財務報告已由董事會之審核委員會審閱。

FINANCIAL HIGHLIGHTS

財務摘要

		Unaudited 未經審核		
		Six months ended 30 June 截至六月三十日止六個月		
		2010	2009	
		HK\$'000	HK\$'000	Change
		千港元	千港元	變動
Turnover	營業額			
Jewellery retail	珠寶零售	3,705,399	2,573,943	+44%
Other businesses	其他業務	1,538,241	2,035,944	-24%
		5,243,640	4,609,887	+14%
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	297,674	241,076	+23%
Basic earnings per share	每股基本盈利	47.6 cents 仙	40.1 cents 仙	+19%
Interim dividend per share	每股中期股息	8.0 cents 仙	7.0 cents 仙	+14%
Dividend payout ratio	派息比率	18%	17%	
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益	4,953,824	3,928,790 [^]	+26%
Equity per share	每股權益	\$7.3元	\$6.5元 [^]	+12%

[^] Audited as at 31 December 2009

[^] 於二零零九年十二月三十一日之經審核數字

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The Group's Results

Spending by mainland visitors remained robust from the 2009 Christmas season well past the Lunar New Year holidays in February 2010. In late May and June the pace slightly slackened perhaps as a result of the World Expo in Shanghai, the national examinations and the World Cup having had their effects on travel to Hong Kong.

The stock market had a healthy first quarter, but by the second quarter retail investors had become very cautious. The Hang Seng Index declined and market turnover decreased in second quarter.

The Group's expansion plan in Mainland China continued on track.

For the first half of 2010, the Group managed HK\$5,244 million in total turnover, beating 2009 by 14%, and HK\$298 million in profit attributable to equity holders, increasing 23% year-on-year.

Jewellery Retail

Jewellery retail generated a turnover of HK\$3,705 million, increasing 44% from that of 1H 2009. That turnover amount constituted 71% of the Group total. Operating profit increased 47% to HK\$377 million.

Hong Kong & Macau

Contribution from Hong Kong & Macau accounted for 64% of the total turnover of jewellery retail. Visiting mainlanders contributed 42% of turnover.

Although the price of gold had been on an upward trend since the beginning of the year, turnover in gold showed no signs of weakening. On the other hand, selling back of gold by consumers was not quite as brisk as such high prices might suggest, probably reflecting the sentiment that the price of gold would keep on rising.

Notably, despite the strong sales of gold jewellery, the contribution to gross profits from diamond jewellery sales increased to 49%.

During the first half two new shops were added: one in Kwai Chung and the other in Cameron Road, Tsimshatsui. As at 30 June 2010 the number of Chow Sang Sang shops stands at 38, and that of Emphasis Jewellery shops at 11.

Capital expenditure for 1H stood at HK\$9 million.

本集團業績

內地旅客自二零零九年聖誕至二零一零年二月農曆新年期間的消費強勁。或因上海世博會、全國性考試及世界盃影響來港旅遊人數，五月底及六月的步伐稍為放緩。

證券市場第一季發展健康，但在第二季散戶投資者變得非常謹慎。第二季恒生指數及市場成交額均下跌。

本集團於中國內地的分店網絡擴展計劃進度滿意。

二零一零年上半年，本集團總營業額共五十二億四仟四佰萬港元，較二零零九年上升14%，權益持有人應佔溢利二億九仟八佰萬港元，較去年同期上升23%。

珠寶零售

珠寶零售營業額較二零零九年上半年增加44%至三十七億零五百萬港元，佔本集團總營業額71%。經營溢利上升47%至三億七仟七百萬港元。

香港及澳門

香港及澳門對珠寶零售總營業額的貢獻為64%，內地旅客對營業額的貢獻為42%。

金價雖然自年初不斷攀升，黃金飾品的營業額並無轉弱徵狀。金價雖處高位，消費者回售黃金的情況不算熱烈，可能反映大眾認為金價將持續上升。

雖然黃金飾品的銷售強勁，鑽石飾品對毛利的貢獻更為顯著，上升至49%。

上半年新增兩家分店，一家位於葵涌，另一家位於尖沙咀金馬倫道。於二零一零年六月三十日，周生生共有三十八家分店，點睛品共有十一家分店。

上半年資本性開支為九百萬港元。

Jewellery Retail (continued)

Mainland China

Contribution to the turnover of jewellery retail from the Mainland shops amounted to 35% of the total.

Sales of items priced RMB50,000 and above rose by over 50% compared with last year.

During the first half there were 24 new shop openings and 3 closings. The total at 30 June 2010 was 164.

Among the new shops one is a Rolex/Tudor boutique in Chengdu, and another one in Shanghai has a Tudor corner. Second or third tier cities like Anshan in Liaoning, Luoyang in Henan, Xiangtan in Hunan, Xiangfan in Hubei, Yixing and Zhenjiang in Jiangsu, Daqing in Heilongjiang, Yinchuan in Ningxia and Huhhot in Inner Mongolia got their first shop, while additional shops were opened in cities better known internationally, such as Kunming and Beijing.

Capital expenditure amounted to HK\$29 million. Besides the fitting out of new shops there was a number of renovations of existing shops, some involving relocation within the host store.

Of the numerous marketing activities conducted all over the Mainland during the first half, the most notable was the event held in the Belgium/EU Pavilion at the Shanghai World Expo. It comprised the announcement of the collaboration between the Antwerp Diamond Museum and Chow Sang Sang, the conferment of the status of Official Diamond Partner to Chow Sang Sang of the Belgium/EU Pavilion and the launch of The Love Diamond Antwerp Diamond Heritage Collection. Pieces of the collection will continue to be exhibited at the Pavilion for the duration of the Expo. The invited guests, consisting of media, heads of department stores, industry leaders and top customers, gave high praise for the event on both content and execution.

Taiwan

The Economic Cooperation Framework Agreement was signed late in June, but such preparatory work as the opening of direct flights had already had a stimulating effect on the economy. Tourism and property markets are two of the beneficiaries.

The retail sector is starting to recover, but consumers, so used to frequent sales and promotions for the past few years, will take time to change their habit of buying only when such activities take place.

A new shop was opened in Kaoshiung, in a new department store next to the Zuoying Station of the High Speed Rail. Overall improvement in turnover and gross profits were achieved by means of targeting the bridal segment with diamond jewellery.

珠寶零售(續)

中國內地

內地分店對本集團珠寶零售總營業額之貢獻為35%。

五萬元人民幣或以上的貨品銷售較去年上升逾50%。

上半年共有二十四家分店開業，三家分店結業。於二零一零年六月三十日，本集團在內地的分店共一百六十四家。

新增分店中，其中一家為位於成都的勞力士及帝舵錶專營店，另一家位於上海的分店設有帝舵錶專櫃。首次開店的二線及三線城市包括遼寧鞍山、河南洛陽、湖南湘潭、湖北襄樊、江蘇宜興及鎮江、黑龍江大慶、寧夏銀川及內蒙古呼和浩特。其他國際聞名城市如昆明及北京均增設新店。

資本性開支為二仟九佰萬港元。除新店裝修外，部分為現有店重裝，其中包括原商場內調位重裝。

上半年於內地各處舉辦的多項市務活動中，最值得注意的是在上海世界博覽會比利時歐盟館內舉辦的活動。此活動包括本集團與安特衛普鑽石博物館合作的發布會，本集團獲授權為比利時歐盟館的官方鑽石合作夥伴，同時推出The Love Diamond安特衛普鑽石博物館系列。世博期間該系列的飾品會於比利時歐盟館鑽石展覽廊展出。被邀請的嘉賓，包括媒體、百貨公司管理層、業界領袖及尊貴客戶，均對是次活動的構思及執行表示高度讚賞。

台灣

雖然「兩岸經濟合作架構協議」才剛於六月底簽署，但準備工作如開通兩岸直航班機，已為經濟發展帶來刺激作用，旅遊業及房地產市場為其中的兩項受惠項目。

零售市場逐漸復蘇，但近年當地百貨業減價促銷活動頻繁，消費者習慣等待此類檔期購物的習慣需要一段時間才能改變。

在高雄開設了一家新店，位於高鐵左營站鄰的新百貨公司內。整體營業額及毛利因專注於婚嫁用鑽飾而獲得改善。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Wholesale of Precious Metals

As prices of gold and platinum-family metals stood at high levels, industrial demand was low. Turnover dropped 25% to HK\$1,485 million and operating profit by 60% to HK\$8 million.

Securities and Futures Broking

In line with market sentiments, and in a dearth of initial public offering (“IPO”) activities, turnover dropped by 14% to HK\$32 million and profit by 30% to HK\$15 million.

Since the introduction of margin service to internet clients in 2009, the number of clients rose by 50% and the average loan amount by 60%.

Investments

Properties

Properties held by the Group are for its use offices, shops and factory premises. Rental income from investment properties amounted to HK\$5 million.

Shares in Hong Kong Exchanges and Clearing Limited

Shares in Hong Kong Exchanges and Clearing Limited (“HKEC”), received as a distribution in 2000, are being held by the Group as available-for-sale investments. As at 30 June 2010, the Group held 4,953,500 shares of HKEC and the unrealized gain on the holding amounted to HK\$607 million (30 June 2009: HK\$598 million).

Finance

New Capital

In a private placement exercise conducted in April, the Group netted HK\$970 million in new capital. The funds will be deployed for the expansion in Mainland China.

Financial Position and Liquidity

As at 30 June 2010, the Group had cash and cash equivalents of HK\$820 million, and total undrawn bank loans and other credit facilities of approximately HK\$1,634 million.

Total borrowing for the jewellery business amounted to HK\$540 million as at 30 June 2010, most of which was unsecured in line with Group policy. The gearing ratio was 11%, based on total borrowing (excluding bank loans to facilitate IPO financing) of HK\$540 million as a percentage of total equity holder's equity of HK\$4,954 million. The current ratio as at 30 June 2010 was 4.

貴金屬批發

由於黃金及鉑類貴金屬價格處於高位，工業用需求大減。營業額下跌25%至十四億八千五百萬港元，經營溢利下跌60%至八百萬港元。

證券及期貨經紀

隨市場氣氛淡泊及缺乏首次公開招股活動影響，經紀業務營業額下跌14%至三仟二佰萬港元，利潤下跌30%至一仟五百萬港元。

自二零零九年為互聯網客戶提供孖展交易服務，容量上升50%，貸款平均額躍升60%。

投資

物業

本集團持有之物業乃自用為辦公室、分店及廠房。投資物業帶來之租金收入約為五百萬港元。

香港交易及結算所有限公司股份

於二零零零年獲分配之香港交易及結算所有限公司（「港交所」）股份，列為本集團持有可供出售之投資。於二零一零年六月三十日，本集團持有四百九十五萬三千五百股港交所股份，未變現收益為六億零七百萬港元（二零零九年六月三十日：五億九千八百萬港元）。

財務

新資金

今年四月集團進行了私人配售股份活動，籌得淨資金九億七千萬港元，所得資金用於擴展內地業務。

財務狀況及流動資金

於二零一零年六月三十日，本集團之現金及等同現金為八億二千萬港元，未動用之銀行及其他信貸額約為十六億三千四百萬港元。

於二零一零年六月三十日珠寶業務的總借貸為五億四千萬港元，按集團政策大部分以無抵押方式取得融資。除向首次公開招股提供的銀行貸款融資外，按總貸款為五億四千萬港元，以權益持有人權益總額四十九億五千四百萬港元為基準，資本負債比率為11%。於二零一零年六月三十日，流動比率為4。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance (continued)

Financial Position and Liquidity (continued)

Cash is mostly held in Hong Kong dollar or Renminbi and deposited with leading banks.

The Group manages risk of credit cost and availability by several means: cultivating relationship with a large number of lending banks; putting some loans on a term basis; and fixing interest costs by executing rate swaps on loans as appropriate.

Foreign Exchange Risk Management

The Group's foreign exchange exposure relates to the currencies in which it carries on its business: Renminbi, New Taiwan dollar, US dollar, Euro and Japanese Yen. As such, the risk is easily manageable and slight. As at 30 June 2010, total foreign currency borrowing excluding Renminbi amounted to HK\$13 million (31 December 2009: HK\$7 million). For the operation in Mainland China Renminbi borrowing at period end stood at RMB145 million (31 December 2009: RMB301 million).

The Group's assets and liabilities, revenues and expenses are mostly denominated in Hong Kong dollar, Renminbi and US dollar.

Charge on Assets and Contingent Liabilities

As at 30 June 2010, certain items of properties of the Group with a net carrying value of HK\$139 million (31 December 2009: HK\$141 million), and listed equity investments of HK\$179 million (31 December 2009: HK\$204 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2010, the Group had no material contingent liabilities.

Human Resources

At the end of the first half of 2010, the Group's total workforce numbered 4,489; China accounted for 68% of the total.

In Hong Kong, because of the competition, turnover of front-line staff has been higher than in previous years.

Recognition and Awards

At their 42nd Distinguished Salesperson Award Programme, the Hong Kong Management Association cited 4 of the Group's sales executives, placing one in the Top Five. Both Chow Sang Sang and Emphasis Jewellery received numerous awards, a list of which is available at <http://www.chowsangsang.com/group/eng/index.htm>.

財務(續)

財務狀況及流動資金(續)

大部分現金以港元或人民幣存於具領導地位的銀行。

本集團以多種方式管理信貸成本風險：與多家提供融資的銀行維持良好伙伴關係、將部分借貸轉為長期貸款及按情況行使利率掉期以固定利息支出。

外匯風險管理

本集團外匯風險，主要來自業務上使用的貨幣：人民幣、新台幣、美元、歐羅及日元，此等風險較容易掌握及有限。於二零一零年六月三十日，不計人民幣之外幣借款總額約為一仟三百萬港元(二零零九年十二月三十一日：七百萬港元)。於期末，用於中國內地營運的人民幣借款一億四仟五百萬元人民幣(二零零九年十二月三十一日：三億零一佰萬元人民幣)。

本集團資產及負債、收入及支出大部分以港元、人民幣及美元結算。

資產抵押及或然負債

於二零一零年六月三十日，本集團以賬面淨值一億三千九百萬港元(二零零九年十二月三十一日：一億四仟一佰萬港元)的若干物業及一億七仟九百萬港元(二零零九年十二月三十一日：二億零四百萬港元)的上市股份投資作為本公司若干附屬公司取得銀行信貸之抵押。

於二零一零年六月三十日，本集團並無重大或然負債。

人力資源

於二零一零年上半年底，本集團共有四仟四百八十九位僱員。68%為內地員工。

由於行內競爭激烈，本港前線人員的流失率較往年為高。

認可及獎項

本集團四位營業代表在香港管理專業協會在其主辦的「第42屆傑出推銷員選舉」中獲得嘉許，其中一位更獲最佳表現五強之一。周生生及點睛品獲得多個獎項，詳情已紀錄於本公司網頁上 <http://www.chowsangsang.com/group/chi/index.htm>。

MANAGEMENT DISCUSSION AND ANALYSIS

Community

The Group supported the Hong Kong SAR Government's participation in World Expo by sponsoring one of the cultural productions brought to Shanghai under its aegis: *The Legend of Zhang Baozai* produced by Lo King-man who is a member of Group's Board of Directors.

Other recipients of support from the Group included the Hong Kong Academy for Performing Arts, Arts with the Disabled Association Hong Kong, Hong Kong Repertory Theatre and Hong Kong Philharmonic Orchestra.

Outlook

Much uncertainty remains as the central government continues to rein in heated property prices. Whether domestic consumption of luxury goods would be affected by the corrective measures remains to be seen. The plan to set up 50 new shops in China is progressing well.

In Hong Kong, in order to better capture the mainland tourist segment, three new shops are slated to open in the second half of the year. One of them is an Emphasis Jewellery shop in Elements, Tsimshatsui. The other two, one in Yan Ping Road, Causeway Bay and one in the International Finance Centre, Central, are both Chow Sang Sang shops.

In the second half, other than the regular seasonal promotions, efforts will be made to feature bridal jewellery as the "magical" date 2010.10.10 has been widely hyped to be auspicious for weddings.

管理層討論及分析

社區活動

本集團支持香港政府參與上海世博，並贊助由集團其中一位董事會成員盧景文先生製作的「張保仔傳奇」的演出。

本集團亦支持的其他機構包括：香港演藝學院、香港展能藝術會、香港話劇團及香港管弦樂團。

展望

內地經濟情況仍然不明朗，中央政府對熾熱的房地產市場繼續實施調控。國內的奢侈品消費會否受到此等措施影響仍有待觀察。集團在內地開五十家分店的計劃進展理想。

在本港，為更切合內地旅客層的需要，已計劃下半年新增三家分店。其中一家是位於尖沙咀圓方的點睛品分店，另外兩家為周生生分店，分別位於銅鑼灣恩平道及中環國際金融中心。

下半年，除定期的節日性推廣外，會重點宣傳婚嫁飾品，以配合2010.10.10這個被廣為宣傳的嫁娶良辰吉日。

Corporate Governance Practices

The Group as a whole strives to adhere to the highest standards of transparency, accountability and corporate governance. The corporate governance practices adopted by the Company during the six months ended 30 June 2010 are in line with those set out in the Corporate Governance Report of the Company's Annual Report 2009 (the "2009 CG Report"). The Company has complied with the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the period under review.

The Board and the Board Committees

As at 30 June 2010 and up to the date of this report, the composition of the Board remains the same as set out in the 2009 CG Report and consists of the following members.

Executive Directors 執行董事	Non-executive Directors 非執行董事	Independent Non-executive Directors 獨立非執行董事
Dr. CHOW Kwen Lim <i>Chairman</i> 周君廉博士 主席	Mr. CHOW Kwen Ling <i>Honorary Chairman</i> 周君令先生 名譽董事長	Mr. LEE Ka Lun 李家麟先生
Mr. Vincent CHOW Wing Shing <i>Group General Manager</i> 周永成先生 集團總經理	Mr. Stephen TING Leung Huel 丁良輝先生	Dr. CHAN Bing Fun 陳炳勳醫生
Dr. Gerald CHOW King Sing 周敬成醫生	Mr. CHUNG Pui Lam 鍾沛林先生	Mr. LO King Man 盧景文先生
Mr. Winston CHOW Wun Sing <i>Group Deputy General Manager</i> 周允成先生 集團副總經理		

The Board assumes responsibility for leadership and control of the Group and monitors management performance. The implementation of the Group's business strategies and daily business operations are delegated to management.

企業管治常規

本集團全體員工致力維持集團最高標準之透明度、問責性及企業管治。截至二零一零年六月三十日止六個月內，本公司採納之企業管治常規與本公司2009年報內企業管治報告（「二零零九年企業管治報告」）所載者貫徹一致。於整段回顧期內，本公司已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則之守則條文。

董事會及董事委員會

於二零一零年六月三十日及截至本報告日，董事會成員與二零零九年企業管治報告所載者相同，並包括以下成員。

董事會負責領導及管控本集團，並監察管理層之表現。管理層負責執行本集團之業務策略及日常業務運作。

The Board and the Board Committees (continued)

All Directors are requested to give sufficient time and attention to the affairs of the Company and they are obliged to disclose to the Company the number and nature of offices held in other public listed companies or organizations.

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee, whose respective defined terms of reference are available at the Company's website at <http://www.chowsangsang.com>. All the committees are chaired by an Independent Non-executive Director ("INED") with the majority of members being INEDs. The composition of the three committees remains the same as specified in the 2009 CG Report.

Up to the date of this report, the Audit Committee held two meetings in which they reviewed the audit findings, internal control system, financial reporting and compliance matters of the Group, as well as the drafts of the Company's Annual Report 2009 and Interim Report 2010. The Remuneration Committee met once to review the salaries of senior management, staff bonus scheme, as well as Directors' fees for the period from October 2010 to September 2011. No meeting was held by the Nomination Committee during the period.

Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding Directors' securities transactions. All Directors have written to confirm that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2010.

Employees who have access to unpublished price-sensitive information of the Group are also subject to compliance with written internal guidelines that follow the Model Code.

Internal Control

The Board has the overall responsibility to ensure that adequate and effective internal controls are maintained. Details of the major internal controls in place within the Group can be referred to those set out in the 2009 CG Report.

董事會及董事委員會(續)

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

董事會已成立審核委員會、薪酬委員會及提名委員會。各委員會之明確權責範圍已載於本公司網頁<http://www.chowsangsang.com>。各委員會均由獨立非執行董事出任主席，而大部分成員為獨立非執行董事。三個委員會之成員與二零零九年企業管治報告所載者相同。

截至本報告日，審核委員會已舉行兩次會議，以檢討本集團之審計結果、內部管控系統、財務報告及法規遵守事宜，並已審閱本公司2009年報及2010中期報告擬稿。薪酬委員會已舉行一次會議，以檢討高級管理人員薪金、員工花紅計劃，以及二零一零年十月至二零一一年九月期間之董事袍金。提名委員會於期內並無舉行會議。

證券交易

本公司已採納上市規則附錄十所載之上市公司董事進行證券交易的標準守則(「標準守則」)，作為本公司董事進行證券交易之行為守則。全體董事已書面確認，截至二零一零年六月三十日止六個月彼等均遵守標準守則所載之規定標準。

擁有本集團尚未公布之股價敏感資料之員工，亦需遵守按標準守則訂立之書面內部指引。

內部管控

董事會有責任確保集團維持足夠及有效之內部管控。本集團現有之主要內部管控可參閱二零零九年企業管治報告所載者。

CORPORATE GOVERNANCE

Internal Control (continued)

The Board, having conducted a review of the Group's internal control system for the six months ended 30 June 2010 with reference to the internal audit reports and the representations made by management, has not identified any control weakness worthy of concern.

The Audit Committee and the Board are satisfied with the adequacy and effectiveness of the Group's internal control system.

Investor Relations and Communication

The Board recognizes the importance of good communication with stakeholders. Different communication channels are established to provide financial and non-financial information to the stakeholders in a timely manner. These include publication of corporate documents such as annual and interim reports and announcement; press releases and newsletters, holding of annual general meeting, products and services as well as the Group's latest development, on its website and regular meetings with financial analysts and fund managers.

Corporate and Social Responsibilities

The Group is committed to delivering quality products and services to customers, offering a healthy and safe working environment to employees, maintaining a strong and sustainable financial performance to investors, and creating a positive impact in the communities where it conducts business.

Guidelines on enhancing safety consciousness and code of conduct defining the ethical standards expected of all employees, the Group's non-discriminatory employment practices and practical measures for preserving the environment are posted in the Company's Intranet, for compliance and reference by employees. Employees are encouraged to minimize use of paper and electricity, and recycle paper and toner cartridges. Wherever feasible packaging are made of biodegradable material and designed to provide residual use to consumers.

企業管治

內部管治(續)

董事會已檢討本集團截至二零一零年六月三十日止六個月之內部管治系統，經參考內部稽核報告以及管理層作出之陳述後，並無發現任何值得關注之管治弱點。

審核委員會及董事會對本集團內部管治系統之足夠性及有效性感到滿意。

投資者關係及傳訊

董事會確認與各界相關人士保持良好溝通之重要性。本集團透過不同傳訊渠道適時向各界相關人士提供財務及非財務資料。此等渠道包括刊發企業文件，例如年度及中期報告及公告、新聞稿及通訊刊物、舉行股東週年大會、於本公司網頁刊載產品及服務，及本集團之最新發展；以及與財務分析員及基金經理舉行定期會議。

企業及社會責任

本集團致力向客戶提供優質產品及服務、為員工提供健康及安全工作環境、為投資者維持強健及可持續之財務表現，並力求在本集團經營業務之社會中產生正面影響。

本集團已編製指引提升員工安全意識，亦應用行為準則，當中列明全體員工道德標準、本集團之反歧視僱傭慣例及環保措施；上述指引及行為守則均載於本公司之內聯網，以供僱員遵守及參考。本集團鼓勵僱員減少用紙及用電、以及循環再用紙張及碳粉匣、以可分解物料及可令顧客再用設計之包裝。

CONSOLIDATED INCOME STATEMENT

綜合損益賬

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 HK\$'000 千港元	2009 HK\$'000 千港元
	Note 附註		
TURNOVER	營業額	4	
Jewellery retail	珠寶零售	3,705,399	2,573,943
Other businesses	其他業務	<u>1,538,241</u>	<u>2,035,944</u>
		5,243,640	4,609,887
Cost of sales	銷售成本	<u>(4,154,303)</u>	<u>(3,776,267)</u>
Gross profit	毛利	1,089,337	833,620
Other income	其他收入	29,623	37,778
Selling and distribution costs	銷售及分銷費用	(557,049)	(448,043)
Administrative expenses	行政費用	(122,975)	(106,167)
Other losses, net	其他虧損，淨值	(17,284)	(1,910)
Finance costs	財務費用	(11,083)	(7,721)
Share of losses of associates	應佔聯營公司虧損	(101)	(47)
PROFIT BEFORE TAX	除稅前溢利	5	410,468
Income tax	所得稅	6	<u>(107,928)</u>
PROFIT FOR THE PERIOD	期內溢利		<u>302,540</u>
Profit attributable to:	應佔溢利：		
Equity holders of the Company	本公司權益持有人		297,674
Non-controlling interests	非控股股東權益		<u>4,866</u>
			<u>302,540</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司權益持有人 應佔每股盈利	8	
Basic	基本		<u>47.6 cents 仙</u>
			<u>40.1 cents 仙</u>

		Unaudited 未經審核	
		Six months ended 30 June 截至六月三十日止六個月	
		2010 HK\$'000 千港元	2009 HK\$'000 千港元
PROFIT FOR THE PERIOD	期內溢利	302,540	247,270
OTHER COMPREHENSIVE INCOME/(LOSSES)	其他全面收益/(虧損)		
Change in fair value of available-for-sale investments	可供出售投資之公平價值變動	(82,723)	233,805
Exchange differences on translation	匯兌差額	16,149	(14,438)
Other comprehensive income/(losses) for the period, net of tax	扣除稅項後的期內其他全面收益/(虧損)	(66,574)	219,367
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	期內全面收益總額	235,966	466,637
Total comprehensive income attributable to:	應佔全面收益總額：		
Equity holders of the Company	本公司權益持有人	230,558	462,369
Non-controlling interests	非控股股東權益	5,408	4,268
		235,966	466,637

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

		Unaudited 未經審核 30 June 六月三十日 2010 HK\$'000 千港元	Audited 經審核 31 December 十二月三十一日 2009 HK\$'000 千港元
	Note 附註		
NON-CURRENT ASSETS			
Property, plant and equipment		416,118	427,888
Investment properties		149,214	150,840
Intangible assets		271	271
Other assets		86,267	77,605
Interests in associates		11,346	11,611
Available-for-sale investments	9	622,007	705,255
Deferred tax assets		6,445	4,225
Total non-current assets		1,291,668	1,377,695
CURRENT ASSETS			
Inventories		3,510,503	2,884,841
Accounts receivable	10	317,175	326,272
Receivables arising from securities and futures broking	10	270,975	201,152
Prepayments, deposits and other receivables		137,923	84,982
Investments at fair value through profit or loss	11	7,238	8,010
Derivative financial instruments	12	-	180
Tax recoverable		754	639
Cash held on behalf of clients	13	316,325	388,012
Cash and cash equivalents	13	820,224	378,999
Total current assets		5,381,117	4,273,087
CURRENT LIABILITIES			
Accounts payable	14	186,426	132,231
Payables arising from securities and futures broking	14	355,972	474,205
Other payables and accruals		242,409	284,430
Derivative financial instruments	12	30,429	14,096
Short term interest-bearing bank borrowings		179,792	348,644
Current portion of long term interest-bearing bank borrowings		143,611	84,666
Interest-bearing bank borrowings arising from securities and futures broking		90,000	-
Tax payable		111,862	80,238
Total current liabilities		1,340,501	1,418,510
NET CURRENT ASSETS		4,040,616	2,854,577
TOTAL ASSETS LESS CURRENT LIABILITIES		5,332,284	4,232,272

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

		Unaudited 未經審核 30 June 六月三十日 2010 HK\$'000 千港元	Audited 經審核 31 December 十二月三十一日 2009 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債		
Long term interest-bearing bank borrowings	長期計息銀行貸款	216,561	164,733
Deferred tax liabilities	遞延稅項負債	<u>108,569</u>	<u>90,827</u>
Total non-current liabilities	總非流動負債	<u>325,130</u>	<u>255,560</u>
Net assets	資產淨值	<u>5,007,154</u>	<u>3,976,712</u>
EQUITY	權益		
Equity attributable to equity holders of the Company	本公司權益持有人應佔權益		
Issued capital	已發行股本	169,230	150,480
Reserves	儲備	<u>4,784,594</u>	<u>3,778,310</u>
		4,953,824	3,928,790
Non-controlling interests	非控股股東權益	<u>53,330</u>	<u>47,922</u>
Total equity	總權益	<u>5,007,154</u>	<u>3,976,712</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity holders of the Company		
		Issued capital	Share premium	Leasehold land and buildings revaluation reserve
		已發行股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	租賃土地及樓宇重估儲備 HK\$'000 千港元
At 1 January 2010 (audited)	於二零一零年一月一日(經審核)	150,480	99,724	343,708
Total comprehensive income/(losses) for the period	期內全面收益/(虧損)總額	-	-	-
Issue of shares	發行股份	18,750	978,750	-
Share issues expenses	股份發行開支	-	(27,025)	-
Final 2009 dividend declared and paid	已宣派及支付二零零九年末期股息	-	-	-
At 30 June 2010 (unaudited)	於二零一零年六月三十日(未經審核)	<u>169,230</u>	<u>1,051,449</u>	<u>343,708</u>

		Attributable to equity holders of the Company		
		Issued capital	Share premium	Leasehold land and buildings revaluation reserve
		已發行股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	租賃土地及樓宇重估儲備 HK\$'000 千港元
At 1 January 2009 (audited)	於二零零九年一月一日(經審核)	150,480	99,724	332,928
Total comprehensive income/(losses) for the period	期內全面收益/(虧損)總額	-	-	-
Dividends paid to non-controlling interests	已付非控股股東權益之股息	-	-	-
Final 2008 dividend declared and paid	已宣派及支付二零零八年末期股息	-	-	-
At 30 June 2009 (unaudited)	於二零零九年六月三十日(未經審核)	<u>150,480</u>	<u>99,724</u>	<u>332,928</u>

綜合權益變動表

本公司權益持有人應佔

Investment revaluation reserve	Difference arising from acquisition of non-controlling interests	Exchange fluctuation reserve	Reserve funds	Retained profits	Total	Non-controlling interests	Total equity
投資重估儲備	收購非控股股東權益產生之差異	外匯變動儲備	儲備金	保留溢利	合計	非控股股東權益	總權益
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
701,076	4,897	70,476	59,212	2,499,217	3,928,790	47,922	3,976,712
(82,723)	–	15,607	–	297,674	230,558	5,408	235,966
–	–	–	–	–	997,500	–	997,500
–	–	–	–	–	(27,025)	–	(27,025)
–	–	–	–	(175,999)	(175,999)	–	(175,999)
618,353	4,897	86,083	59,212	2,620,892	4,953,824	53,330	5,007,154

本公司權益持有人應佔

Investment revaluation reserve	Difference arising from acquisition of non-controlling interests	Exchange fluctuation reserve	Reserve funds	Retained profits	Total	Non-controlling interests	Total equity
投資重估儲備	收購非控股股東權益產生之差異	外匯變動儲備	儲備金	保留溢利	合計	非控股股東權益	總權益
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
373,204	4,897	82,679	36,461	2,125,395	3,205,768	52,303	3,258,071
233,805	–	(12,512)	–	241,076	462,369	4,268	466,637
–	–	–	–	–	–	(5,498)	(5,498)
–	–	–	–	(138,442)	(138,442)	–	(138,442)
607,009	4,897	70,167	36,461	2,228,029	3,529,695	51,073	3,580,768

		Unaudited	
		未經審核	
		Six months ended 30 June	
		截至六月三十日止六個月	
		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
Net cash (used in)/generated from operating activities	經營業務(所用)/所得現金淨額	(248,142)	206,151
Net cash used in investing activities	投資活動所用現金淨額	(37,020)	(17,461)
Net cash generated from/(used in) financing activities	融資活動所得/(所用)現金淨額	825,391	(184,293)
Net increase in cash and cash equivalents	現金及等同現金之增加淨額	540,229	4,397
Cash and cash equivalents at beginning of period	於期初之現金及等同現金	253,429	118,478
Effects of foreign exchange rate changes, net	外幣匯率變動影響，淨值	886	(1,768)
Cash and cash equivalents at end of period	於期終之現金及等同現金	794,544	121,107
Analysis of balances of cash and cash equivalents	現金及等同現金結存分析		
Cash and bank balances	現金及銀行存款	369,760	167,589
Non-pledged time deposits with original maturity of less than three months when acquired	存放時到期日少於三個月之無抵押定期存款	450,464	464
Bank overdrafts, unsecured	銀行透支，無抵押	(25,680)	(46,946)
		794,544	121,107

1. Basis of preparation

This unaudited condensed consolidated interim financial report has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Listing Rules.

This interim financial report should be read in conjunction with the Annual Report 2009.

The accounting policies and basis of computation used in the preparation of this interim financial report are the same as those used in the Group’s audited financial statements for the year ended 31 December 2009.

2. Impact of new and revised Hong Kong Financial Reporting Standards

The adoption of the new standards, amendments and interpretations which become effective for accounting periods beginning on or after 1 January 2010 have had no material impact on the Group’s results of operations and financial position.

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

HKFRS 1 Amendment	Amendment to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters</i> ¹
HKFRS 9	<i>Financial Instruments</i> ²
HKAS 24 (Revised)	<i>Related Party Disclosures</i> ³
HKAS 32 Amendment	Amendment to HKAS 32 <i>Financial Instruments: Presentation – Classification of Rights Issues</i> ⁴
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i> ⁵
HK(IFRIC)-Int 19	<i>Extinguishing Financial Liabilities with Equity Instruments</i> ¹

Apart from the above, the HKICPA has also issued *Improvements to HKFRSs 2010** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. Except for the amendments to HKFRS 3 and HKAS 27 which are effective for the annual periods beginning on or after 1 July 2010, other amendments are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provision for each standard or interpretation.

1. 編製基準

本未經審核簡明綜合中期財務報告乃按照香港會計師公會頒布之香港會計準則第34號「中期財務報告」及上市規則附錄十六予以編製。

本中期財務報告應與2009年報一併閱讀。

編製本中期財務報告時採用之會計政策及計算基準與本集團截至二零零九年十二月三十一日止年度之經審核財務報告所採用者一致。

2. 新訂及經修訂香港財務報告準則之影響

採納於二零一零年一月一日或以後開始之會計年度生效之新準則、修訂本及詮釋對本集團之經營業績及財務狀況並無重大影響。

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

香港財務報告準則第1號修訂本	香港財務報告準則第1號之修訂首次採納香港財務報告準則-首次採納香港財務報告準則第7號之披露對比較數字之有限豁免 ¹
香港財務報告準則第9號	金融工具 ²
香港會計準則第24號(經修訂)	關連人士披露 ³
香港會計準則第32號修訂本	香港會計準則第32號之修訂金融工具:呈報-供股之分類 ⁴
香港(國際財務報告詮釋委員會)-詮釋第14號修訂本	香港(國際財務報告詮釋委員會)-詮釋第14號之修訂最低資金要求之預付款項 ⁵
香港(國際財務報告詮釋委員會)-詮釋第19號	以權益工具抵銷財務負債 ¹

除上述外，香港會計師公會已頒布香港財務報告準則2010的修改*，當中修訂若干香港財務報告準則，主要旨在刪除不一致條文及澄清字句。除香港財務報告準則第3號及香港會計準則第27號於二零一零年七月一日或以後開始之會計年度生效，其他修訂於二零一一年一月一日或以後開始之會計年度生效，惟各項準則或詮釋均有個別過渡條文。

2. Impact of new and revised Hong Kong Financial Reporting Standards (continued)

- ¹ Effective for annual periods beginning on or after 1 July 2010
- ² Effective for annual periods beginning on or after 1 January 2013
- ³ Effective for annual periods beginning on or after 1 January 2011
- ⁴ Effective for annual periods beginning on or after 1 February 2010
- * *Improvements to HKFRSs 2010 contains amendments to HKFRS 1, HKFRS 3, HKFRS 7, HKAS 1, HKAS 27, HKAS 34 and HK(IFRIC)-Int 13.*

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

3. Operating segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- (a) the manufacture and retail of jewellery segment produces jewellery products for the Group's retail business and operates retail stores mainly in Hong Kong, Macau and Mainland China;
- (b) the wholesale of precious metals segment trades precious metals to wholesale customers;
- (c) the securities and futures broking segment provides brokering and dealing services for securities and futures; and
- (d) the other businesses segment comprises, principally, the investment in properties for their rental income and capital appreciation potential and other jewellery related businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that certain dividend income and share of losses of associates are excluded from such measurement.

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

2. 新訂及經修訂香港財務報告準則之影響 (續)

- ¹ 於二零一零年七月一日或以後開始之會計年度生效
- ² 於二零一三年一月一日或以後開始之會計年度生效
- ³ 於二零一一年一月一日或以後開始之會計年度生效
- ⁴ 於二零一零年二月一日或以後開始之會計年度生效
- * 香港財務報告準則2010的修改包括對香港財務報告準則第1號、香港財務報告準則第3號、香港財務報告準則第7號、香港會計準則第1號、香港會計準則第27號、香港會計準則第34號及香港(國際財務報告詮釋委員會)-詮釋第13號的修訂。

本集團正在評估初次應用此等新訂及經修訂香港財務報告準則之影響，惟尚未能確定此等新訂及經修訂香港財務報告準則採納後會否對本集團之經營業績及財務狀況構成重大影響。

3. 經營分部資料

本集團根據產品及服務劃分業務單位，管理以下四個可呈報經營分部：

- (a) 珠寶製造及零售分部為本集團之零售業務製造珠寶產品及主要於香港、澳門及中國內地經營零售店；
- (b) 貴金屬批發分部與批發客戶買賣貴金屬；
- (c) 證券及期貨經紀分部提供證券及期貨之經紀及買賣服務；及
- (d) 其他業務分部主要為投資物業以賺取租金收入及資本增值潛力，以及其他珠寶相關業務。

管理層分別監控經營分部之業績，以作出資源分配及表現評估之決策。分部表現乃按可呈報分部溢利進行評估，即經調整除稅前溢利之計算。經調整除稅前溢利之計算方式與本集團除稅前溢利計算方式貫徹一致，惟若干股息收入及應佔聯營公司虧損不包括在其計算當中。

內部銷售及轉讓乃根據銷售予第三者之售價作為通用市價。

3. Operating segment information (continued)

3. 經營分部資料(續)

		Manufacture and retail of jewellery 珠寶製造 及零售 HK\$'000 千港元	Wholesale of precious metals 貴金屬批發 HK\$'000 千港元	Securities and futures broking 證券及 期貨經紀 HK\$'000 千港元	Other businesses 其他業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Six months ended 30 June 2010	截至二零一零年 六月三十日止六個月					
Segment revenue	分部收益					
Sales to external customers	銷售予外來客戶	3,705,399	1,485,215	31,769	21,257	5,243,640
Intersegment sales	內部銷售	-	185,191	-	2,568	187,759
		<u>3,705,399</u>	<u>1,670,406</u>	<u>31,769</u>	<u>23,825</u>	<u>5,431,399</u>
<i>Reconciliation:</i>	<i>調節:</i>					
Elimination of intersegment sales	對銷內部銷售					(187,759)
						<u>5,243,640</u>
Segment results	分部業績	377,191	7,870	14,847	308	400,216
<i>Reconciliation:</i>	<i>調節:</i>					
Dividend income	股息收入					10,353
Share of losses of associates	應佔聯營公司虧損					(101)
Profit before tax	除稅前溢利					<u>410,468</u>
Six months ended 30 June 2009	截至二零零九年 六月三十日止六個月					
Segment revenue	分部收益					
Sales to external customers	銷售予外來客戶	2,573,943	1,974,992	37,141	23,811	4,609,887
Intersegment sales	內部銷售	11,897	238,448	-	1,444	251,789
		<u>2,585,840</u>	<u>2,213,440</u>	<u>37,141</u>	<u>25,255</u>	<u>4,861,676</u>
<i>Reconciliation:</i>	<i>調節:</i>					
Elimination of intersegment sales	對銷內部銷售					(251,789)
						<u>4,609,887</u>
Segment results	分部業績	256,523	19,583	21,170	1,365	298,641
<i>Reconciliation:</i>	<i>調節:</i>					
Dividend income	股息收入					8,916
Share of losses of associates	應佔聯營公司虧損					(47)
Profit before tax	除稅前溢利					<u>307,510</u>

4. Turnover

Turnover represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities, futures and commodities broking and rental income earned during the period.

Revenue from the following activities has been included in turnover:

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

4. 營業額

營業額指期內在撇除退回、交易折扣與增值稅後售出貨品之發票淨值；證券、期貨及商品經紀佣金收入及租金收入。

營業額包括以下業務之收益：

Six months ended 30 June

截至六月三十日止六個月

2010 2009

HK\$'000 HK\$'000

千港元 千港元

5,206,278	4,567,168
32,397	37,906
4,965	4,813
5,243,640	4,609,887

5. Profit before tax

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

Write-down of inventories to net realizable value	撇銷存貨至可變現淨值
Depreciation	折舊
Operating leases payments in respect of rented premises	租賃物業之經營租約付款
– minimum lease payments	– 最低租賃付款
– contingent rents	– 或然租金
– sublease payments	– 分租付款
Net fair value loss on derivative financial instruments	衍生金融工具之公平價值淨虧損
– transactions not qualifying as hedges	– 不符合對沖定義之交易
Net fair value loss/(gain) on investments at fair value through profit or loss	按公平價值訂定盈虧之投資的公平價值淨虧損/(收益)
Net loss on disposal of derivative financial instruments ^Δ	出售衍生金融工具淨虧損 ^Δ
Interest expense for securities and futures broking	證券及期貨經紀之利息支出
– on bank loans and overdrafts*	– 銀行貸款及透支*
Interest income	利息收入
Dividend income	股息收入
Reversal of impairment of receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款減值撥回
Foreign exchange differences, net	匯兌差額，淨值

5. 除稅前溢利

本集團之除稅前溢利已扣除/(計入)：

Six months ended 30 June

截至六月三十日止六個月

2010 2009

HK\$'000 HK\$'000

千港元 千港元

55	279
53,137	39,587
149,506	140,030
9,148	6,875
1,080	1,080
16,512	3,657
772	(1,748)
29,287	8,646
187	301
(5,620)	(3,441)
(10,536)	(9,099)
(7)	(3,585)
(2,077)	(10,509)

^Δ The net loss on disposal of derivative financial instruments has included the net loss on disposal of bullion contracts of HK\$28,812,000 (2009: HK\$10,007,000), which is included in "Cost of sales" on the face of the consolidated income statement.

* The balance is included in "Finance costs" on the face of the consolidated income statement.

^Δ 出售衍生金融工具淨虧損包括出售貴金屬合約淨虧損28,812,000港元(二零零九年：10,007,000港元)，此金額包含在綜合損益賬上「銷售成本」中。

* 此結餘包含在綜合損益賬上「財務費用」中。

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

Current – Hong Kong	本期 – 香港
Charge for the period	期內稅項
Overprovision in prior periods	過往期間超額撥備
Current – Elsewhere	本期 – 其他地區
Deferred	遞延
Total tax charge for the period	期內稅項總額

7. Dividends

Dividend declared and paid during the period	期內宣派及支付之股息
Final – HK26.0 cents	末期 – 每普通股26.0港仙
(2009: HK23.0 cents) per ordinary share	(二零零九年：23.0港仙)
Dividend declared after the period	期後宣派之股息
Interim – HK8.0 cents	中期 – 每普通股8.0港仙
(2009: HK7.0 cents) per ordinary share	(二零零九年：7.0港仙)

The interim dividends were declared after the interim reporting dates and have not been recognized as liabilities at the end of the respective reporting periods.

8. Earnings per share attributable to equity holders of the Company

The calculation of basic earnings per share is based on the profit for the period attributable to equity holders of the Company of HK\$297,674,000 (2009: HK\$241,076,000), and the weighted average number of ordinary shares of 625,538,785 (2009: 601,920,000) in issue during the period, as adjusted to reflect the shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the periods ended 30 June 2010 and 2009 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during those periods.

6. 所得稅

香港利得稅乃按期內於香港產生之估計應課稅溢利以稅率16.5% (二零零九年：16.5%)撥備。其他地區應課稅溢利之稅項乃按本集團於各營運司法權區之通用稅率計算。

Six months ended 30 June

截至六月三十日止六個月

2010	2009
HK\$'000	HK\$'000
千港元	千港元

31,390	26,151
(100)	(49)
61,099	30,490
15,539	3,648
107,928	60,240

7. 股息**Six months ended 30 June**

截至六月三十日止六個月

2010	2009
HK\$'000	HK\$'000
千港元	千港元

175,999	138,442
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54,154	42,134
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中期股息於中期報告日後宣派，及並未於各報告期末確認為負債。

8. 本公司權益持有人應佔每股盈利

每股基本盈利乃按期內本公司權益持有人應佔溢利297,674,000港元 (二零零九年：241,076,000港元)及期內已發行加權平均股份625,538,785股 (二零零九年：601,920,000股)普通股計算，經調整以反映期內已發行股份。

由於截至二零一零年及二零零九年六月三十日止期間本集團均無發行潛在攤薄效應的普通股，故無需對此兩段期間之每股基本盈利作出調整。

9. Available-for-sale investments

Listed equity investments in Hong Kong, at market value	香港上市股份投資，按市值
Unlisted equity investment, at fair value	非上市股份投資，按公平價值
Unlisted equity investments, at cost	非上市股份投資，按成本

The above equity investments were issued by corporate entities.

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

Jewellery retail

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

Wholesale of diamonds

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

Wholesale of precious metals

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

Securities and commodities broking

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

9. 可供出售投資

30 June 六月三十日 2010 HK\$'000 千港元	31 December 十二月三十一日 2009 HK\$'000 千港元
607,795	690,518
13,473	13,998
739	739
14,212	14,737
622,007	705,255

上述股份投資乃由企業實體發行。

10. 應收賬款/證券及期貨經紀產生之應收賬款

珠寶零售

本集團銷售一般以現金交易。就零售而來自財務機構之應收信用卡賬款之賬齡少於一個月。現有批發客戶獲提供最多四十五日之除賬期。

鑽石批發

本集團一般向貿易客戶提供之除賬期最多為六十日。

貴金屬批發

本集團之貴金屬批發一般以現金交易。

證券及商品經紀

證券買賣於交易日後兩天結算，而商品買賣一般以現金結算。

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

Accounts receivable	應收賬款		
Receivables arising from securities and futures broking conducted in the ordinary course of business:	在日常業務中證券及期貨經紀產生之應收賬款：		
Cash clients	現金客戶	60,674	120,291
Clearing houses	結算所	8,758	3,704
Clients of subscription for IPOs	認購首次公開招股客戶	104,044	–
Loans to margin clients	孖展客戶貸款	97,585	77,250
		271,061	201,245
Impairment	減值	(86)	(93)
Receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款	270,975	201,152
Total accounts receivable and receivables arising from securities and futures broking	應收賬款及證券及期貨經紀產生之應收賬款總額	588,150	527,424

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

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

Not yet due [#]	未逾期 [#]	377,488	347,955
Within 30 days past due	逾期三十日內	107,408	92,495
31 to 60 days past due	逾期三十一至六十日	3,770	6,309
61 to 90 days past due	逾期六十一至九十日	626	486
Over 90 days past due	逾期超過九十日	1,273	2,929
		490,565	450,174
Loans to margin clients*	孖展客戶貸款*	97,585	77,250
		588,150	527,424

[#] The balance has included loans to clients of subscription for IPOs of HK\$104,044,000 (31 December 2009: Nil), which are due when the corresponding allotment results of the related IPOs have been publicly announced and bear interest at commercial rates.

* The loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not relevant in view of the nature of the business of securities margin financing. As at 30 June 2010, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK\$316,308,000 (31 December 2009: HK\$427,652,000).

10. 應收賬款/證券及期貨經紀產生之應收賬款(續)

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元
317,175	326,272
60,674	120,291
8,758	3,704
104,044	–
97,585	77,250
271,061	201,245
(86)	(93)
270,975	201,152
588,150	527,424

除證券及期貨經紀產生之應收賬款結餘外，其他結餘均為免息。

無須減值之應收賬款及證券及期貨經紀產生之應收賬款根據到期日之賬齡分析如下：

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元
377,488	347,955
107,408	92,495
3,770	6,309
626	486
1,273	2,929
490,565	450,174
97,585	77,250
588,150	527,424

[#] 此結餘包括向客戶提供用作認購首次公開招股之貸款104,044,000港元(二零零九年十二月三十一日：零)，此等貸款於相關首次公開招股配發結果公布時到期，並按商業條款計息。

* 孖展客戶貸款以相關已抵押證券作抵押，須於要求時償還及按商業條款計息。鑑於證券孖展借貸業務性質，董事認為賬齡分析作用不大，故無披露賬齡分析。於二零一零年六月三十日，有關孖展客戶貸款以證券抵押作抵押品之總市值為316,308,000港元(二零零九年十二月三十一日：427,652,000港元)。

11. Investments at fair value through profit or loss

Listed equity investments in Hong Kong,
at market value

The above equity investments were held for trading and issued by corporate entities.

12. Derivative financial instruments

Assets
Forward currency contracts

Liabilities
Bullion contracts
Interest rate swaps

香港上市股份投資，按市值

資產
遠期外幣合約

負債
貴金屬合約
利率掉期

11. 按公平價值訂定盈虧之投資

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元

<u>7,238</u>	<u>8,010</u>
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上述股份投資乃持作買賣用途，並由企業實體發行。

12. 衍生金融工具

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元

<u>-</u>	<u>180</u>
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<u>29,584</u>	14,096
<u>845</u>	-

<u>30,429</u>	<u>14,096</u>
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遠期外幣合約、貴金屬合約及利率掉期按其公平價值列賬。

The forward currency contracts, bullion contracts and interest rate swaps are stated at their fair values.

As at 30 June 2010, the aggregate notional amount of the forward currency contracts was nil (31 December 2009: HK\$23,150,000), the aggregate contractual amount of the bullion contracts was HK\$228,829,000 (31 December 2009: HK\$269,816,000) and the aggregate notional amount of the interest rate swaps was HK\$158,000,000 (31 December 2009: Nil).

於二零一零年六月三十日，遠期外幣合約之名義數額總值為零(二零零九年十二月三十一日：23,150,000港元)，貴金屬合約之合約數額總值為228,829,000港元(二零零九年十二月三十一日：269,816,000港元)，而利率掉期之名義數額總值為158,000,000港元(二零零九年十二月三十一日：零)。

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

本集團訂立上述合約及掉期旨在管理本集團之貴金屬價格及利率風險。該等合約及掉期並不符合對沖會計處理之條件。

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

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

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

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

Accounts payable	應付賬款
Payables arising from securities and futures broking conducted in the ordinary course of business:	在日常業務中證券及期貨經紀產生之應付賬款：
Cash clients	現金客戶
Margin clients	孖展客戶
Clearing houses	結算所
Payables arising from securities and futures broking	證券及期貨經紀產生之應付賬款
Total accounts payable and payables arising from securities and futures broking	應付賬款及證券及期貨經紀產生之應付賬款總額

13. 現金及等同現金/代客戶持有現金

30 June 六月三十日 2010 HK\$'000 千港元	31 December 十二月三十一日 2009 HK\$'000 千港元
369,760	378,536
450,464	463
820,224	378,999

本集團於持牌銀行開設獨立信託賬戶，以存放證券及期貨客戶於日常業務產生之款項。本集團已將此等客戶款項分類為綜合財務狀況表內流動資產項下之「代客戶持有現金」，並根據負上客戶款項之任何損失或挪用之責任而確認為應付予相關客戶賬款。本集團不准使用客戶款項償還其本身之債務。

14. 應付賬款/證券及期貨經紀產生之應付賬款

30 June 六月三十日 2010 HK\$'000 千港元	31 December 十二月三十一日 2009 HK\$'000 千港元
186,426	132,231
307,289	424,245
35,291	33,296
13,392	16,664
355,972	474,205
542,398	606,436

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

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

Within 30 days (including amounts not yet due)	三十日內(包括未到期金額)
31 to 60 days	三十一至六十日
Over 60 days	超過六十日
Cash clients accounts payable ^Δ	應付現金客戶賬款 ^Δ
Margin clients accounts payable [^]	應付孖展客戶賬款 [^]

^Δ Included in the cash clients accounts payable arising from dealing in securities conducted in the ordinary course of business is an amount of approximately HK\$272,847,000 (31 December 2009: HK\$333,796,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 30 June 2010, the cash clients accounts payable included an amount of HK\$5,796,000 (31 December 2009: HK\$6,495,000) in respect of securities transactions undertaken for the accounts of certain Directors. The cash clients accounts payable are repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not meaningful in view of the nature of the business of dealing in securities.

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

14. 應付賬款/證券及期貨經紀產生之應付賬款(續)

應付賬款及證券及期貨經紀產生之應付賬款根據到期日之賬齡分析如下：

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元
199,004	147,810
-	770
814	315
199,818	148,895
307,289	424,245
35,291	33,296
542,398	606,436

^Δ 包括在日常業務中證券買賣產生之應付現金客戶賬款內約272,847,000港元(二零零九年十二月三十一日:333,796,000港元)為該等客戶存於本集團之未提取款項/額外繳付按金。於二零一零年六月三十日,應付現金客戶賬款包括為若干董事賬戶進行證券交易之款項5,796,000港元(二零零九年十二月三十一日:6,495,000港元)。應付現金客戶賬款須於要求時償還及按商業條款計息。鑑於證券買賣業務性質,董事認為賬齡分析意義不大,故無披露賬齡分析。

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

15. Maturity profile of assets and liabilities

An analysis of the maturity profile of certain assets and financial liabilities of the Group analyzed by the remaining period at the end of the reporting period to the contractual maturity date, as disclosed pursuant to the Listing Rules, is as follows:

		No fixed terms of repayment/ Repayable on demand 無固定償還期/ 須按要求的償還 HK\$'000 千港元	3 months or less 三個月或以下 HK\$'000 千港元	1 year or less but over 3 months 三個月以上至一年 HK\$'000 千港元	5 years or less but over 1 year 一年以上至五年 HK\$'000 千港元	Undated 無期限 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 30 June 2010	於二零一零年六月三十日						
Assets	資產						
Accounts receivable	應收賬款	84,012	233,163	-	-	-	317,175
Receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款	126,650	144,325	-	-	-	270,975
Cash held on behalf of clients	代客戶持有現金	16,325	300,000	-	-	-	316,325
Cash and cash equivalents	現金及等同現金	369,760	450,464	-	-	-	820,224
		<u>596,747</u>	<u>1,127,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724,699</u>
Liabilities*	負債*						
Accounts payable	應付賬款	16,072	170,354	-	-	-	186,426
Payables arising from securities and futures broking	證券及期貨經紀產生之應付賬款	308,138	47,834	-	-	-	355,972
Financial liabilities included in other payables and accruals	包含在其他應付賬款及應計項目之財務負債	66,758	78,884	-	-	-	145,642
Derivative financial instruments	衍生金融工具	-	-	-	-	30,429	30,429
Short term interest-bearing bank borrowings	短期計息銀行貸款	25,679	154,113	-	-	-	179,792
Long term interest-bearing bank borrowings	長期計息銀行貸款	-	37,339	111,170	219,474	-	367,983
Interest-bearing bank borrowings arising from securities and futures broking	證券及期貨經紀產生之計息銀行貸款	-	90,000	-	-	-	90,000
		<u>416,647</u>	<u>578,524</u>	<u>111,170</u>	<u>219,474</u>	<u>30,429</u>	<u>1,356,244</u>

* Based on contractual undiscounted payments

* 按已訂約但未折現款項計算

15. Maturity profile of assets and liabilities (continued)

	No fixed terms of repayment/ Repayable on demand 無固定償還期/須按要求的償還 HK\$'000 千港元	3 months or less 三個月或以下 HK\$'000 千港元	1 year or less but over 3 months 三個月以上至一年 HK\$'000 千港元	5 years or less but over 1 year 一年以上至五年 HK\$'000 千港元	Undated 無期限 HK\$'000 千港元	Total 合計 HK\$'000 千港元
As at 31 December 2009	於二零零九年十二月三十一日					
Assets	資產					
Accounts receivable	應收賬款	77,178	249,094	-	-	326,272
Receivables arising from securities and futures broking	證券及期貨經紀產生之應收賬款	102,290	98,862	-	-	201,152
Cash held on behalf of clients	代客戶持有現金	79,012	309,000	-	-	388,012
Cash and cash equivalents	現金及等同現金	378,536	463	-	-	378,999
		<u>637,016</u>	<u>657,419</u>	<u>-</u>	<u>-</u>	<u>1,294,435</u>
Liabilities*	負債*					
Accounts payable	應付賬款	11,103	121,128	-	-	132,231
Payables arising from securities and futures broking	證券及期貨經紀產生之應付賬款	367,092	107,113	-	-	474,205
Financial liabilities included in other payables and accruals	包含在其他應付賬款及應計項目之財務負債	73,332	75,940	-	-	149,272
Derivative financial instruments	衍生金融工具	-	-	-	14,096	14,096
Short term interest-bearing bank borrowings	短期計息銀行貸款	125,570	223,074	-	-	348,644
Long term interest-bearing bank borrowings	長期計息銀行貸款	-	22,027	65,641	167,150	254,818
		<u>577,097</u>	<u>549,282</u>	<u>65,641</u>	<u>167,150</u>	<u>1,373,266</u>

* Based on contractual undiscounted payments

* 按已訂約但未折現款項計算

16. Operating lease arrangements

(a) As lessor

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

As at 30 June 2010, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

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

(b) As lessee

The Group leases certain of its office properties and retail shops under operating lease arrangements. Leases for these properties and shops are negotiated for terms ranging from one to ten years. In addition to the minimum rental payments disclosed below, the Group has a commitment to pay contingent rents based on a proportion of turnover for certain leased retail shops. Contingent rents are not included in the below commitments as it is not possible to estimate the amounts which may be payable.

As at 30 June 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

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

16. 經營租約安排

(a) 出租人

本集團以經營租約安排租出其投資物業，經磋商訂定租期為一至三年。租約條款一般要求租客支付保證按金及根據普遍市場環境作定期租金調整。

於二零一零年六月三十日，本集團就與租客訂定不可撤銷之經營租約，按到期日，未來最低租賃應收賬款總額如下：

30 June 六月三十日 2010 HK\$'000 千港元	31 December 十二月三十一日 2009 HK\$'000 千港元
5,881	6,006
2,163	2,335
8,044	8,341

(b) 承租人

本集團以經營租約安排承租若干辦公室物業及零售店舖。此等物業及店舖租期經磋商訂定為期一至十年。除下文披露的最低租賃付款外，本集團有按若干租賃零售店舖營業額百分比支付或然租金之承擔。由於不可能預計可能支付的金額，或然租金並不計入以下承擔。

於二零一零年六月三十日，本集團就不可撤銷之經營租約，按到期日，未來最低租賃應付賬款總額如下：

30 June 六月三十日 2010 HK\$'000 千港元	31 December 十二月三十一日 2009 HK\$'000 千港元
296,174	253,253
372,111	274,647
57	48
668,342	527,948

17. Commitments

In addition to the operating lease arrangements detailed in note 16 above, the Group had the following capital commitments in respect of property, plant and equipment as at 30 June 2010:

Authorized, but not contracted for 已批核，但未簽訂

18. Related party transactions

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

(a) Transactions with connected and/or related parties

- (i) On 17 December 2009, a wholly-owned subsidiary of the Company renewed the sales agreement with Qingdao Jinghua Diamond & Jewellery Co., Ltd. ("Qingdao Jinghua") and Shanghai Jinghua Diamond & Jewellery Co., Ltd. ("Shanghai Jinghua") for selling rough diamonds and polished diamonds to Qingdao Jinghua and Shanghai Jinghua for the year ending 31 December 2010. Qingdao Jinghua and Shanghai Jinghua are the subsidiaries of Qingdao Jinghua Investment Management Co., Ltd., a 30% shareholder of a 70%-owned subsidiary of the Company. The selling prices were determined based on the category, quantity and the prevailing market price of the diamonds. There were no sales to Qingdao Jinghua and Shanghai Jinghua during the period (2009: HK\$5,978,000).
- (ii) On 17 December 2009, certain subsidiaries of the Company renewed the purchase agreement with Shanghai Jinghua for purchasing polished diamonds from Shanghai Jinghua for the year ending 31 December 2010. The purchase consideration was determined based on the category, quantity and the prevailing market price of the polished diamonds. The total purchases from Shanghai Jinghua for the period amounted to HK\$4,347,000 (2009: HK\$5,508,000).
- (iii) On 17 December 2009, a wholly-owned subsidiary of the Company renewed the polishing service agreement with Qingdao Jinghua for engaging Qingdao Jinghua to provide rough diamonds polishing services for the year ending 31 December 2010. The processing fees were charged according to an agreed price list which was determined with reference to market rates. The total processing fees charged by Qingdao Jinghua for the period amounted to HK\$454,000 (2009: HK\$482,000).

17. 承擔

除上述附註16詳載之經營租約安排外，本集團於二零一零年六月三十日有以下有關物業、機器及設備之資本承擔：

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元
9,014	5,245

18. 關連人士交易

本集團於期內與關連人士進行以下重大交易：

(a) 與關連人士進行之交易

- (i) 於二零零九年十二月十七日，本公司一家全資附屬公司就於截至二零一零年十二月三十一日止年度內向青島京華飾品有限公司（「青島京華」）及上海京華飾品有限公司（「上海京華」）銷售鑽石毛坯及打磨鑽石續訂與青島京華及上海京華訂立之銷售協議。青島京華及上海京華均為青島京華投資管理有限公司之附屬公司，而青島京華投資管理有限公司則為本公司一家持有70%股權之附屬公司之一名持有30%股權之股東。售價乃按鑽石之類別、數量及當時市價而釐定。期內並無向青島京華及上海京華作出銷售（二零零九年：5,978,000港元）。
- (ii) 於二零零九年十二月十七日，本公司若干附屬公司就於截至二零一零年十二月三十一日止年度內向上海京華採購打磨鑽石續訂採購協議。採購代價乃按打磨鑽石之類別、數量及當時市價而釐定。期內向上海京華採購總額為4,347,000港元（二零零九年：5,508,000港元）。
- (iii) 於二零零九年十二月十七日，本公司一家全資附屬公司就委聘青島京華於截至二零一零年十二月三十一日止年度內提供鑽石毛坯打磨服務續訂打磨服務協議。加工費按協定之價格表收取，價格表內收費經參考市場價格後釐定。期內青島京華收取之加工費總額為454,000港元（二零零九年：482,000港元）。

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

- (iv) On 31 March 2009, a wholly-owned subsidiary of the Company renewed the tenancy agreement with the respective spouse of Mr. CHOW Kwen Ling and Dr. CHOW Kwen Lim and the administrator of a late director of the Company for the lease of a retail shop for two years ending 31 March 2011, with a monthly rental of HK\$163,000. The lease rentals were determined with reference to open market rentals. The total rental paid by the Group for the period amounted to HK\$978,000 (2009: HK\$1,007,000).

- (v) A wholly-owned subsidiary of the Company renewed leases with related companies, in which certain Directors and their respective spouse have interests, for the lease of the Company's Directors' quarters with an aggregate monthly rental of HK\$80,000 for the year ending 31 December 2010. The lease rentals were determined with reference to open market rentals. The total rentals paid by the Group for the period amounted to HK\$480,000 (2009: HK\$480,000).

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

Payables to a related party:

Shanghai Jinghua	上海京華
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The payables to a related party are unsecured, interest-free and repayable within one month after billings.

(b) Remuneration of key management personnel of the Group

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

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

18. 關連人士交易(續)**(a) 與關連人士進行之交易(續)**

- (iv) 於二零零九年三月三十一日，本公司一家全資附屬公司與周君令先生及周君廉博士各自之配偶及本公司一名已故董事之遺產執行人就於截至二零一一年三月三十一日止兩年內租予本集團零售店舖續訂租約，每月租金為163,000港元。租金乃參考公開市值租金釐定。本集團於期內繳付租金總額為978,000港元(二零零九年：1,007,000港元)。

- (v) 本公司一家全資附屬公司與若干董事及彼等各自之配偶持有權益之關連公司就於截至二零一零年十二月三十一日止年度內租予本公司董事宿舍續訂租約，每月租金總額為80,000港元。租金乃參考公開市值租金釐定。本集團於期內繳付租金總額為480,000港元(二零零九年：480,000港元)。

上述所有關連人士交易亦構成上市規則第十四A章所界定之持續關連交易。

應付關連人士賬款：

30 June	31 December
六月三十日	十二月三十一日
2010	2009
HK\$'000	HK\$'000
千港元	千港元
435	1,883

應付關連人士賬款乃無抵押、免息及須於發單後一個月內付款。

(b) 本集團主要管理人員酬金

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

Six months ended 30 June	
截至六月三十日止六個月	
2010	2009
HK\$'000	HK\$'000
千港元	千港元
465	465
8,549	8,694
3,406	1,381
371	368
12,791	10,908

19. Financial risk management objectives and policies**Financial risk factors**

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

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

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

Interest rate risk

The Group is exposed to interest rate risk due to potential changes in interest rates of interest-bearing financial assets and liabilities. Interest-bearing financial assets are mainly loans to margin clients, whereas interest-bearing financial liabilities are primarily bank borrowings with primarily floating interest rates which expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long term borrowings at floating rates and enters into interest rate swaps, when market conditions prevail, to reduce the interest rate risk.

Foreign currency risk

The Group has transactional currency exposures mainly arising from sales and purchases by operating units in currencies other than the units' functional currency. The management conducted periodical review of exposure and requirements of various currencies, and will consider hedging significant foreign currency exposures should the need arise. The management considers that the Group's exposure to foreign currency risk is not significant.

The Group's assets and liabilities are mainly denominated in Hong Kong dollar, Renminbi and US dollar. Currency risks are managed by partly financing non-Hong Kong dollar assets with loans denominated in the relevant currency.

19. 財務風險管理目標及政策**財務風險因素**

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

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

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

利率風險

本集團由於計息財務資產及負債之利率潛在變動而承受利率風險。計息財務資產主要為孖展客戶貸款，而計息財務負債主要為按浮動利率計息，導致本集團承受現金流量利率風險之銀行貸款。本集團使用浮動利率轉為固定利率的利率掉期管理其現金流量利率風險。該等利率掉期具有將借貸浮動利率轉為固定利率的經濟效果。一般而言，本集團以浮動利率籌措長期借貸，並於市況合適時訂立利率掉期，以減低利率風險。

外匯風險

本集團之交易外幣風險主要來自業務單位以其功能貨幣以外之貨幣進行之買賣。管理層就不同貨幣的風險及需要進行定期檢討，並於需要時考慮對沖重大外匯風險。管理層認為本集團的外匯風險並不重大。

本集團之資產及負債主要以港元、人民幣及美元為單位。管理外匯風險方法是以外幣債務為手上同幣資產融資。

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

The accounts receivable and receivables arising from securities and futures broking represent the Group's major exposure to the credit risk arising from default of the counterparty, with a maximum exposure equal to the carrying amounts of these financial assets in the consolidated statement of financial position. The Group's retail sales on jewellery are usually transacted on a cash basis, via popular credit cards or through reputable and dispersed department stores. The Group's credit sales to wholesale customers are generally on credit term within 45 days. The Group has no significant concentrations of credit risk with respect to its jewellery retail business as it has a large number of diversified customers. For accounts receivable arising from the wholesale of diamonds and precious metals, the Group trades only with recognized and creditworthy third parties and bullion banks. The Group's margin clients accounts receivable arising from the ordinary course of business of dealing in securities are secured by the underlying pledged securities. The Group seeks to maintain strict control over its outstanding receivables and has its credit control policy to minimize the credit risk. In addition, all receivable balances are monitored on an ongoing basis and overdue balances are followed up by senior management. Accordingly, the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which mainly comprise cash and cash equivalents as well as deposits and other receivables, arises from the default of the counterparties, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's treasury department's responsibility is to maintain a balance between continuity of funding and flexibility through the use of banking facilities in order to meet its liquidity requirements both in the short term and long term. The Group maintains significant flexibility to respond to opportunities and events by ensuring that committed credit lines are available. All debts of the Group as at 30 June 2010 would mature within three years.

Equity securities price risk

Equity securities price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The fair values of these listed equity investments are affected by market forces and other factors. The Group is exposed to equity price risk arising from individual equity investments classified as available-for-sale investments (note 9) and trading equity investments (note 11) as at 30 June 2010. The Group's listed investments are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and are valued at quoted market prices at the end of the reporting period. The majority of the listed equity investments are held for non-trading purpose.

20. Approval of interim financial report

The interim financial report was approved by the Board of Directors on 26 August 2010.

19. 財務風險管理目標及政策(續)**財務風險因素(續)***信貸風險*

應收賬款及證券及期貨經紀產生之應收賬款乃本集團由於交易對手不履約而產生之主要信貸風險，最高風險相等於綜合財務狀況表中此等財務資產之賬面值。本集團之珠寶零售銷售通常以現金、通過普及信用卡或透過信譽良好及分散之百貨公司進行。本集團向批發客戶進行之信貸銷售一般按四十五日內之除賬期進行。由於珠寶零售業務擁有大量分散客戶，故並無重大集中之信貸風險。就鑽石及貴金屬批發產生之應收賬款，本集團僅與獲確認及有信譽之第三者及金商進行交易。本集團自日常業務中證券買賣產生之應收孳展客戶賬款以有關已抵押證券作抵押。本集團對逾期應收賬款維持嚴格控制，並設有信貸控制政策使信貸風險減至最低。此外，所有應收賬款結餘均受持續監察，逾期結餘由高級管理人員跟進。因此，本集團之壞賬風險並不重大。

本集團其他財務資產，主要包括現金及等同現金與按金及其他應收賬款，其信貸風險產生自交易對手不履約，而最高風險相等於此等工具之賬面值。

流動資金風險

在管理流動資金風險方面，本集團監控並維持現金及等同現金於管理人員認為足夠水平，為本集團運作提供資金及緩和現金流量波動之影響。本集團財政部門之責任為透過使用銀行信貸在資金之持續性及靈活性之間取得平衡，以配合其短期及長期流動資金需求。本集團透過確保擁有可動用之已承諾信貸額度，維持充裕靈活性以回應商機及事件。於二零一零年六月三十日，本集團所有債項均於三年內到期。

股份證券價格風險

股份證券價格風險指股份證券之公平價值因股份指數水平及個別證券價值出現變動而下跌之風險。此等上市股份投資之公平價值受市場力量及其他因素影響。本集團因於二零一零年六月三十日被分類為可供出售投資(附註9)及買賣股份投資(附註11)之個別股份投資而承受股份價格風險。本集團之上市投資於香港聯合交易所有限公司(「聯交所」)上市，以報告期末所報市價計值。大部分上市股份投資乃持作非買賣用途。

20. 中期財務報告之批核

中期財務報告於二零一零年八月二十六日經董事會批核。

OTHER INFORMATION

其他資料

Directors' Interests in Shares

As at 30 June 2010, the interests of the Directors in the issued share capital of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions:

董事於股份之權益

於二零一零年六月三十日，按《證券及期貨條例》第352條本公司須予保存之名冊內所記錄，或根據標準守則必須向本公司及聯交所具報之權益，各董事於本公司或其相聯法團（定義見《證券及期貨條例》第XV部）已發行股本中之權益如下：

好倉：

Name of Directors	董事姓名	Number of shares held 持股數目				Total	Percentage of the Company's issued share capital 佔本公司已發行 股本百分比
		Personal interest 個人權益	Family interest 家屬權益	Corporate interest 公司權益	Trustee interest 信託人權益		
Mr. CHOW Kwen Ling	周君令先生	-	-	53,909,932 ⁽¹⁾	-	53,909,932	7.96
Dr. CHOW Kwen Lim	周君廉博士	-	-	-	137,591,595 ⁽²⁾	137,591,595	20.33
Dr. CHAN Bing Fun	陳炳勳醫生	1,320,000	-	-	-	1,320,000	0.20
Mr. Vincent CHOW Wing Shing	周永成先生	-	-	-	137,591,595 ⁽²⁾	137,591,595	20.33
Dr. Gerald CHOW King Sing	周敬成醫生	19,711,680	70,398 ⁽³⁾	21,000,000 ⁽³⁾	42,000,000 ⁽³⁾	82,782,078	12.23
Mr. Winston CHOW Wun Sing	周允成先生	7,681,104	52,800 ⁽³⁾	-	74,616,000 ⁽³⁾	82,349,904	12.17

Please refer to the explanatory notes in the section headed "Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares".

請參考「主要股東及其他人士於股份及相關股份之權益」一節之附註解釋。

Save as disclosed above, as at 30 June 2010, none of the Directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露外，於二零一零年六月三十日，各董事概無於本公司或其任何相聯法團股份、相關股份或債券中擁有根據《證券及期貨條例》第352條規定須予以記錄或根據標準守則必須向本公司及聯交所具報之權益或淡倉。

Directors' Rights to Acquire Shares or Debentures

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

董事購買股份或債券之權利

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

OTHER INFORMATION

其他資料

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

As at 30 June 2010, the interests of those persons in the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long positions:

Name	Capacity	Number of shares held	Percentage of the Company's issued share capital
名稱	身份	持股數目	佔本公司已發行股本百分比
Everwin Company Limited	Beneficial Owner 實益持有人	120,000,000 ⁽²⁾	17.73
Value Partners Limited	Investment Manager 投資管理人	67,720,000 ⁽⁴⁾	10.00
Happy Inc.	Beneficial Owner 實益持有人	66,000,000	9.75
Happy Family Limited 快樂家庭有限公司	Beneficial Owner 實益持有人	53,909,932 ⁽¹⁾	7.96
Top Fit Investments Limited	Beneficial Owner 實益持有人	42,000,000 ⁽³⁾	6.20

Notes:

- (1) 53,909,932 shares in the Company were held by Happy Family Limited, in which Mr. CHOW Kwen Ling and his spouse owned 40% of the equity interest. Mr. CHOW Kwen Ling and his spouse were deemed to have interests in the 53,909,932 shares in the Company.
- (2) 137,591,595 shares in the Company were held by a discretionary trust of which Dr. CHOW Kwen Lim and Mr. Vincent CHOW Wing Shing were among the beneficiaries. The trustee of the trust was Cititrust (Cayman) Limited, which held the interests in the Company through the following companies:

Name of companies
公司名稱

Everwin Company Limited
Golden Court Limited

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

主要股東及其他人士於股份及相關股份之權益

於二零一零年六月三十日，根據《證券及期貨條例》第336條，本公司須予保存之權益名冊記錄內擁有本公司已發行股本人士之權益如下：

好倉：

Number of shares held	Percentage of the Company's issued share capital
持股數目	佔本公司已發行股本百分比
120,000,000 ⁽²⁾	17.73
67,720,000 ⁽⁴⁾	10.00
66,000,000	9.75
53,909,932 ⁽¹⁾	7.96
42,000,000 ⁽³⁾	6.20

附註：

- (1) 快樂家庭有限公司擁有本公司53,909,932股股份，周君令先生及其配偶合共擁有快樂家庭有限公司40%之股本權益。周君令先生及其配偶被視為擁有本公司53,909,932股股份權益。
- (2) 一項全權信託擁有本公司137,591,595股股份，周君廉博士及周永成先生為其中受益人。Cititrust (Cayman) Limited為該信託之信託人，其透過下列公司擁有本公司之權益：

No. of shares held
持股數目

120,000,000
17,591,595

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

OTHER INFORMATION

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

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

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

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

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

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

- (4) 67,720,000 shares in the Company were held by a discretionary trust of which Mr. CHEAH Cheng Hye is the founder. The trustee of the trust was Hang Seng Bank Trustee International Limited ("HSB"), which held the interests in the Company through its indirect control over Value Partners Limited.

Value Partners Limited is 100% controlled by Value Partners Group Limited ("VPGL"), which in turn is a 31.19%-controlled company of Cheah Capital Management Limited ("CCML"). CCML is 100% controlled by Cheah Company Limited ("CCL"), which in turn is a 100%-controlled company of HSB.

Accordingly, Mr. CHEAH Cheng Hye, his spouse, HSB, VPGL, CCML and CCL were deemed to have interests in the 67,720,000 shares in the Company.

Save as disclosed above, as at 30 June 2010, no person, other than the Directors of the Company whose interests are set out in the section "Directors' Interests in Shares" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

其他資料

主要股東及其他人士於股份及相關股份之權益(續)

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

Speed Star Holdings Limited 擁有本公司 21,000,000 股股份，該公司由周敬成醫生及其配偶實益擁有。

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

CWS Holdings Limited 擁有本公司 32,616,000 股股份，該公司由一項全權信託實益擁有，周允成先生為該信託之成立人及其中一名受益人。UBS TC (Jersey) Ltd. 為該信託之信託人，因此被視為擁有本公司 32,616,000 股股份權益。

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

- (4) 一項全權信託擁有本公司 67,720,000 股股份，謝清海先生為該信託之成立人。Hang Seng Bank Trustee International Limited ("HSB") 為該信託之信託人，透過間接控制 Value Partners Limited 擁有本公司之權益。

Value Partners Limited 由 Value Partners Group Limited ("VPGL") 全權控制，VPGL 則為 Cheah Capital Management Limited ("CCML") 擁有 31.19% 控制權之公司。CCML 由 Cheah Company Limited ("CCL") 全權控制，而 CCL 則為 HSB 全權控制之公司。

因此，謝清海先生、其配偶、HSB、VPGL、CCML 及 CCL 均被視為擁有本公司 67,720,000 股股份權益。

除上文披露外，於二零一零年六月三十日，除以上「董事於股份之權益」一節所載擁有權益之本公司董事外，並無其他人士於本公司股份或相關股份中登記持有根據《證券及期貨條例》第336條須予記錄之權益或淡倉。

OTHER INFORMATION

Update on Director's Information under Rule 13.51B(1) of the Listing Rules

Mr. Winston CHOW Wun Sing, an Executive Director, has been appointed as a member of Jewellery Advisory Committee of the Hong Kong Trade Development Council during the period.

Purchase, Redemption or Sale of Listed Securities of the Company

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

Dividend

At the Company's annual general meeting held on 10 June 2010, the shareholders approved the final dividend of HK26.0 cents per ordinary share for the year ended 31 December 2009 to be distributed to shareholders whose names appeared on the register of members of the Company on 10 June 2010. The final dividend amounting to HK\$175,999,000 was paid on 22 June 2010.

The Board of Directors has declared an interim dividend of HK8.0 cents (2009: HK7.0 cents) per ordinary share for the six months ended 30 June 2010 payable to shareholders whose names appear on the register of members of the Company on 16 September 2010. Dividend warrants will be posted to shareholders on 22 September 2010.

Closure of Register of Members

The register of members of the Company will be closed from Monday, 13 September 2010 to Thursday, 16 September 2010, both days inclusive, during such period no transfer of shares will be registered. To ensure the entitlement to the interim dividend, shareholders are reminded to lodge their transfer documents accompanied by the relevant share certificates with the Company's branch share registrars, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 10 September 2010.

By order of the Board
CHOW Kwen Lim
Chairman

Hong Kong, 26 August 2010

其他資料

根據上市規則第13.51B(1)條提供董事之最新資料

執行董事周允成先生於期內獲委任為香港貿易發展局珠寶業諮詢委員會委員。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於期內概無購買、贖回或出售任何本公司之上市證券。

股息

本公司於二零一零年六月十日舉行之股東週年大會上，股東批准截至二零零九年十二月三十一日止年度之末期股息每普通股26.0港仙，並派發予於二零一零年六月十日名列於本公司股東名冊上之股東。末期股息175,999,000港元已於二零一零年六月二十二日派發。

董事會宣布派發截至二零一零年六月三十日止六個月之中期股息每普通股8.0港仙(二零零九年: 7.0港仙) 予於二零一零年九月十六日名列於本公司股東名冊上之股東。股息支票將於二零一零年九月二十二日寄發予股東。

暫停辦理股份過戶登記手續

本公司將由二零一零年九月十三日(星期一)至二零一零年九月十六日(星期四)，首尾兩天包括在內，暫停辦理股份過戶登記手續。為確保享有獲派發中期股息權利，股東須於二零一零年九月十日(星期五)下午四時前將過戶文件連同相關股票送達本公司股份過戶登記分處卓佳登捷時有限公司辦理過戶手續，地址為香港皇后大道東二十八號金鐘匯中心二十六樓。

承董事會命
主席
周君廉

香港，二零一零年八月二十六日