CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Stock code: 116

ANNOUNCEMENT OF THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

The Board of Directors (the "Board") of Chow Sang Sang Holdings International Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2011.

FINANCIAL HIGHLIGHTS

	2011 HK$'000	2010 HK$'000	Change
Turnover			
Jewellery retail	**12,645,000**	8,265,447	+53%
Other businesses	**4,513,286**	3,439,844	+31%
	17,158,286	11,705,291	+47%
Profit attributable to equity holders of the Company	**1,093,509**	757,198	+44%
Basic earnings per share	**161.5 cents**	116.2 cents	+39%
Dividend per share			
- Final	**49.0 cents**	35.0 cents	+40%
- Full Year	**60.0 cents**	43.0 cents	+40%
Dividend payout ratio	**37%**	37%	
Equity attributable to equity holders of the Company	**6,339,207**	5,680,827	+12%
Equity per share	**$9.4**	$8.4	+12%

CONSOLIDATED INCOME STATEMENT
Year ended 31 December 2011

	Note	**2011** **HK$'000**	2010 HK$'000
TURNOVER	3		
Jewellery retail		**12,645,000**	8,265,447
Other businesses		**4,513,286**	3,439,844
		17,158,286	11,705,291
Cost of sales		**(13,903,840)**	(9,403,384)
Gross profit		**3,254,446**	2,301,907
Other income		**71,199**	71,994
Selling and distribution costs		**(1,567,629)**	(1,139,711)
Administrative expenses		**(336,676)**	(275,982)
Other gains, net		**43,483**	34,751
Finance costs		**(47,038)**	(22,221)
Share of profits of associates, net		**1,590**	2,688
PROFIT BEFORE TAX	5	**1,419,375**	973,426
Income tax	6	**(307,504)**	(206,402)
PROFIT FOR THE YEAR		**1,111,871**	767,024
Profit attributable to:			
Equity holders of the Company		**1,093,509**	757,198
Non-controlling interests		**18,362**	9,826
		1,111,871	767,024
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		**161.5 cents**	116.2 cents
Diluted		**161.5 cents**	116.2 cents

Details of the dividends payable and proposed for the year are disclosed in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2011

	2011 **HK$'000**	2010 HK$'000
PROFIT FOR THE YEAR	**1,111,871**	767,024
OTHER COMPREHENSIVE INCOME		
Changes in fair value of available-for-sale investments	**(253,838)**	184,475
Leasehold land and buildings:		
Revaluation upon transfer to investment properties	-	155
Deferred tax liabilities on revaluation	-	(26)
	-	129
Exchange differences on translation	**132,211**	71,687
Other comprehensive income/(loss) for the year, net of tax	**(121,627)**	256,291
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**990,244**	1,023,315
Total comprehensive income attributable to:		
Equity holders of the Company	**968,760**	1,011,662
Non-controlling interests	**21,484**	11,653
	990,244	1,023,315

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	Note	**31 December 2011 HK$'000**	31 December 2010 HK$'000 (Restated)	1 January 2010 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**538,645**	442,719	427,888
Investment properties		**179,261**	175,458	150,840
Prepaid land lease payments		**14,019**	13,506	-
Intangible assets		**271**	271	271
Other assets		**137,613**	95,302	77,605
Investments in associates		**15,463**	14,083	11,611
Available-for-sale investments		**634,843**	889,206	705,255
Deferred tax assets		**16,110**	14,153	4,225
Total non-current assets		**1,536,225**	1,644,698	1,377,695
CURRENT ASSETS				
Inventories		**6,213,968**	4,897,755	3,228,351
Accounts receivable	9	**598,827**	403,438	326,272
Receivables arising from securities and futures broking	9	**139,680**	256,434	201,152
Prepayments, deposits and other receivables		**234,785**	221,052	84,982
Investments at fair value through profit or loss		**9,773**	12,015	8,010
Derivative financial instruments		**10,596**	-	180
Tax recoverable		**1,578**	763	639
Cash held on behalf of clients		**300,356**	306,863	388,012
Cash and cash equivalents		**630,968**	272,919	378,999
Total current assets		**8,140,531**	6,371,239	4,616,597
CURRENT LIABILITIES				
Accounts payable	10	**72,039**	176,781	132,231
Payables arising from securities and futures broking	10	**296,499**	370,719	474,205
Other payables and accruals		**492,860**	382,337	342,624
Derivative financial instruments		**311**	9,508	14,096
Interest-bearing bank borrowings		**1,299,432**	695,544	598,043
Interest-bearing bank borrowings arising from securities and futures broking		**30,000**	30,000	-
Bullion loans		**385,367**	396,267	285,316
Tax payable		**143,091**	88,982	80,238
Total current liabilities		**2,719,599**	2,150,138	1,926,753
NET CURRENT ASSETS		**5,420,932**	4,221,101	2,689,844
TOTAL ASSETS LESS CURRENT LIABILITIES		**6,957,157**	5,865,799	4,067,539

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	31 December 2011 HK$'000	31 December 2010 HK$'000 (Restated)	1 January 2010 HK$'000 (Restated)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	**393,225**	-	-
Deferred tax liabilities	**143,666**	125,397	90,827
Total non-current liabilities	**536,891**	125,397	90,827
Net assets	**6,420,266**	5,740,402	3,976,712
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	**169,230**	169,230	150,480
Reserves	**6,169,977**	5,511,597	3,778,310
	6,339,207	5,680,827	3,928,790
Non-controlling interests	**81,059**	59,575	47,922
Total equity	**6,420,266**	5,740,402	3,976,712

NOTES:

1. Basis of preparation

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

2.1 Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

HKFRS 1 Amendment	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised) and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

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

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasize a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

2.1 Changes in accounting policies and disclosures (continued)

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

2.2 Issued but not yet effective Hong Kong Financial Reporting Standards

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*[1]
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*[4]
HKFRS 9	*Financial Instruments*[6]
HKFRS 10	*Consolidated Financial Statements*[4]
HKFRS 11	*Joint Arrangements*[4]
HKFRS 12	*Disclosure of Interests in Other Entities*[4]
HKFRS 13	*Fair Value Measurement*[4]
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*[3]
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*[2]
HKAS 19 (2011)	*Employee Benefits*[4]
HKAS 27 (2011)	*Separate Financial Statements*[4]
HKAS 28 (2011)	*Investments in Associates and Joint Ventures*[4]
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[5]
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*[4]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2012
[3] Effective for annual periods beginning on or after 1 July 2012
[4] Effective for annual periods beginning on or after 1 January 2013
[5] Effective for annual periods beginning on or after 1 January 2014
[6] Effective for annual periods beginning on or after 1 January 2015

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. 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 year.

Revenue from the following activities has been included in turnover:

	Group	
	2011	2010
	HK$'000	HK$'000
Sale of goods	**17,101,755**	11,628,661
Commission on securities, futures and commodities broking	**48,170**	66,721
Gross rental income	**8,361**	9,909
	17,158,286	11,705,291

4. 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, Mainland China and Taiwan;

(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 profits of associates, net 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.

	Manufacture and retail of jewellery HK$'000	Wholesale of precious metals HK$'000	Securities and futures broking HK$'000	Other businesses HK$'000	Total HK$'000
Year ended 31 December 2011					
Segment revenue					
Sales to external customers	**12,645,000**	**4,340,712**	**48,265**	**124,309**	**17,158,286**
Intersegment sales	**290**	**470,409**	**-**	**2,997**	**473,696**
	12,645,290	**4,811,121**	**48,265**	**127,306**	**17,631,982**
Reconciliation:					
Elimination of intersegment sales					**(473,696)**
					17,158,286
Segment results	**1,324,635**	**28,165**	**16,902**	**24,807**	**1,394,509**
Reconciliation:					
Dividend income					**23,276**
Share of profits of associates, net					**1,590**
Profit before tax					**1,419,375**

4. Operating segment information (continued)

	Manufacture and retail of jewellery HK$'000	Wholesale of precious metals HK$'000	Securities and futures broking HK$'000	Other businesses HK$'000	Total HK$'000
Year ended 31 December 2011					
Other segment information					
Interest income	**(2,017)**	**(506)**	**(12,475)**	**(12)**	**(15,010)**
Dividend income	**-**	**-**	**(296)**	**-**	**(296)**
Net fair value gain on investment properties	**-**	**-**	**-**	**(24,737)**	**(24,737)**
Net fair value gain on derivative financial instruments - transactions not qualifying as hedges	**(18,674)**	**(1,075)**	**-**	**-**	**(19,749)**
Net loss on bullion loans designated at fair value through profit or loss	**116,913**	**3,935**	**-**	**-**	**120,848**
Net loss on disposal of derivative financial instruments	**3,505**	**18,158**	**-**	**-**	**21,663**
Net fair value loss on investments at fair value through profit or loss	**-**	**-**	**2,242**	**-**	**2,242**
Net loss/(gain) on disposal of items of property, plant and equipment	**2,107**	**-**	**(14)**	**-**	**2,093**
Depreciation	**104,650**	**-**	**2,210**	**370**	**107,230**
Impairment of receivables arising from securities and futures broking, net	**-**	**-**	**262**	**-**	**262**
Write-down of inventories to net realizable value	**23,596**	**365**	**-**	**-**	**23,961**
Finance costs	**45,557**	**17**	**1,464**	**-**	**47,038**
Capital expenditure*	**187,198**	**-**	**2,373**	**407**	**189,978**

* Capital expenditure consists of additions to "Property, plant and equipment" and "Prepaid land lease payments".

4. Operating segment information (continued)

	Manufacture and retail of jewellery HK$'000	Wholesale of precious metals HK$'000	Securities and futures broking HK$'000	Other businesses HK$'000	Total HK$'000
Year ended 31 December 2010					
Segment revenue					
Sales to external customers	8,265,447	3,313,107	66,969	59,768	11,705,291
Intersegment sales	-	369,621	-	5,396	375,017
	8,265,447	3,682,728	66,969	65,164	12,080,308
Reconciliation:					
Elimination of intersegment sales					(375,017)
					11,705,291
Segment results	864,531	16,826	44,309	24,944	950,610
Reconciliation:					
Dividend income					20,128
Share of profits of associates, net					2,688
Profit before tax					973,426

4. Operating segment information (continued)

	Manufacture and retail of jewellery HK$'000	Wholesale of precious metals HK$'000	Securities and futures broking HK$'000	Other businesses HK$'000	Total HK$'000
Year ended 31 December 2010					
Other segment information					
Interest income	(1,234)	(104)	(16,706)	(215)	(18,259)
Dividend income	-	-	(259)	-	(259)
Net fair value gain on investment properties	-	-	-	(26,299)	(26,299)
Net fair value loss/(gain) on derivative financial instruments - transactions not qualifying as hedges	(5,091)	644	-	-	(4,447)
Net loss on bullion loans designated at fair value through profit or loss	78,948	2,660	-	-	81,608
Net loss on disposal of derivative financial instruments	95,301	2,787	-	-	98,088
Net fair value gain on investments at fair value through profit or loss	-	-	(4,005)	-	(4,005)
Net loss on disposal of items of property, plant and equipment	1,021	-	-	-	1,021
Depreciation	100,137	6	1,906	310	102,359
Impairment of receivables arising from securities and futures broking, net	-	-	3	-	3
Write-down of inventories to net realizable value	-	55	-	-	55
Finance costs	20,496	5	1,717	3	22,221
Capital expenditure*	120,927	-	1,162	475	122,564

* Capital expenditure consists of additions to "Property, plant and equipment" and "Prepaid land lease payments".

4. Operating segment information (continued)

(a) Geographical information

Revenue from external customers

	2011	2010
	HK$'000	HK$'000
Hong Kong and Macau	**12,489,966**	8,832,324
Mainland China	**4,535,537**	2,763,666
Taiwan	**132,783**	109,301
	17,158,286	11,705,291

The revenue information above is based on the location of the customers.

Non-current assets

	2011	2010
	HK$'000	HK$'000
Hong Kong and Macau	**600,948**	520,537
Mainland China	**247,271**	191,347
Taiwan	**37,053**	29,455
	885,272	741,339

The non-current asset information above is based on the location of assets and excludes available-for-sale investments and deferred tax assets.

(b) Information about major customers

The turnover from the Group's largest customer amounted to less than 10% of the Group's total turnover for the current and prior years.

5. Profit before tax

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

	2011 **HK$'000**	2010 HK$'000 (Restated)
Cost of inventories sold	**13,737,368**	9,223,633
Write-down of inventories to net realizable value*	**23,961**	55
Depreciation	**107,230**	102,359
Amortization of prepaid land lease payments	**285**	-
Operating lease payments in respect of leasehold land and buildings:		
Minimum lease payments	**390,106**	305,185
Contingent rents	**34,284**	22,343
Sublease payments	**-**	2,160
	424,390	329,688
Net loss on disposal of items of property, plant and equipment	**2,093**	1,021
Impairment of receivables arising from securities and futures broking, net	**262**	3
Net loss on bullion loans designated at fair value through profit or loss^	**120,848**	81,608
Net loss on disposal of derivative financial instruments^	**21,663**	98,088
Net fair value gain on derivative financial instruments - transactions not qualifying as hedges#	**(19,749)**	(4,447)
Interest income	**(15,010)**	(18,259)
Dividend income from listed investments	**(22,438)**	(19,974)
Dividend income from unlisted investments	**(1,134)**	(413)
Net gain on disposal of investments at fair value through profit or loss	**-**	(366)
Net fair value gain on investment properties#	**(24,737)**	(26,299)
Net fair value loss/(gain) on investments at fair value through profit or loss#	**2,242**	(4,005)

* These balances are included in "Cost of sales" on the face of the consolidated income statement.

^ The net loss on bullion loans designated at fair value through profit or loss of HK$120,848,000 (2010: HK$81,608,000) and the net loss on disposal of derivative financial instruments included a net loss on bullion contracts of HK$21,663,000 (2010: HK$98,263,000), which are included in "Cost of sales" on the face of the consolidated income statement. The purpose of the above bullion trading transactions entered into by the Group is to manage the Group's bullion price. Such loans and contracts did not meet the criteria for hedge accounting.

These balances are included in "Other gains, net" on the face of the consolidated income statement.

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Group	
	2011	2010
	HK$'000	HK$'000
Current - Hong Kong		
Charge for the year	**131,186**	86,467
Underprovision/(overprovision) in prior years	**(1,138)**	122
Current - Elsewhere		
Charge for the year	**159,662**	108,421
Overprovision in prior years	**-**	(13,300)
Deferred	**17,794**	24,692
Total tax charge for the year	**307,504**	206,402

7. Dividends

	2011	2010
	HK$'000	HK$'000
Dividends recognized as distribution during the year:		
Final dividend for 2010: HK35.0 cents (2009: HK26.0 cents) per ordinary share	**236,922**	175,999
Interim dividend for 2011: HK11.0 cents (2010: HK8.0 cents) per ordinary share	**74,461**	54,154
	311,383	230,153
Dividends proposed after the end of the reporting period:		
Final dividend for 2011: HK49.0 cents (2010: HK35.0 cents) per ordinary share	**331,691**	236,922

The proposed final dividend for 2011 was declared after the end of the reporting period and has not been recognized as a liability at the end of the reporting period, and it is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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

The calculation of the basic earnings per share amount is based on the profit for the year attributable to equity holders of the Company of HK$1,093,509,000 (2010: HK$757,198,000), and the weighted average number of ordinary shares of 676,920,000 (2010: 651,440,548) in issue during the year, as adjusted to reflect the shares issued in prior year.

The Group had no potentially dilutive ordinary shares in issue during the current and prior years.

9. 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 within 60 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.

	Group	
	2011	2010
	HK$'000	HK$'000
Accounts receivable	**598,827**	403,438
Receivables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	**24,374**	81,754
Clearing houses	**6,381**	19,890
Loans to margin clients	**109,283**	154,886
	140,038	256,530
Impairment	**(358)**	(96)
Receivables arising from securities and futures broking	**139,680**	256,434
Total accounts receivable and receivables arising from securities and futures broking	**738,507**	659,872

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

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

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

	Group	
	2011	2010
	HK$'000	HK$'000
Not yet due	**586,422**	446,446
Within 30 days past due	**36,915**	50,551
31 to 60 days past due	**1,543**	6,134
61 to 90 days past due	**728**	455
Over 90 days past due	**3,616**	1,400
	629,224	504,986
Loans to margin clients*	**109,283**	154,886
	738,507	659,872

* 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 31 December 2011, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK$271,834,000 (2010: HK$521,480,000).

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

	Group	
	2011	2010
	HK$'000	HK$'000
Accounts payable	**72,039**	176,781
Payables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	**252,391**	351,382
Margin clients	**38,050**	19,167
Clearing houses	**6,058**	170
Payables arising from securities and futures broking	**296,499**	370,719
Total accounts payable and payables arising from securities and futures broking	**368,538**	547,500

10. 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 as at the end of the reporting period, based on the due date, is as follows:

	Group	
	2011	2010
	HK$'000	HK$'000
Within 30 days (including amounts not yet due)	**77,344**	176,343
31 to 60 days	**53**	25
Over 60 days	**700**	583
	78,097	176,951
Cash clients accounts payable#	**252,391**	351,382
Margin clients accounts payable*	**38,050**	19,167
	368,538	547,500

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$237,565,000 (2010: HK$281,074,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 31 December 2011, the cash clients accounts payable included an amount of HK$5,143,000 (2010: HK$6,808,000) 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.

11. Restatement of comparative amounts

In prior years, physical bullion leasing arrangements arising from the Group's operation were as disclosed as a contingent liability in the financial statements. During the year, the Group considered it appropriate to include (i) the bullion leasing and outstanding at the end of the reporting period as the Group's inventory and bullion loans; and (ii) customer gold deposit as the Group's inventories with corresponding liabilities as provision for gold deposit from customers included in other payables and accruals in the consolidated statement of financial position in order to better reflect the underlying nature of the transactions and/or to be in line with general accounting practice in the jewellery retail industry. In addition, as the impact to profit or loss is not material, and accordingly, only the comparative amounts of inventories, bullion loans and other payables and accruals have been restated to conform with the current year's presentation and accounting treatments, and a third statement of financial position as at 1 January 2010 has been presented. No restatement in the consolidated income statement is made. The effect of the above changes was as follow:

	31 December 2011	31 December 2010	1 January 2010
	HK$'000	HK$'000	HK$'000
Increase in inventories	**466,866**	470,781	343,510
Increase in bullion loans	**385,367**	396,267	285,316
Increase in other payables and accruals	**81,499**	74,514	58,194

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Continuing the trend from the first half of the year, arrivals of visitors from the Mainland remained robust in the second half, bringing about a yearly increase of 24% in the number.

Despite inflation-curbing measures implemented by the central government, other cautionary signals such as slow down in export and decline in manufacturing, there did not appear to be any deterrent to spending by Mainlanders whether at home or in Hong Kong. Even though the price of gold rose steadily until it peaked in September at over US$1,900/oz., demand for gold was so strong that in Hong Kong the turnover of gold articles rose 69% over 2010, and in China the increase was 70%.

Haunted by uncertain economic outlook in general and the dire situation of the Euro Zone in particular, the stock market remained volatile yet lacklustre throughout the year.

Driven by the strong sales in all jewellery related products and watches, the Group's total turnover reached HK$17,158 million, an increase of 47% from 2010. Total profit attributable to equity holders rose by 44% to HK$1,094 million.

There has been no significant change in the scope and the model of its business other than the expansion of its network of jewellery shops in Mainland China, Hong Kong, Macau and Taiwan. Jewellery retail is the main provider of sales and profits, to which a securities and futures brokerage and a wholesale operation in precious metals (both operating in Hong Kong) also contribute.

Jewellery Retail

Accounting for the bulk of the profits of the Group, this segment reported strong growth in both the Mainland and Hong Kong. Total turnover increased by 53% to HK$12,645 million, and profits by 53% to HK$1,325 million.

Despite the results in Hong Kong and Macau reaching a new high, the turnover contribution from the Mainland operations amounted to 36%, increasing from the previous year's 33%.

Hong Kong and Macau
The number of arrivals in Hong Kong and Macau set new highs in the year. Benefitting from the Mainlanders' demand for gold and luxury items, turnover rose by 48% to HK$7,978 million. Mainlanders accounted for 48% of the turnover, comparing with 41% in 2010.

During the year, two new shops were opened in Tsim Sha Tsui; one in Sheung Shui, and a Rolex/Tudor boutique was opened in Festival Walk. The Canton Road store was expanded by the addition of the space in the floor above. In Macau, two new shops were opened in the city centre.

Capital expenditure amounted to HK$50 million. Shop rental in Hong Kong and Macau rose by 30%.

Mainland China
Turnover for the year increased by 64% to HK$4,534 million. The contribution to gross profits from the sales of gem-set jewellery stood at 33%. Same store growth in turnover was 37%.

During the year, 55 new shops opened. With the closing of 4 shops at the year end, there were 232 shops in all provincial jurisdictions other than Tibet. New markets entered since the Interim Report included Baoding in Hebei, Xining in Qinghai, Huizhou in Guangdong, Ganzhou in Jiangxi, Bengbu in Anhui, Sanya in Hainan, Danyang and Haimen in Jiangsu.

The construction of the new plant in Shunde is on schedule, with foundation works already completed.

Capital expenditure rose to HK$104 million.

Taiwan
The growth in turnover of Emphasis Jewellery in Taiwan was 21%.

In November, the street-front store in the upmarket district of Sinyi in Taipei opened, achieving wide recognition. The next month another shop was opened in Taichung, bringing the total number of shops at year-end to 22.

Wholesale of Precious Metals

Recycling of scrap gold dwindled to a trickle because of the rising trend of the price of gold. Trading of the platinum family of metals also slowed. In the course of the year, the wholesale unit took over the sale of 1-tael gold nuggets from the retail stores as its relatively low overhead is more efficient in handling such low-margin trading.

Turnover for the year reached HK$4,341 million, rising 31% from 2010.

Securities and Futures Broking

Notwithstanding a swing of 8,000 points within 6 months during the year, the Hang Seng Index closed 4,601 points lower at the end of the year than when it started. In such a cautious market, turnover for Chow Sang Sang Securities dropped 32%, while commission income fell 28%.

Investments

Properties
The Group holds various properties that are being used for offices, shops and factories. Rental income from investment properties amounted to HK$8 million, less than 1% of the Group's turnover.

Shares in Hong Kong Exchanges and Clearing Limited ("HKEC")
Since 2000 the shares of HKEC resulting from the reorganization of the then exchanges have been held with no plan for disposal. The holding, 4,953,500 shares, remained unchanged from the start to the end of the year. The unrealized gain on the holding amounted to HK$617 million, comparing with HK$873 million in 2010.

Finance

Financial Position and Liquidity
As at 31 December 2011, the Group had cash and cash equivalents of HK$631 million (2010: HK$273 million), and total unutilized banking facilities of approximately HK$2,663 million (2010: HK$1,689 million).

Total bank and bullion borrowing amounted to HK$2,108 million as at 31 December 2011, most of which was unsecured in line with Group policy. The gearing ratio was 33%, based on total bank and bullion borrowing of HK$2,108 million as a percentage of total equity holders' equity of HK$6,339 million. The current ratio as at 31 December 2011 was 3.

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 31 December 2011, total foreign currency borrowing excluding Renminbi amounted to HK$38 million (2010: HK$11 million). For the operation in Mainland China, Renminbi borrowing at year end stood at RMB321 million (2010: RMB337 million).

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

Charge on Assets
As at 31 December 2011, certain items of properties of the Group with a net carrying value of HK$157 million (2010: HK$149 million), and listed equity investments of HK$274 million (2010: HK$257 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

Human Resources

As at 31 December 2011, the total number of employees was 6,173, of which 4,362 (71%) were in Mainland China.

The Group has long established performance-based remuneration policies, training infrastructure and other human resources policies that are being reviewed from time to time.

Outlook

Although uncertainties abound in the year 2012, we believe that gold and jewellery will continue to be favoured by Mainlanders.

There are forecasts that gold may reach the US$2,000 level, but it is difficult to predict how consumers will react to such a price.

Inventory levels are being carefully monitored, with priority given to close tracking of replenishment to sales.

The pace of building new stores on the Mainland will stay at 50 for the year, with priority given to cities with low number of existing stores.

In Hong Kong, the stores at Tseung Kwan O and Grand Tower, Mongkok will open towards the middle of 2012, with their respective landlords having had to postpone possession of the premises due to delays in their works.

DIVIDENDS

The Directors have recommended the payment of a final dividend of HK49.0 cents (2010: HK35.0 cents) per ordinary share for the year ended 31 December 2011. Together with the interim dividend of HK11.0 cents (2010: HK8.0 cents) per ordinary share paid by the Company, the total dividend per ordinary share for the year will be HK60.0 cents (2010: HK43.0 cents).

The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (the “2012 Annual General Meeting”), will be payable on or about Wednesday, 13 June 2012 to shareholders whose names appear on the register of members of the Company on Wednesday, 6 June 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

(i) from Thursday, 24 May 2012 to Tuesday, 29 May 2012, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to attend and vote at the 2012 Annual General Meeting. In order to be eligible to attend and vote at the 2012 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 23 May 2012; and

(ii) from Monday, 4 June 2012 to Wednesday, 6 June 2012, both days inclusive, for the purpose of ascertaining shareholders’ entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s branch share registrar, Tricor Tengis Limited at the address as set out in sub-paragraph (i) above not later than 4:00 p.m. on Friday, 1 June 2012.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

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 year.

CORPORATE GOVERNANCE

The Company meets the code provisions contained 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 throughout the year ended 31 December 2011.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2011 in conjunction with the Company's external auditors, Ernst & Young. The financial information set out in the annual results announcement represents an extract from these consolidated financial statements.

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 the Company's code of conduct regarding Directors' securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the review year.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement is published on the websites of the Company at www.chowsangsang.com and HKEC at www.hkexnews.hk. The 2011 annual report of the Company will be available on both websites and despatched to shareholders on or about Monday, 23 April 2012.

ANNUAL GENERAL MEETING

The 2012 Annual General Meeting will be held at 4/F Chow Sang Sang Building, 229 Nathan Road, Kowloon, Hong Kong on Tuesday, 29 May 2012 at 10:30 a.m. The notice of the 2012 Annual General Meeting will be published and issued in due course.

BOARD OF DIRECTORS

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

By order of the Board
CHOW Kwen Lim
Chairman

Hong Kong, 27 March 2012