CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

周生生集團國際有限公司*

(Incorporated in Bermuda with limited liability)

Stock code: 116

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

The Board of Directors (the "Board") of Chow Sang Sang Holdings International Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2016. The interim results have been reviewed by the Audit Committee of the Board.

FINANCIAL HIGHLIGHTS

	Unaudited Six months ended 30 June		
	2016	2015	
	HK$'000	HK$'000	Change
Turnover			
Jewellery retail	**6,870,966**	8,165,017	-16%
Other businesses	**929,863**	1,079,584	-14%
	7,800,829	9,244,601	-16%
Profit attributable to equity holders of the Company	**363,872**	728,995#	-50%
Basic earnings per share	**53.8 cents**	107.7 cents	-50%
Interim dividend per share	**8.0 cents**	12.0 cents	
Dividend payout ratio	**15%**	11%	
Equity attributable to equity holders of the Company	**8,940,296**	9,077,915^	-2%
Equity per share	**$13.2**	$13.4^	-2%

Profit attributable to equity holders of the Company for the six months ended 30 June 2015 included a gain of HK$246 million on the disposal of shares in Hong Kong Exchanges and Clearing Limited.

^ Audited as at 31 December 2015

* *For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months ended 30 June 2016

	Note	Unaudited Six months ended 30 June 2016 HK$'000	2015 HK$'000
TURNOVER	4		
Jewellery retail		**6,870,966**	8,165,017
Other businesses		**929,863**	1,079,584
		7,800,829	9,244,601
Cost of sales		**(5,692,042)**	(7,110,923)
Gross profit		**2,108,787**	2,133,678
Other income		**48,474**	54,512
Selling and distribution costs		**(1,300,413)**	(1,355,697)
Administrative expenses		**(255,668)**	(229,033)
Other gains/(losses), net		**(93,967)**	27,885
Gain on disposal of available-for-sale investments		**-**	245,501
Finance costs		**(10,071)**	(15,599)
Share of profit of an associate		**269**	241
PROFIT BEFORE TAX	5	**497,411**	861,488
Income tax	6	**(133,539)**	(132,493)
PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		**363,872**	728,995
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		**53.8 cents**	107.7 cents
Diluted		**53.8 cents**	107.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2016

	Unaudited Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**363,872**	728,995
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale investments:		
Changes in fair value	**(44,274)**	506,393
Reclassification adjustment for gain on disposal included in the consolidated statement of profit or loss	**-**	(245,501)
	(44,274)	260,892
Exchange differences on translation	**(118,757)**	3,102
Other comprehensive income/(loss) for the period	**(163,031)**	263,994
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	**200,841**	992,989

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Note	**Unaudited 30 June 2016 HK$'000**	Audited 31 December 2015 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**698,781**	720,808
Investment properties		**296,067**	296,067
Prepaid land lease payments		**12,005**	12,422
Intangible assets		**271**	271
Other assets		**239,668**	239,359
Investment in an associate		**24,733**	24,739
Available-for-sale investments		**780,685**	824,959
Deferred tax assets		**16,292**	11,410
Total non-current assets		**2,068,502**	2,130,035
CURRENT ASSETS			
Inventories		**6,893,933**	6,676,380
Accounts receivable	9	**623,394**	775,000
Receivables arising from securities and futures broking	9	**822,592**	187,018
Prepayments, deposits and other receivables		**276,215**	188,376
Investments at fair value through profit or loss		**36,356**	36,686
Derivative financial instruments		**-**	5,798
Tax recoverable		**430**	410
Cash held on behalf of clients		**395,820**	390,680
Cash and cash equivalents		**1,158,948**	1,620,982
Total current assets		**10,207,688**	9,881,330
CURRENT LIABILITIES			
Accounts payable	10	**130,323**	86,864
Payables arising from securities and futures broking	10	**442,157**	413,145
Other payables and accruals		**364,417**	412,975
Derivative financial instruments		**17,787**	-
Interest-bearing bank borrowings		**519,470**	561,233
Interest-bearing bank borrowings arising from securities and futures broking		**469,550**	15,520
Bullion loans		**933,560**	795,023
Tax payable		**80,461**	94,995
Total current liabilities		**2,957,725**	2,379,755
NET CURRENT ASSETS		**7,249,963**	7,501,575
TOTAL ASSETS LESS CURRENT LIABILITIES		**9,318,465**	9,631,610

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2016

	Unaudited 30 June 2016 HK$'000	Audited 31 December 2015 HK$'000
NON-CURRENT LIABILITIES		
Interest-bearing bank borrowings	**194,391**	383,397
Deferred tax liabilities	**183,778**	170,298
Total non-current liabilities	**378,169**	553,695
Net assets	**8,940,296**	9,077,915
EQUITY		
Equity attributable to equity holders of the Company		
Issued capital	**169,230**	169,230
Reserves	**8,771,066**	8,908,685
Total equity	**8,940,296**	9,077,915

NOTES:

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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

This interim financial report should be read in conjunction with the Annual Report 2015.

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 2015, except for the adoption of revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) which have become effective for accounting periods beginning on or after 1 January 2016 as disclosed in note 2 below.

2. Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current period's consolidated interim financial report:

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27 (2011)	Equity Method in Separate Financial Statements
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

The adoption of the above 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.

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, 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, gain on disposal of available-for-sale investments and share of profit of an associate 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
Six months ended 30 June 2016					
Segment revenue					
Sales to external customers	**6,870,966**	**867,561**	**11,982**	**50,320**	**7,800,829**
Intersegment sales	**-**	**393,373**	**-**	**1,542**	**394,915**
	6,870,966	**1,260,934**	**11,982**	**51,862**	**8,195,744**
Reconciliation:					
Elimination of intersegment sales					**(394,915)**
					7,800,829
Segment results	**482,122**	**6,604**	**(5,611)**	**1,664**	**484,779**
Reconciliation:					
Dividend income					**12,363**
Share of profit of an associate					**269**
Profit before tax					**497,411**

3. 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
Six months ended 30 June 2015					
Segment revenue					
Sales to external customers	8,165,017	1,006,571	33,421	39,592	9,244,601
Intersegment sales	-	632,326	-	1,507	633,833
	8,165,017	1,638,897	33,421	41,099	9,878,434
Reconciliation:					
Elimination of intersegment sales					(633,833)
					9,244,601
Segment results	561,332	9,547	26,104	9,500	606,483
Reconciliation:					
Dividend income					9,263
Gain on disposal of available-for-sale investments					245,501
Share of profit of an associate					241
Profit before tax					861,488

4. Turnover

Turnover, which is also the Group's revenue, represents the net invoiced value of goods sold, after allowances for returns, trade discounts and value-added tax; commission on securities and futures broking and gross rental income earned during the period.

Revenue from the following activities has been included in turnover:

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
Sales of goods	**7,783,003**	9,205,624
Commission on securities and futures broking	**11,982**	33,421
Gross rental income	**5,844**	5,556
	7,800,829	9,244,601

5. Profit before tax

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

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
Write-down of inventories to net realizable value	**-**	17,572
Depreciation	**90,238**	94,582
Operating lease payments in respect of leasehold land and buildings:		
Minimum lease payments	**472,156**	455,764
Contingent rents	**8,996**	11,707
	481,152	467,471
Net fair value loss/(gain) on bullion loans designated as at fair value through profit or loss	**53,528**	(12,185)
Net fair value loss/(gain) on derivative financial instruments - transactions not qualifying as hedges	**23,862**	(7,883)
Net fair value loss/(gain) on investments at fair value through profit or loss	**3,822**	(4,499)
Net loss/(gain) on bullion loans designated as at fair value through profit or loss[Δ]	**163,134**	(11,466)
Net loss on disposal of derivative financial instruments[Δ]	**85,863**	5,729
Interest income	**(15,120)**	(21,864)
Dividend income	**(12,960)**	(9,527)

Δ These balances are included in "Cost of sales" on the face of the consolidated statement of profit or loss. The purpose of the above bullion transactions entered into by the Group is to manage the Group's bullion price exposures. Such loans and contracts did not meet the criteria for hedge accounting.

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 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.

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
Current - Hong Kong		
Charge for the period	**15,659**	38,951
Overprovision in prior periods	**(542)**	-
Current - Elsewhere		
Charge for the period	**110,687**	76,820
Overprovision in prior periods	**(843)**	-
Deferred	**8,578**	16,722
Total tax charge for the period	**133,539**	132,493

7. Dividends

	Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
Dividends recognized as distribution during the period:		
Final dividend for 2015: HK36.0 cents (2014: HK49.0 cents) per ordinary share	**243,691**	331,691
Special final dividend for 2015: HK14.0 cents (2014: Nil) per ordinary share	**94,769**	-
	338,460	331,691
Dividends declared after the end of the reporting period:		
Interim dividend declared for 2016: HK8.0 cents (2015: HK12.0 cents) per ordinary share	**54,154**	81,230

The interim dividend is not recognized as a liability as at 30 June 2016 because it has been declared after the end of the reporting period.

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 period attributable to equity holders of the Company of HK$363,872,000 (2015: HK$728,995,000), and the weighted average number of ordinary shares of 676,920,000 (2015: 676,920,000) in issue during the period.

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

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 futures broking

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

	30 June 2016 HK$'000	31 December 2015 HK$'000
Trade and credit card receivables	**625,529**	777,207
Impairment	**(2,135)**	(2,207)
Accounts receivable	**623,394**	775,000
Receivables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	**63,166**	47,090
Clearing houses	**30,147**	9,774
Clients for subscription of initial public offering ("IPO") shares	**401,259**	21,598
Loans to margin clients	**328,727**	109,262
	823,299	187,724
Impairment	**(707)**	(706)
Receivables arising from securities and futures broking	**822,592**	187,018
Total accounts receivable and receivables arising from securities and futures broking	**1,445,986**	962,018

Apart from the receivable balances arising from securities and futures broking which bear interest at commercial rates, 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:

	30 June 2016 HK$'000	31 December 2015 HK$'000
Not yet due	**506,110**	698,317
Within 30 days past due	**130,093**	98,279
31 to 60 days past due	**50,578**	20,539
61 to 90 days past due	**19,600**	4,376
Over 90 days past due	**9,619**	9,647
	716,000	831,158
Loans to margin clients*	**328,727**	109,262
Clients for subscription of IPO shares #	**401,259**	21,598
	1,445,986	962,018

* 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 2016, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK$696,717,000 (31 December 2015: HK$405,351,000).

\# As at 30 June 2016, receivables from clients for subscription of IPO shares of HK$401,259,000 (31 December 2015: HK$21,598,000), are due when the corresponding allotment results of the related IPO shares have been publicly announced and bear interest at commercial rates.

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

	30 June 2016 HK$'000	31 December 2015 HK$'000
Accounts payable	**130,323**	86,864
Payables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	**393,353**	349,440
Margin clients	**48,804**	58,877
Clearing houses	**-**	4,828
Payables arising from securities and futures broking	**442,157**	413,145
Total accounts payable and payables arising from securities and futures broking	**572,480**	500,009

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:

	30 June 2016 HK$'000	31 December 2015 HK$'000
Within 30 days (including amounts not yet due)	**127,619**	91,692
31 to 60 days	**2,704**	-
	130,323	91,692
Cash clients accounts payable$^{\Delta}$	**393,353**	349,440
Margin clients accounts payable^	**48,804**	58,877
	572,480	500,009

$^{\Delta}$ 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$343,988,000 (31 December 2015: HK$326,840,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 30 June 2016, the cash clients accounts payable included an amount of HK$19,303,000 (31 December 2015: HK$4,879,000) 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.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The first half of 2016 was full of surprises and challenges, more so in Hong Kong than in Mainland China.

Continued softness in the property markets and the lack of momentum in the stock markets in both Hong Kong and China kept consumer sentiment in check.

A strong Hong Kong dollar, as it was pegged to the US dollar, made Hong Kong a more expensive place to visit, especially for Mainland visitors.

The uncertainties in the global economic and political environment and Brexit, no less, propelled gold price upward by more than 25% over the first six months of the year. However, this upshot had not stimulated consumer demand in the way that similar hikes did in recent years.

The Group's turnover for the first half of 2016 reduced 16% to HK$7,801 million. Profit attributable to equity holders dropped 50% to HK$364 million. Although operating profits had decreased, the inclusion of a HK$246 million gain on the disposal of shares in Hong Kong Exchanges and Clearing Limited in 2015 was a more significant drag on the total profit figure.

Jewellery Retail

Operating profit slipped by 14% year-on-year to HK$482 million. Jewellery retail accounted for 88% of the Group's turnover.

Hong Kong and Macau
Sales registered a drop of 26%. Same store sales growth was -26%.

As gold price increased, the total weight of gold sold slipped by almost 30%.

Sales of gem-set jewellery had not reversed its downward trend since 2015.

During the period, two shops, one in Harbour City and one in Disneyland were closed.

Macau was still suffering from a dearth of visitors. Shops located in the shopping arcades performed worse than the main street shop.

Lease renewals during the period resulted in small savings as heftier shop leases will only be reviewed in the last quarter of the year. Total rental expenditure went up by 2%. For leases renewed, rental reduction achieved was between 3-21%.

Capital expenditure amounted to HK$14 million, most of which was for refitting of shops and factory upgrade.

Mainland China
Total turnover was at HK$3,744 million, about the same as the same period last year. Same store sales growth was -5%.

With the opening of 16 stores during the first half, the retail network now covered 105 cities. Eight stores were closed due to poor performance. At the end of June, the total number of stores in Mainland China was 351.

Gold sales also suffered a setback with same store sales growth at -13% while gem-set jewellery maintained a positive momentum.

Online sales continued to grow, and accounted for 10% of our China sales. Gold products dominate the sales mix.

With new store openings and the refitting of 29 stores, capital expenditure came to RMB51 million.

Taiwan
The retail sector remained weak. There is no significant change in the results from the same period in 2015.

Wholesale of Precious Metals

Turnover decreased by 14% to HK$868 million. Operating profit decreased by HK$3 million.

Securities and Futures Broking

The market momentum was extremely weak. Market turnover was 46% less year-on-year with daily turnover averaged at HK$68 billion (2015: HK$125 billion). Our turnover dropped by 64% as our customers, mainly retail investors, became very cautious.

During the period, we completed the relocation of our data centre, further strengthening our customer service as well as backup capabilities. With the launch of Shanghai-Hong Kong Stock Connect, clients can now trade A shares online using our internet platform and mobile app.

Investments

Properties
The Group holds various properties that are being used for offices, shops and factories. Rental income from investment properties amounted to HK$6 million, less than 1% of the Group's turnover.

Shares in Hong Kong Exchanges and Clearing Limited ("HKEC")
At 1 January 2016, the Group had 4,061,800 shares of HKEC, received as distribution from the reorganization of the then exchanges in year 2000. The amount remained unchanged throughout the period under review. The unrealized gain on the holding amounted to HK$761 million (31 December 2015: HK$806 million).

Finance

Financial Position and Liquidity
The Group generates strong recurring cashflow from its jewellery business and continues to enjoy a solid cash position. As at 30 June 2016, the Group had cash and cash equivalents of HK$1,159 million, compared to HK$1,621 million at the end of 2015. Cash is mostly held in Renminbi or Hong Kong dollar and deposited in leading banks with maturity dates falling within one year.

The Group was well supported by banking facilities of over HK$5,703 million including bank borrowings and bullion loans, out of which HK$636 million are committed facilities. As at 30 June 2016, the total unutilized banking facilities amounted to HK$3,899 million (31 December 2015: HK$3,831 million).

As at 30 June 2016, the total bank borrowings and bullion loans with respect to the Group's jewellery business amounted to HK$714 million and HK$934 million respectively, most of which were unsecured in accordance with the Group's policy. All the loans are repayable within three years. Bank borrowing with respect to its securities business amounted to HK$470 million, out of which HK$370 million was arranged to provide financing to subscribers of initial public offerings ("IPO(s)"). The gearing ratio was 20%, based on total bank borrowings (excluding IPO financing) and bullion loans of HK$1,748 million as a percentage of total equity of HK$8,940 million. The current ratio of the Group was 3.5.

The Group manages risk of credit cost and availability by several means: cultivating relationship with a large number of lending banks; diversifying the funding sources by engaging a number of local and overseas banks; putting some loans on a term basis; and fixing interest costs on loans as appropriate. The Group had 14% of its bank loans with respect to its jewellery business at fixed rates as at 30 June 2016.

As at 30 June 2016, outstanding derivatives on the books were mainly bullion contracts for hedging the bullion price exposure. The management monitors the hedging policy closely and the hedging level of the Group is approximately 40% of the total gold inventory.

Foreign Exchange Risk Management
The Group's assets and liabilities, revenue and expenses are mostly denominated in Hong Kong dollar, Renminbi and US dollar. As such, the risk is easily manageable and slight. Simultaneously, the Group maintains an appropriate level of foreign currency borrowings for natural hedge to minimize the foreign exchange exposure. As at 30 June 2016, the borrowings denominated in New Taiwan dollar amounted NT$116 million.

Charge on Assets and Contingent Liabilities
As at 30 June 2016, certain items of properties of the Group with a net carrying value of HK$219 million (31 December 2015: HK$221 million), and listed equity investments of HK$694 million (31 December 2015: HK$476 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2016, the Group had no material contingent liabilities.

Human Resources

As at 30 June 2016, the total number of staff of the Group was 8,529. There were 1,530 staff in Hong Kong and 6,741 staff in the mainland.

There has been no major change in human resource policies. On 22 July 2016, share options have been granted according to the Company's share option scheme.

Outlook

We do not expect easing of the operating environment for the remainder of the year. Our inventory control is kept in line with this view.

In Hong Kong, we will continue with the realignment of our network to match the change in consumer pattern and preferences. Any shop-lease renewal will be examined very carefully to ensure the renewal made strategic and economic sense. Overall, we expect to reduce the amount of floor space.

In China, we will continue to open new stores. There are 22 stores openings planned in the second half, along with several refitting and closings. Although the economy has slowed down, consumers are getting more and more sophisticated. We see opportunities to grow via product and brand differentiation. As our online sales expand, we are putting even more effort into offering a seamless customer experience.

DIVIDEND

The Board has declared an interim dividend of HK8.0 cents (2015: HK12.0 cents) per ordinary share for the six months ended 30 June 2016 payable to shareholders whose names appear on the register of members of the Company on Monday, 19 September 2016. The dividend will be paid on Monday, 26 September 2016.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14 September 2016 to Monday, 19 September 2016, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 13 September 2016.

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.

CORPORATE GOVERNANCE

The Company has complied throughout the period under review with the applicable code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules, except for the deviation from a code provision A.2.1 of the Code which is explained below.

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Vincent CHOW Wing Shing holds both positions of the Chairman and the Group General Manager of the Company. The Board is of the opinion that the present board structure provides the Group with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Group at www.chowsangsang.com/group/eng/index.htm and HKEC at www.hkexnews.hk. The 2016 interim report of the Company will be available on both websites and despatched to shareholders on or about Thursday, 15 September 2016.

BOARD OF DIRECTORS

As at the date of this announcement, the Executive Directors of the Company are 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, Dr. CHOW Kwen Lim, 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, Dr. LO King Man and Mr. Stephen LAU Man Lung.

By order of the Board
Vincent CHOW Wing Shing
Chairman

Hong Kong, 29 August 2016