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◦ INTERIM ◦ REPORT 7 中期報告

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Corporate Information

企業資料

Board of Directors

Executive Directors

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

Non-executive Directors

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

Independent Non-executive Directors

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

Qualified Accountant

Mr. Poon Fuk-chuen, Terry (CPA)

Company Secretary

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

Authorised Representatives

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

Audit Committee

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

Remuneration Committee

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

董事局

執行董事

劉鑾鴻先生 (董事總經理)
杜惠愷先生

非執行董事

拿督鄭裕彤博士 (主席)
鄭家純博士
劉鑾雄先生
劉玉慧女士

獨立非執行董事

林兆麟先生 (ACA, FTIHK)
張悅文先生
石禮謙議員
許照中先生

合資格會計師

潘福全先生 (CPA)

公司秘書

蕭寶嬋女士 (ACS, ACIS)

授權代表

劉鑾鴻先生
蕭寶嬋女士 (ACS, ACIS)

審核委員會

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

薪酬委員會

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

Registered Office

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

Head Office and Principal Place of Business

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

Principal Banker

Bank of China (Hong Kong) Limited

Auditors

Deloitte Touche Tohmatsu

Solicitors

Richards Butler
Sit, Fung, Kwong & Shum

Hong Kong Share Registrar and Transfer Office (Branch Registrar)

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

Cayman Islands Share Registrar and Transfer Office (Registrar)

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705 GT
George Town, Grand Cayman
Cayman Islands

Share Information

Place of listing: Main Board of The Stock Exchange of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31st December
Share price at 29th June, 2007: HK\$30.35
Market capitalization at 29th June, 2007: HK\$25,751 million

Website Address

www.lifestylehk.com.hk

註冊辦事處

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

總辦事處及主要營業地點

香港
銅鑼灣
軒尼詩道555號
東角中心20樓

主要往來銀行

中國銀行(香港)有限公司

核數師

德勤•關黃陳方會計師行

律師

齊伯禮律師行
薛馮鄺岑律師行

香港股份過戶登記處(分處)

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

開曼群島股份過戶登記處(總處)

Butterfield Fund Services (Cayman) Limited
Butterfield House
68 Fort Street, P.O. Box 705 GT
George Town, Grand Cayman
Cayman Islands

股份資料

上市地點：香港聯合交易所有限公司主板
股份代號：1212
每手買賣單位：500股
財政年度年結：十二月三十一日
於二零零七年六月二十九日股價：30.35港元
於二零零七年六月二十九日市值：257.51億港元

網址

www.lifestylehk.com.hk

Financial Highlights – Half Year Ended 30th June, 2007

財務摘要 – 截至二零零七年六月三十日止半年度

- Turnover amounted to HK\$1,406.1 million, representing 19.0% increase
營業額增加19.0%至1,406,100,000港元
- Profit for the period surged by 39.9% to HK\$427.1 million
期內溢利增加39.9%至427,100,000港元
- Earnings per share increased 39.3% to HK cents 50.3
每股盈利增加39.3%至50.3港仙
- Interim dividend of HK cents 21.0 per share
中期股息每股21.0港仙

Financial Results

財務業績

The Board of Directors (the "Board") of Lifestyle International Holdings Limited (the "Company" or "Lifestyle International") is pleased to announce the unaudited consolidated results for the six months ended 30th June, 2007 of the Company and its subsidiaries (collectively the "Group"), together with comparative figures for the previous period, as follows:

Condensed Consolidated Income Statement

For the six months ended 30th June, 2007

利福國際集團有限公司（「本公司」或「利福國際」）董事局（「董事局」）欣然宣布，本公司及其附屬公司（統稱「本集團」）截至二零零七年六月三十日止六個月之未經審核綜合業績，連同一個期間之比較數字如下：

簡明綜合收益表

截至二零零七年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元 (Unaudited) (未經審核)	2006 二零零六年 HK\$'000 千港元 (Unaudited) (未經審核)
	NOTES 附註		
Turnover	營業額	3	1,406,059
Cost of sales	銷售成本	4	(636,782)
Gross profit	毛利		769,277
Other income	其他收入		50,490
Distribution costs	分銷成本		(301,445)
Administrative expenses	行政開支		(56,511)
Investment income	投資收入	5	76,093
Finance costs	融資成本	6	(38,740)
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		3,408
Profit before taxation	除稅前溢利	7	502,572
Taxation	稅項	8	(59,829)
Profit for the period	本期間溢利		442,743
Attributable to:	應佔部分：		
Equity holders of the Company	本公司股東		427,115
Minority interests	少數股東權益		15,628
			442,743
Dividends	股息	9	178,176
Earnings per share	每股盈利	10	
- Basic	— 基本		HK\$0.503港元
- Diluted	— 攤薄		HK\$0.500港元
			HK\$0.361港元 N/A不適用

Condensed Consolidated Balance Sheet

At 30th June, 2007

簡明綜合資產負債表

於二零零七年六月三十日

			30th June, 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31st December, 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Non-current assets	非流動資產			
Investment properties	投資物業	11	30,948	30,948
Property, plant and equipment	物業、廠房及設備	12	2,252,737	2,300,865
Interests in jointly controlled entities	於共同控制實體權益		635,342	449,324
Club debenture	會所債券		1,350	-
Deferred tax assets	遞延稅項資產		22,777	10,139
Available-for-sale investments	可供出售投資		168,207	102,903
Index-linked notes	與指數掛鈎票據	13	387,668	272,332
Equity-linked note	與權益掛鈎票據	14	39,406	39,371
Deposit paid for prepaid lease payments	就預付租賃款項所支付按金		457,313	227,179
Loan receivable	應收貸款		-	37,050
			3,995,748	3,470,111
Current assets	流動資產			
Inventories	存貨		65,281	63,948
Loan receivable	應收貸款		111,718	-
Trade and other receivables	應收賬款及其他應收款項	15	121,568	148,714
Amounts due from jointly controlled entities	應收共同控制實體款項		12,087	12,143
Available-for-sale investments	可供出售投資		217	-
Equity-linked note	與權益掛鈎票據	14	39,659	-
Bank balances and cash	銀行結存及現金		2,553,157	2,584,087
			2,903,687	2,808,892

Condensed Consolidated Balance Sheet (continued)

At 30th June, 2007

簡明綜合資產負債表 (續)

於二零零七年六月三十日

			30th June, 2007 二零零七年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31st December, 2006 二零零六年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	16	775,705	982,797
Tax payable	應繳稅項		99,129	53,097
Derivative financial instrument	衍生金融工具		3,169	-
Obligations under finance leases - due within one year	融資租約承擔 - 一年內到期		-	10
Bank borrowings-due within one year	銀行借貸 - 一年內到期		379,918	249,379
			1,257,921	1,285,283
Net current assets	流動資產淨值		1,645,766	1,523,609
			5,641,514	4,993,720
Non-current liabilities	非流動負債			
Bank borrowings-due after one year	銀行借貸 - 一年後到期		1,450,000	1,100,000
Deferred tax liabilities	遞延稅項負債		39,038	34,811
			1,489,038	1,134,811
			4,152,476	3,858,909
Capital and reserves	資本及儲備			
Share capital	股本	17	8,485	8,480
Reserves	儲備		4,123,416	3,845,500
Equity attributable to equity holders of the Company	本公司股東應佔權益		4,131,901	3,853,980
Minority interests	少數股東權益		20,575	4,929
			4,152,476	3,858,909

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2007

簡明綜合權益變動表

截至二零零七年六月三十日止六個月

		Attributable to equity holders of the Company 本公司股東應佔部分									
		Share capital	Share premium	Asset revaluation reserve	Exchange reserve	Share based payment reserve	Investment reserve	Acc-umulated (losses) profits	Total	Minority interests	Total
		股本	股份溢價	資產重估儲備	匯兌儲備	股份付款儲備	投資儲備	累計(虧損)溢利	總計	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1st January, 2006	於二零零六年一月一日	8,470	3,463,307	3,680	2,335	1,400	10,559	(163,813)	3,325,938	41,255	3,367,193
Fair value changes on available-for-sale investments	可供出售投資公平值變動	-	-	-	-	-	29,003	-	29,003	-	29,003
Deferred tax liability arising on fair value changes on available-for-sale investments	可供出售投資公平值變動產生之遞延稅項負債	-	-	-	-	-	(5,076)	-	(5,076)	-	(5,076)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	428	-	-	-	428	(23)	405
Net income (expense) recognised directly in equity	直接於權益確認收入(開支)淨額	8,470	3,463,307	3,680	2,763	1,400	34,486	(163,813)	3,350,293	41,232	3,391,525
Profit for the period	本期間溢利	-	-	-	-	-	-	305,375	305,375	(2,583)	302,792
Total recognised income and expense for the period	本期間已確認之收入及開支總額	8,470	3,463,307	3,680	2,763	1,400	34,486	141,562	3,655,668	38,649	3,694,317
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	4,300	-	-	4,300	-	4,300
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	17,190	17,190
Dividend paid	已派付股息	-	(152,460)	-	-	-	-	-	(152,460)	-	(152,460)
At 30th June, 2006	於二零零六年六月三十日	8,470	3,310,847	3,680	2,763	5,700	34,486	141,562	3,507,508	55,839	3,563,347
Fair value changes on investments	投資公平值變動	-	-	-	-	-	14,758	-	14,758	-	14,758
Deferred tax liability arising on fair value changes on available-for-sale investments	可供出售投資公平值變動產生之遞延稅項負債	-	-	-	-	-	(2,582)	-	(2,582)	-	(2,582)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	6,049	-	-	-	6,049	199	6,248

Condensed Consolidated Statement of Changes in Equity

(continued)

For the six months ended 30th June, 2007

簡明綜合權益變動表 (續)

截至二零零七年六月三十日止六個月

		Attributable to equity holders of the Company 本公司股東應佔部分									
		Share capital	Share premium	Asset revaluation reserve	Exchange reserve	Share based payment reserve	Investment reserve	Acc-umulated (losses) profits	Total	Minority interests	Total
		股本	股份溢價	資產重估儲備	匯兌儲備	股份付款儲備	投資儲備	(虧損) 累計溢利	總計	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Net income (expense) recognised directly in equity	直接於權益確認之收入 (開支) 淨額	-	-	-	6,049	-	12,176	-	18,225	199	18,424
Profit for the period	本期間溢利	-	-	-	-	-	-	434,795	434,795	583	435,378
Transfer to income statement on sale of investment	出售投資時轉撥至收益表	-	-	-	-	-	(10,559)	-	(10,559)	-	(10,559)
Total recognised income and expense for the period	本期間已確認收入及開支總額	-	-	-	6,049	-	1,617	434,795	442,461	782	443,243
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	14,900	-	-	14,900	-	14,900
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	(1,475)	(1,475)
Repayment of capital contribution	償還注資	-	-	-	-	-	-	-	-	(50,217)	(50,217)
Exercise of share options	行使購股權	10	11,916	-	-	-	-	-	11,926	-	11,926
Dividend paid	已派付股息	-	(122,815)	-	-	-	-	-	(122,815)	-	(122,815)
At 31st December, 2006	於二零零六年十二月三十一日	8,480	3,199,948	3,680	8,812	20,600	36,103	576,357	3,853,980	4,929	3,858,909
Fair value changes on investments	投資公平值變動	-	-	-	-	-	26,204	-	26,204	-	26,204
Deferred tax liability arising on fair value changes on available-for-sale investments	可供出售投資公平值變動產生之遞延稅項負債	-	-	-	-	-	(4,585)	-	(4,585)	-	(4,585)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	(5,335)	-	-	-	(5,335)	18	(5,317)
Net income (expense) recognised directly in equity	直接於權益確認之收入 (開支) 淨額	-	-	-	(5,335)	-	21,619	-	16,284	18	16,302
Profit for the period	本期間溢利	-	-	-	-	-	-	427,115	427,115	15,628	442,743
Total recognised income and expense for the period	本期間已確認收入及開支總額	-	-	-	(5,335)	-	21,619	427,115	443,399	15,646	459,045
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	6,144	-	-	6,144	-	6,144
Exercise of share options	行使購股權	5	6,549	-	-	-	-	-	6,554	-	6,554
Dividend paid	已派付股息	-	(178,176)	-	-	-	-	-	(178,176)	-	(178,176)
At 30th June, 2007	於二零零七年六月三十日	8,485	3,028,321	3,680	3,477	26,744	57,722	1,003,472	4,131,901	20,575	4,152,476

Condensed Consolidated Cash Flow Statement

For the six months ended 30th June, 2007

簡明綜合現金流量表

截至二零零七年六月三十日止六個月

		Six months ended 30th June, 截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Net cash from operating activities	經營業務所得現金淨額	374,758	245,298
Net cash used in investing activities	投資活動所用現金淨額		
Acquisition of index-linked notes	購入與指數掛鈎票據	(585,750)	(310,300)
Acquisition of equity-linked notes	購入與權益掛鈎票據	(155,950)	-
Purchase of available-for-sale investments	購入可供出售投資	(39,316)	(34,517)
Purchase of investment held-for-trading	購入持作買賣投資	(49,144)	-
Deposit for prepaid lease payment	預付租賃款項按金	(229,313)	-
Capital contribution to a jointly controlled entity	向一家共同控制實體注資	(182,000)	-
Proceeds from redemption of index-linked notes	贖回與指數掛鈎票據所得款項	467,549	-
Proceeds from redemption of equity-linked notes	贖回與權益掛鈎票據所得款項	116,700	-
Proceeds on disposal of investment held-for-trading	出售持作買賣投資所得款項	56,272	-
Increase in loan receivables	應收貸款增加	(74,668)	-
Other investing cash flows	其他投資現金流量	386	(21,754)
		(675,234)	(366,571)
Net cash from (used in) financing activities	融資活動所得(所用)現金淨額		
Proceeds from issue of shares	發行股份所得款項	6,554	-
New bank loans raised	新造銀行貸款	500,000	-
Repayments of borrowings	償還借貸	(20,000)	(80,000)
Other financing cash flows	其他融資現金流量	(217,477)	(165,157)
		269,077	(245,157)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(31,399)	(366,430)
Effect of foreign exchange rate difference	匯率差額影響	469	-
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	2,584,087	2,450,205
Cash and cash equivalents at end of the period, representing bank balances and cash	期終現金及現金等價物，即銀行結存及現金	2,553,157	2,083,775

Notes to the Condensed Consolidated Financial Statements

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard (the "HKAS") 34 Interim Financial Reporting.

2. Significant accounting policies

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2006. In the current interim period, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on 1st January, 2007.

HKAS 1 (Amendment)	Capital Disclosures ¹
HKFRS 7	Financial Instruments: Disclosures ¹
HK(IFRIC)-INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies ²
HK(IFRIC)-INT 8	Scope of HKFRS ³
HK(IFRIC)-INT 9	Reassessment of Embedded Derivatives ⁴
HK(IFRIC)-INT 10	Interim Financial Reporting and Impairment ⁵

¹ Effective for annual periods beginning on or after 1st January, 2007.

² Effective for annual periods beginning on or after 1st March, 2006.

³ Effective for annual periods beginning on or after 1st May, 2006.

⁴ Effective for annual periods beginning on or after 1st June, 2006.

⁵ Effective for annual periods beginning on or after 1st November, 2006.

簡明綜合財務報表附註

1. 編製基準

簡明綜合財務報表乃根據香港聯合交易所有限公司（「聯交所」）證券上市規則附錄16之適用披露規定以及香港會計準則（「香港會計準則」）第34號中期財務報告編製。

2. 主要會計政策

簡明綜合財務報表乃根據歷史成本基準編製，惟投資物業及若干金融工具則以公平值計算。

簡明綜合財務報表所採用會計政策與編製本集團截至二零零六年十二月三十一日止年度全年財務報表所採用者貫徹一致。於中期期間，本集團首次應用下列由香港會計師公會（「香港會計師公會」）頒布，於二零零七年一月一日開始之本集團財政年度生效之新訂準則、修訂及詮釋（「新香港財務報告準則」）。

香港會計準則第1號 (修訂本)	資本披露 ¹
香港財務報告準則 第7號	金融工具：披露 ¹
香港（國際財務報告 詮釋委員會） — 詮釋第7號	根據香港會計準則 第29號嚴重通脹 經濟中之財務報告 應用重列方針 ²
香港（國際財務報告 詮釋委員會） — 詮釋第8號	香港財務報告準則 第2號之範圍 ³
香港（國際財務報告 詮釋委員會） — 詮釋第9號	重估附帶衍生工具 ⁴
香港（國際財務報告 詮釋委員會） — 詮釋第10號	中期財務報告及減值 ⁵

¹ 於二零零七年一月一日或之後開始之年度期間生效。

² 於二零零六年三月一日或之後開始之年度期間生效。

³ 於二零零六年五月一日或之後開始之年度期間生效。

⁴ 於二零零六年六月一日或之後開始之年度期間生效。

⁵ 於二零零六年十一月一日或之後開始之年度期間生效。

Notes to the Condensed Consolidated Financial Statements (continued)

2. Significant accounting policies (continued)

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

The Group has not early applied the following new standard, revision and interpretations that have been issued but are not yet effective.

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC)-INT 11	HKFRS 2: Group and Treasury Share Transactions ²
HK(IFRIC)-INT 12	Service Concession Arrangements ³

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

² Effective for annual periods beginning on or after 1st March, 2007.

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

The directors of the Company anticipate that the application of the standard, revision and interpretations will have no material impact on the results and the financial position of the Group.

簡明綜合財務報表附註 (續)

2. 主要會計政策 (續)

採納該等新香港財務報告準則對本集團於目前或以往會計期間之業績及財務狀況並無任何重大影響。因此，並無確認任何前期調整。

本集團並無提早應用下列已頒佈惟尚未生效之新訂準則、修訂及詮釋。

香港會計準則第23號 (修訂本)	借貸成本 ¹
香港財務報告準則第8號	經營分部 ¹
香港(國際財務報告 詮釋委員會) – 詮釋第11號	香港財務報告準則第2 號 – 集團及庫存股 份交易 ²
香港(國際財務報告 詮釋委員會) – 詮釋第12號	服務經營權安排 ³

¹ 於二零零九年一月一日或之後開始之年度期間生效。

² 於二零零七年三月一日或之後開始之年度期間生效。

³ 於二零零八年一月一日或之後開始之年度期間生效。

本公司董事預期，應用此等準則、修訂及詮釋將不會對本集團之業績及財務狀況構成重大影響。

Notes to the Condensed Consolidated Financial Statements
(continued)

3. Turnover and segment information

Turnover represents the net amount received and receivable for goods sold by the Group to outside customers, less returns and allowance, income from concessionaire sales, services income and rental income, and is analysed as follows:

		Six months ended 30th June, 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Sales of goods—direct sales	貨品銷售—直接銷售	861,032	729,560
Income from concessionaire sales	特許專櫃銷售收入	489,737	403,806
Services income	服務收入	32,205	27,759
Rental income	租金收入	23,085	20,285
		1,406,059	1,181,410

Geographical segments

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

地區分部

本集團業務位於香港及中華人民共和國（「中國」）。本集團業務所在地點為本集團就本期間申報其主要分部資料之基準。

For the six months ended 30th June, 2007

截至二零零七年六月三十日止六個月

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Turnover	營業額			
External sales	對外銷售	1,236,382	169,677	1,406,059
Result	業績			
Segment result	分部業績	424,742	37,069	461,811
Investment income	投資收入	75,178	915	76,093
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		3,408	3,408
Finance costs	融資成本			(38,740)
Profit before taxation	除稅前溢利			502,572
Taxation	稅項	(74,344)	14,515	(59,829)
Profit for the period	本期間溢利			442,743

Notes to the Condensed Consolidated Financial Statements

(continued)

3. Turnover and segment information (continued)

Geographical segments (continued)

For the six months ended 30th June, 2006

簡明綜合財務報表附註 (續)

3. 營業額及分部資料 (續)

地區分部 (續)

截至二零零六年六月三十日止六個月

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Consolidated total 綜合總額 HK\$'000 千港元
Turnover	營業額			
External sales	對外銷售	1,061,020	120,390	1,184,410
Result	業績			
Segment result	分部業績	345,962	(4,166)	341,796
Investment income	投資收入	45,497	414	45,911
Share of profit of a jointly controlled entity	應佔一家共同控制實體 溢利		3,456	3,456
Finance costs	融資成本			(29,868)
Profit before taxation	除稅前溢利			361,295
Taxation	稅項	(58,503)		(58,503)
Profit for the period	本期間溢利			302,792

4. Cost of sales

4. 銷售成本

Six months ended 30th June,

截至六月三十日止六個月

2007

2006

二零零七年

二零零六年

HK\$'000

HK\$'000

千港元

千港元

The costs of sales are analysed as follows: 銷售成本分析如下:

Cost of goods sold	貨品銷售成本	611,612	522,453
Other cost of sales	其他銷售成本	25,170	23,666
		636,782	546,119

Notes to the Condensed Consolidated Financial Statements
(continued)

5. Investment income

簡明綜合財務報表附註 (續)

5. 投資收入

		Six months ended 30th June, 截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Fair value gain (loss) in respect of:	以下項目之公平值收益 (虧損) :		
Equity-linked notes (note)	與權益掛鈎票據 (附註)	394	-
Index-linked notes (note)	與指數掛鈎票據 (附註)	(3,364)	(7,579)
Derivative financial instrument (note)	衍生金融工具 (附註)	(3,169)	(2,211)
Gain on disposal of investment held for trading	出售持作買賣投資之收益	7,128	3,610
Interest income on:	以下項目之利息收入 :		
Equity-linked notes	與權益掛鈎票據	2,499	-
Index-linked notes	與指數掛鈎票據	15,248	6,452
Derivative financial instrument	衍生金融工具	489	560
Interest income from bank deposits	銀行存款利息收入	56,732	45,079
Other interest income	其他利息收入	24	-
Dividend income	股息收入	112	-
		76,093	45,911

Note: Fair value changes excluded interest income derived from equity-linked notes, index-linked notes and derivative financial instrument.

附註：公平值變動不包括與權益掛鈎票據、與指數掛鈎票據及衍生金融工具之利息收入。

6. Finance costs

6. 融資成本

		Six months ended 30th June, 截至六月三十日止六個月	
		2007	2006
		二零零七年	二零零六年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on:	以下項目之利息 :		
Bank loans, overdrafts and borrowings wholly repayable within five years	須於五年內悉數償還之 銀行貸款、透支及借貸	37,029	29,566
Finance leases	融資租約	2	4
Others	其他	1,709	298
		38,740	29,868

Notes to the Condensed Consolidated Financial Statements

(continued)

7. Profit before taxation

Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列項目：		
Depreciation	折舊	66,962	64,627
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	64	-
and after crediting:	及計入下列項目：		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	46

簡明綜合財務報表附註 (續)

7. 除稅前溢利

Six months ended 30th June,
截至六月三十日止六個月

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元

8. Taxation

The charge comprises:	支出包括下列項目：		
Hong Kong Profits Tax	香港利得稅	70,982	55,953
Under provision in prior years:	過往年度撥備不足：		
Hong Kong	香港	1,843	-
		72,825	55,953
Deferred tax (credit) charge	遞延稅項 (撥回) 支出	(12,996)	2,550

The charge represents provision for Hong Kong Profits Tax calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the period. Tax charge of HK\$9,831,000 (2006: nil) in respect of PRC Enterprise Income Tax on current period's taxable profit has been absorbed by utilising tax losses carried forward. Deferred tax credit for 2007 includes a recognition of deferred tax asset of HK\$14,515,000 for tax losses incurred in PRC not recognised previously as deferred tax asset due to the unpredictability of future profit streams.

8. 稅項

Six months ended 30th June,
截至六月三十日止六個月

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元

支出乃按本期間之估計應課稅溢利按17.5% (二零零六年：17.5%) 稅率計算香港利得稅撥備。按本期間應課稅溢利計算之中國企業所得稅稅項支出9,831,000港元 (二零零六年：無) 已透過動用結轉稅項虧損抵銷。二零零七年之遞延稅項撥回包括確認於中國產生之稅項虧損之遞延稅項資產14,515,000港元，該等資產過往基於日後溢利來源難以預測而並無確認為遞延稅項資產。

59,829	58,503
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Notes to the Condensed Consolidated Financial Statements
(continued)

9. Dividends

During the period, a dividend of HK cents 21.0 (2006: HK cents 14.4) in cash per share with no special dividend (2006: HK cents 3.6) per share was paid to shareholders as the final dividend for the year ended 2006 (2006: year ended 2005).

The directors have determined that an interim dividend of HK cents 21.0 (2006: HK cents 14.5) in cash per share should be paid to the shareholders of the Company whose names appear in the register of members on 28th August, 2007.

10. Earnings per share

The calculation of basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Earnings	盈利		
Profit for the period attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之 本公司股東應佔本期間溢利	427,115	305,375
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	848,371	847,000
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可發行之 潛在攤薄普通股之影響	5,650	N/A不適用
Weighted average number of ordinary shares for the purposes of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	854,021	N/A不適用

No diluted earnings per share had been presented in prior period as the exercise price of the Company's outstanding options was higher than the average market price of the Company's shares during the six months ended 30th June, 2006.

簡明綜合財務報表附註 (續)

9. 股息

期內，本公司已向股東派付股息每股現金21.0港仙（二零零六年：14.4港仙）作為截至二零零六年止年度（二零零六年：截至二零零五年止年度）之末期股息，並無派付特別股息（二零零六年：3.6港仙）。

董事議決向於二零零七年八月二十八日名列股東名冊之本公司股東宣派中期股息每股現金21.0港仙（二零零六年：14.5港仙）。

10. 每股盈利

本公司普通股股東應佔每股基本及攤薄盈利乃根據以下數據計算：

		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Earnings	盈利		
Profit for the period attributable to equity holders of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之 本公司股東應佔本期間溢利	427,115	305,375
		'000 千股	'000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of basic earnings per share	就計算每股基本盈利而言之 普通股加權平均數	848,371	847,000
Effect of dilutive potential ordinary shares issuable under the Company's share option scheme	本公司購股權計劃項下可發行之 潛在攤薄普通股之影響	5,650	N/A不適用
Weighted average number of ordinary shares for the purposes of diluted earnings per share	就計算每股攤薄盈利而言之 普通股加權平均數	854,021	N/A不適用

由於本公司未行使購股權高於本公司股份截至二零零六年六月三十日止六個月之平均市價，故並無呈列上一期間之每股攤薄盈利。

Notes to the Condensed Consolidated Financial Statements (continued)

11. Investment properties

At 30th June, 2007, the directors estimated the carrying amounts of the investment properties do not differ significantly from that which would be determined using fair values at the balance sheet date. Consequently, no fair value gains or loss has been recognised in the current period.

12. Property, plant and equipment

簡明綜合財務報表附註 (續)

11. 投資物業

於二零零七年六月三十日，董事估計，投資物業之賬面值與按結算日之公平值釐定之賬面值並無出現重大差異。因此，在本期間並無確認任何公平值損益。

12. 物業、廠房及設備

		Six months ended 30th June, 2007 截至 二零零七年 六月三十日 止六個月 HK\$'000 千港元
Carrying value at 1st January	於一月一日之賬面值	2,300,865
Additions	添置	17,884
Disposals	出售	(65)
Depreciation	折舊	(66,962)
Exchange adjustment	兌匯調整	1,015
Carrying value at 30th June	於六月三十日之賬面值	2,252,737

13. Index-linked notes

The index-linked notes are denominated in United States Dollars with interest rates linked with Constant Maturity Swap (CMS) rates or 3-month United States Dollars London Interbank Offered Rate (3-month USD LIBOR). The index-linked notes are designated as fair value through profit or loss upon initial recognition as each of them contains one or more embedded derivatives, and HKAS 39 permits the entire combined contract to be designated at fair value through profit or loss.

The maturity dates of the index-linked notes range from August 2008 to June 2017 and are therefore classified as non-current. All index-linked notes are stated at fair values on each balance sheet date provided by independent financial institutions.

13. 與指數掛鈎票據

與指數掛鈎票據乃以美元結算，利率與固定期限交換利率或三個月美元倫敦銀行同業拆息掛鈎。由於與指數掛鈎票據各自內含一項或多項衍生工具，而香港會計準則第39號允許整份合併合約指定為按公平值計入損益，故該等票據於初步確認時指定為按公平值計入損益。

與指數掛鈎票據之到期日介乎二零零八年八月至二零一七年六月，故分類為非流動。所有與指數掛鈎票據均於每個結算日按由獨立財務機關提供之公平值列賬。

Notes to the Condensed Consolidated Financial Statements
(continued)

14. Equity-linked note

The equity linked note is denominated in United States Dollars, accruing interest at a predetermined interest rate with reference to market prices of certain equity securities listed in Hong Kong. The note will be settled by either cash or equity securities upon maturity. The equity-linked note is designated as fair value through profit or loss upon initial recognition as it contains embedded derivatives, and HKAS 39 permits the entire combined contract to be designed as at fair value through profit or loss.

The maturity date of an equity-linked note of HK\$39,659,000 is May 2008 and is therefore classified as current while that of the remaining one is July 2008 and is therefore classified as non-current at 30th June, 2007. It is stated at fair value on each balance sheet date provided by independent financial institution.

15. Trade and other receivables

Included in trade and other receivables are trade receivables of HK\$45,377,000 (31.12.2006: HK\$65,955,000). The Group's retail sales to customers are mainly on cash basis, either in cash, debit card or credit card payments. The Group does not have a defined fixed credit policy as its major trade receivables arise from credit card sales. An aged analysis of the Group's trade receivables at the respective balance sheet dates is as follows:

		30th June, 2007 二零零七年 六月三十日 HK\$'000 千港元	31st December, 2006 二零零六年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	42,271	57,263
31 – 60 days	31至60日	1,017	7,105
61 – 90 days	61至90日	1,146	1,120
Over 90 days	超過90日	943	467
Trade receivables	應收賬款	45,377	65,955
Other receivables	其他應收款項	76,191	82,759
		121,568	148,714

簡明綜合財務報表附註 (續)

14. 與權益掛鈎票據

與權益掛鈎票據乃以美元列值，並參考若干在香港上市股本證券之市價以預先釐定之利率累計利息。票據於到期時將以現金或股本證券支付。由於與權益掛鈎票據包含內含衍生工具，而香港會計準則第39號允許整份合併合約指定為按公平值計入損益，故該等票據於初步確認時指定為按公平值計入損益。

於二零零七年六月三十日，為數39,659,000港元與權益掛鈎票據之到期日為二零零八年五月，故分類為流動；餘下票據之到期日為二零零八年七月，故分類為非流動。與權益掛鈎票據於每個結算日按由獨立財務機關提供之公平值列賬。

15. 應收賬款及其他應收款項

應收賬款45,377,000港元（二零零六年十二月三十一日：65,955,000港元）已計入應收賬款及其他應收款項。本集團向顧客作出的零售銷售主要以現金進行，可以現金、記賬卡或信用卡付款。由於本集團主要應收賬款來自信用卡銷售，故並無既定信貸政策。本集團於相關結算日之應收賬款賬齡分析如下：

Notes to the Condensed Consolidated Financial Statements (continued)

16. Trade and other payables

Included in trade and other payables are trades payables of HK\$143,057,000 (31.12.2006: HK\$197,279,000). An aged analysis of the Group's trade payables at the respective balance sheet dates is as follows:

		30th June, 2007 二零零七年 六月三十日 HK\$'000 千港元	31st December, 2006 二零零六年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	100,296	159,849
31 – 60 days	31至60日	37,621	22,653
61 – 90 days	61至90日	3,170	9,274
Over 90 days	超過90日	1,970	5,503
Trade payables	應付賬款	143,057	197,279
Concessionaire sales payable	應付特許專櫃銷售款項	368,614	502,747
Other payables	其他應付款項	264,034	282,771
		775,705	982,797

As at 30th June, 2007, included in concessionaire sales payable are amounts of approximately HK\$8,416,000 and HK\$2,684,000 (31st December, 2006: HK\$11,764,000 and HK\$2,576,000) due to Chow Tai Fook Jewellery Co., Ltd and 周大福珠寶行(深圳)有限公司 in which Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amounts are trading in nature and relate to payables arising from concessionaire sales. These trading balances are unsecured, non-interest bearing and repayable according to the terms of the concessionaire dealership agreement.

The concessionaire sales payable at the balance sheet date has an age within 30 days.

簡明綜合財務報表附註 (續)

16. 應付賬款及其他應付款項

應付賬款143,057,000港元(二零零六年十二月三十一日: 197,279,000港元)已計入應付賬款及其他應付款項。本集團於相關結算日之應付賬款賬齡分析如下:

		30th June, 2007 二零零七年 六月三十日 HK\$'000 千港元	31st December, 2006 二零零六年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	100,296	159,849
31 – 60 days	31至60日	37,621	22,653
61 – 90 days	61至90日	3,170	9,274
Over 90 days	超過90日	1,970	5,503
Trade payables	應付賬款	143,057	197,279
Concessionaire sales payable	應付特許專櫃銷售款項	368,614	502,747
Other payables	其他應付款項	264,034	282,771
		775,705	982,797

於二零零七年六月三十日, 應付特許專櫃銷售款項中包括應付周大福珠寶金行有限公司及周大福珠寶行(深圳)有限公司款項分別約8,416,000港元及2,684,000港元(二零零六年十二月三十一日: 分別為11,764,000港元及2,576,000港元)。本公司兩名董事拿督鄭裕彤博士及鄭家純博士擁有該等公司實益權益。該等款項屬貿易性質, 與特許專櫃銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專櫃經營協議條款付款。

於結算日, 應付特許專櫃銷售款項之賬齡在30日以內。

Notes to the Condensed Consolidated Financial Statements
(continued)

17. Share capital

簡明綜合財務報表附註 (續)

17. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股		
Authorised:	法定：		
At 31st December, 2006 and 30th June, 2007	於二零零六年十二月三十一日及 二零零七年六月三十日	2,000,000,000	20,000
Issued and fully paid:	已發行及繳足：		
At 1st January, 2007	於二零零七年一月一日	847,968,000	8,480
Exercise of share options (note)	行使購股權 (附註)	532,000	5
At 30th June, 2007	於二零零七年六月三十日	848,500,000	8,485

Note: During the period, 532,000 shares of HK\$0.01 each were issued at HK\$12.32 per share upon the exercise of the 2005 share options of the Company by share options holders and all these shares rank pari passu with other ordinary shares of the Company in all respects.

附註：期內，本公司於購股權持有人行使本公司二零零五年購股權後按每股12.32港元發行共532,000股每股面值0.01港元之股份，所有該等股份於各方面與本公司其他普通股享有同等權益。

18. Share-based payment transactions

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

18. 股份付款交易

本公司為本公司合資格僱員及董事設有購股權計劃。特定類別購股權詳情如下：

Option type 購股權種類	Date of grant 授出日期	Vesting period 歸屬期	Exercise period 行使期	Exercise price 行使價
2005 二零零五年	7.10.2005 二零零五年十月七日	7.10.2005 – 7.10.2008 二零零五年十月七日至 二零零八年十月七日	7.10.2006 – 26.3.2014 二零零六年十月七日至 二零一四年三月二十六日	HK\$12.32 12.32港元
2006 二零零六年	16.3.2006 (Note) 二零零六年三月十六日 (附註)	16.3.2006 – 16.3.2009 二零零六年三月十六日至 二零零九年三月十六日	16.3.2007 – 26.3.2014 二零零七年三月十六日至 二零一四年三月二十六日	HK\$12.74 12.74港元

Note: Option subject to approval of independent shareholders was proposed and granted by Board of Directors on 16th March, 2006. The approval was subsequently obtained on 26th April, 2006 which is the date of grant as defined in accordance with HKFRS 2.

附註：董事局於二零零六年三月十六日建議及授出有待獨立股東批准之購股權，其後於根據香港財務報告準則第2號界定之授出日期二零零六年四月二十六日取得批准。

Notes to the Condensed Consolidated Financial Statements (continued)

18. Share-based payment transactions (continued)

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

Option type	購股權種類	Outstanding at 31.12.2006 於二零零六年 十二月三十一日 尚未行使	Exercised during the period 期內行使	Lapsed during the period 期內失效	Outstanding at 30.6.2007 於二零零七年 六月三十日 尚未行使
2005	二零零五年	5,002,000	532,000	102,000	4,368,000
2006	二零零六年	7,630,000	-	-	7,630,000
Exercisable at the end of the period	於期終可予行使				836,000

The closing price of the Company's share immediately before 16th March, 2006 and 26th April, 2006 was HK\$12.75 and HK\$13.15 respectively.

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$22.52.

簡明綜合財務報表附註 (續)

18. 股份付款交易 (續)

下表披露期內若干僱員及董事所持本公司購股權之變動：

本公司股份於緊接二零零六年三月十六日及二零零六年四月二十六日前之收市價分別為12.75港元及13.15港元。

緊接有關購股權獲行使日期前本公司股份之加權平均收市價為22.52港元。

Notes to the Condensed Consolidated Financial Statements
(continued)

18. Share-based payment transactions (continued)

The fair values of the options determined at the dates of grant of 7th October, 2005 and 26th April, 2006 were HK\$18 million and HK\$22 million respectively. These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Date of grant	授出日期	26th April, 2006 二零零六年 四月二十六日	7th October, 2005 二零零五年 十月七日
Weighted average share price	加權平均股價	HK\$13.15 13.15港元	HK\$12.15 12.15港元
Exercise price	行使價	HK\$12.74 12.74港元	HK\$12.32 12.32港元
Expected volatility	預期波幅	30.71%	32.47%
Expected life	預計年期	5.5 years 5.5年	8.5 years 8.5年
Risk-free rate	無風險比率	4.55%	4.18%
Expected dividend yield	預期股息率	2.52%	2.73%

Expected volatility was determined by using the historical volatility of the Company's share price over the previous year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioral considerations.

The Group recognised expense of approximately HK\$6.1 million for the six months ended 30th June, 2007 (six months ended 30th June, 2006: HK\$4.3 million) in relation to share options granted by the Company.

簡明綜合財務報表附註 (續)

18. 股份付款交易 (續)

有關購股權於授出日期二零零五年十月七日及二零零六年四月二十六日釐定之公平值分別為18,000,000港元及22,000,000港元。此等公平值乃按「柏力克－舒爾斯」期權定價模式計算。代入該模式之數字如下：

	26th April, 2006 二零零六年 四月二十六日	7th October, 2005 二零零五年 十月七日
加權平均股價	HK\$13.15 13.15港元	HK\$12.15 12.15港元
行使價	HK\$12.74 12.74港元	HK\$12.32 12.32港元
預期波幅	30.71%	32.47%
預計年期	5.5 years 5.5年	8.5 years 8.5年
無風險比率	4.55%	4.18%
預期股息率	2.52%	2.73%

預期波幅以本公司股價於過往年度之歷史波幅釐定。該模式中使用了預計年期已按管理層經考慮不可轉讓性、行使限制及慣例後作出之最佳估計作出調整。

截至二零零七年六月三十日止六個月，本集團就本公司授出之購股權確認開支約6,100,000港元（截至二零零六年六月三十日止六個月：4,300,000港元）。

Notes to the Condensed Consolidated Financial Statements
(continued)

19. Capital and other commitments

簡明綜合財務報表附註 (續)

19. 資本及其他承擔

		30.6.2007	31.12.2006
		二零零七年	二零零六年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Capital expenditure in respect of the acquisition of property, plant and equipment	有關購入物業、廠房及設備之資本開支		
- Authorised but not contracted for	- 已授權但未訂約	2,916,200	2,890,000
- Contracted for but not provided in the financial statements	- 已訂約但未於財務報表撥備	579,700	804,258
		3,495,900	3,694,258
Capital and other expenditure in respect of investment in a jointly controlled entity	有關投資於一間共同控制實體之資本及其他開支	863,000	777,000
Capital expenditure in respect of acquisition of equity interests of PRC companies (Note 21)	有關購入中國公司股本權益之資本開支 (附註21)	750,000	-
		5,108,900	4,471,258

Notes to the Condensed Consolidated Financial Statements
(continued)

20. Related party balances and transactions

(a) Transactions

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

Name of related party 有關連人士名稱	Nature of transaction 交易性質	Six months ended 30th June, 截至六月三十日止六個月	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Chow Tai Fook Jewellery Co., Ltd. ("CTF Jewellery") 周大福珠寶金行有限公司 (「周大福珠寶」)	Income from concessionaire sales (note 1) 特許專櫃銷售收入(附註1)	4,949	3,683
周大福珠寶金行(深圳)有限公司 (「周大福深圳」)	Income from concessionaire sales (note 1) 特許專櫃銷售收入(附註1)	555	530
New World PCS Limited ("New World PCS") 新世界流動電話有限公司 (「新世界流動電話」)	Licence fee received (note 1) 已收特許費(附註1)	-	227
Shanghai Joinbuy City plaza Co., Ltd. ("Property JV") 上海九百城市廣場有限公司 (「物業合營企業」)	Rental and management fee paid (note 2) 已付租金及管理費(附註2)	73,301	72,757
Hong Kong Island Development Limited ("HK Island") 香島發展有限公司(「香島」)	Rental, vetting fee, air-conditioning charges and management fee paid (note 1) 已付租金、審批費用、空調費及管理費 (附註1)	17,730	16,030
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司(「寶聯防污」)	Cleaning service (note 1) 清潔服務(附註1)	5,190	1,302

Notes:

- (1) CTF Jewellery, 周大福深圳, New World PCS, HK Island and PPS are companies in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests.
- (2) Property JV is a jointly controlled entity in which the Group has 50% interest. During the period, the Group paid rental and management fee of HK\$62,500,000 and HK\$10,801,000 (2006: HK\$60,069,000 and HK\$12,688,000) respectively to the Property JV.

簡明綜合財務報表附註(續)

20. 有關連人士結餘及交易

(a) 交易

期內，本集團曾與以下有關連人士進行下列重大交易：

	Six months ended 30th June, 截至六月三十日止六個月	
	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Chow Tai Fook Jewellery Co., Ltd. ("CTF Jewellery") 周大福珠寶金行有限公司 (「周大福珠寶」)	4,949	3,683
周大福珠寶金行(深圳)有限公司 (「周大福深圳」)	555	530
New World PCS Limited ("New World PCS") 新世界流動電話有限公司 (「新世界流動電話」)	-	227
Shanghai Joinbuy City plaza Co., Ltd. ("Property JV") 上海九百城市廣場有限公司 (「物業合營企業」)	73,301	72,757
Hong Kong Island Development Limited ("HK Island") 香島發展有限公司(「香島」)	17,730	16,030
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司(「寶聯防污」)	5,190	1,302

附註：

- (1) 周大福珠寶、周大福深圳、新世界流動電話、香島及寶聯防污為本公司董事拿督鄭裕彤博士及鄭家純博士持有實益權益的公司。
- (2) 物業合營企業為本集團擁有50%權益之共同控制實體。期內，本集團分別向物業合營企業支付租金及管理費62,500,000港元及10,801,000港元(二零零六年：60,069,000港元及12,688,000港元)。

Notes to the Condensed Consolidated Financial Statements (continued)

20. Related party balances and transactions (continued)

(b) Loan

Pursuant to a loan agreement dated 18th November, 2004 entered into between Billion Empire Limited ("Billion Empire"), a wholly-owned subsidiary of the Company and Dragon Sign Limited ("Dragon Sign"), Billion Empire granted a loan facility of HK\$2,000,000 to Dragon Sign ("Loan Facility"). The Loan Facility was secured by 50% of the issued share capital of Dragon Sign.

The Loan Facility is interest bearing and had been repaid in full before April 2006. Mr. Thomas Lau, a director of the Company, is one of the four directors of Dragon Sign.

(c) Guarantee

The Property JV, together with the Company, provided a joint and several guarantee up to an amount of RMB30 million in favour of a bank to secure an aggregate RMB30 million loan facility granted to Shanghai Ongoing Department Store Limited, a subsidiary of the Company. The amount utilised as at 31st December, 2005 amounted to RMB30 million. The loan facility expired in April 2006.

21. Post balance sheet event

On 3rd July, 2007, Beauty Power Limited ("Beauty Power"), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Itokin Co., Ltd. ("Itokin") (the "Agreement") for acquisition of the following equity interests:

- (a) 100% equity interest of 大連伊都錦商廈有限公司 (Dalian Itokin Commercial Building Co., Ltd.), currently a Sino-foreign equity joint venture company (which Itokin shall convert into a wholly foreign-owned enterprise) incorporated in the PRC, which owns a commercial building and the land use right in Dalian, the PRC and operates a department store thereat;
- (b) 100% equity interest of 哈爾濱伊都錦商廈有限公司 (Harbin Itokin Commercial Building Co., Ltd.), a wholly foreign-owned enterprise incorporated in the PRC, which owns a commercial building and the land use right in Harbin, the PRC;
- (c) 100% equity interest of 青島伊都錦商廈有限公司 (Qingdao Itokin Commercial Building Co., Ltd.), currently a Sino-foreign equity joint venture company (which Itokin shall convert into a wholly foreign-owned enterprise) incorporated in the PRC, which owns a commercial building and the land use right in Qingdao, the PRC and operates a department store thereat; and

簡明綜合財務報表附註 (續)

20. 有關連人士結餘及交易 (續)

(b) 貸款

根據本公司全資附屬公司億冠有限公司 (「億冠」) 與龍信有限公司 (「龍信」) 所訂立日期為二零零四年十一月十八日之貸款協議，億冠授出貸款融資2,000,000港元予龍信 (「貸款融資」)。貸款融資乃以龍信已發行股本50%作抵押。

貸款融資為計息貸款，已於二零零六年四月前全數歸還。本公司董事劉鑾鴻先生為龍信四名董事之一。

(c) 擔保

物業合營企業連同本公司共同及個別向銀行提供為數最多人民幣30,000,000元之擔保，作為本公司附屬公司上海久光百貨有限公司獲授貸款融資額合共人民幣30,000,000元之抵押。於二零零五年十二月三十一日，該筆款項中已動用人民幣30,000,000元。該筆貸款融資已於二零零六年四月屆滿。

21. 結算日後事項

於二零零七年七月三日，本公司全資附屬公司 Beauty Power Limited (「Beauty Power」) 與Itokin Co., Ltd. (「Itokin」) 就收購下列股本權益訂立買賣協議 (「協議」)：

- (a) 大連伊都錦商廈有限公司全部股本權益，該公司現時為於中國註冊成立之中外合資合營企業，Itokin 其後將其轉型為全外資企業，該公司擁有位於中國大連之商業樓宇及土地使用權，並於該址經營百貨公司；
- (b) 哈爾濱伊都錦商廈有限公司全部股本權益，該公司為於中國註冊成立之全外資企業，擁有位於中國哈爾濱之商業樓宇及土地使用權；
- (c) 青島伊都錦商廈有限公司全部股本權益，該公司現時為於中國註冊成立之中外合資合營企業，Itokin 其後將其轉型為全外資企業，該公司擁有位於中國青島之商業樓宇及土地使用權，並於該址經營百貨公司；及

Notes to the Condensed Consolidated Financial Statements (continued)

21. Post balance sheet event (continued)

- (d) 97.5 % equity interest of 天津伊都錦商廈有限公司 (Tianjin Itokin Commercial Building Co., Ltd.), Sino-foreign equity joint venture company incorporated in the PRC, which owns a commercial building and the land use right in Tianjin, the PRC and operates a department store thereat.

In accordance with the Agreement, the total consideration payable by Beauty Power to Itokin shall be, subject to adjustment in accordance with the terms in the Agreement, RMB750 million. The above transaction has not yet been completed as at date of this report.

Total financial commitment of RMB750 million (equivalent to approximately HK\$750 million) has been included as capital and other commitment in note 19.

簡明綜合財務報表附註 (續)

21. 結算日後事項 (續)

- (d) 天津伊都錦商廈有限公司97.5%股本權益，該公司為於中國註冊成立之中外合資合營企業，擁有位於中國天津之商業樓宇及土地使用權，並於該址經營百貨公司。

根據協議，Beauty Power應付Itokin之總代價為人民幣750,000,000元，可根據協議條款調整。於本報告日期，上述交易尚未完成。

總財務承擔人民幣750,000,000元（約相當於750,000,000港元）已計入附註19之資本及其他承擔內。

Report on Review of Interim Financial Information

中期財務資料審閱報告

Deloitte.
德勤

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

Introduction

We have reviewed the interim financial information set out on pages 5 to 27, which comprises the condensed consolidated balance sheet of Lifestyle International Holdings Limited as of 30 June 2007 and the related condensed consolidated income statement, statement of changes in equity and cash flow statement for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Information" issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
8th August, 2007

致利福國際集團有限公司
董事局
(於開曼群島註冊成立之有限公司)

引言

本核數師已審閱載於第5至27頁之中期財務資料。此中期財務資料包括利福國際集團有限公司於二零零七年六月三十日之簡明綜合資產負債表與截至該日止六個月期間之相關簡明綜合收益表、權益變動表和現金流量表及若干說明附註。香港聯合交易所有限公司主板證券上市規則規定，就中期財務資料編製之報告必須符合當中有關條文以及香港會計師公會頒佈之香港會計準則（「香港會計準則」）第34號「中期財務報告」。董事須負責根據香港會計準則第34號編製及呈列該中期財務資料。本核數師之責任是根據審閱對該中期財務資料作出結論，並按照委聘之協定條款僅向作為實體之閣下報告結論，且並無其他目的。本核數師不會就本報告之內容向任何其他人士負上或承擔任何責任。

審閱範圍

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

結論

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

德勤·關黃陳方會計師行
執業會計師
香港
二零零七年八月八日

Interim Dividend

中期股息

The Board has declared an interim dividend for the six months ended 30th June, 2007 of HK cents 21.0 (2006: interim dividend HK cents 14.5) in cash per share payable on 4th September, 2007 to shareholders whose names appear on the Register of Members of the Company on 28th August, 2007.

董事局已就截至二零零七年六月三十日止六個月宣派中期股息每股現金21.0港仙(二零零六年：中期股息14.5港仙)，將於二零零七年九月四日向於二零零七年八月二十八日名列本公司股東名冊之股東派付。

Closure of Register of Members – Interim Dividend Payment

暫停辦理股份過戶手續 – 派付中期股息

For the payment of interim dividend, Company's Register of Members will be closed from 24th August, 2007 to 28th August, 2007 (both days inclusive), during such period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 23rd August, 2007.

就派付中期股息之目的，本公司將於二零零七年八月二十四日至二零零七年八月二十八日(首尾兩天包括在內)期間暫停辦理股份過戶手續，該期間將不會登記任何股份過戶。為確保符合資格獲取中期股息，所有過戶文件連同有關股票須於二零零七年八月二十三日下午四時正前，送交本公司之香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室，辦理過戶手續。

Financial Review

財務回顧

Turnover and Sales Proceeds

Turnover grew to HK\$1,406.1 million, representing an increase of 19.0% from the same period last year. The group generated net sales proceeds received and receivable worth HK\$3,065.8 million from either direct sales or via concessionaire sales. Sales proceeds from SOGO CWB were HK\$2,344.9 million, from SOGO TST were HK\$198.3 million and from Jiuguang Shanghai were HK\$522.6 million, representing 76.5%, 6.5% and 17.0% respectively of the Group's total sales proceeds.

Sales proceeds for the period represent a 19.5% increase over the HK\$2,565.7 million recorded from the same period last year. The increase reflects same-store sales growth of 15.2% at SOGO CWB, 15.0% at SOGO TST and 46.3% at Jiuguang Shanghai.

營業額及銷售所得款

營業額增至1,406,100,000港元，較去年同期上升19.0%。本集團自直接銷售或透過特許專櫃銷售產生已收及應收銷售所得款項淨額達3,065,800,000港元。銅鑼灣崇光、尖沙咀崇光及上海久光百貨的銷售所得款項分別為2,344,900,000港元、198,300,000港元及522,600,000港元，分別佔本集團總銷售所得款項76.5%、6.5%及17.0%。

本期間銷售所得款項較去年同期錄得之2,565,700,000港元增加19.5%，增幅反映銅鑼灣崇光同店銷售額增長15.2%，另尖沙咀崇光及上海久光百貨之增長率則分別為15.0%及46.3%。

Gross Profit and Gross Profit Margin

Gross profit margin for the Group, as a percentage to sales proceeds, for the six months ended 30th June, 2007 was 25.1%, an increase of 0.3 percentage points from same period last year. The increase in gross profit margin was attributable to improved gross profit margin from the Hong Kong segment whose margin climbed from 25.6% to 26.0%. The Group's gross profit for the period was HK\$769.3 million, up 21.1% from same period last year.

EBITDA and Net Profit

The Group's EBITDA (earnings before interest, taxation, depreciation and amortization and less bank interest income) for the period was HK\$551.5 million comparing to HK\$410.7 million from the same period last year. Group EBITDA margin jumped to 39.2% from 34.8% was attributable to the continuing improving margin from Shanghai whose margin leapt from 12.4% to 32.3%. EBITDA margin for the Hong Kong segment also rose from 37.3% to 40.2%.

The Group's net profit attributable to shareholders for the period surged 39.9% to HK\$427.1 million and net profit margin based on turnover advanced from 25.8% to 30.4%.

Finance Costs

Finance costs of HK\$38.7 million mainly comprised interest expenses of HK\$37.0 million on the bank loans and other finance charges. The increase in interest expense was mainly due to around HK\$6.0 million interest on the additional loan of HK\$500.0 million drawn in March for funding the acquisition of the land use right in Shenyang. The lower interest rate on the new loan facility on the other hand helped lower the Group's finance cost.

Liquidity and Financial Resources

Notwithstanding the cash, totaled over HK\$500.0 million, paid to fund the new PRC projects, the Group's cash and bank balance at 30th June, 2007 at HK\$2,553.2 million did not change much from that at the beginning of the year as in addition to the strong cash flow generated from operating activities, an additional HK\$500.0 million of new bank loan was drawn down from the facility with Bank of China (Hong Kong). The Group's bank borrowings at 30th June, 2007 amounted to HK\$1.83 billion and HK\$1.7 billion of which carry interest calculated with reference to HIBOR. The Group was at net cash position at 30th June, 2007.

Pledge of Assets

At 30th June, 2007, the Group's land and buildings in Hong Kong with book values of approximately HK\$1,702.5 million (31st December, 2006: HK\$1,724.6 million) were pledged to a bank to secure the Group's general banking facilities.

毛利及毛利率

本集團於截至二零零七年六月三十日止六個月按佔銷售所得款項百分比計算之毛利率為25.1%，較去年同期增加0.3個百分點。毛利率增加乃歸因於香港業務之毛利率改善，該毛利率由25.6%攀升至26.0%。本集團於本期間之毛利為769,300,000港元，與去年同期相比，升幅為21.1%。

EBITDA及純利

本集團期內之EBITDA（未計利息、稅項、折舊及攤銷之利潤及減銀行利息收入）為551,500,000港元，而去年同期則為410,700,000港元。由於源自上海業務之利潤率持續改善，由12.4%躍升至32.3%，本集團之EBITDA率由34.8%上升至39.2%。香港分部之EBITDA率亦由37.3%上升至40.2%。

期內本集團股東應佔純利急升39.9%至427,100,000港元，按營業額計算之純利率由25.8%上升至30.4%。

融資成本

融資成本38,700,000港元主要包括銀行貸款之利息開支37,000,000港元及其他融資費用。利息開支增加主要由於就收購瀋陽土地使用權之資金而於三月提取額外貸款500,000,000港元之利息約6,000,000港元。另一方面，新貸款融資之較低息率有助減低本集團之融資成本。

流動資金及財務資源

由於經營業務所產生現金流量龐大，加上本集團自中銀香港所提供融資提取額外500,000,000港元新造銀行貸款，故儘管合共逾500,000,000港元之現金用以撥付新的中國項目，本集團於二零零七年六月三十日之現金及銀行結存仍維持於2,553,200,000港元與年初相若水平。本集團於二零零七年六月三十日之銀行借貸為1,830,000,000港元，其中1,700,000,000港元為利息參考香港銀行同業拆息計算之貸款。本集團於二零零七年六月三十日維持現金淨額狀況。

資產抵押

於二零零七年六月三十日，本集團位於香港賬面值約1,702,500,000港元（二零零六年十二月三十一日：1,724,600,000港元）之土地及樓宇已就本集團所獲授一般銀行融資抵押予一家銀行。

Review of Operations

業務回顧

The Overall Retail Environment

Hong Kong

The continuing growth of the local economy, the improved employment market, the buoyant stock market and the recovering real estate market have helped boost the city's consumer sentiment during the period under review. Total retail sales, bolstered by the escalating wealth effect, increased by 9.3% year-on-year for the first six months, reaching HK\$120 billion. The department stores sector generated some HK\$11.9 billion of sales, up 9.5% year-on-year. The strong retail sales figures were also supported by steady growth in the number of in-bound tourists from mainland China and other parts of the world.

China

With the economy growing at 11.5% per annum coupled with the sustaining bull runs in the domestic stock and property markets during the first half, the retail sector in China accelerated and sales expanded 15.4% year-on-year. Growth in demand for luxury items strengthened as Chinese shoppers become more receptive to the premium value and quality branded products. China's burgeoning middle class and increasing number of high net worth individuals drove up the demand for quality lifestyle shopping experiences and luxury items to levels unseen in the past.

Sales Performance by Stores

SOGO CWB

With its premium location and leading industry position, the store attracts heavy shopper traffic and has continued to perform as the barometer of Hong Kong's retail industry. Sales revenue generated during the period surged 15.2% year-on-year to HK\$2,344.9 million, outperforming once again the market average in retail sales growth of 9.3%.

Famous for its "one-stop-shop" concept that offers a broad range of merchandizes from quality food and confectionery items to "No Fake" luxury international branded goods, this store is positioned to capitalize not only on the positive impact of the "wealth effect" propelled by the strong local stock and property markets to local shoppers but also the rising number of tourists from China. Continuous enhancement of the merchandize mix and changing purchasing habits, especially of shoppers from mainland China, have contributed to the Group's impressive sales growth during the period. The strong same-store growth was a result of volume increase that saw a jump in the stay-buy ratio from 28.1% to 30.4%, while the daily shopper traffic stayed flat at around 91,000 (2006: 91,000). Average per-ticket sales also saw an increase of 6.3% to HK\$457 (2006: HK\$430).

整體零售環境

香港

回顧期內，本地經濟增長、就業市場改善、股市暢旺以及房地產市場復甦等勢頭持續，不斷刺激本港消費氣氛。在不斷提升的財富效應推動下，首六個月之零售總額達1,200億港元，較去年同期增加9.3%。百貨業產生約119億港元銷售額，較去年同期增加9.5%。來自中國內地及世界各地之旅客人數不斷上升，亦為零售銷售數字強勁原因之一。

中國

隨著經濟於二零零七年上半年度按每年11.5%之速度增長，加上上半年度內地股票市場及樓市交投持續暢旺，中國零售業正高速增長，銷售額較去年同期躍升15.4%。隨著內地購物人士對高級優質品牌產品的認知提高，名貴產品需求之增長勢頭更趨強勁。國內中產及高淨值人士數目不斷增多，對優質生活購物體驗及名貴產品之需求甚殷，達至前所未見之水平。

按店舖之銷售表現分析

銅鑼灣店

銅鑼灣店位置優越，加上其領先的市場地位，吸引大量購物人流，繼續為香港零售業之指標。期內銷售收益按年躍升15.2%至2,344,900,000港元，再次超出香港整體零售銷售額9.3%平均增長水平。

銅鑼灣店憑著其「一站式商店」概念，為客戶提供多元化產品，由優質食品及糖果以至「保證正貨」的名貴國際品牌產品等商品，一應俱全。銅鑼灣店不單把握本地股市及樓市暢旺對本地顧客所帶來「財富效應」並可自國內旅客人數不斷增多獲益。由於商品種類越趨豐富，加上購物習慣改變，當中尤以國內顧客為甚，令本集團期內銷售錄得驕人增幅。此同店增長主要由於逗留購買比率由28.1%急增至30.4%，而每日平均顧客人流則維持91,000人次（二零零六年：91,000人次）之穩定水平。平均每宗銷售額亦上升6.3%至457港元（二零零六年：430港元）。

The store continued to host an attractive variety of promotional activities and shoppers' bazaars throughout the period, with a view to reinforcing customer loyalty and stimulating sales. To celebrate SOGO CWB's 22nd anniversary, the store hosted an anniversary celebration which began in the middle of April. "SOGO Thankful Week", the highlight of the anniversary celebration, achieved a new first-half year single-day sales record of HK\$30.2 million, representing an enviable increase of 16.6% from last year's record high of HK\$25.9 million during a similar event.

SOGO TST

Into its second year of operation, SOGO TST has gradually established itself as one of the shopping hotspots in Kowloon. To best serve a customer base different from that of its flagship store in Causeway Bay, adjustment of merchandize and products mix was required and the Group's effort has started to see results that saw a strong sales growth of 15.0% to HK\$198.3 million for the period under review (2006: HK\$172.5 million). Average per-ticket sales increased 13.5% to HK\$294 (2006: HK\$259).

Jiuguang Shanghai

Positioned as a destination for quality lifestyle shopping department store, with a broad range of international branded goods and premium product offerings, Jiuguang Shanghai continued to gain popularity in Shanghai and is much appreciated by a pool of recurrent, regular customers. Supported by China's strong economic growth and retail market, during the period, the store continued to enjoy the strong growth momentum it experienced in the previous year. Sales revenue grew by a robust 46.3% to HK\$522.6 million (2006: HK\$357.1 million) with the average daily shopper traffic increased 14.1% to 42,100 and average per-ticket sales jumped 13.1% to RMB251 (2006: RMB222).

New Stores

The Group announced, towards the end of 2006 its plan to open two large-scale department stores in Suzhou and Shenyang, in 2008 and 2010 respectively. These stores will add an approximately 300,000 sq.m. of department store space to the Group's portfolio. The second phase of the Shenyang project will further provide roughly 200,000 sq.m. of other retailing facilities around 2012.

The construction work of the Suzhou store complex has been proceeding according to schedule. The store, located at the heart of the new Central Retailing District of the Suzhou Industrial Park, will be the largest department store in Suzhou and bring the city's appreciation for quality shopping to a new height. Barring any unforeseen circumstances, the store is scheduled to start operation in the 4th quarter of 2008.

期內，銅鑼灣店繼續舉行多項具吸引力之推廣活動及特價推銷活動，從而鞏固顧客對銅鑼灣店的忠誠支持及刺激銷售。為慶祝銅鑼灣店二十二週年誌慶，該店於四月中展開「感謝週」週年慶祝活動，更為上半年度單日銷售額創下30,200,000港元紀錄，較去年同類活動錄得之紀錄25,900,000港元飆升16.6%。

尖沙咀店

尖沙咀崇光踏入第二個經營年度，已逐漸成為九龍區購物熱點之一。集團因應有別於銅鑼灣旗艦店客戶群之口味，對商品及產品種類作出調整，並已取得成效，於回顧期內業績大幅增長15.0%至198,300,000港元（二零零六年：172,500,000港元）。每宗銷售額則增加13.5%至294港元（二零零六年：259港元）。

上海久光百貨

定位為提供多元化國際品牌商品及高級產品種類之優質生活百貨公司，上海久光百貨繼續廣受上海顧客愛戴，並獲一群經常光顧之顧客支持。受惠於中國強勁的經濟增長及零售市場，期內上海久光百貨繼續保持去年的增長動力。銷售收益大幅增加46.3%至522,600,000港元（二零零六年：357,100,000港元），平均每日訪客人流增加14.1%至42,100人次，而平均每宗銷售額亦躍升13.1%至人民幣251元（二零零六年：人民幣222元）。

新店舖

本集團於二零零六年底宣佈，計劃於二零零八年及二零一零年分別在蘇州及瀋陽開設兩家大型百貨店，該兩家百貨店為本集團增添約300,000平方米的百貨店面積。瀋陽項目二期將按計劃約於二零一二年提供額外約200,000平方米的零售設施。

蘇州店之建築工程進度符合預期。該店位於蘇州工業園區新零售心臟地帶，將成為蘇州市內最大型之百貨店，並帶領該市追求優質購物體驗之顧客進入新境界。在無不可預見之情況下，該店預定於二零零八年第四季開業。

The department store in Shenyang, Liaoning Province, due to open in 2010, will be able to take full advantage of its prime location on the famous high-traffic pedestrian walk adjacent to the Shenyang Imperial Palace. The Group expects that delivery of the vacant land site from the district government will take place before the end of this year and development work will commence after that.

To fulfill the Group's China expansion plan, the Group announced in April this year acquisition of four retail properties located each in Dalian, Tianjin, Qingdao and Harbin respectively. The acquisition will provide a total gross retailing space of approximately 100,000 sq.m. to the Group. Completion of the acquisition is scheduled for the end of the 3rd quarter 2007. Design and planning work for refurbishing these properties have started so as to transform them into retail environments in line with the Group's strategy and positioning. The refurbished stores in Dalian and Tianjin will be launched as Jiuguang department stores, which will begin operation around the end of 2nd quarter 2008.

位於遼寧省瀋陽之百貨店將於二零一零年開幕，將可充分把握其毗鄰瀋陽故宮人流極高黃金地段之優勢。本集團預期區政府將於年底前交付土地，而有關建築工程將隨後展開。

為實踐本集團之中國拓展計劃，本集團於本年四月宣佈收購四項分別位於大連、天津、青島及哈爾濱之零售物業。是項收購將為本集團增添約100,000平方米總零售面積。收購預定於二零零七年第三季前完成，而翻新該等物業之設計及規劃工作亦已展開，以將該等物業改裝為配合本集團策略及定位之零售環境。大連及天津店將於翻新後以久光百貨命名，計劃在二零零八年第二季末前開業。

Outlook and Plan

展望與計劃

Hong Kong

Management remains cautiously optimistic about the performance of the Group's Hong Kong operations in the second half of 2007, when the Group will capitalize on its leadership position on the back of a positive economic outlook for the Hong Kong economy and retail market amidst a continuously buoyant stock and property markets. Increasing disposable income and steady tourist arrivals will help maintain consumer sentiment at high levels.

The Group's operation in Hong Kong will be able to remain immune to the effect of rental fluctuations as SOGO CWB operates on its owned premises while SOGO TST deploys a sales-based occupancy arrangement. Leveraging on the relatively stable cost structure, the management will continue to pursue initiatives to enhance profitability of the two stores.

China

With the robust economy, China's consumer retail posted a year-on-year growth of 15.4% in the first half of 2007, the biggest increase since 1997. This will continue to set a positive tone for the overall retail market in China. Government policies to encourage domestic consumption create new opportunities for retailers to expand their presence. Polarization of retail consumption and consumer behavior change are expected to continue. The upcoming Olympic Games and World-Expo will further boost inbound tourism which will set a bright outlook for the whole retailing industry.

Jiuguang Shanghai is expected to continue to perform in the second half of the year as the store is fast achieving the status as a preferred shopping destination in Shanghai. Renovation work of the new jewelry zone on the 2nd floor will be finished and ready for business around September 2007. The management believes the store will be another key source of revenue for the Group.

Looking ahead, management will continue to implement the Group's long term expansion strategy while at the same time diligently strive to achieve its set targets of growing the sales and profit. The Company will continue leveraging its ability to identify attractive acquisition and new retailing format opportunities. Management expects to further increase the Group's number of stores and retail operating area substantially in different cities in China upon new commitments in the coming years.

香港

管理層對本集團香港業務於二零零七年下半年度之表現仍然抱持審慎樂觀態度，而股市及樓市持續暢旺推動香港經濟及零售市場經濟前景向好，本集團將善用其市場領導優勢。可支配收入不斷上升，加上訪港旅客數字穩定，將有助維持現行利好消費意欲。

崇光銅鑼灣店為自置物業，崇光尖沙咀店之租賃安排則以營業額為基準，故本集團之香港業務將不受租金波動影響。憑藉相對穩定的成本結構，管理層將繼續積極採取措施，提升兩家店舖之盈利能力。

中國

隨著經濟發展蓬勃，中國零售消費市場於二零零七年上半年度創下一九九七年以來最高同比增長15.4%，維持中國整體零售市場良好積極氣氛。政府鼓吹本地消費之政策為零售商創造商機擴展其地位。預期零售消費將持續兩極化，而消費者習慣亦將不斷改變。奧運及世界博覽會舉行在即，將大大促進旅遊業，為整個零售業帶來美好前景。

上海久光百貨日漸成為上海市內首選購物地點，預期下半年度表現將持續良好。位於二樓的新珠寶區即將完成翻新工程，估計將於二零零七年九月前後開業。管理層相信此店將成為本集團另一主要收入來源。

展望未來，管理層將繼續實行本集團之長遠擴展策略，同時亦將致力達到其所訂目標，提升營業額及盈利。本公司將繼續積極發掘更多機會作出上佳的收購及推出新零售模式。隨著多項新承諾項目於未來數年逐一完成，管理層期望本集團於中國不同城市之店舖數目及零售面積將進一步大幅增加。

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

董事及行政總裁於股份及相關股份之權益

At 30th June, 2007, the interests of the directors and chief executives in the shares of the Company, underlying shares in respect of equity derivatives and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

於二零零七年六月三十日，董事及行政總裁於本公司股份、本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）股本衍生工具之相關股份及債券中，擁有根據證券及期貨條例第XV部第7及8分部之規定已知會本公司及聯交所之權益（包括彼等根據證券及期貨條例該等條文被當作或視為擁有的權益及／或淡倉）；或根據證券及期貨條例第352條之規定須載入該條所述登記冊之權益；或根據上市規則所載上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益載列如下：

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

(1) 本公司股份及相關股份之好倉

Name of director 董事姓名	Nature of interest and capacity 權益性質及身分	Total number of ordinary shares 普通股總數	Total number of underlying shares 相關股份總數	Approximate percentage of interest 概約權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Corporate (Note 1) 公司（附註 1）	540,000,000	-	63.64%
	Corporate (Note 2) 公司（附註 2）	6,130,000	-	0.72%
	Beneficial owner 實益擁有人	-	8,134,000 (Note 3) （附註 3）	0.96%

Notes:

- United Goal Resources Limited ("United Goal"), which has 50% interest in Real Reward Limited ("Real Reward"), is ultimately owned by Mr. Thomas Lau and a discretionary trust with certain family members of Mr. Joseph Lau as eligible beneficiaries. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in 540,000,000 shares of the Company held by Real Reward.
- Dynamic Castle Limited ("Dynamic Castle") is wholly owned by Mr. Thomas Lau. By virtue of the SFO, Mr. Thomas Lau is deemed to be interested in 6,130,000 shares of the Company held by Dynamic Castle.
- These interests represent the interests in underlying shares in respect of share options granted by the Company to Mr. Thomas Lau as beneficial owners, the details of which are set out in the Section "Details of Options Granted by the Company" below.

附註：

- 擁有 Real Reward Limited（「Real Reward」）50% 權益之 United Goal Resources Limited（「United Goal」）由劉鑾鴻先生及合資格受益人為劉鑾鴻先生若干家屬之全權信託最終擁有，故根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 所持 540,000,000 股本公司股份中擁有權益。
- Dynamic Castle Limited（「Dynamic Castle」）由劉鑾鴻先生全資擁有。根據證券及期貨條例，劉鑾鴻先生被視作於 Dynamic Castle 所持 6,130,000 股本公司股份中擁有權益。
- 該等權益指有關本公司授予劉鑾鴻先生作為實益擁有人之購股權之相關股份權益，有關詳情載於下文「本公司授出購股權之詳情」一節。

(2) Interests in the shares of associated corporation

(2) 相聯法團股份之權益

Name of director 董事姓名	Name of associated corporation 相聯法團名稱	Nature of interest and capacity 權益性質及身分	Total number of shares held 所持股份總數	Approximate percentage of interest 概約權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Real Reward	Corporate (Note 1) 公司 (附註 1)	1	50%
	Wise Ocean Limited 偉洋有限公司	Corporate (Note 2) 公司 (附註 2)	1	100%
	Leeson Limited 麗信有限公司	Corporate (Note 2) 公司 (附註 2)	1	100%
	Crystal Key Investment Limited	Corporate (Note 2) 公司 (附註 2)	1	100%
	Grandville Venture Corp.	Corporate (Note 2) 公司 (附註 2)	50,000	100%
	Global Centre Investments Limited	Corporate (Note 2) 公司 (附註 2)	1	100%

Notes:

附註:

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

- (1) 擁有 Real Reward 50% 權益之 United Goal 由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家屬之全權信託最終擁有，故根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 1 股股份中擁有權益。
- (2) 擁有 Real Reward 50% 權益之 United Goal 由劉鑾鴻先生及合資格受益人為劉鑾雄先生若干家屬之全權信託最終擁有。偉洋有限公司、麗信有限公司、Crystal Key Investment Limited、Grandville Venture Corp. 及 Global Centre Investments Limited 為 Real Reward 直接或間接全資附屬公司，故根據證券及期貨條例，劉鑾鴻先生被視作於 Real Reward 於偉洋有限公司、麗信有限公司、Crystal Key Investment Limited、Grandville Venture Corp. 及 Global Centre Investments Limited 直接或間接持有股份中擁有權益。

All the interests stated above represented long positions. As at 30th June, 2007, the directors and chief executives had no short positions recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Subsequent to the period, as at 16th August, 2007, being the latest practicable date prior to the printing of this interim report (the "Latest Practicable Date"), the long positions of Mr. Thomas Lau in the shares and underlying shares increased to a total of 559,885,000 shares representing approximately 65.72% interest (compared to a total of 554,264,000 shares representing approximately 65.32% as at 30th June, 2007) by virtue of SFO as a result of his further acquisitions in aggregate of 5,621,000 shares in the stock market as well as exercise of share options amounting to 3,052,000 shares. Save as disclosed above, as at the Latest Practicable Date, the directors and chief executives had no short positions recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

上述全部權益均為好倉。於二零零七年六月三十日，本公司根據證券及期貨條例第336條規定存置之登記冊並無記錄董事及行政總裁擁有任何淡倉。

於本期間後，截至本中期報告刊印前之最後實際可行日期二零零七年八月十六日（「最後可行日期」），根據證券及期貨條例，基於劉鑾鴻先生進一步於股市購入合共5,621,000股股份，並行使涉及3,052,000股股份之購股權，故彼於股份及相關股份之好倉增至合共559,885,000股股份，相當於約65.72%權益，而於二零零七年六月三十日則為合共554,264,000股股份，相當於約65.32%權益。除上文披露者外，於最後可行日期，董事及行政總裁概無擁有本公司根據證券及期貨條例第336條規定存置之登記冊所記錄之任何淡倉。

Substantial Shareholders

主要股東

As at 30th June, 2007, as far as known to the directors, the following persons (other than the directors or chief executives of the Company) who had 5% or more interests in the shares or underlying shares in respect of equity derivatives of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

於二零零七年六月三十日，據董事所知，按本公司根據證券及期貨條例第336條存置的登記冊所記錄，除本公司董事或行政總裁外，下列人士於本公司股份或股本衍生工具相關股份中擁有5%或以上權益，而該等權益須根據證券及期貨條例第XV部第2及3分部之規定向本公司披露如下：

Long position in the shares of the Company

本公司股份之好倉

Name of shareholder 股東名稱	Nature of interest and capacity 權益性質及身分	Total number of shares held 所持股份總數	Approximate percentage of interest 概約權益百分比
Real Reward	Beneficial owner 實益擁有人	540,000,000	63.64%
United Goal	Corporate (Note 1) 公司(附註1)	540,000,000	63.64%
Asia Prime Assets Limited ("Asia Prime")	Corporate (Note 1) 公司(附註1)	540,000,000	63.64%
Go Create Limited ("Go Create")	Corporate (Note 2) 公司(附註2)	540,000,000	63.64%
Chow Tai Fook Enterprises Limited ("CTF") 周大福企業有限公司(「周大福」)	Corporate (Note 2) 公司(附註2)	540,000,000	63.64%

Notes:

- (1) Asia Prime which is wholly owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal, a 50% shareholder of Real Reward. By virtue of the SFO, Asia Prime and United Goal are deemed to be interested in the shares held by Real Reward.
- (2) Go Create, a company wholly owned by CTF of which family members of Dató Dr. Cheng Yu-tung have controlling interests, has 50% interest in Real Reward. By virtue of the SFO, CTF and Go Create are deemed to be interested in the shares held by Real Reward.
- (3) Mr. Thomas Lau is deemed to be a substantial shareholder who is interested in 540,000,000 shares of the Company (approximately 63.64%) and 6,130,000 shares (approximately 0.72%) of the Company held by Real Reward and Dynamic Castle respectively. Mr. Thomas Lau also holds 8,134,000 share options (approximately 0.96%) granted by the Company as beneficial owners. Details of his interests are set out in Section under "Directors' and Chief Executives' Interests in Shares and Underlying Shares".

附註：

- (1) 由劉鑾鴻先生全資擁有的Asia Prime持有Real Reward 50%權益股東United Goal全部已發行股本三分之一以上，故根據證券及期貨條例，Asia Prime及United Goal被視作於Real Reward所持股份中擁有權益。
- (2) Go Create擁有Real Reward 50%權益，且為拿督鄭裕彤博士家屬擁有控股權益的周大福全資擁有，故根據證券及期貨條例，周大福及Go Create被視作於Real Reward所持股份中擁有權益。
- (3) 劉鑾鴻先生被視為主要股東，於Real Reward及Dynamic Castle分別所持540,000,000股(約63.64%)及6,130,000股(約0.72%)本公司股份中擁有權益。劉鑾鴻先生亦作為實益持有人持有本公司所授予之8,134,000份購股權(約0.96%)。有關彼之權益詳情，載於「董事及行政總裁於股份及相關股份之權益」一節。

All the interests stated above represented long positions. As at 30th June, 2007, the substantial shareholders of the Company had no short positions recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Subsequent to the period, as at the Latest Practicable Date, the long positions of the substantial shareholders of the Company (other than the directors or chief executives of the Company) remained unchanged and they had no short positions recorded on the register required to be kept by the Company pursuant to Section 336 of the SFO.

上述全部權益均為好倉。於二零零七年六月三十日，本公司根據證券及期貨條例第336條規定存置之登記冊並無記錄本公司主要股東擁有任何淡倉。

於本期間後，截至最後可行日期，除本公司董事或行政總裁外，本公司主要股東持有之好倉維持不變，彼等並無擁有本公司根據證券及期貨條例第336條規定存置之登記冊所記錄之任何淡倉。

Share Option Scheme

購股權計劃

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

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

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

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

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

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

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

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

Details of Options Granted by the Company

本公司授出購股權之詳情

As at 30th June, 2007, options to subscribe for an aggregate of 11,998,000 shares of the Company granted to a Director (as disclosed above) and certain full-time employees pursuant to the Scheme remained outstanding, details of which were as follows:

於二零零七年六月三十日，誠如上文所披露，本公司根據該計劃向一名董事及若干全職僱員授出可供認購合共11,998,000股本公司股份且尚未行使之購股權詳情如下：

	Date of grant	Number of share options 購股權數目					Outstanding as at 30th June, 2007 於二零零七年六月三十日 尚未行使	Option period	Subscription price per share
		Outstanding as at 1st January, 2007 於二零零七年一月一日 尚未行使	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period			
	授出日期		期內授出	期內行使	期內失效	期內註銷	購股權期限	每股認購價	
Director									
董事									
Mr. Thomas Lau 劉鑾鴻先生	7/10/2005 二零零五年十月七日	504,000	-	-	-	-	504,000	7/10/2006-26/3/2014 (Note 2) 二零零六年十月七日至 二零一四年三月二十六日 (附註 2)	HK\$12.32 12.32港元
	16/03/2006 二零零六年三月十六日	7,630,000	-	-	-	-	7,630,000	16/3/2007-26/3/2014 (Note 3 and 4) 二零零七年三月十六日至 二零一四年三月二十六日 (附註 3 及 4)	HK\$12.74 12.74港元
Employees									
僱員									
	7/10/2005 二零零五年十月七日	4,498,000	-	(532,000)	(102,000)	-	3,864,000	7/10/2006-26/3/2014 (Note 2) 二零零六年十月七日至 二零一四年三月二十六日 (附註 2)	HK\$12.32 12.32港元
Total 總計		12,632,000	-	(532,000)	(102,000)	-	11,998,000		

Notes:

- (1) Subsequent to the period, as at the Latest Practicable Date, Mr. Thomas Lau had exercised share options amounting to 3,052,000 shares at the subscription price of HK\$12.74 per share.
- (2) The options, granted on 7th October, 2005, are exercisable from 7th October, 2006 to 26th March, 2014 (both days inclusive) subject to the following vesting period:
 - (i) up to 40% of the options commencing 7th October, 2006;
 - (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 7th October, 2007;
 - (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing 7th October, 2008.

附註：

- (1) 於本期間後，截至最後可行日期，劉鑾鴻先生已按認購價每股12.74港元行使涉及3,052,000股股份之購股權。
- (2) 該等於二零零五年十月七日授出之購股權可於二零零六年十月七日至二零一四年三月二十六日期間（包括首尾兩日）行使，有關歸屬期如下：
 - (i) 自二零零六年十月七日起最多40%之購股權；
 - (ii) 自二零零七年十月七日起最多70%之購股權（包括上個期間指定限額並未行使之購股權）；
 - (iii) 自二零零八年十月七日起最多100%之購股權（包括上個期間指定限額並未行使之購股權）。

Details of Options Granted by the Company 本公司授出購股權之詳情

(3) The options, granted on 16th March, 2006, are exercisable from 16th March, 2007 to 26th March, 2014 (both days inclusive) subject to the following vesting period:

- (i) up to 40% of the options commencing 16th March, 2007;
- (ii) up to 70% of the options (including the options not exercised under the limit prescribed for in the previous period) commencing 16th March, 2008;
- (iii) up to 100% of the options (including the options not exercised under the limit prescribed for in the previous periods) commencing 16th March, 2009.

The closing price of the shares of the Company, immediately before the date on which the options were granted on 16th March, 2006, was HK\$12.75. The grant of such options was subsequently approved by independent shareholders on 26th April, 2006.

(4) According to the Black-Scholes pricing model (the "Model"), the fair value of the options granted during the period was estimated at HK\$22 million. The variables used in the model were as follows:

Share price on 26th April, 2006	HK\$13.15	closing share price on 26th April, 2006
Expected volatility	30.71%	historical volatility of the Company's share price over the previous year
Expected life	5.5 years	based on management's best estimate, take into account non-transferability, exercise restrictions and other behavioural considerations
Risk-free rate	4.55%	reference to yield of 10-year Exchange Fund Notes in March 2006
Expected dividend yield	2.52%	based on historical dividend yield of the shares of the Company over 12-month period

This Model was developed to estimate the fair value of publicly traded options that have no vesting restriction and are fully transferable. As the Company's share options have characteristics significantly different from those traded options, and the value of the share options varies with different variables of certain subjective assumptions, any change in the variables so used may materially affect the estimation of the fair value of the share options.

(3) 該等於二零零六年三月十六日授出之購股權可於二零零七年三月十六日至二零一四年三月二十六日期間(包括首尾兩日)行使,有關歸屬期如下:

- (i) 自二零零七年三月十六日起最多40%之購股權;
- (ii) 自二零零八年三月十六日起最多70%之購股權(包括上個期間指定限額並未行使之購股權);
- (iii) 自二零零九年三月十六日起最多100%之購股權(包括上個期間指定限額並未行使之購股權)。

本公司股份緊接於二零零六年三月十六日授出購股權當日之前之收市價為12.75港元。該等購股權之授出其後獲獨立股東於二零零六年四月二十六日批准。

(4) 根據柏力克-舒爾斯定價模式(「模式」),期內授出購股權之公平值估計為22,000,000港元。模式所用變數如下:

於二零零六年四月二十六日之股價	13.15港元	於二零零六年四月二十六日之股份收市價
預期波幅	30.71%	上一年度本公司股價之以往波幅
預計年期	5.5年	按管理層之最佳估計,並計及不得轉讓、行使限制及其他表現考慮因素
無風險利率	4.55%	經參考於二零零六年三月之10年期外匯基金票據孳息計算
預期股息率	2.52%	按本公司股份於過去十二個月之過往股息率計算

釐定模式旨在估計並無歸屬限制及可悉數轉讓之公開買賣購股權之公平值。由於本公司購股權之特徵與該等公開買賣購股權有重大差異,以及購股權價值具備若干主觀假設不同變數,故所採納變數之任何變動或會對購股權公平值之估計造成重大影響。

Additional Information

其他資料

Employees

As at 30th June, 2007, the Group had a total of about 1,040 employees in Hong Kong and 400 in the PRC. Employee's cost (excluding directors' emoluments) amounted to approximately HK\$109.7 million (2006: HK\$93.5 million). The Group ensures that the pay levels of its employees are competitive according to market trend and its employees are rewarded on a performance related basis within the general framework of the Group's salary and bonus system.

Purchase, Sale or Redemption of the Company's Securities

There was no purchase, sale or redemption of shares of the Company by the Company or any of its subsidiaries during the six months ended 30th June, 2007.

Code on Corporate Governance Practices

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

Model Code for Securities Transactions by Directors

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

Audit Committee

An Audit Committee has been established by the Company to review and supervise the financial reporting process and internal control procedures of the Company. The Group's interim report for the six months ended 30th June, 2007 has been reviewed by the Audit Committee and the Company's auditors.

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

Remuneration Committee

A Remuneration Committee has been established by the Company to consider the remuneration of the directors and senior management of the Company. The Remuneration Committee comprises three Independent Non-executive Directors, namely, Mr. Lam Siu-lun, Simon, The Hon. Shek Lai-him, Abraham and Mr. Hui Chiu-chung, Stephen and one executive director namely Mr. Lau Luen-hung, Thomas who chairs the Remuneration Committee.

僱員

於二零零七年六月三十日，本集團分別於香港及中國共僱用約1,040名及400名員工。僱員成本（不包括董事酬金）約為109,700,000港元（二零零六年：93,500,000港元）。本集團確保僱員薪酬水平符合市場趨勢並具競爭力，僱員之薪酬乃根據本集團之一般薪金及花紅制度因應僱員表現釐定。

購買、出售或贖回本公司證券

本公司或其任何附屬公司於截至二零零七年六月三十日止六個月內概無購買、出售或贖回本公司股份。

企業管治常規守則

本公司一直遵守聯交所證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「企業管治守則」）之守則條文。

董事進行證券交易的標準守則

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

審核委員會

本公司已成立審核委員會，以審閱及監督本公司之財務申報程序及內部監控措施。審核委員會及本公司核數師已審閱本集團截至二零零七年六月三十日止六個月之中期報告。

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

薪酬委員會

本公司已成立薪酬委員會，以審議本公司董事及高級管理人員之薪酬。薪酬委員會由三名獨立非執行董事林兆麟先生、石禮謙議員及許照中先生以及一名執行董事劉鑾鴻先生組成。劉鑾鴻先生出任薪酬委員會主席。

Appreciation

致謝

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

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

Hong Kong, 8th August, 2007

董事局謹此向管理層及全體員工之努力不懈、盡心全意為本集團效力，以及股東及顧客一直對本集團及其業務之鼎力支持致以衷心謝意。

代表董事局
利福國際集團有限公司
董事總經理
劉鑾鴻

香港，二零零七年八月八日

Lifestyle International Holdings Limited
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