



Interim Report 2005
二零零五年 中期報告



CORPORATE INFORMATION 企業資料

Company Name

Lifestyle International Holdings Limited

公司名稱

利福國際集團有限公司

Stock Code

1212

股份代號

1212

Board of Directors

Executive Directors

Mr. Lau Luen-hung, Thomas (Managing Director)

Mr. Doo Wai-hoi, William

董事局

執行董事

劉鑾鴻先生(董事總經理)

杜惠愷先生

Non-executive Directors

Dató Dr. Cheng Yu-tung (Chairman)

Mr. Cheng Kar-shun, Henry

Mr. Lau Luen-hung, Joseph

Ms. Lau Yuk-wai, Amy

非執行董事

拿督鄭裕彤博士(主席)

鄭家純先生

劉鑾雄先生

劉玉慧女士

Independent Non-executive Directors

Mr. Lam Siu-lun, Simon (ACA, FTIHK)

Mr. Cheung Yuet-man, Raymond

Mr. Shek Lai-him, Abraham

Mr. Hui Chiu-chung

獨立非執行董事

林兆麟先生(ACA, FTIHK)

張悅文先生

石禮謙先生

許照中先生

Company Secretary

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

公司秘書

蕭寶嬋女士(ACS, ACIS)

Qualified Accountant

Mr. Poon Fuk-chuen, Terry (CPA)

合資格會計師

潘福全先生(CPA)

Authorised Representatives

Mr. Lau Luen-hung, Thomas

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

授權代表

劉鑾鴻先生

蕭寶嬋女士(ACS, ACIS)

Audit Committee

Mr. Lam Siu-lun, Simon (ACA, FTIHK)

(Chairman of the Audit Committee)

Mr. Cheung Yuet-man, Raymond

Mr. Shek Lai-him, Abraham

Mr. Hui Chiu-chung

審核委員會

林兆麟先生(ACA, FTIHK)

(審核委員會主席)

張悅文先生

石禮謙先生

許照中先生

Remuneration Committee

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

Registered Office

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town, Grand Cayman
British West Indies

Head Office and Principal Place of Business

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

Hong Kong Share Registrar and Transfer Office (Branch Registrar)

Computershare Hong Kong Investor Services Limited

Cayman Islands Share Registrar and Transfer Office (Registrar)

Butterfield Bank (Cayman) Limited

Share Information

Place of listing: Main Board of The Stock Exchange
of Hong Kong Limited
Stock code: 1212
Board lot: 500 shares
Financial year end: 31st December
Share price at 30th June, 2005: HK\$12.8
Market capitalization at 30th June, 2005: HK\$9,562 million

Website Address

www.lifestylehk.com.hk

薪酬委員會

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

註冊辦事處

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town, Grand Cayman
British West Indies

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

香港股份過戶登記處 (分處)

香港中央證券登記有限公司

開曼群島股份過戶登記處 (總處)

Butterfield Bank (Cayman) Limited

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
於二零零五年六月三十日股價: 12.8港元
於二零零五年六月三十日市值: 9,562百萬港元

網址

www.lifestylehk.com.hk

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HIGHLIGHTS 摘要

- Turnover amounted to HK\$968 million, an increase of 30.4%
- SOGO Hong Kong reported same store sales growth of 13.9% to HK\$1,880 million
- Profit attributable to shareholders soared 26.7% to HK\$234 million
- Earnings per share increased 6.4% to HK cents 31.37
- Interim dividend of HK cents 12.5 per share
- 營業額增加30.4%至968,000,000港元
- 崇光(香港)之同店銷售額上升13.9%至1,880,000,000港元
- 股東應佔溢利躍升26.7%至234,000,000港元
- 每股盈利增加6.4%至31.37港仙
- 中期股息每股12.5港仙

RESULTS 業績

The Board of Directors (the "Board") of Lifestyle International Holdings Limited (the "Company" or "Lifestyle International") is pleased to announce that the unaudited consolidated results for the six months ended 30th June, 2005 of the Company and its subsidiaries (collectively the "Group"), together with comparative figures for the previous period are as shown on pages 2 to 17.

Condensed Consolidated Income Statement

For the six months ended 30th June, 2005

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」)截至二零零五年六月三十日止六個月之未經審核綜合業績·連同去年同期之比較數字載於第2至17頁。

簡明綜合收益表

截至二零零五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		
		2005	2004	
		二零零五年	二零零四年	
		HK\$'000	HK\$'000	
		千港元	千港元	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Turnover	營業額	3	967,870	742,255
Cost of sales and direct operating expenses	銷售成本及直接經營開支	4	(449,885)	(337,856)
Gross profit	毛利		517,985	404,399
Other operating income	其他經營收入		45,778	19,626
Distribution costs	分銷成本		(236,472)	(168,165)
Administrative expenses	行政開支		(36,340)	(32,567)
Fair value changes on investment held for trading	持作買賣投資之公平值變動		2,747	-
Fair value changes on investment properties	投資物業公平值變動		700	6,700
Finance costs	融資成本	5	(16,252)	(3,193)
Share of profit of a jointly controlled entity	應佔共同控制實體溢利		385	-
Profit before taxation	除稅前溢利	6	278,531	226,800
Taxation	稅項	7	(50,851)	(41,930)
Profit for the period	本期間溢利		227,680	184,870
Attributable to:	應佔部分:			
Equity holders of the Company	公司股東		234,301	184,870
Minority interests	少數股東權益		(6,621)	-
			227,680	184,870
Dividends	股息	8	93,375	49,302
Earnings per share – basic (HK cents)	每股盈利 – 基本 (港仙)	9	31.37	29.49

Condensed Consolidated Balance Sheet

At 30th June, 2005

簡明綜合資產負債表

於二零零五年六月三十日

			30th June, 2005	31st December, 2004
			二零零五年 六月三十日	二零零四年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
			(Unaudited) (未經審核)	(Audited) (經審核)
Non-current assets	非流動資產			
Investment properties	投資物業	10	10,400	9,700
Property, plant and equipment	物業、廠房及設備	11	2,275,091	2,079,990
Interest in a jointly controlled entity	投資於一家共同控制實體權益		513,038	–
Deferred tax assets	遞延稅項資產		13,966	15,628
			2,812,495	2,105,318
Current assets	流動資產			
Inventories	存貨	12	49,538	33,822
Trade and other receivables	應收賬款及其他應收款項	13	114,296	76,271
Tax recoverable	可收回稅項		818	818
Investment held for trading	持作買賣之投資		28,000	–
Bank balances and cash	銀行結存及現金		1,401,341	2,039,046
			1,593,993	2,149,957
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	14	480,928	521,625
Tax payable	應繳稅項		79,062	40,032
Amount due to a jointly controlled entity	應付一家共同控制實體款項		173,967	–
Obligations under finance leases – due within one year	融資租約承擔 – 一年內到期		44	72
Bank borrowings, secured – due within one year	有抵押銀行借貸 – 一年內到期		193,867	212,930
			927,868	774,659
Net current assets	流動資產淨值		666,125	1,375,298
Total assets less current liabilities	總資產減流動負債		3,478,620	3,480,616

Condensed Consolidated Balance Sheet (continued)

簡明綜合資產負債表(續)

		Notes	30th June, 2005 二零零五年 六月三十日 HK\$'000 千港元 (Unaudited) (未經審核)	31st December, 2004 二零零四年 十二月三十一日 HK\$'000 千港元 (Audited) (經審核)
		附註		
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Non-current liabilities	非流動負債			
Obligations under finance leases – due after one year	融資租約承擔—一年後到期		26	49
Bank borrowings, secured – due after one year	有抵押銀行借貸—一年後到期		1,580,000	1,660,000
Deferred tax liabilities	遞延稅項負債		26,475	28,137
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			1,606,501	1,688,186
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			1,872,119	1,792,430
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Capital and reserves	資本及儲備			
Share capital	股本	15	7,470	7,470
Reserves	儲備		1,864,649	1,784,960
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			1,872,119	1,792,430
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Condensed Consolidated Statement of Changes in Equity

For the six months ended 30th June, 2005

簡明綜合權益變動表

截至二零零五年六月三十日止六個月

Attributable to equity holders of the Company

公司股東應佔部分

		Share capital	Share premium	Investment property revaluation reserve	Exchange reserve	Accumulated losses	Total	Minority interests	Total
		股本	股份溢價	投資物業重估儲備	匯兌儲備	累計虧損	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
		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, 2004	於二零零四年一月一日	4,000	-	-	-	(1,120,198)	(1,116,198)	-	(1,116,198)
Issue of shares upon incorporation	註冊成立時發行股份	-	-	-	-	-	-	-	-
Issue of shares on Group Reorganisation	集團重組時發行股份	4,194	-	-	-	-	4,194	-	4,194
Elimination on Group Reorganisation	集團重組時對銷	(4,000)	-	-	-	-	(4,000)	-	(4,000)
Issue of shares on capitalisation of loans	貸款撥充資本時發行股份	1,206	884,163	-	-	-	885,369	-	885,369
Issue of shares by placing and public offering	透過配售及公開發售發行股份	1,800	1,492,200	-	-	-	1,494,000	-	1,494,000
Issue of shares on exercise of over-allotment option	行使超額配股權時發行股份	270	223,830	-	-	-	224,100	-	224,100
Expenses incurred in connection with the issue of shares	發行股份產生開支	-	(87,245)	-	-	-	(87,245)	-	(87,245)
Net profit for the period	本期間純利	-	-	-	-	184,870	184,870	-	184,870
At 30th June, 2004	於二零零四年六月三十日	7,470	2,512,948	-	-	(935,328)	1,585,090	-	1,585,090
Expenses incurred in connection with the issue of shares	發行股份產生開支	-	(2,668)	-	-	-	(2,668)	-	(2,668)
Surplus on revaluation of investment properties	重估投資物業盈餘	-	-	2,882	-	-	2,882	-	2,882
Net profit for the period	本期間純利	-	-	-	-	256,428	256,428	-	256,428
Dividend paid	已派付股息	-	(49,302)	-	-	-	(49,302)	-	(49,302)
At 31st December, 2004	於二零零四年十二月三十一日	7,470	2,460,978	2,882	-	(678,900)	1,792,430	-	1,792,430
Adjustment due to application of Hong Kong Accounting Standard 40	因應用香港會計準則第40號作出調整	-	-	(2,882)	-	2,882	-	-	-
Restated balance as at 1st January, 2005	於二零零五年一月一日之重列結餘	7,470	2,460,978	-	-	(676,018)	1,792,430	-	1,792,430
Acquisition of subsidiaries	收購附屬公司	-	-	-	-	-	-	(10,339)	(10,339)
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	16,935	16,935
Exchange differences arising on translation of foreign operations	換算海外業務之匯兌差額	-	-	-	17	-	17	25	42
Net profit for the period	本期間純利	-	-	-	-	234,301	234,301	(6,621)	227,680
Dividend paid	已派付股息	-	(154,629)	-	-	-	(154,629)	-	(154,629)
At 30th June, 2005	於二零零五年六月三十日	7,470	2,306,349	-	17	(441,717)	1,872,119	-	1,872,119

Condensed Consolidated Cash Flow Statement

For the six months ended 30th June, 2005

簡明綜合現金流量表

截至二零零五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	
		2005 二零零五年 HK\$'000 千港元 (Unaudited) (未經審核)	2004 二零零四年 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash from operating activities	經營業務所得現金淨額	117,757	144,629
Net cash used in investing activities	投資活動所用現金淨額		
Proceeds from disposal of property, plant and equipment	出售物業·廠房及設備所得款項	-	3,647
Purchase of a subsidiary (net of cash and cash equivalents acquired)	購入一家附屬公司·扣除所購入現金及現金等價物	(465,581)	-
Other investing cash flows	其他投資現金流量	(36,820)	(17,166)
		(502,401)	(13,519)
Net cash (used in) from financing activities	融資活動(所用)所得現金淨額		
Proceeds on issue of shares	發行股份所得款項	-	1,718,100
Repayments of borrowings	償還借貸	(132,930)	(270,610)
Other financing cash flows	其他融資現金流量	(120,131)	65,844
		(253,061)	1,513,334
Net (decrease) increase in cash and cash equivalents	現金及現金等價物(減少)增加淨額	(637,705)	1,644,444
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	2,039,046	193,691
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	1,401,341	1,838,135

Notes to the Condensed Financial Statements

For the six months ended 30th June, 2005

1. Basis of Preparation

The condensed financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") 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 financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values or revalued amounts, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st December, 2004 except as described below.

In the current period, the Group has applied, for the first time, a number of new Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations (hereinafter collectively referred to as "new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are effective for accounting periods beginning on or after 1st January, 2005. The application of the new HKFRSs has resulted in the change in presentation of income statement, balance sheet and the statement of changes in equity. In particular, the presentation of minority interests has been changed. The adoption of the new HKFRSs has had no material effect on how the results for the current or prior accounting periods are prepared and presented. Accordingly, no prior period adjustment has been required. The adoption of the new HKFRSs has resulted in changes to the Group's accounting policies in the following areas that have an effect on how the results for the current or prior accounting periods are prepared and presented.

At the date of authorisation of these condensed financial statements, the following new HKFRSs and Interpretations issued by Hong Kong (International) Financial Reporting Interpretations Committee ("HK(IFRIC) – Ints") were in issue but not yet effective:

HKFRS 6	Exploration for and Evaluation of Mineral Resources
HK(IFRIC)-Int 3	Emission Rights
HK(IFRIC)-Int 4	Determining whether an Arrangement contains a Lease
HK(IFRIC)-Int 5	Right to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
Amendment to HKAS 19	Actuarial Gains and Losses, Group Plans and Disclosures
Amendments to HKAS 39	Cash Flow Hedge Accounting of Forecast Intragroup Transactions The Fair Value Option

The directors anticipate that the adoption of these new HKFRSs and HK(IFRIC) – Ints in future periods will have no material impact on the condensed financial statements of the Group.

簡明財務報表附註

截至二零零五年六月三十日止六個月

1. 編製基準

簡明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(「上市規則」)附錄16之適用披露規定,以及香港會計準則第34號中期財務報告而編製。

2. 主要會計政策

簡明財務報表乃根據歷史成本基準編製,惟若干物業及金融工具則以公平值或重估金額(如適用)計算。

此等簡明財務報表所採用之會計政策與編製本集團截至二零零四年十二月三十一日止年度年報所採用者相符合,惟下文所述者除外。

於本期間,本集團首次應用由香港會計師公會(「香港會計師公會」)頒布,並於二零零五年一月一日或之後會計期間生效之多項新訂香港財務報告準則、香港會計準則及詮釋(下文統稱「新訂香港財務報告準則」)。應用新訂香港財務報告準則導致收益表、資產負債表及權益變動表之呈報方式有變。特別是少數股東權益之呈報出現變動。採納新訂香港財務報告準則不會對現時或先前會計期間之業績之編製及呈報方式構成重大影響,故毋須作出前期調整。採納新訂香港財務報告準則導致本集團會計政策於下列範疇出現變動,並對現時或先前會計期間之業績之編製及呈報方式構成影響。

於批准此等簡明財務報表當日,下列新訂香港財務報告準則及由香港(國際)財務報告詮釋委員會(Hong Kong (International) Financial Reporting Interpretations Committee)頒布之詮釋(「香港(國際)財務報告詮釋委員會」—詮釋)已頒布惟尚未生效:

香港財務報告準則第6號	開拓及評估礦物資源
香港(國際財務報告詮釋委員會)—詮釋第3號	傳播權利
香港(國際財務報告詮釋委員會)—詮釋第4號	釐定安排是否包括租賃
香港(國際財務報告詮釋委員會)—詮釋第5號	於解除運作、再造及環保修復基金產生之權益之權利
修訂香港會計準則第19號	精算收益及虧損、集團計劃及披露
修訂香港會計準則第39號	預期集團內部交易之現金流量對沖之會計處理 公平值之選擇

董事預期,於日後期間採納此等新訂香港財務報告準則及香港(國際)財務報告詮釋委員會—詮釋將不會對本集團簡明財務報表構成重大影響。

2. Significant Accounting Policies (continued)

Investment properties

In the current period, the Group has, for the first time, applied HKAS 40 *Investment Property*. The Group has elected to use the fair value model to account for its investment properties which requires gains or losses arising from changes in the fair value of investment properties to be recognised directly in the profit or loss for the period in which they arise. In previous periods, investment properties under the predecessor standard were measured at open market values, with revaluation surplus or deficit credited or charged to investment property revaluation reserve unless the balance on this reserve was insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve was charged to the income statement. Where a decrease had previously been charged to the income statement and revaluation increase subsequently arose, that increase was credited to the income statement to the extent of the decrease previously charged. The Group has applied the relevant transitional provisions in HKAS 40 and elected to apply HKAS 40 from 1st January, 2005 onwards. The amount held in investment property revaluation reserve at 1st January, 2005 has been transferred to the Group's accumulated loss.

Deferred taxes related to investment properties

In previous periods, deferred tax consequences in respect of revalued investment properties were assessed on the basis of the tax consequence that would follow from recovery of the carrying amount of the properties through sale in accordance with the predecessor Interpretation. In the current period, the Group has applied HKAS Interpretation 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* which removes the presumption that the carrying amount of investment properties are to be recovered through sale. Therefore, the deferred tax consequences of the investment properties are now assessed on the basis that reflect the tax consequences that would follow from the manner in which the Group expects to recover the property at each balance sheet date. In the absence of any specific transitional provisions in HKAS Interpretation 21, this change in accounting policy has been applied retrospectively. However, the adoption of HKAS Interpretation 21 does not have any significant impact on the profit of the prior period and no prior period adjustment is necessary.

Classification and measurement of financial assets and financial liabilities

The Group classifies and measures its debt and equity securities in accordance with HKAS 39 "Financial Instruments: Recognition and Measurement". Under HKAS 39, financial assets are classified as "financial assets at fair value through profit or loss", "available-for-sale financial assets", "loans and receivables" or "held-to-maturity financial assets". The classification depends on the purpose for which the assets are acquired. "Financial assets at fair value through profit or loss" and "available-for-sale financial assets" are carried at fair value, with changes in fair values recognised in profit or loss and equity respectively. "Loans and receivables" and "held-to-maturity financial assets" are measured at amortised cost using the effective interest method.

Goodwill

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

2. 主要會計政策 (續)

投資物業

於本期間，本集團首次應用香港會計準則第40號 *投資物業*。本集團選用公平價值模式就其投資物業列賬，該模式規定投資物業公平價值變動所產生盈虧將直接於產生期間之溢利或虧損中確認。於過往期間，按以往標準，投資物業乃按公開市值計算，而重估盈餘或虧絀則計入或扣除自投資物業重估儲備，惟此儲備之結餘不足以彌補重估減少者除外，於此情況下，重估減少較投資物業重估儲備結餘多出之金額自收益表扣除。倘減少先前已自收益表扣除及其後出現重估增加，該增幅計入收益表，惟以先前扣除之減幅為限。本集團已應用香港會計準則第40號之有關過渡條文，且自二零零五年一月一日起選用香港會計準則第40號。於二零零五年一月一日之投資物業重估儲備所持金額已轉撥至本集團累計虧損。

投資物業遞延稅項

於過往期間，有關重估投資物業之遞延稅項影響乃按根據以往詮釋透過銷售收回物業賬面值之稅務影響評估。於本期間，本集團已應用香港會計準則詮釋第21號 *所得稅—收回重估不予折舊資產*，該詮釋撇除投資物業賬面值透過銷售可予收回之假設。因此，投資物業之遞延稅項影響現時按反映本集團預期於各結算日收回物業之方式所產生之稅務影響評估。在香港會計準則詮釋第21號並無任何特定過渡條文之情況下，會計政策之變動已追溯應用。然而，採納香港會計準則詮釋第21號並無對先前期間之溢利構成任何重大影響，亦毋須作出前期調整。

金融資產及金融負債之分類與計量

本集團根據香港會計準則第39號「金融工具：確認與計量」分類及計量其債務與股本證券。根據香港會計準則第39號，金融資產分類為「透過損益以公平值列賬之金融資產」、「可供銷售金融資產」、「貸款及應收款項」或「持有至到期日之金融資產」。分類取決於收購資產之目的。「透過損益以公平值列賬之金融資產」及「可供銷售金融資產」乃以公平值列值，而公平值之變動分別於損益及股本確認。「貸款及應收款項」及「持有至到期日之金融資產」以實際權益法按攤銷成本計算。

商譽

收購附屬公司或共同控制實體產生之商譽，指有關收購成本超出本集團於收購當日應佔已確認附屬公司或共同控制實體之可辨認資產、負債及或然負債之公平淨值之權益之差額。商譽初步按成本確認為資產，並於其後按成本減任何累計減值虧損計算。

2. Significant Accounting Policies (continued)

Goodwill (continued)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Interests in joint ventures

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary (see above).

Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.

The financial effects of the application of the new HKFRSs to the Group's equity at 1st January, 2005 are summarised below:

		As originally stated	Adjustment	As restated
		原先呈列 HK\$'000 千港元	調整 HK\$'000 千港元	重列 HK\$'000 千港元
Accumulated losses	累計虧損	(678,900)	2,882	(676,018)
Investment property revaluation reserve	投資物業重估儲備	2,882	(2,882)	-
Total effects on equity	股本之整體影響	(676,018)	-	(676,018)

2. 主要會計政策 (續)

商譽 (續)

就減值檢測而言，商譽分配予本集團各個預期受惠於合併所產生協同效益之現金產生單位。獲分配商譽之現金產生單位每年或頻密地於有跡象顯示單位可能減值時就減值進行檢測。倘現金產生單位之可收回金額少於單位之賬面值，則減值虧損首先分配至減少任何分配至該單位之商譽之賬面值，然後根據該單位各資產之賬面值按比例分配至該單位其他資產。就商譽確認之減值虧損不會於其後期間撥回。

出售附屬公司或共同控制實體時，釐定出售損益時會計入應計商譽。

於合營企業之權益

涉及成立獨立實體而各企業方擁有權益之合營企業安排乃稱為共同控制實體。本集團使用股本權益會計法呈報其於共同控制實體之權益，惟投資分類為持作出售者除外。於此情況下，按香港財務報告準則第5號持作出售之非流動資產及已終止經營業務入賬。

收購本集團於共同控制實體之權益所產生之任何商譽，按根據本集團有關收購附屬公司產生商譽（見上文）之會計政策入賬。

倘本集團與其共同控制實體進行交易，未變現溢利與虧損撇銷至本集團於合營企業之權益為限。

應用新訂香港財務報告準則對本集團於二零零五年一月一日股本權益之財務影響概述如下：

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 is analysed as follows:

		Six months ended 30th June, 截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Sales of goods – direct sales	貨品銷售 – 直接銷售	574,342	441,609
Income from concessionaire sales	特許專櫃銷售收入	337,175	270,016
Rental income	租金收入	29,978	14,289
Services income	服務收入	26,375	16,341
		967,870	742,255

Over 90% of the Group's turnover and contribution to operating profit is attributable to the operation of department store for retailing of merchandise. Accordingly no analysis of segment is presented.

3. 營業額及分部資料

營業額指本集團就向外界客戶售出的貨品已收及應收款項淨額減退貨及優惠，加上特許專櫃銷售收入、服務收入以及租金收入，茲分析如下：

本集團超過90%營業額和經營溢利貢獻來自百貨店商品零售業務，因此並無呈列分部分析。

4. Cost of Sales and Direct Operating Expenses

The costs of sales and direct operating expenses are analysed as follows:

		Six months ended 30th June, 截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Cost of sales	銷售成本	406,740	316,622
Direct operating expenses	直接經營開支	43,145	21,234
		449,885	337,856

4. 銷售成本及直接經營開支

銷售成本及直接經營開支分析如下：

5. Finance Costs

5. 融資成本

		Six months ended 30th June, 截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on:	以下項目之利息:		
Bank loans and overdrafts and borrowings wholly repayable within five years	銀行貸款、透支及須於五年內悉數償還之借貸	16,023	3,037
Finance leases	融資租約	6	6
Others	其他	223	150
		16,252	3,193

6. Profit before taxation

6. 除稅前溢利

		Six months ended 30th June, 截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation has been arrived at after charging:	除稅前溢利已扣除下列項目:		
Depreciation	折舊	58,451	39,406
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	41	-
and after crediting:	及計入下列項目:		
Interest income	利息收入	15,057	610
Gain on disposal of investment held for trading	出售持作買賣投資收益	1,572	-
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	2,421

7. Taxation

7. 稅項

		Six months ended 30th June, 截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
The charge comprises:	支出包括下列項目:		
Hong Kong Profits Tax	香港利得稅	50,851	38,565
Deferred tax charge for the period	本期間遞延稅項支出	-	3,365
		50,851	41,930

The charge represents provision for Hong Kong Profits Tax calculated at 17.5% (2004: 17.5%) of the estimated assessable profit for the period.

支出乃按本期間內之估計應課稅溢利按17.5% (二零零四年: 17.5%) 之稅率計算之香港利得稅撥備。

8. Dividends

Interim dividend payable – HK cents 12.5 (2004: HK cents 3.9) 應派中期股息 – 12.5港仙 (二零零四年: 3.9港仙)
 Special dividend payable – Nil (2004: HK cents 2.7) 應派特別股息 – 無 (二零零四年: 2.7港仙)

8. 股息

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

2005 二零零五年	2004 二零零四年
HK\$'000 千港元	HK\$'000 千港元

93,375	29,133
-	20,169
93,375	49,302

The directors have declared an interim dividend of HK cents 12.5 (2004: interim dividend HK cents 3.9 with special dividend of HK cents 2.7) per share to the shareholders of the Company whose names appear in the register of members on 2nd September, 2005.

董事已向於二零零五年九月二日名列股東名冊之本公司股東宣派中期股息每股12.5港仙 (二零零四年: 中期股息3.9港仙連同特別股息2.7港仙)。

9. Earnings per share

The calculation of basic earnings per share attributable to the ordinary equity holders of the Company for the six months ended 30th June, 2005 is based on the net profit for the period attributable to the equity holders of the Company of HK\$234,301,000 (2004: HK\$184,870,000) and on the weighted average of 747,000,000 shares (2004: 626,785,714 shares).

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares in issue.

9. 每股盈利

截至二零零五年六月三十日止六個月之公司普通股持有人應佔每股基本盈利乃按本期間公司股東應佔純利234,301,000港元 (二零零四年: 184,870,000港元) 及股份之加權平均數747,000,000股 (二零零四年: 626,785,714股) 計算。

由於本公司並無任何已發行人潛在攤薄影響普通股，故並無呈列每股攤薄盈利。

10. Investment properties

Net book value at 1st January, 2005 於二零零五年一月一日之賬面淨值
 Fair value changes on investment properties 投資物業之公平值變動

Net book value at 30th June, 2005 於二零零五年六月三十日之賬面淨值

10. 投資物業

HK\$'000
 千港元

9,700
700
10,400

11. Property, plant and equipment

11. 物業、廠房及設備

		HK\$'000 千港元
Net book value at 1st January, 2005	於二零零五年一月一日之賬面淨值	2,079,990
Additions	添置	13,255
Acquired on acquisition of a subsidiary	收購一家附屬公司時所購入	240,133
Disposals	出售	(41)
Depreciation	折舊	(58,451)
Exchange difference	匯兌差額	205
Net book value at 30th June, 2005		2,275,091

12. Inventories

12. 存貨

		30th June, 2005 二零零五年 六月三十日 HK\$'000 千港元	31st December, 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Merchandise held for resale	持有作轉售商品	49,538	33,822

All inventories were carried at cost at the respective balance sheet dates.

所有存貨在相關結算日均按成本列賬。

13. Trade and other receivables

Included in trade and other receivables are trade receivables of HK\$32,673,000 (31st December, 2004: HK\$31,644,000). 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 ageing analysis of the Group's trade receivables at the respective balance sheet dates is as follows:

13. 應收賬款及其他應收款項

應收賬款及其他應收款項已計入應收賬款32,673,000港元(二零零四年十二月三十一日:31,644,000港元)。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。本集團於各結算日之應收賬款賬齡分析如下:

		30th June, 2005 二零零五年 六月三十日 HK\$'000 千港元	31st December, 2004 二零零四年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	22,750	27,816
31 – 60 days	31至60日	4,379	3,187
61 – 90 days	61至90日	1,737	48
Over 90 days	超過90日	3,807	593
Trade receivable	應收賬款	32,673	31,644
Other receivable	其他應收款項	81,623	44,627
		114,296	76,271

14. Trade and other payables

Included in trade and other payables are trade payables of HK\$101,554,000 (31st December, 2004: HK\$112,409,000). An ageing analysis of the Group's trade payables at the respective balance sheet dates is as follows:

		30th June, 2005	31st December, 2004
		二零零五年 六月三十日	二零零四年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
0 – 30 days	0至30日	75,197	95,743
31 – 60 days	31至60日	12,185	12,467
61 – 90 days	61至90日	9,334	1,178
Over 90 days	超過90日	4,838	3,021
Trade payable	應付賬款	101,554	112,409
Concessionaire sales payable	應付特許專權銷售款項	228,477	256,000
Other payable	其他應付款項	150,897	153,216
		480,928	521,625

15. Share capital**15. 股本**

		30th June, 2005 and 31st December, 2004	
		二零零五年六月三十日 及 二零零四年十二月三十一日	
		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:		
2,000,000,000 shares of HK\$0.01 each	2,000,000,000股每股面值0.01港元之股份		20,000
Issued and fully paid:	已發行及繳足:		
747,000,000 shares of HK\$0.01 each	747,000,000股每股面值0.01港元之股份		7,470

16. Contingent liabilities

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

16. 或然負債

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

17. Commitments

		30th June, 2005	31st December, 2004
		二零零五年 六月三十日	二零零四年 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 contracted but not provided for in the condensed financial statements	有關購入物業、廠房及設備已訂約惟未於簡明財務報表撥備之資本開支	6,898	2,266
Capital expenditure in respect of the acquisition of property, plant and equipment authorised but not contracted for	有關購入物業、廠房及設備已批准惟未訂約之資本開支	62,616	-

17. 承擔

18. Related party 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	
		2005	2004
		HK\$'000	HK\$'000
		千港元	千港元
Chow Tai Fook Jewellery Company Limited ("CTF Jewellery") 周大福珠寶金行有限公司(「周大福珠寶」) 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)	2,607	3,200
	Income from concessionaire sales (note 1) 特許專櫃銷售收入(附註1)	433	-
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)	225	225
Sunny Ocean Investments Limited ("Sunny Ocean")	Lightbox licence fee paid (note 2) 已付燈箱特許費(附註2)	231	231
Viewide Properties Limited ("Viewide")	Rental, management fee and air-conditioning fee paid (note 2) 已付租金、管理費及空調費(附註2)	21,683	21,692
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」)	Interest income (note 3) 利息收入(附註3)	825	-
Property JV 物業合營企業	Rental and management fee paid (note 3) 已付租金及管理費(附註3)	68,177	-
Hong Kong Island Development Limited ("HK Island") 香島發展有限公司(「香島」)	Vetting fee, air-conditioning charges and management fee paid (note 4) 已付審批費、空調費及管理費(附註4)	1,931	-

Notes:

(1) CTF Jewellery, 周大福深圳 and New World PCS are companies in which Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The income is charged at rates according to the terms of the relevant agreements. In the opinion of the directors, the transactions with relevant parties were conducted according to the terms of the relevant agreements.

18. 有關連人士交易

(a) 交易
本期間，本集團曾與以下有關連人士進行下列重大交易：

附註：

(1) 周大福珠寶、周大福深圳及新世界流動電話為本公司董事拿督鄭裕彤博士及鄭家純先生持有實益權益的公司。收入乃按有關協議條款所訂比率收取。董事認為，與有關連人士之交易乃根據有關協議條款進行。

18. Related party transactions (continued)**(a) Transactions (continued)**

- (2) Sunny Ocean and Viewide are companies in which Mr. Lau Luen-hung, Thomas ("Mr. Thomas Lau") and Mr. Lau Luen-hung, Joseph ("Mr. Joseph Lau"), directors of the Company, have beneficial interests. Sunny Ocean and Viewide are indirect wholly owned subsidiaries of Chinese Estates Holdings Limited. Rental, management fee, air-conditioning fee and lightbox licence fee paid were charged at the prevailing market rates. In the opinion of the directors, the transactions with relevant parties were conducted according to the terms of the relevant agreements.
- (3) The interest income is charged on loan to Property JV at 2% per annum which is determined with reference to the London InterBank Offered Rate at the time the agreement was entered into. In the opinion of the directors, the transactions with relevant party were conducted according to the terms of the relevant agreements. 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\$58,931,000 and HK\$9,246,000 respectively to the Property JV. The rental was determined with reference to the market rate. The management fee was determined at the prevailing market rate.
- (4) HK Island is a company in which Dató Dr. Cheng Yu-tung and Mr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. Vetting fee, air-conditioning charges and management fee paid were charged at the prevailing market rates. In the opinion of the directors, the transactions with relevant party were conducted according to the terms of the relevant agreements.

(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 repayable on or before 31st March, 2006. As at 30th June, 2005, an amount of HK\$1,130,000 (31st December, 2004: HK\$240,000), which represents the maximum amount outstanding during the period, of the Loan Facility is utilised. Mr. Thomas Lau, a director of the Company, is one of the four directors of Dragon Sign.

- (c) As disclosed in the Company's prospectus dated 31st March, 2004, Excellent Global Limited, a direct wholly-owned subsidiary of the Company, had contracted with Pure Group Limited ("Pure Group") and Full Partner Limited ("Full Partner") for a conditional agreement to acquire:

- (i) the entire issued share capital of Great Prosperity Holding Inc. ("Great Prosperity"), and
- (ii) the face value of the shareholders' loans owed by Great Prosperity to Pure Group and Full Partner at completion.

at a consideration subject to the cap of HK\$500 million.

18. 有關連人士交易 (續)**(a) 交易 (續)**

- (2) Sunny Ocean及Viewide乃本公司董事劉鑾鴻先生(「劉鑾鴻先生」)及劉鑾雄先生(「劉鑾雄先生」)持有實益權益的公司。Sunny Ocean及Viewide乃華人置業集團之間接全資附屬公司。已付租金、管理費、空調費及燈箱特許費乃按當時市場水平支付。董事認為，與有關連人士之交易乃根據有關協議條款進行。
- (3) 給予物業合營企業貸款之利息收入經參考訂立協議當時之倫敦銀行同業拆息後按年利率2厘計息。董事認為，與有關人士之交易乃根據有關協議條款進行。物業合營企業為本集團擁有50%權益的共同控制實體。期內，本集團已分別向物業合營企業支付租金58,931,000港元及管理費9,246,000港元。租金乃參考市場價格釐定，而管理費則按現行市場價格釐定。
- (4) 香島為本公司董事拿督鄭裕彤博士及鄭家純先生擁有實益權益的公司。已付審批費、空調費及管理費乃按當時市場價格收取。董事認為，與有關連人士之交易乃根據有關協議條款進行。

(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及須於二零零六年三月三十一日或之前償還。於二零零五年六月三十日，貸款融資中已動用1,130,000港元(二零零四年十二月三十一日：240,000港元)，相當於期內最高未償還款額。本公司董事劉鑾鴻先生為龍信四名董事之一。

- (c) 誠如本公司日期為二零零四年三月三十一日之售股章程所披露，本公司直接全資附屬公司Excellent Global Limited已與Pure Group Limited(「Pure Group」)及Full Partner Limited(「Full Partner」)訂約，有條件收購：

- (i) Great Prosperity Holding Inc.(「Great Prosperity」)全部已發行股本，及
- (ii) Great Prosperity於完成時結欠Pure Group及Full Partner之股東貸款面值。

代價可予調整，上限為500,000,000港元。

18. Related party transactions (continued)**(c) (continued)**

Upon completion, the Company would have an effective equity interest of 65% in the operating joint venture company 上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited) (“Operating JV”) and 50% in the Property JV which owns the whole 10-storey shopping complex at Shanghai JoinBuy CityPlaza (the “Shopping Complex”), both in the PRC.

Great Prosperity was owned as to 50% by Pure Group (ultimately owned by Mr. Thomas Lau and Mr. Joseph Lau’s family discretionary trust) and 50% by Full Partner (ultimately owned by Chow Tai Fook Enterprises Limited (“CTF”) which has 50% indirect interest in a controlling shareholder of the Company).

With all the conditions precedent of the acquisition agreement fulfilled, the acquisition was completed on 7th January, 2005. An aggregate consideration of HK\$500 million was paid, which is subject to downward adjustment, if any, with reference to the professional confirmation on the construction cost in the completion accounts in respect of the Shopping Complex.

- (d) Following completion of the acquisition agreement as referred to in (c) above, the Operating JV has become a non-wholly owned subsidiary of the Group and pursuant to a tenancy agreement dated 26th November, 2004 entered into between the Operating JV and the Property JV, the Group is committed to lease, for a period of 20 year with an option to renew for a further 10 years upon expiry of the initial term, the Shopping Complex at an annual basic rental of RMB125 million (equivalent to approximately HK\$117.5 million). Details of other terms of the tenancy agreement have been set out in the Company’s circular dated 14th December, 2004.
- (e) Pursuant to the lease dated 24th February, 2005 (the “Lease”) entered into between Sogo Hong Kong Company Limited as tenant and HK Island, an associate of CTF, as landlord in relation to Portion of Ground Floor, Portion of Podium 1 and the entire Podium 2 of The Amazon, No. 12 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong (the “Premises”) for a term of 15 years, a turnover rent shall be payable by Sogo Hong Kong Company Limited on a monthly basis in arrears at the rate of 6% for the 1st to the 10th years of the term and 7% for the 11th to the 15th years of the term on all sales generated and/or received from the business carried on at the Premises. Other terms of the Lease have been detailed in the Company’s circular dated 11th March, 2005. The transaction was completed on 29th March, 2005.

18. 有關連人士交易 (續)**(c) (續)**

於完成時，本公司分別於同是位於中國之營運合營企業上海久光百貨有限公司（「營運合營企業」）及擁有上海九百城市廣場10層購物廣場（「購物廣場」）之物業合營企業擁有65%及50%實際股本權益。

Great Prosperity由Pure Group及Full Partner各自擁有50%。Pure Group由劉鑾鴻先生及劉鑾雄先生家族信託最終擁有。Full Partner由擁有本公司控股股東50%間接權益之周大福企業有限公司（「周大福」）最終擁有。

待收購協議之所有先決條件獲達成後，收購已於二零零五年一月七日完成。本公司已支付總代價500,000,000港元，有關代價經參考有關購物廣場之完成賬目所載建築成本之專業確認後可予下調（如有）。

- (d) 待上文(c)項所述收購協議完成後，營運合營企業成為本集團非全資附屬公司。根據營運合營企業與物業合營企業所訂立日期為二零零四年十一月二十六日之租賃合同，本集團承諾租賃購物廣場，為期20年，並可於初步租賃期屆滿後續租10年，以每年人民幣125,000,000元（折合約117,500,000港元）之基準租金租賃購物廣場。租賃合同其他條款詳情載於本公司日期為二零零四年十二月十四日之通函。
- (e) 根據崇光（香港）百貨有限公司作為承租方與周大福之聯繫人士香島作為出租方就香港九龍尖沙咀梳士巴利道12號亞瑪遜地下之部分、地庫1之部分及地庫2之全部（「有關物業」）訂立日期為二零零五年二月二十四日為期15年之租約（「租約」）。崇光（香港）百貨有限公司須於每月底支付按有關物業經營業務所產生及／或獲得之全部銷售額計算之提成租金，租期內第1至10年之提成租金按6%計算，第11至15年則按7%計算。租約其他條款於本公司日期為二零零五年三月十一日之通函詳述。交易已於二零零五年三月二十九日完成。

INDEPENDENT REVIEW REPORT 獨立審閱報告

Deloitte. 德勤

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

Introduction

We have been instructed by Lifestyle International Holdings Limited to review the interim financial report set out on pages 2 to 17.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report 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.

Review work performed

We conducted our review in accordance with the Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the HKICPA. A review consists principally of making enquiries of the group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th June, 2005.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

9th August, 2005

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)

緒言

吾等已按照利福國際集團有限公司之指示，審閱載列於第2頁至第17頁之中期財務報告。

董事及核數師各自之責任

香港聯合交易所有限公司證券上市規則規定，上市公司須按照香港會計師公會（「香港會計師公會」）頒布之會計實務準則第34號「中期財務之申報」及有關條文編製中期財務報告。中期財務報告由董事負責，並已獲董事批准。

本核數師之責任是根據審閱工作之結果，就中期財務報告作出獨立結論，並按照協定的受聘條款，僅向閣下全體匯報，惟報告不作其他用途。本核數師概不就本報告之內容，向任何其他人士負責或承擔任何責任。

所進行審閱工作

吾等根據香港會計師公會頒布之核數準則第700號「審閱中期財務報告之委聘」進行審閱。審閱工作主要包括向貴集團管理層作出有關查詢，並對中期財務報告進行分析。然後根據有關結果，評核報告是否貫徹採用一致之會計政策及呈列方式，或已另行披露。審閱工作並不包括如監控測試、對資產、債務及交易之核實等審核程序。審核工作遠較審閱全面，故此審閱結果的保證性不及審核，因此吾等不對中期財務報告發表審核意見。

審閱結論

根據吾等並不構成審核之審閱工作，吾等認為並無任何須對截至二零零五年六月三十日止六個月之中期財務報告作出之重大修訂。

德勤•關黃陳方會計師行
執業會計師
香港

二零零五年八月九日

INTERIM DIVIDEND 中期股息

The Board has declared an interim dividend for the six months ended 30th June, 2005 of HK cents 12.5 (2004: interim dividend HK cents 3.9 with special dividend HK cents 2.7) in cash per share payable on 7th September, 2005 to shareholders whose names appear on the Register of Members of the Company on 2nd September, 2005.

董事局已就截至二零零五年六月三十日止六個月宣派中期股息每股現金12.5港仙(二零零四年:中期股息3.9港仙連同特別股息2.7港仙),將於二零零五年九月七日派付予於二零零五年九月二日名列本公司股東名冊之股東。

CLOSURE OF REGISTER OF MEMBERS 暫停辦理股份過戶手續

The Company's Register of Members will be closed from 31st August, 2005 to 2nd September, 2005 (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 30th August, 2005.

本公司將於二零零五年八月三十一日至二零零五年九月二日(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轉讓。為確保符合資格收取中期股息,所有過戶文件連同有關股票須於二零零五年八月三十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

The Group's turnover increased 30.4% to HK\$967.9 million for the first six months of 2005, mainly due to the Group's Sogo Department Store ("SOGO Hong Kong" or "SOGO") recording strong same-store sales growth. SOGO Hong Kong generated sales proceeds of approximately HK\$1,880.2 million, a 13.9% increase over the equivalent figure of HK\$1,651.0 million achieved during the same period last year.

營業額及銷售所得款

由於本集團的崇光百貨(「崇光(香港)」或「崇光」)之同店銷售額增長強勁,本集團於二零零五年首六個月之營業額增加30.4%至967,900,000港元。崇光(香港)產生銷售所得款約為1,880,200,000港元,較去年同期相應數字1,651,000,000港元增加13.9%。

Gross profit and gross profit margin

During the reporting period, gross profit grew by HK\$113.6 million to HK\$518.0 million, whereas gross profit margin sustained at approximately 53.5% (2004: 54.5%).

毛利及毛利率

報告期內,毛利增加113,600,000港元至518,000,000港元,而毛利率則維持約53.5%(二零零四年:54.5%)。

EBITDA and net profit

The Group's EBITDA (earnings before interest, tax, depreciation and amortization) for the six months ended 30th June, 2005 increased from HK\$269.4 million to HK\$353.2 million with EBITDA margin (as a percentage of turnover) at approximately 36.5% (2004: 36.3%).

EBITDA及純利

截至二零零五年六月三十日止六個月,本集團之EBITDA(除利息、稅項、折舊及攤銷前盈利)由269,400,000港元增至353,200,000港元,而作為營業額百分比之EBITDA比率則約為36.5%(二零零四年:36.3%)。

Net profit for the first six months amounted to HK\$227.7 million, an increase of 23.2% over the same period last year. Earnings per share were HK cents 31.37 (2004: HK cents 29.49).

首六個月之純利為227,700,000港元,較去年同期增加23.2%。每股盈利為31.37港仙(二零零四年:29.49港仙)。

Expenses

SOGO Hong Kong achieved leveraged effect on the back of growing sales proceeds. As such, distribution and general and administrative expenses, expressed as a percentage of turnover, were reduced from 27.1% in the first half of 2004 to 21.4% for the period under review while it was 28.2% for the Group.

Finance costs

Finance costs mainly comprised interest expenses on the Group's bank loans. The increase was partly resulted from the full half year effect compared to the less than three months in the previous year and partly from the significantly higher interest rates during the second quarter of 2005.

Group's liquidity and financial resources

The Group's cash and bank balances were HK\$1,401.3 million as at 30th June, 2005 and loan balance was HK\$1,773.9 million, resulting in a net debt position at 30th June, 2005 of approximately HK\$372.6 million. 98.1% of the Group's bank loans are Hong Kong Dollar loans, bearing interest at HIBOR plus 0.4% per annum, repayable semi-annually at HK\$80.0 million. The remaining loans are short term RMB denominated loans, bearing interests ranging from approximately 4.6% to 5.2% per annum.

Pledge of assets

The Group's land and buildings with net book value of approximately HK\$1,826.3 million as at 30th June, 2005 were pledged to banks to secure general banking facilities of the Group.

OPERATIONAL REVIEW 業務回顧

Overview

The retail industry in Hong Kong continued to reach new boundaries in the first half of 2005. Robust economic growth, declining unemployment rate and continuous improvements of sentiment in both the property and stock markets all helped strengthening the consumer confidence in spending, which further stimulated consumption during most of the first half of 2005.

Economic growth in China continued during the first half of 2005. Retail sales of consumer goods grew solidly as a direct result of rising personal incomes. With continuing growth in the so-called "middle class" group, the attitude towards shopping has changed with consumers increasingly seeing shopping as a leisure activity.

開支

崇光(香港)受惠於銷售所得款之增加,按營業額百分比計算之分銷與一般及行政開支由二零零四年上半年27.1%減少至回顧期間之21.4%,而本集團則為28.2%。

融資成本

融資成本主要包括本集團銀行貸款之利息支出。融資成本增加之部分原因為整個半年均受利息支出影響,而去年之影響則少於三個月,另外部分原因則為於二零零五年第二季內息率大幅調高所致。

本集團之流動資金及財務資源

於二零零五年六月三十日,本集團之現金及銀行結存為1,401,300,000港元,而貸款額則為1,773,900,000港元,出現淨負債額約372,600,000港元。本集團銀行貸款其中98.1%為港元貸款,按香港銀行同業拆息加年利率0.4厘計息,並須於每半年還款80,000,000港元。其餘貸款為短期人民幣貸款,按年利率介乎約4.6厘至5.2厘計息。

資產抵押

於二零零五年六月三十日,本集團賬面淨值約1,826,300,000港元之土地及樓宇已就本集團一般銀行融資抵押予銀行。

概覽

於二零零五年上半年,香港零售業繼續取得突破性發展。經濟增長蓬勃、失業率下降及物業與股票市場氣氛持續好轉,均有助於提高消費者信心,進一步刺激二零零五年上半年之消費。

中國經濟於二零零五年上半年持續增長,個人收入增加直接令消費品之零售銷售強勁增長。隨著「中產階級」之持續增長,顧客購物態度轉變,日漸視購物為消閒活動。

Hong Kong Operations

As the leading department store in Hong Kong, SOGO Hong Kong saw strong sales growth in the first half of 2005, an increase of approximately 13.9% year-on-year. In terms of sales proceeds, the Group's Hong Kong operations accounted for approximately 1.8% of the retail sales in Hong Kong and 18.5% of total department stores sales in Hong Kong, an increase of 0.1 percentage points and 0.8 percentage points respectively over the first half of 2004.

Turnover for the Group's Hong Kong operations for the six months ended 30th June, 2005 recorded a 19.7% increase to HK\$888.2 million, attributable mainly to sales growth from existing retail floors. The opening of the SOGO CLUB and SOGO BOOK CLUB also provided additional services to our customers and income sources to the Group. Benefiting from sales growth, our Hong Kong operations recorded a net profit of HK\$257.6 million, a significant increase of 39.3% over the same period last year.

During the period under review, SOGO Hong Kong saw daily traffic increase 4.1% to 89,853 and average spending per ticket increase 10% to HK\$385. With effective marketing strategies and seamless working relationships with concessionaire counters, SOGO Hong Kong had an extremely successful "Thankful Week" during May this year with sales surge of 20% over the previous year and reported the highest single day sales of HK\$24.9 million on 28th May, 2005.

Sales Mix

During the period, the portion of direct sales increased to 29.2% (2004: 26.8%). Both direct sales and concessionaire sales showed strong growth of 24.2% and 10.1% respectively. Details are as follows:

香港業務

作為香港具領導地位之百貨公司，崇光（香港）於二零零五年上半年之銷售增長強勁，按年增加約13.9%。就銷售所得款而言，本集團之香港業務分別佔香港零售銷售及香港百貨公司銷售總額約1.8%及18.5%，較二零零四年上半年分別增加0.1個百分點及0.8個百分點。

本集團香港業務截至二零零五年六月三十日止六個月之營業額增加19.7%至888,200,000港元，主要由於現有零售樓層之銷售額增加。SOGO CLUB及SOGO BOOK CLUB開業除為本集團顧客提供額外服務，更為本集團帶來收入來源。受惠於銷售增長，本集團香港業務錄得純利257,600,000港元，較去年同期大幅增加39.3%。

回顧期內，崇光（香港）之每日訪客人數增加4.1%至89,853人次，而平均每宗交易銷售額則增加10%至385港元。憑藉有效市場推廣策略及與特許專櫃合作無間之關係，崇光（香港）於本年五月舉行之「感謝週」非常成功，銷售額較去年躍升20%，並於二零零五年五月二十八日創下最高單日銷售額24,900,000港元之記錄。

銷售組合

期內，直接銷售比例增至29.2%（二零零四年：26.8%）。直接及特許專櫃銷售均見強勁增長，增幅分別為24.2%及10.1%，詳述如下：

		Six months ended 30th June, 2005 截至二零零五年 六月三十日止六個月		Six months ended 30th June, 2004 截至二零零四年 六月三十日止六個月	
		% of Total Sales Proceeds 佔銷售所得 款總額百分比		% of Total Sales Proceeds 佔銷售所得 款總額百分比	
		HK\$'mn 百萬港元		HK\$'mn 百萬港元	
Direct Sales	直接銷售	549	29.2%	442	26.8%
Concessionaire sales (gross value)	特許專櫃銷售（總值）	1,331	70.8%	1,209	73.2%
		1,880	100.0%	1,651	100.0%

To provide a better shopping environment and quality services to satisfy the ever-changing appetite of consumers, Lifestyle International swiftly launched in its flagship SOGO Hong Kong in February 2005 with new luxurious floors, the SOGO CLUB, to offer a truly stylish and leisure shopping concept. As at 30th June, 2005, approximately 21,000 customers had already registered as members of the SOGO CLUB. This number is still rising.

Ensuring a balanced brand and merchandize mix is an ongoing challenge for the store management team as it is crucial in attracting customers. During the period under review, the Group successfully introduced several new brands into SOGO Hong Kong, including OMEGA mini flagship store, Dunhill Sport, Black & White Golf Wear and Burberry Golf.

As a destination store in Hong Kong, SOGO's business still largely benefits from local consumers. It is estimated that local consumption accounts for more than 70% of SOGO's business and the remaining is from tourists, mostly from mainland China.

The Shanghai Operations

The acquisition of 65% and 50% respective interests in 上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited or "Jiuguang Store") and 上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.) (the interest, hereby referred as "Shanghai Operations") was completed on 7th January, 2005 and their operating results for the period ended 30th June, 2005 is reflected in the financial statements of the Group for the first time. The Shanghai Operations are the Group's initiative to replicate its successful business model in the PRC.

During the first half of 2005, the Jiuguang Store achieved a turnover of RMB84.5 million (equivalent to approximately HK\$79.6 million), accounting for 8.2% of the Group's consolidated turnover. Daily sales and traffic saw improvements since early March this year, traditionally considered the low revenue month after Chinese New Year. Average sales per ticket and stay and buy ratio for the first six months were RMB230 and 33% respectively. Although the Jiuguang Store is still in its fledgling stage, it has seen both improvements in sales and traffic almost every month. In line with the expectation of the Group's management, Jiuguang Store nevertheless recorded an operating loss of RMB29.0 million (equivalent to approximately HK\$27.3 million) for the first six months. The Group however remains confident about the long-term prospects and contribution from the Shanghai Operations.

為提供更佳購物環境及優質服務以滿足消費者瞬息萬變之需求，利福國際迅速於二零零五年二月於其旗艦店崇光(香港)的樓層新增瑰麗豪華的SOGO CLUB，締造真正生活時尚及悠閒的購物概念。截至二零零五年六月三十日止，約21,000名顧客已登記成為SOGO CLUB會員，而會員人數正不斷上升。

由於確保均衡品牌及商品組合乃吸引顧客之關鍵，故店舖管理層在此方面不斷迎接挑戰。回顧期內，本集團成功為崇光(香港)引入多個新品牌，其中包括OMEGA小型旗艦店、Dunhill Sport、Black & White Golf Wear及Burberry Golf。

作為香港旗艦店舖，崇光業務大部分來自本地顧客。預計本地消費佔崇光業務超過70%，而其餘則主要來自中國內地之旅客。

上海業務

本集團已於二零零五年一月七日完成收購上海久光百貨有限公司(「久光百貨」)及上海九百城市廣場有限公司65%及50%權益(有關權益稱為「上海業務」)，該業務於截至二零零五年六月三十日止期間之經營業績首次於本集團財務報表反映。上海業務為本集團於中國重塑其成功業務模式之起點。

於二零零五年上半年，久光百貨錄得營業額人民幣84,500,000元(約相當於79,600,000港元)，佔本集團綜合營業額8.2%。自本年度三月初以來，即一般被視為農曆新年後之傳統淡季，每日銷售量及人流均見改善。首六個月之平均每宗交易銷售額和逗留及購買比率分別為人民幣230元及33%。儘管久光百貨仍處於起步階段，其銷售額及人流幾乎每月均見增長。如本集團管理層所預期，久光百貨於首六個月錄得之經營虧損為人民幣29,000,000元(約相當於27,300,000港元)，但本集團對上海業務的長遠前景及貢獻仍然充滿信心。

PROSPECTS 展望

Management believes that the Group will continue to benefit from the economic growth in both Hong Kong and the PRC, which will drive consumer spending in the foreseeable future. As the Group owns most of the store properties, its retail operations will continue to be immune from rental increases.

Hong Kong Operations

Notwithstanding the recent interest rate rise, it is not apparent that this has a significant adverse impact on the property and stock market. The job market in Hong Kong continues to improve and consumer confidence remains high. Following the recent 2% upward revaluation of the Renminbi, the lawful currency of the Peoples' Republic of China, the market expects this to have a positive impact on Hong Kong's economy as a whole including the property, tourism and retailing industries. Together with the effect of the opening of the Hong Kong Disneyland later this year and many other tourist attractions currently being built which will gradually be introduced to the market, the Company expects that the number of visitors to Hong Kong from Mainland China and other countries or cities in the region to continue to increase. SOGO, being the leading department store in Hong Kong, offers the most comprehensive ranges of brands and merchandizes, will directly and indirectly benefit.

SOGO Hong Kong celebrates its 20th anniversary this year. Built on a solid foundation and with an aim to further increase its market share in Hong Kong, the Company is opening its second department store under the SOGO brand in Kowloon ("Sogo TST") in September this year. The new department store will occupy a gross floor area of approximately 115,000 square feet and will bring a fresh and new shopping experience to local customers and travelers alike. The management expects the new Sogo TST to bring forth positive contributions to the Group in its first full year of operation.

Shanghai Operations

The Chinese economy has been experiencing robust growth which will continue into the foreseeable future. As a direct result of rising personal incomes and due to changes in attitudes towards shopping, the retail market in China is becoming more and more complex and competitive. Competition that the Group faces today includes not only department stores but also other retailers from individually owned stores to large state-owned stores and modern retail formats from discounted stores to supermarkets and hyper markets, as well as specialty shops.

Amidst the keen competitive retailing environment in Shanghai, given the uniqueness of the Jiuguang Store, the largest in Shanghai in terms of store size, variety and range of brands and merchandize mix on offer, together with the encouraging early achievements and improving business levels so far and the enormous market growth potential, the Group is confident that it will become a destination department store in Shanghai. It is also the Group's objective to achieve profit contribution by the end of 2006.

管理層相信，香港及中國經濟增長將繼續刺激消費，本集團於可預見未來將可繼續受惠。由於本集團擁有大部分店舖物業，其零售業務將繼續免受租金上漲之影響。

香港業務

儘管近期息率調高，對物業及股票市場產生重大負面影響的情況並不顯著。香港就業市場持續改善，消費者信心增強。隨著近期中華人民共和國法定貨幣人民幣升值2%，市場預期物業、旅遊業及零售業將會受惠，從而對整體香港經濟帶來正面影響。再者，香港迪士尼樂園於今年稍後開幕及其他正在興建之旅遊點將陸續投放市場，本公司預期內地及區內其他國家或城市之訪港旅客數目將繼續增加。作為具香港領導地位且提供全面品牌及商品之百貨公司，崇光將直接及間接受惠。

崇光（香港）於今年慶祝其於香港開業20週年，憑藉穩固根基，並致力進一步提高於香港之市場份額，本公司將於今年九月以崇光品牌在九龍開設第二間百貨店（「崇光尖沙咀」）。新百貨店總樓面面積約115,000平方呎，將為本地顧客及旅客帶來新穎舒適的購物體驗。管理層預期新崇光尖沙咀將可於營業首個完整營運年度錄得盈利。

上海業務

中國經濟一直蓬勃增長，於可預見將來這個趨勢將會持續，加上個人收入增加及購物態度改變，直接令中國零售市場更趨複雜及競爭更趨激烈。本集團現時於國內市場之競爭不但來自百貨店，更來自私營店舖以至大型國有店舖等其他零售商，以及折扣店舖、超市、超級廣場及專門店等現代零售模式。

儘管本集團處於上海這個競爭異常激烈之零售環境，由於久光百貨之店舖規模、所提供商品種類及品牌與商品組合為上海最大，以其獨特優勢，加上開業至今取得之成績令人鼓舞，且業務在不斷改善，市場增長潛力龐大，本集團對久光百貨將成為上海旗艦百貨店的目標充滿信心。本集團的目標是令久光百貨於二零零六年底以前為集團貢獻盈利。

The Group will continue to monitor and execute its business expansion plan in major PRC cities and to further create synergies amongst its existing and future stores to optimize economies of scale and ultimately maximize the Group's profit.

The Group will also identify other business opportunities that may create synergies with its core retailing business and to further reinforce its position as a leading lifestyle business operator in Greater China.

本集團將繼續注視及推行於中國主要城市的業務拓展計劃，及於其現有及即將開業之店舖間進一步產生協同效應，以提高規模經濟效益，並最終使本集團取得最大溢利。

本集團亦將物色其他可與其核心零售業務產生協同效應之商機，以進一步鞏固其作為大中華地區時尚生活業務經營者之領導地位。

DIRECTORS' AND CHIEF EXECUTIVES' INTEREST IN SHARES AND UNDERLYING SHARES 董事及最高行政人員於股份及相關股份之權益

As at 30th June, 2005, 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:

(1) Long positions in the shares of the Company

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	Approximate percentage of interest 概約權益百分比
Mr. Thomas Lau 劉鑾鴻先生	Corporate (Note) 公司(附註)	540,000,000	72.29%

Note: United Goal Resources Limited ("United Goal Resources"), 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.

於二零零五年六月三十日，董事及最高行政人員於本公司股份、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的權益（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) 本公司股份之好倉

附註：擁有Real Reward Limited（「Real Reward」）50%權益之United Goal Resources Limited（「United Goal Resources」）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所持540,000,000股本公司股份中擁有權益。

(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%
	World First Holdings Limited	Corporate (Note 2) 公司(附註2)	2	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%

Note 1: United Goal Resources, 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.

附註1：擁有Real Reward 50%權益之United Goal Resources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 所持1股股份中擁有權益。

Note 2: United Goal Resources, 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. World First Holdings 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 World First Holdings Limited, Crystal Key Investment Limited, Grandville Venture Corp. and Global Centre Investments Limited.

附註2：擁有Real Reward 50%權益之United Goal Resources 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。World First Holdings Limited、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World First Holdings Limited、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, 2005, 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。於二零零五年六月三十日，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最高行政人員擁有任何淡倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS 主要股東權益

As at 30th June, 2005, 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 which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the shares of the Company

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	72.29%
United Goal Resources	Corporate (Note 1) 公司(附註1)	540,000,000	72.29%
Asia Prime Assets Limited ("Asia Prime Assets")	Corporate (Note 1) 公司(附註1)	540,000,000	72.29%
Go Create Limited ("Go Create")	Corporate (Note 2) 公司(附註2)	540,000,000	72.29%
CTF 周大福	Corporate (Note 2) 公司(附註2)	540,000,000	72.29%
JPMorgan Chase & Co.	Investment Manager/Custodian 投資經理/託管人	45,277,500	6.06%

Note 1: Asia Prime Assets which is wholly owned by Mr. Thomas Lau, holds more than one-third of the entire issued share capital of United Goal Resources, a 50% shareholder of Real Reward. By virtue of the SFO, Asia Prime Assets and United Goal Resources are deemed to be interested in the shares held by Real Reward.

Note 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.

Note 3: Mr. Thomas Lau is deemed to be a substantial shareholder who is interested in 540,000,000 shares of the Company (approximately 72.29%) held by Real Reward as detailed in Section under "Directors' and Chief Executives' interest in Shares and Underlying Shares".

All the interests stated above represented long positions. As at 30th June, 2005, 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.

於二零零五年六月三十日，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，除本公司董事或最高行政人員外，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：

本公司股份之好倉

附註1：由劉鑾鴻先生全資擁有的Asia Prime Assets持有Real Reward 50%權益股東United Goal Resources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 Assets及United Goal Resources被視作於Real Reward所持股份中擁有權益。

附註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。

附註3：劉鑾鴻先生被視作主要股東，擁有Real Reward所持540,000,000股本公司股份(約72.29%)權益，詳情載於「董事及最高行政人員於股份及相關股份之權益」一節。

上述全部權益均為好倉。於二零零五年六月三十日，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。

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.

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.

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 a company beneficially owned by any substantial shareholder or independent non-executive director of the Company) in excess of 0.1% of the Company's share capital or with a value in excess of HK\$5,000,000 must be approved in advance 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 from the date of grant of the share option to the 10 anniversary of the date of accepted. 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.

No option has been granted under the Scheme since its adoption.

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之股份總數，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由本公司任何主要股東或獨立非執行董事實益擁有之公司）超過本公司股本0.1%或價值超過5,000,000港元之購股權，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。購股權可於授出購股權日期起至接納日期十年屆滿之日止期間內隨時行使。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。

自採納以來，並無根據該計劃授出購股權。

OTHER INFORMATION 其他資料

EMPLOYEES

As at 30th June, 2005, the Group had a total of about 900 employees in Hong Kong and 370 in the PRC. Employees' cost (excluding directors' emoluments) amounted to HK\$74 million (2004: HK\$73 million). The Group ensures that the pay levels of its employees are competitive according to market trends 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, 2005.

CODE OF CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the Code Provisions in Code of Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules during the six months ended 30th June, 2005 except that all of the non-executive directors and independent non-executive directors are not appointed for specific term but are subject to retirement by rotation and re-election at the Annual General Meeting of the Company in accordance with the Articles of Association of the Company. All of the directors appointed before the Annual General Meeting of the Company held on 28th April, 2005 had retired and been re-elected at that meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). The directors have complied with the required standards as set out in the Model Code during the six months ended 30th June, 2005.

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, 2005 was reviewed by the Audit Committee and the Company's auditors. The Audit Committee comprises the four independent non-executive directors of the Company.

REMUNERATION COMMITTEE

A Remuneration Committee has been established by the Company on 9th August, 2005 in accordance with the requirements of the Code. The Remuneration Committee comprises three independent non-executive directors namely Mr. Lam Siu-lun, Simon, Mr. Shek Lai-him, Abraham and Mr. Hui Chiu-chung and one executive director namely Mr. Lau Luen-hung, Thomas, being the Chairman of the Remuneration Committee.

僱員

於二零零五年六月三十日，本集團分別於香港及中國共僱用約900名及370名員工。僱員成本（不包括董事酬金）為74,000,000港元（二零零四年：73,000,000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二零零五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

董事局認為，截至二零零五年六月三十日止六個月，本公司一直遵守上市規則附錄14所載企業管治常規守則（「守則」）之守則規定，惟全體非執行董事及獨立非執行董事均無特定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退並膺選連任。於二零零五年四月二十八日舉行之本公司股東週年大會前已獲委任之全體董事已於該大會上告退並膺選連任。

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」）。截至二零零五年六月三十日止六個月，董事一直遵守標準守則所載規定標準。

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二零零五年六月三十日止六個月之中期報告。審核委員會由本公司四名獨立非執行董事組成。

薪酬委員會

本公司已根據守則規定於二零零五年八月九日成立薪酬委員會。薪酬委員會由本公司三名獨立非執行董事林兆麟先生、石禮謙先生及許照中先生及一名執行董事劉鑾鴻先生組成，並由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.

On behalf of the Board

Lifestyle International Holdings Limited

Lau Luen-hung, Thomas

Managing Director

Hong Kong, 9th August, 2005

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，二零零五年八月九日