



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

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)

Dr. 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)

鄭家純博士

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

The Hon. 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

石禮謙議員

許照中先生

Qualified Accountant

Mr. Poon Fuk-chuen, Terry (CPA)

合資格會計師

潘福全先生(CPA)

Company Secretary

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

公司秘書

蕭寶嬋女士(ACS, ACIS)

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

The Hon. 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

石禮謙議員

許照中先生

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

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

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

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
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 30th June, 2006: HK\$14.2
Market capitalization at 30th June, 2006: HK\$12,027 million

Website Address

www.lifestylehk.com.hk

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

主要往來銀行

香港上海滙豐銀行有限公司
恒生銀行有限公司
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
薛馮鄭岑律師行

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
於二零零六年六月三十日股價: 14.2港元
於二零零六年六月三十日市值: 120.27億港元

網址

www.lifestylehk.com.hk

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FINANCIAL HIGHLIGHTS – HALF YEAR TO 30TH JUNE, 2006

財務摘要 – 截至二零零六年六月三十日止半年度

- Turnover amounted to HK\$1,181.4 million, representing 22.1% increase
- Profit for the period increased by 30.3% to HK\$305.4 million
- Earnings per share increased 14.9% to HK cents 36.05
- Interim dividend of HK cents 14.5 per share
- 營業額增加22.1%至1,181,400,000港元
- 期內溢利增加30.3%至305,400,000港元
- 每股盈利增加14.9%至36.05港仙
- 中期股息每股14.5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, 2006 of the Company and its subsidiaries (collectively the "Group"), together with comparative figures for the previous period, as follows:

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」)截至二零零六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如下:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June, 2006

簡明綜合收益表

截至二零零六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		
		2006	2005	
		二零零六年	二零零五年	
		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	1,181,410	967,870
Cost of sales and direct operating expenses	銷售成本及直接經營開支	5	(546,119)	(449,885)
Gross profit	毛利		635,291	517,985
Other income	其他收入		79,685	44,206
Distribution costs	分銷成本		(281,807)	(236,472)
Administrative expenses	行政開支		(46,294)	(36,340)
Investment income	投資收入	6	832	4,319
Fair value changes on investment properties	投資物業公平值變動		-	700
Finance costs	融資成本	7	(29,868)	(16,252)
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		3,456	385
Profit before taxation	除稅前溢利	8	361,295	278,531
Taxation	稅項	9	(58,503)	(50,851)
Profit for the period	本期間溢利		302,792	227,680
Attributable to:	應佔部分:			
Equity holders of the Company	本公司股東		305,375	234,301
Minority interests	少數股東權益		(2,583)	(6,621)
			302,792	227,680
Dividends	股息	10	152,460	154,629
Earnings per share – basic (HK cents)	每股盈利 – 基本 (港仙)	11	36.05	31.37

CONDENSED CONSOLIDATED BALANCE SHEET

At 30th June, 2006

簡明綜合資產負債表

於二零零六年六月三十日

			30th June, 2006	31st December, 2005
			二零零六年 六月三十日	二零零五年 十二月三十一日
		NOTES	HK\$'000	HK\$'000
		附註	千港元	千港元
			(Unaudited)	(Audited)
			(未經審核)	(經審核)
Non-current assets	非流動資產			
Investment properties	投資物業	12	23,300	23,300
Property, plant and equipment	物業、廠房及設備	13	2,287,643	2,326,861
Interests in a jointly controlled entity	於一家共同控制實體權益		440,184	436,728
Amount due from a jointly controlled entity	應收一家共同控制實體款項		82,034	82,034
Deferred tax assets	遞延稅項資產		13,694	11,477
Available-for-sale investments	可供出售投資		124,631	61,111
Index-linked notes	與指數掛鈎票據	14	303,221	–
			3,274,707	2,941,511
Current assets	流動資產			
Inventories	存貨		63,295	58,009
Trade and other receivables	應收賬款及其他應收款項	15	89,835	118,530
Amount due from a jointly controlled entity	應收一家共同控制實體款項		10,118	10,118
Tax recoverable	可收回稅項		–	818
Structured bank deposit	銀行結構性存款		50,000	50,000
Bank balances and cash	銀行結存及現金		2,083,775	2,450,205
			2,297,023	2,687,680

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

At 30th June, 2006

簡明綜合資產負債表 (續)

於二零零六年六月三十日

			30th June, 2006	31st December, 2005
			二零零六年 六月三十日	二零零五年 十二月三十一日
	NOTES 附註		HK\$'000	HK\$'000
			千港元	千港元
			(Unaudited)	(Audited)
			(未經審核)	(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	614,673
Tax payable		應繳稅項		73,329
Amount due to a jointly controlled entity		應付一家共同控制實體款項		92,266
Obligations under finance leases – due within one year		融資租約承擔—一年內到期		29
Derivative financial instrument		衍生金融工具		2,211
Bank borrowings, secured – due within one year		有抵押銀行借貸—一年內到期		165,688
			948,196	1,131,644
Net current assets		流動資產淨值	1,348,827	1,556,036
			4,623,534	4,497,547
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		–
Bank borrowings, secured – due after one year		有抵押銀行借貸—一年後到期		1,020,000
Deferred tax liabilities		遞延稅項負債		40,187
			1,060,187	1,130,354
			3,563,347	3,367,193
Capital and reserves		資本及儲備		
Share capital		股本	17	8,470
Reserves		儲備		3,499,038
Equity attributable to equity holders of the Company		本公司股東應佔權益		3,507,508
Minority interests		少數股東權益		55,839
			3,563,347	3,367,193

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30th June, 2006

截至二零零六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	Retained profits (accumulated losses)	Total	Minority interests	Total
		股本	股份溢價	重估儲備	匯兌儲備	付款儲備	投資儲備	(累計虧損)	總計	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, 2005	於二零零五年一月一日	7,470	2,488,151	-	-	-	-	(703,191)	1,792,430	-	1,792,430
Exchange differences arising on translation of foreign operations recognised directly in equity	換算直接於權益確認之海外業務產生之匯兌差額	-	-	-	17	-	-	-	17	25	42
Profit for the period	本期間溢利	-	-	-	-	-	-	234,301	234,301	(6,621)	227,680
Total recognised income and expense for the period	本期間已確認收入及開支總額	7,470	2,488,151	-	17	-	-	(468,890)	2,026,748	(6,596)	2,020,152
Acquisition of a subsidiary	收購一家附屬公司	-	-	-	-	-	-	-	-	(10,339)	(10,339)
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	16,935	16,935
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	2,333,522	-	17	-	-	(468,890)	1,872,119	-	1,872,119
Fair value changes on available-for-sale investments	可供出售投資公平值變動	-	-	-	-	-	12,799	-	12,799	-	12,799
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	-	-	-	-	-	(2,240)	-	(2,240)	-	(2,240)
Surplus on revaluation of properties upon transfer to investment properties	轉撥至投資物業時之重估物業盈餘	-	-	4,484	-	-	-	-	4,484	-	4,484
Deferred tax liability arising on revaluation of properties	重估物業產生之遞延稅項負債	-	-	(804)	-	-	-	-	(804)	-	(804)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	2,318	-	-	-	2,318	(86)	2,232
Net income/expense recognised directly in equity	直接於權益確認之收入/開支淨額	7,470	2,333,522	3,680	2,335	-	10,559	(468,890)	1,888,676	(86)	1,888,590
Profit for the period	本期間溢利	-	-	-	-	-	-	305,077	305,077	(8,861)	296,216
Total recognised income and expense for the period	本期間已確認收入及開支總額	7,470	2,333,522	3,680	2,335	-	10,559	(163,813)	2,193,753	(8,947)	2,184,806
Issue of shares	發行股份	1,000	1,254,000	-	-	-	-	-	1,255,000	-	1,255,000
Recognition of equity-settled share based payments	確認股本結算股份付款	-	-	-	-	1,400	-	-	1,400	-	1,400
Expenses incurred in connection with the issue of shares	發行股份產生開支	-	(30,840)	-	-	-	-	-	(30,840)	-	(30,840)
Contribution from minority shareholders	少數股東注資	-	-	-	-	-	-	-	-	50,202	50,202
Dividend paid	已派付股息	-	(93,375)	-	-	-	-	-	(93,375)	-	(93,375)
At 31st December, 2005	於二零零五年十二月三十一日	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	直接於權益確認之收入/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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June, 2006

簡明綜合現金流量表

截至二零零六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	
		2006	2005
		二零零六年	二零零五年
		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	245,298	117,757
Net cash used in investing activities	投資活動所用現金淨額		
Acquisition of a subsidiary (net of cash and cash equivalents acquired)	收購一家附屬公司(扣除所購入現金及現金等價物)	-	(465,581)
Acquisition of index-linked notes	收購與指數掛鈎票據	(310,300)	-
Purchase of available-for-sale investments	購入可供出售投資	(34,517)	(25,253)
Other investing cash flows	其他投資現金流量	(21,754)	(11,567)
		(366,571)	(502,401)
Net cash used in financing activities	融資活動所用現金淨額		
Repayments of borrowings	償還借貸	(80,000)	(132,930)
Other financing cash flows	其他融資現金流量	(165,157)	(120,131)
		(245,157)	(253,061)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(366,430)	(637,705)
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	2,450,205	2,039,046
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	2,083,775	1,401,341

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 certain properties and 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, 2005. The Group has also applied all the Hong Kong Financial Reporting Standards (“HKFRSs”), Amendments and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are either effective for accounting periods beginning on or after 1st December, 2005 or 1st January, 2006 in the current period. The adoption of these HKFRSs, Amendments and Interpretations 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.

In addition, the following accounting policies have been adopted during the period in respect of the index-linked notes and derivative instruments acquired by the Group in the current period.

Index-linked notes

Index-linked notes are hybrid instruments that contains embedded derivatives. The Group has designated the index-linked notes as “financial assets at fair value through profit or loss” upon initial recognition in accordance with HKAS 39. The notes are carried at fair values, with changes in fair values recognised in profit or loss.

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號中期財務報告而編製。

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，惟若干物業及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二零零五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。本集團並於本期間應用香港會計師公會（「香港會計師公會」）所頒布，於二零零五年十二月一日或二零零六年一月一日或之後開始之會計期間生效之所有香港財務報告準則（「香港財務報告準則」）、修訂本及詮釋。採納該等香港財務報告準則、修訂本及詮釋並無對本期間或以往會計期間之業績編製及呈報方式有任何重大影響。因此，並無作出任何前期調整。

此外，本集團就於本期間所收購與指數掛鈎票據及衍生工具於期內採納以下會計政策。

與指數掛鈎票據

與指數掛鈎票據指包括附帶衍生工具在內的複合式交易工具。根據香港會計準則第39號作出初步確認時，本集團指定將該等與指數掛鈎票據當作「按公平值計入損益之金融資產」處理。票據乃按公平值列賬，而有關公平值變動則於損益確認。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(continued)***2. Significant Accounting Policies (continued)***Derivatives*

Derivatives that are within the scope of HKAS 39 are required to be carried at fair value at initial recognition at each balance sheet date regardless of whether they are deemed as held for trading or designated as effective hedging instruments. Under HKAS 39, derivatives (including embedded derivatives separately accounted for from the non-derivatives host contracts) are deemed as held-for-trading financial assets or financial liabilities, unless they qualify and are designated as effective hedging instruments. For derivatives that are classified as held for trading, changes in fair values of such derivatives are recognised in profit or loss for the period in which they arise.

At the date of authorisation of these condensed consolidated financial statements, the following new HKFRSs, Amendments and Interpretations issued by the HKICPA were in issue but not yet effective:

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC)-INT 7	Applying the restatement approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-INT 8	Scope of HKFRS 2
HK(IFRIC)-INT 9	Reassessment of embedded derivatives
HK(IFRIC)-INT 10	Interim Financial Reporting and Impairment

The directors anticipate that the adoption of these new HKFRSs, Amendments and Interpretations in future periods will have no material impact on 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)***衍生工具*

所有屬香港會計準則第39號範圍內之衍生工具，於各結算日初步確認時均須按公平值入賬，不論該等衍生工具是否被視為持作買賣或指定作為有效對沖工具。根據香港會計準則第39號，衍生工具（包括自非衍生主合約獨立計算之附帶衍生工具）被視為持作買賣金融資產或金融負債，除非該等衍生工具合資格及被指定作為有效對沖工具。就被分類為持作買賣的衍生工具而言，該等衍生工具的公平值於期內出現變動時，於損益中確認。

於批准此等簡明綜合財務報表當日，下列新訂香港財務報告準則、修訂本及由香港會計師公會頒布之詮釋已頒布惟尚未生效：

香港會計準則第1號 (修訂本)	資金披露
香港財務報告準則 第7號	金融工具：披露
香港（國際財務報告 詮釋委員會）－ 詮釋第7號	應用香港會計準則第29號 惡性通貨膨脹經濟財務報告 重列法
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
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
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

董事預期，於日後期間採納此等新訂香港財務報告準則、修訂本及詮釋將不會對本集團財政狀況構成重大影響。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(continued)***3. Turnover**

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	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Sales of goods – direct sales	貨品銷售—直接銷售	729,560	574,342
Income from concessionaire sales	特許專櫃銷售收入	403,806	337,175
Rental income	租金收入	20,285	29,978
Services income	服務收入	27,759	26,375
		1,181,410	967,870

4. Segment Information*Geographical segments*

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

For the six months ended 30th June, 2006

		Hong Kong	PRC	Consolidated total
		香港	中國	綜合總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	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	391,459	(3,752)	387,707
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 cost	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

簡明綜合財務報表附註 (續)**3. 營業額**

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:

4. 分部資料*地區分部*

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

截至二零零六年六月三十日止六個月

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**簡明綜合財務報表附註 (續)***(continued)***4. Segment Information (continued)**

For the six months ended 30th June, 2005

4. 分部資料 (續)

截至二零零五年六月三十日止六個月

		Hong Kong	PRC	Consolidated
		香港	中國	綜合總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Turnover	營業額			
External sales	對外銷售	888,237	79,633	967,870
Result	業績			
Segment result	分部業績	323,675	(29,977)	293,698
Fair value changes on investment properties	投資物業公平值變動	700		700
Share of profit of a jointly controlled entity	應佔一家共同控制實體溢利		385	385
Finance cost	融資成本			(16,252)
Profit before taxation	除稅前溢利			278,531
Taxation	稅項	(50,851)		(50,851)
Profit for the period	本期間溢利			227,680

5. Cost of Sales and Direct Operating Expenses**5. 銷售成本及直接經營開支****Six months ended 30th June,**

截至六月三十日止六個月

2006	2005
二零零六年	二零零五年
HK\$'000	HK\$'000
千港元	千港元

The cost of sales and direct operating expenses are analysed as follows:	銷售成本及直接經營開支分析如下:		
Cost of sales	銷售成本	522,453	406,740
Direct operating expenses	直接經營開支	23,666	43,145
		546,119	449,885

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註 (續)

(continued)

6. Investment Income

6. 投資收入

		Six months ended 30th June,	
		截至六月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Fair value (loss) gain in respect of:	以下項目之公平值(虧損)收益:		
Investments held for trading	持作買賣投資	-	2,747
Index-linked notes (note)	與指數掛鈎票據(附註)	(7,579)	-
Derivative financial instrument (note)	衍生金融工具(附註)	(2,211)	-
Gain on disposal of investment	出售投資收益	3,610	1,572
Interest income on:	以下項目之利息收入:		
Index-linked notes	與指數掛鈎票據	6,452	-
Derivative financial instrument	衍生金融工具	560	-
		832	4,319

Note: Fair value changes excluded net interest income of index-linked notes and derivative financial instrument.

附註: 公平值變動不包括與指數掛鈎票據及衍生金融工具之利息收入淨額。

7. Finance Costs

7. 融資成本

		Six months ended 30th June,	
		截至六月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		HK\$'000	HK\$'000
		千港元	千港元
Interest on:	以下項目之利息:		
Bank loans, overdrafts and other borrowings wholly repayable within five years	須於五年內悉數償還之銀行貸款、透支及其他借貸	29,566	16,023
Finance leases	融資租約	4	6
Others	其他	298	223
		29,868	16,252

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**簡明綜合財務報表附註 (續)***(continued)***8. Profit before Taxation****8. 除稅前溢利****Six months ended 30th June,**

截至六月三十日止六個月

2006	2005
二零零六年	二零零五年
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	64,627	58,451
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	45,079	15,057
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	46	-

9. Taxation**9. 稅項****Six months ended 30th June,**

截至六月三十日止六個月

2006	2005
二零零六年	二零零五年
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	55,953	50,851
Deferred tax	遞延稅項	2,550	-
		58,503	50,851

The charge represents provision for Hong Kong Profits Tax calculated at 17.5% (2005: 17.5%) of the estimated assessable profit for the period.

支出乃按本期間之估計應課稅溢利按17.5% (二零零五年: 17.5%) 稅率計算香港利得稅撥備。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(continued)

10. Dividends

During the period, a dividend of HK cents 14.4 (2005: HK cents 12.1) per share with special dividend of HK cents 3.6 (2005: HK cents 8.6) per share was paid to shareholders as the final dividend for the year ended 2005 (year ended 2004).

The directors have declared an interim dividend of HK cents 14.5 (2005: HK cents 12.5) in cash per share to the shareholders of the Company whose names appear in the Register of Members on 1st September, 2006.

11. 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, 2006 is based on the profit for the period attributable to the equity holders of the Company of HK\$305,375,000 (2005: HK\$234,301,000) and on the 847,000,000 shares (2005: 747,000,000 shares).

No diluted earnings per share has been presented for both periods as the exercise price of the Company's outstanding options (after adjusted for share-based payment) was higher than the average market price of the Company's shares during both periods.

12. Investment Properties

At 30th June, 2006, 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.

13. Property, Plant and Equipment

簡明綜合財務報表附註 (續)

10. 股息

期內，本公司已向股東派付股息每股14.4港仙(二零零五年:12.1港仙)及特別股息每股3.6港仙(二零零五年:8.6港仙)，作為截至二零零五年止年度(截至二零零四年止年度)之末期股息。

董事向於二零零六年九月一日名列股東名冊之本公司股東宣派現金中期股息每股14.5港仙(二零零五年:12.5港仙)。

11. 每股盈利

截至二零零六年六月三十日止六個月之本公司普通股股東應佔每股基本盈利乃按本期間本公司股東應佔溢利305,375,000港元(二零零五年:234,301,000港元)及847,000,000股股份(二零零五年:747,000,000股)計算。

由於本公司未行使購股權就股份付款作出調整後之行使價高於本公司股份於該兩個期間之平均市價，故並無呈列該兩個期間之每股攤薄盈利。

12. 投資物業

於二零零六年六月三十日，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。

13. 物業、廠房及設備

Six months ended
30th June, 2006
截至二零零六年六月三十日
止六個月
HK\$'000
千港元

Carrying value at 1st January, 2006	於二零零六年一月一日之賬面值	2,326,861
Additions	添置	25,554
Disposals	出售	(145)
Depreciation	折舊	(64,627)
Carrying value at 30th June, 2006	於二零零六年六月三十日之賬面值	2,287,643

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(continued)***14. Index-linked Notes**

The index-linked notes are denominated in United States Dollars with interest rates linked with Constant Maturity Swap (CMS) rates or United States Treasury securities at constant maturity (CMT) rates. The maturity dates of the index linked notes ranges from 2008 to 2016 and are therefore classified as non-current. They are 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\$29,374,000 (31st December, 2005: HK\$48,119,000). 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:

簡明綜合財務報表附註 (續)**14. 與指數掛鈎票據**

與指數掛鈎票據以美元計值，利率與固定期限掉期利率或按固定期限利率計算之美國國庫證券掛鈎。與指數掛鈎票據之到期日介乎二零零八年至二零一六年，因此被分類為非流動，並按由獨立金融機構所提供各結算日之公平值列賬。

15. 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29,374,000港元(二零零五年十二月三十一日:48,119,000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, 2006 二零零六年 六月三十日 HK\$'000 千港元	31st December, 2005 二零零五年 十二月三十一日 HK\$'000 千港元
0 – 30 days	0至30日	22,436	42,726
31 – 60 days	31至60日	6,212	5,267
61 – 90 days	61至90日	624	2
Over 90 days	超過90日	102	124
Trade receivables	應收賬款	29,374	48,119
Other receivables	其他應收款項	60,461	70,411
		89,835	118,530

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)

16. Trade and Other Payables

Included in trade and other payables are trades payables of HK\$128,382,000 (31st December, 2005: HK\$160,683,000). An aged analysis of the Group's trade payables at the respective balance sheet dates is as follows:

		30th June, 2006	31st December, 2005
		二零零六年 六月三十日	二零零五年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
0 – 30 days	0至30日	92,338	138,417
31 – 60 days	31至60日	19,727	13,508
61 – 90 days	61至90日	13,105	3,931
Over 90 days	超過90日	3,212	4,827
Trade payables	應付賬款	128,382	160,683
Concessionaire sales payable	應付特許專權銷售款項	295,179	410,309
Other payables	其他應付款項	191,112	236,069
		614,673	807,061

As at 30th June, 2006, included in concessionaire sales payable are amounts of approximately HK\$5,555,000 and HK\$1,617,000 (2005: HK\$6,366,000 and HK\$1,390,000) due to Chow Tai Fook Jewellery Co., Ltd and 周大福珠寶行(深圳)有限公司 in which a related party, Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests. The amount was 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 is with the 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

應付賬款及其他應付款項已計入應付賬款128,382,000港元(二零零五年十二月三十一日:160,683,000港元)。本集團於各結算日之應付賬款賬齡分析如下:

	30th June, 2006	31st December, 2005
	二零零六年 六月三十日	二零零五年 十二月三十一日
	HK\$'000	HK\$'000
	千港元	千港元
0 – 30 days	92,338	138,417
31 – 60 days	19,727	13,508
61 – 90 days	13,105	3,931
Over 90 days	3,212	4,827
Trade payables	128,382	160,683
Concessionaire sales payable	295,179	410,309
Other payables	191,112	236,069
	614,673	807,061

於二零零六年六月三十日，應付特許專權銷售款項中包括應付有關連人士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5,555,000港元及1,617,000港元(二零零五年:分別6,366,000港元及1,390,000港元)。本公司兩名董事拿督鄭裕彤博士及鄭家純博士持有該等公司實益權益。該筆款項屬貿易性質，與特許專權銷售所產生應付款項相關。此等賬款結餘為無抵押、免息及須按特許專權經營協議條款付款。

於結算日，應付特許專權銷售款項之賬齡在30日以內。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註 (續)

(continued)

17. Share Capital

17. 股本

30th June, 2006

and

31st December, 2005

二零零六年六月三十日

及

二零零五年十二月三十一日

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:	
847,000,000 shares of HK\$0.01 each	847,000,000股每股面值0.01港元之股份	8,470

18. Share-based Payment Transactions

18. 股份付款交易

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

本公司為本公司合資格僱員及董事訂有購股權計劃。特定類別購股權之詳情如下:

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	7.10.2005	7.10.2006 – 7.10.2008	7.10.2006 – 26.3.2014	HK\$12.32
二零零五年	二零零五年十月七日	二零零六年十月七日至 二零零八年十月七日	二零零六年十月七日至 二零一四年三月二十六日	12.32港元
2006	16.3.2006	16.3.2007 – 16.3.2009	16.3.2007 – 26.3.2014	HK\$12.74
二零零六年	二零零六年三月十六日	二零零七年三月十六日至 二零零九年三月十六日	二零零七年三月十六日至 二零一四年三月二十六日	12.74港元

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	Outstanding at 31st December, 2005 於二零零五年 十二月三十一日 尚未行使	Granted during period 期內授出	Outstanding at 30th June, 2006 於二零零六年 六月三十日 尚未行使
購股權種類			
2005 二零零五年	6,640,000	-	6,640,000
2006 二零零六年	N/A 不適用	7,630,000	7,630,000
Exercisable at the end of the period	於期末可予行使		Nil

During the period, share options to a director were granted on 16th March 2006. The estimated fair value of the options granted on that date is HK\$22 million.

The closing price of the Company's shares immediately before the date of grant was HK\$12.75.

These fair values were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

		2006 二零零六年	2005 二零零五年
Weighted average share price	加權平均股價	13.09港元	12.14港元
Exercise price	行使價	12.74港元	12.32港元
Expected volatility	預期波幅	30.71%	32.47%
Expected life	預計年期	5.5年	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 the total expense of approximately HK\$4.3 million for the six months ended 30th June, 2006 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)**

下表披露期內若干僱員及董事所持本公司購股權之變動:

期內，本公司於二零零六年三月十六日向一名董事授予購股權。該等購股權於授出當日之估計公平值為22,000,000港元。

本公司股份於緊接授出日期前之收市價為12.75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：

		2006 二零零六年	2005 二零零五年
Weighted average share price	加權平均股價	13.09港元	12.14港元
Exercise price	行使價	12.74港元	12.32港元
Expected volatility	預期波幅	30.71%	32.47%
Expected life	預計年期	5.5年	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%

預期波幅以本公司股價於過往年度之歷史波幅釐定。該模式中使用之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。

於截至二零零六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總額約4,300,000港元。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**簡明綜合財務報表附註 (續)***(continued)***19. Commitments****19. 承擔**

30th June, 2006	31st December, 2005
二零零六年 六月三十日	二零零五年 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 for but not provided in the condensed consolidated financial statements	有關購入物業、廠房及設備已訂約惟未於簡明綜合財務報表撥備之資本開支	16,948	1,739
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	29,694	15,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註 (續)

(continued)

20. Related Party Transactions**20. 有關連人士交易**

(a) Transactions

(a) 交易

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

期內，本集團曾與以下有關連人士進行下列重大交易：

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	
		2006 二零零六年 HK\$'000 千港元	2005 二零零五年 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)	3,683	2,607
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)	530	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)	227	225
Sunny Ocean Investments Limited ("Sunny Ocean")	Lightbox licence fee paid (note 2) 已付燈箱特許費 (附註2)	–	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
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)	72,757	68,177
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 4) 已付租金、審批費用、空調費及管理費 (附註4)	16,030	1,931
Pollution & Protection Services Limited ("PPS") 寶聯防污服務有限公司 (「寶聯防污」)	Cleaning service (note 4) 清潔服務 (附註4)	1,302	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(continued)**20. Related Party Transactions (continued)***(a) Transactions (continued)*

Notes:

- (1) CTF Jewellery, 周大福深圳 and New World PCS are companies in which Dató Dr. Cheng Yu-tung and Dr. Cheng Kar-shun, Henry, directors of the Company, have beneficial interests.
- (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.
- (3) 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\$60,069,000 and HK\$12,688,000 (2005: HK\$58,931,000 and HK\$9,246,000) respectively to the Property JV. In addition, the Group charged interest on the amount due from Property JV up to December 2005.
- (4) 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.

(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 during the period. 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.

簡明綜合財務報表附註 (續)**20. 有關連人士交易 (續)***(a) 交易 (續)*

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博士持有實益權益的公司。
- (2) Sunny Ocean及Viewide乃本公司董事劉鑾鴻先生及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。
- (3) 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60,069,000港元及12,688,000港元(二零零五年: 58,931,000港元及9,246,000港元)。此外·本集團就截至二零零五年十二月應收物業合營企業之款項收取利息。
- (4) 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。

(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·已於期內全數歸還。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。

INTERIM DIVIDEND

中期股息

The Board has declared an interim dividend for the six months ended 30th June, 2006 of HK cents 14.5 (2005: interim dividend HK cents 12.5) in cash per share payable on 6th September, 2006 to shareholders whose names appear on the Register of Members of the Company on 1st September, 2006.

董事局已就截至二零零六年六月三十日止六個月宣派中期股息每股現金14.5港仙(二零零五年:中期股息12.5港仙),將於二零零六年九月六日派付予於二零零六年九月一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 30th August, 2006 to 1st September, 2006 (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 29th August, 2006.

本公司將於二零零六年八月三十日至二零零六年九月一日(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二零零六年八月二十九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

During the first six months of the financial year, the Group has recorded 22.1% increase in turnover, amounting to HK\$1,181.4 million (2005: HK\$967.9 million), thanks to the steady consumer confidence amidst rising wages, stable job market and bullish stock market in Hong Kong, and the robust economic growth in China. The increase in turnover is also a result of inclusion of the sales from our new SOGO Tsim Sha Tsui (the "SOGO TST or TST Store"). The Group's sales proceeds also increased to HK\$2,565.7 million (2005: HK\$2,114.3 million) with 21.3% growth year-on-year.

營業額及銷售所得款

於財政年度首六個月,本集團營業額增加22.1%至1,181,400,000港元(二零零五年:967,900,000港元),主要由於工資上升、就業市場穩定、香港股市興旺及中國經濟穩健增長帶動消費意慾增強,而尖沙咀崇光(「尖沙咀崇光」)開業亦使本集團之營業額增加。本集團銷售所得款亦增至2,565,700,000港元(二零零五年:2,114,300,000港元),年增長為21.3%。

Gross Profit and Gross Profit Margin

Gross profit increased by 22.6% to HK\$635.3 million (2005: HK\$518.0 million) with gross profit margin, calculated as a percentage of turnover, remained at approximately 53.8% (2005: 53.5%).

毛利及毛利率

毛利增加22.6%至635,300,000港元(二零零五年:518,000,000港元),而按營業額百分比計算之毛利率維持約53.8%的水平(二零零五年:53.5%)。

EBITDA and EBITDA Margin

EBITDA (earnings before interest, tax, depreciation, and amortization) for the six months ended 30th June, 2006 increased from HK\$353.2 million to HK\$455.8 million. EBITDA margin, calculated as a percentage of turnover, increased to approximately 38.6% (2005: 36.5%).

Profit attributable to shareholders of the Company

Profit attributable to shareholders of the Company increased by 30.3% to HK\$305.4 million (2005: HK\$234.3 million) was a result of the operating leverage that the Group is enjoying as sales continued to increase. Earnings per share were HK36.05 cents (2005: HK31.37 cents).

Selling, Distribution and Administration Expenses

Selling, distribution and administration ("SG&A") expenses increased approximately 20.3% over the same period last year and represent approximately 27.8% (2005: 28.2%) of the Group's turnover during the period. While the leveraging effect is more apparent at our CWB store, the new TST and Jiuguang stores will continue to improve as the sales increase.

Finance Costs/interest income

Interest expense on bank borrowing has increased compared to the corresponding period in the previous year as interest rate has continued to climb since the second quarter last year. On the other hand, benefit from our strong cash flow together with our high cash position, the higher interest rates during the period has helped generated higher interest income for the period.

Group's Liquidity and Financial Resources

As at 30th June, 2006, the Group had HK\$2,083.8 million in cash and bank balances (30th June, 2005: HK\$1,401.3 million), HK\$1,185.7 million in loans, resulting in a net cash position of HK\$898.1 million. In view of the high cash level and as part of the treasury functions, the Group has entered into certain principal-protected index-linked deposits to enhance the Group's overall return on the cash position. These financial assets have been accounted for in the financial statements as "at fair value through profit and loss account" and the fair value of those investments at the period end was HK\$303.2 million.

Pledges of Assets

The Group's land and buildings, with a net book value of HK\$1,746.8 million as at 30th June, 2006, were pledged to banks to secure general banking facilities for the Group.

EBITDA及EBITDA比率

截至二零零六年六月三十日止六個月之EBITDA (除利息、稅項、折舊及攤銷前盈利) 由353,200,000港元增至455,800,000港元, 而按營業額百分比計算之EBITDA比率則上升至約38.6% (二零零五年: 36.5%)。

本公司股東應佔溢利

由於銷售額持續上升, 本公司股東應佔溢利增加30.3%至305,400,000港元 (二零零五年: 234,300,000港元)。每股盈利為36.05港仙 (二零零五年: 31.37港仙)。

銷售、分銷及行政開支

銷售、分銷及行政開支較去年同期增加約20.3%, 佔本集團期內營業額約27.8% (二零零五年: 28.2%)。雖則銷售策略成效於銅鑼灣崇光較為顯著, 相信新尖沙咀崇光及久光百貨之營業額將繼續會有改善。

融資成本／利息收入

由於利率自去年第二季起一直攀升, 致使銀行借貸之利息開支相較去年同期有所增加。同時, 憑藉穩健的現金流量及充裕的手頭現金, 期內較高之利率亦為本期間帶來更多的利息收入。

本集團之流動資金及財務資源

於二零零六年六月三十日, 本集團之現金及銀行結存為2,083,800,000港元 (二零零五年六月三十日: 1,401,300,000港元), 而貸款額則為1,185,700,000港元, 導致現金淨額為898,100,000港元。基於現金充裕及本集團就其庫務管理購入若干與指數掛鈎保本存款, 以加強本集團現金狀況之整體回報。該等金融資產於財務報表計入為「按公平值計入損益賬」之投資。期終, 該等投資之公平值為303,200,000港元。

資產抵押

於二零零六年六月三十日, 本集團賬面淨值為1,746,800,000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多家銀行。

OPERATIONAL REVIEW

業務回顧

Hong Kong

As the Group's key revenue generator, SOGO CWB contributed 82.5% of the Group's turnover, an increase of approximately 9.7% year-on-year to HK\$974.6 million (2005: HK\$888.2 million). Concessionaire sales revenue, accounting for 69.0% of the store's sales during the period under review, increased by approximately 5.6% to HK\$1,405.5 million while proceeds from direct sales increased to HK\$630.6 million (2005: HK\$549.7 million).

SOGO CWB

As the biggest "one-stop-shop" in Hong Kong, SOGO CWB is one of the most popular shopping destinations for local residents and international tourists. The visitor level was steady at a daily average of 91,100 (2005: 89,800). The Group witnessed a gradual change in visitors' profile with Mainland tourists dispersed throughout the year as opposed to overloading during the Golden Week since the "Individual Visitor Scheme" was first introduced in 2003. With its strong brand name and dominant position in the industry, SOGO CWB is less affected by changes in visitor patterns due to an established group of loyal local consumers. During the review period, average sales per ticket increased 11.7% to HK\$430.

During the period under review, a full-fledged sales and marketing campaign was rolled-out to celebrate its 21st anniversary, which helped to achieve an impressive sales performance during the month of May. The campaign, which included celebrity endorsed events, family fun games, designer fashion shows, special discounts, and lucky draw, all generated very positive feedback from customers. Its Thankful Week promotion, as the grand finale of its Anniversary celebration, achieved record-breaking daily sales of HK\$25.9 million for the Thankful Week, up 4.0% compared to the record achieved last year.

SOGO Club and SOGO Book Club continued to serve as an effective tool to retain customers and enhance loyalty. The Group will continue to enhance service offerings of these units to provide more valued-added services and to act as a leisure corner to our valued customers.

香港

作為本集團主要收益來源，銅鑼灣崇光對本集團所作貢獻佔營業額82.5%，按年增加約9.7%至974,600,000港元（二零零五年：888,200,000港元）。特許專櫃收入在回顧期內佔店舖銷售收益69.0%，增加約5.6%至1,405,500,000港元，而直接銷售所得款亦增至630,600,000港元（二零零五年：549,700,000港元）。

銅鑼灣崇光

作為香港最具規模的「一站式」購物商店，銅鑼灣崇光仍為本港市民及國際遊客最喜愛的購物點之一。訪客人數維持於每日平均91,100人次（二零零五年：89,800人次）。過去一年，本集團體察到訪客類別逐漸改變，內地旅客不再集中某時段訪港，自二零零三年首次實施「個人遊」後，黃金週出現人滿之患的情況不再復見。憑著昭著的品牌聲譽及在業內的領導地位，銅鑼灣崇光成功吸引本地忠誠顧客長期惠顧，因此，對於訪客類別改變，所受的影響不大。回顧期內，平均每宗交易銷售額增加11.7%至430港元。

回顧期內，本集團為慶祝二十一週年誌慶，推出全面的銷售及市場推廣計劃，五月份的銷售額因而取得驕人成績。是項推廣計劃包括名人簽名會、有趣家庭遊戲、名牌時裝表演、折扣優惠、幸運抽獎等，全皆深受顧客歡迎。作為週年誌慶之壓軸重頭節目，「感謝週」宣傳活動成績斐然，每日銷售額錄得25,900,000港元，創下歷來「感謝週」每日銷售最高紀錄，較去年記錄上升4.0%。

SOGO Club及SOGO Book Club繼續發揮效力，留住顧客，令顧客忠心不貳。本集團將繼續加強該些部門的服務組合，讓目標顧客盡享各種增值服務，享受悠閒的生活空間。

SOGO TST

Sales at our second store in Hong Kong, SOGO TST, have generally been in line with our projection with turnover accounted for approximately 7.5% of the Group's turnover. With a sales-based occupancy arrangement, overheads at SOGO TST have been maintained at a manageable level that this store has been able to contribute profit to the Group in its first year of operation. Sales from concessionaire counters accounted for approximately 65.2% of the store's sales and average ticket price was approximately HK\$259.

The Group has positioned the TST store to serve the younger and trendier market segment with a portfolio of brands focusing on younger fashion trends. As the store gradually develops, the Group will continue to calibrate the brand and merchandize portfolio to cater to the customer profile with an objective of establishing the store as one of the latest shopping hotspots on the Kowloon Peninsula.

Shanghai Jiuguang

Focusing on the premium high-spending market segment, our Jiuguang store in Shanghai has continued to gain grounds in the sector and recorded a satisfactory 52.6% sales growth for the first six months of the year. Turnover of this store accounted for 10.0% of the Group's turnover and with the sales have been improving, the net losses incurred last year have been reduced dramatically.

With the growing popularity of the Jiuguang brand in Shanghai, the store demonstrated overall improvement in its operation throughout the first six months of the year. Visitor levels also grew significantly, with daily traffic reaching 37,000 and average spending per ticket remained steady at around RMB222 (equivalent to HK\$213).

Concessionaire sales accounted for approximately 89.1% of the store's revenue with cosmetics and accessories recording the highest sales among the four categories.

Branding and positioning for the Jiuguang brand were the key business development initiatives for the period. The Group has launched a series of promotional activities to augment the brand presence of Shanghai Jiuguang with noticeable improvement amongst the public and the press as a premium lifestyle department store in Shanghai.

尖沙咀崇光

尖沙咀崇光是本集團在香港開設的第二家店舖，營業額與本集團預期相符，佔本集團營業額約7.5%。尖沙咀崇光之租賃安排以收益為基礎，其管理費開支屬應付範圍內，且能於首個營運年內為本集團帶來溢利貢獻。其中特許專櫃銷售額佔該店舖之銷售額約65.2%，而平均每宗交易銷售額約259港元。

尖沙咀崇光針對時尚年輕一族的品味，品牌組合以年青人時裝品牌為主。隨著店舖的發展，本集團將繼續加強品牌及貨品組合，配合年青顧客對時裝的需求，以期將尖沙咀崇光建立為九龍半島最新購物熱點之一。

上海久光百貨

本集團的上海久光百貨主要針對講究優質生活的高消費市場，於本年度首六個月，銷售額增幅達52.6%。上海久光之營業額佔本集團營業額10.0%，而銷售額一直有改善，致使去年虧損淨額大幅減少。

憑藉久光品牌在上海日益受歡迎，久光百貨於本年度首六個月的整體業務均有改善。訪客人數亦顯著增長，人流量達每日37,000人次，而平均每宗交易的消費額維持約人民幣222元（相當於213港元）。

特許專櫃銷售額佔上海久光百貨的收益約89.1%，當中以化妝品及服裝配飾之銷售額排行四大類別之首。

建立久光品牌聲譽及地位是期內主要業務發展策略。本集團推出一連串宣傳活動，目的是提高上海久光百貨的品牌知名度。我們付出的努力得到理想成果，久光百貨品牌作為上海優質生活百貨商店於公眾人士及新聞界的知名度大大提高。

MARKET OUTLOOK

市場展望

Hong Kong

Stemming from a generally positive first six months in 2006, we maintain a prudent outlook on the Hong Kong retail market for the rest of the year. The momentum could be sustainable subject to clearer indications regarding peripheral factors such as interest rates and oil price movements.

Shanghai and China

In light of the business growth momentum at the Jiuguang store so far, the Group is confident of sustaining satisfactory growth for the rest of 2006, fuelled by the enhanced brand equity of Jiuguang and the robust economic growth in China which saw 11.3% GDP growth recorded in the first half of 2006. In addition, income level, especially amongst top-tier cities, are set to grow at remarkable rates while income disparity broadens. This should create an expanding layer of high-spending customers for premium consumer products that would fit perfectly into the Group's target market and provide extensive growth potential to the store.

Strategies Going Forward

Causeway Bay flagship store will remain as the primary breadwinner that will continue to offer the Group stable profit and cash flow. SOGO TST will be an effective brand-builder to capture a larger market share in order to reinforce our presence and dominance in Hong Kong. As a new store, we expect business and customer traffic to build-up gradually as the infrastructure works in the vicinity of the store completes.

We are satisfied with Jiuguang's progress thus far and as Jiuguang's business is still in a nurturing stage, in order to fuel footfall, the Group will continue to introduce innovative and creative brand promotional and marketing campaigns in order to further reinforce Jiuguang's position as a premium one-stop lifestyle retailer, targeting middle to upper income markets in Greater China.

Notwithstanding the uncertainties clouding the global and local economic growth, our proven business model and strategy together with our strong financial position will enable the Group to pursue our expansion plans, to focus primarily in China, when opportunity arises.

香港

雖然大體上二零零六年首六個月市道向好，我們對二零零六年下半年香港零售市場仍抱持審慎態度。此勢頭可望持續，惟須視乎利率及油價變動等外圍因素稍為清晰而定。

上海及中國

隨著久光店業務增長，於二零零六年下半年，本集團深信，受久光店品牌效應加強及中國經濟增長（二零零年上半年中國國民生產總值增長11.3%）帶動，必定能維持理想增長。此外，人民收入水平，特別是重點城市，將有驕人的增長率，同時收入差異亦會擴大。此舉勢必催生一大群追求優質消費品的高消費顧客湧現。這類顧客正正是本集團的目標市場，為百貨業帶來龐大的增長潛力。

未來策略

銅鑼灣旗艦店將仍然為主要收入來源，繼續為本集團之溢利及現金流量帶來穩定增長。尖沙咀崇光將能夠有效建立品牌，增加市場份額，從而鞏固本集團在香港的優勢及領導地位。尖沙咀崇光開業不久，我們預期待店舖附近的基建工程竣工後，尖沙咀崇光的業務及顧客流量可望逐漸增加。

我們對久光百貨迄今取得的進展感到滿意，由於久光百貨的業務仍在發展階段，為促進人流，本集團將繼續推出新穎獨特的品牌推廣活動。本集團將鞏固久光百貨作為一站式優質生活零售店的地位，以大中華區中高檔收入人士為對象。

儘管全球及本地經濟增長仍存在不明朗因素，我們行之有效的業務營運模式及策略以及強勁的財務狀況，可為本集團專注拓展中國市場做好準備。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

董事及行政總裁於股份及相關股份之權益

As at 30th June, 2006, 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:

於二零零六年六月三十日，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	—	63.75%
	Corporate (Note 2) 公司(附註2)	1,182,500	—	0.14%
	Beneficial owner 實益擁有人	—	8,470,000 (Note 3) (附註3)	1%

Note 1: 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.

附註1: 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。

Note 2: 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 1,182,500 shares of the Company held by Dynamic Castle.

附註2: 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1,182,500股本公司股份中擁有權益。

Note 3: These interests represent the interests in underlying shares in respect of share options granted by the Company to Mr. Thomas Lau as beneficial owner, the details of which are set out in the Section "DETAILS OF OPTIONS GRANTED BY THE COMPANY" below.

附註3: 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%
	World First Holdings Limited ("World First") (In Members' Voluntary Liquidation) 達恒集團有限公司(「達恒」) (正進行股東自願清盤)	Corporate (Note 2) 公司(附註2)	2	100%
	Crystal Key Investment Limited ("Crystal Key")	Corporate (Note 2) 公司(附註2)	1	100%
	Grandville Venture Corp. ("Grandville")	Corporate (Note 2) 公司(附註2)	50,000	100%
	Global Centre Investments Limited ("Global Centre")	Corporate (Note 2) 公司(附註2)	1	100%

Note 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 one share in Real Reward.

附註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 一股股份中擁有權益。

Note 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. World First (In Members' Voluntary Liquidation), Crystal Key, Grandville and Global Centre 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 (In Members' Voluntary Liquidation), Crystal Key, Grandville and Global Centre.

附註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。達恒（正進行股東自願清盤）、Crystal Key、Grandville及Global Centre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於達恒（正進行股東自願清盤）、Crystal Key、Grandville 及Global Centre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, 2006, the directors and chief executive 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。於二零零六年六月三十日，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。

SUBSTANTIAL SHAREHOLDERS

主要股東

As at 30th June, 2006, as far as knowledge of the directors, the following persons (other than the directors or chief executive 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:

於二零零六年六月三十日，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	63.75%
United Goal	Corporate (Note 1) 公司(附註1)	540,000,000	63.75%
Asia Prime Assets Limited ("Asia Prime")	Corporate (Note 1) 公司(附註1)	540,000,000	63.75%
Go Create Limited ("Go Create")	Corporate (Note 2) 公司(附註2)	540,000,000	63.75%
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	63.75%
JPMorgan Chase & Co.	Investment Manager/Custodian 投資經理／託管人	75,962,500	8.97%

Note 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.

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。

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.

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。

Note 3: Mr. Thomas Lau is deemed to be a substantial shareholder who is interested in 540,000,000 shares of the Company (approximately 63.75%) and 1,182,500 shares (approximately 0.14%) of the Company held by Real Reward and Dynamic Castle respectively. Mr. Thomas Lau also holds 8,470,000 share options (approximately 1%) granted by the Company as beneficial owners. Details of his interests are set out in Section under "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES".

附註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63.75%)及1,182,500股(約0.14%)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8,470,000份購股權(約1%)，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, 2006, 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.

上述全部權益均為好倉。於二零零六年六月三十日，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 to the Group. Details of the Scheme was subsequently disclosed in the Company's prospectus dated 31st March, 2004.

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 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 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。有關該計劃之詳情其後於本公司日期為二零零四年三月三十一日之售股章程披露。

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, 2006, options to subscribe for an aggregate of 14,270,000 shares of the Company which were granted to a director (as disclosed above) and certain full-time employees pursuant to the Scheme remained outstanding, details of which were as follows:

於二零零六年六月三十日，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14,270,000股本公司股份且尚未行使之購股權詳情如下：

		Number of share options 購股權數目							
Date of grant 授出日期	Outstanding as at 1st January, 2006 於二零零六年 一月一日 尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Cancelled during the period 期內註銷	Outstanding as at 30th June, 2006 於二零零六年 六月三十日 尚未行使	Option period 購股權期限	Subscription price per share 每股認購價	
<i>Director</i>									
<i>董事</i>									
Mr. Thomas Lau 劉鑾鴻先生	7/10/2005 二零零五年十月七日	840,000	-	-	-	840,000	7/10/2006 – 26/3/2014 (Note 1) 二零零六年十月七日至 二零一四年三月二十六日 (附註1)	HK\$12.32 12.32港元	
	16/3/2006 二零零六年三月十六日	7,630,000	-	-	-	7,630,000	16/3/2007 – 26/3/2014 (Note 2 and 3) 二零零七年三月十六日至 二零一四年三月二十六日 (附註2及3)	HK\$12.74 12.74港元	
Employees 僱員	7/10/2005 二零零五年十月七日	5,800,000	-	-	-	5,800,000	7/10/2006 – 26/3/2014 (Note 1) 二零零六年十月七日至 二零一四年三月二十六日 (附註1)	HK\$12.32 12.32港元	
Total 總計		6,640,000	7,630,000	-	-	-	14,270,000		

Notes:

1. 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.

2. 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 grant of such options was subsequently approved by independent shareholders on 26th April, 2006.

3. The closing price of the shares of the Company, immediately before the date on which the options were granted on 16th March, 2006, is HK\$12.75.

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:

Weighted average share price	HK\$13.09	based on weighted average share price of the Company over the previous year
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.

附註:

1. 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)。

2. 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)。

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。

3. 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前之收市價為12.75港元。

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價值估計為22,000,000港元。模式所用變數如下:

加權平均股價	13.09港元	按過往年度本公司股價之加權平均數
預期波幅	30.71%	過往年度本公司股價之波幅
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
無風險比率	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價值。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估計購股權公平價值造成重大影響。

ADDITIONAL INFORMATION

其他資料

EMPLOYEES

As at 30th June, 2006, the Group had a total of about 1,045 employees in Hong Kong and 407 employees in the PRC. The cost of employees (excluding directors' emoluments) amounted to approximately HK\$93.5 million (2005: HK\$74.6 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, 2006.

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 (the "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 that they complied with all the relevant requirements as set out in the Model Code during the period.

AUDIT COMMITTEE

An Audit Committee was established by the Company to review and supervise the financial reporting process and internal control procedures of the Company. The Group's interim results for the six months ended 30th June, 2006 was reviewed by the Audit Committee.

The Audit Committee of the Company comprises of 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. Mr. Lam is a certified public accountant.

REMUNERATION COMMITTEE

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

僱員

於二零零六年六月三十日，本集團分別於香港及中國共僱用約1,045名及407名員工。僱員成本（不包括董事酬金）約為93,500,000港元（二零零五年：74,600,000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二零零六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」）之守則規定。

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」）。經向全體董事作出具體查詢後，全體董事確認，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。審核委員會已審閱本集團截至二零零六年六月三十日止六個月之中期業績。

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 loyal 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, 2006

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，以及股東及忠誠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，二零零六年八月八日

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