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CHOW SANG SANG HOLDINGS INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

Stock code: 116

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

The Board of Directors (the “Board”) of Chow Sang Sang Holdings International Limited (the “Company”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2012. The interim results have been reviewed by the Audit Committee of the Board.

FINANCIAL HIGHLIGHTS

	Unaudited		Change
	Six months ended 30 June		
	2012	2011	
	HK\$'000	HK\$'000	
		(Restated)	
Turnover			
Jewellery retail	7,274,523	5,749,014	+27%
Other businesses	1,821,298	2,531,224	-28%
	9,095,821	8,280,238	+10%
Profit attributable to equity holders of the Company	439,409	496,242	-11%
Basic earnings per share	64.9 cents	73.3 cents	-11%
Interim dividend per share	10.0 cents	11.0 cents	-9%
Dividend payout ratio	15%	15%	
Equity attributable to equity holders of the Company	6,350,080	6,355,477 [^]	-
Equity per share	\$9.4	\$9.4 [^]	-

[^] As at 31 December 2011

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

		Unaudited	
		Six months ended 30 June	
	Note	2012	2011
		HK\$'000	HK\$'000
TURNOVER	4		
Jewellery retail		7,274,523	5,749,014
Other businesses		1,821,298	2,531,224
		<u>9,095,821</u>	<u>8,280,238</u>
Cost of sales		<u>(7,498,398)</u>	<u>(6,754,895)</u>
Gross profit		1,597,423	1,525,343
Other income		43,249	38,412
Selling and distribution costs		(911,102)	(734,769)
Administrative expenses		(168,341)	(152,872)
Other gains/(losses), net		(1,543)	11,443
Finance costs		(22,959)	(17,425)
Share of losses of associates, net		(35)	(55)
		<u>536,692</u>	<u>670,077</u>
PROFIT BEFORE TAX	5		
Income tax	6	<u>(94,256)</u>	<u>(162,831)</u>
PROFIT FOR THE PERIOD		<u>442,436</u>	<u>507,246</u>
Profit attributable to:			
Equity holders of the Company		439,409	496,242
Non-controlling interests		3,027	11,004
		<u>442,436</u>	<u>507,246</u>
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	8		
Basic		<u>64.9 cents</u>	<u>73.3 cents</u>
Diluted		<u>64.9 cents</u>	<u>73.3 cents</u>

Details of dividends payable to equity holders of the Company are set out in note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	Unaudited	
	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>442,436</u>	<u>507,246</u>
OTHER COMPREHENSIVE LOSSES		
Change in fair value of available-for-sale investments	(73,807)	(65,386)
Exchange differences on translation	<u>(40,778)</u>	<u>61,172</u>
Other comprehensive losses for the period, net of tax	<u>(114,585)</u>	<u>(4,214)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>327,851</u></u>	<u><u>503,032</u></u>
Total comprehensive income attributable to:		
Equity holders of the Company	325,669	490,633
Non-controlling interests	<u>2,182</u>	<u>12,399</u>
	<u><u>327,851</u></u>	<u><u>503,032</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

		30 June 2012	31 December 2011	1 January 2011
	Note	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Restated)	(Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		572,146	538,645	442,719
Investment properties		170,717	179,261	175,458
Prepaid land lease payments		13,716	14,019	13,506
Intangible assets		271	271	271
Other assets		144,816	137,613	95,302
Investments in associates		17,541	17,814	16,041
Available-for-sale investments		560,033	634,843	889,206
Deferred tax assets		7,689	16,110	14,153
Total non-current assets		<u>1,486,929</u>	<u>1,538,576</u>	<u>1,646,656</u>
CURRENT ASSETS				
Inventories		6,265,801	6,213,968	4,897,755
Accounts receivable	9	563,941	598,827	403,438
Receivables arising from securities and futures broking	9	167,614	139,680	256,434
Prepayments, deposits and other receivables		188,177	234,785	221,052
Investments at fair value through profit or loss		9,975	9,773	12,015
Derivative financial instruments		1,651	10,596	-
Tax recoverable		2,465	1,578	763
Cash held on behalf of clients		294,754	300,356	306,863
Cash and cash equivalents		594,504	630,968	272,919
Total current assets		<u>8,088,882</u>	<u>8,140,531</u>	<u>6,371,239</u>
CURRENT LIABILITIES				
Accounts payable	10	127,439	72,039	176,781
Payables arising from securities and futures broking	10	313,072	296,499	370,719
Other payables and accruals		385,124	492,860	382,337
Derivative financial instruments		108	311	9,508
Interest-bearing bank borrowings		846,362	1,299,432	695,544
Interest-bearing bank borrowings arising from securities and futures broking		30,000	30,000	30,000
Bullion loans		479,602	385,367	396,267
Tax payable		138,804	143,091	88,982
Total current liabilities		<u>2,320,511</u>	<u>2,719,599</u>	<u>2,150,138</u>
NET CURRENT ASSETS		<u>5,768,371</u>	<u>5,420,932</u>	<u>4,221,101</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,255,300</u>	<u>6,959,508</u>	<u>5,867,757</u>

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Restated)	1 January 2011 HK\$'000 (Restated)
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	688,592	393,225	-
Deferred tax liabilities	133,387	129,747	115,559
Total non-current liabilities	821,979	522,972	115,559
Net assets	6,433,321	6,436,536	5,752,198
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital	169,230	169,230	169,230
Reserves	6,180,850	6,186,247	5,523,393
	6,350,080	6,355,477	5,692,623
Non-controlling interests	83,241	81,059	59,575
Total equity	6,433,321	6,436,536	5,752,198

NOTES

1. Basis of preparation

This unaudited condensed consolidated interim financial report has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This interim financial report should be read in conjunction with the Annual Report 2011.

The accounting policies and basis of computation used in the preparation of this interim financial report are the same as those used in the Group’s audited financial statements for the year ended 31 December 2011, except for the adoption of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) which have become effective for accounting periods beginning on or after 1 January 2012 as disclosed in note 2 below.

2. Changes in accounting policies and disclosures

The Group has adopted the following new and revised HKFRSs for the first time for the current period’s consolidated interim financial report.

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred Tax: Recovery of Underlying Assets</i>

Other than as further explained below regarding the impact of HKAS 12 Amendments, the adoption of the new and revised HKFRSs has had no material impact on the Group’s results of operations and financial position.

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

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

As a result of the change in accounting policy arising from amendments to HKAS 12, the Group now measures any deferred tax liability in respect of the Group’s investment properties using tax rate that would apply on recovery of the assets through sale, rather than through use prior to adoption of these amendments. The change in accounting policy has been applied retrospectively. It reduced the deferred tax liability by HK\$9,838,000 and by HK\$13,919,000, increased the retained profits by HK\$11,796,000 and by HK\$16,270,000 and increased the investments in associates by HK\$1,958,000 and by HK\$2,351,000 as at 1 January 2011 and as at 31 December 2011 respectively.

3. Operating segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- (a) the manufacture and retail of jewellery segment produces jewellery products for the Group's retail business and operates retail stores mainly in Hong Kong, Macau, Mainland China and Taiwan;
- (b) the wholesale of precious metals segment trades precious metals to wholesale customers;
- (c) the securities and futures broking segment provides brokering and dealing services for securities and futures; and
- (d) the other businesses segment comprises, principally, the investment in properties for their rental income and capital appreciation potential, and other jewellery related businesses.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that certain dividend income and share of losses of associates, net are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	Manufacture and retail of jewellery HK\$'000	Wholesale of precious metals HK\$'000	Securities and futures broking HK\$'000	Other businesses HK\$'000	Total HK\$'000
Six months ended 30 June 2012					
Segment revenue					
Sales to external customers	7,274,523	1,742,545	15,601	63,152	9,095,821
Intersegment sales	-	112,342	-	1,524	113,866
	<u>7,274,523</u>	<u>1,854,887</u>	<u>15,601</u>	<u>64,676</u>	<u>9,209,687</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(113,866)</u>
					<u>9,095,821</u>
Segment results	504,634	18,094	1,709	1,937	526,374
<i>Reconciliation:</i>					
Dividend income					10,353
Share of losses of associates, net					(35)
					<u>536,692</u>
Profit before tax					<u>536,692</u>

3. Operating segment information (continued)

	Manufacture and retail of jewellery HK\$'000	Wholesale of precious metals HK\$'000	Securities and futures broking HK\$'000	Other businesses HK\$'000	Total HK\$'000
Six months ended 30 June 2011					
Segment revenue					
Sales to external customers	5,749,014	2,446,187	25,963	59,074	8,280,238
Intersegment sales	290	204,278	-	1,533	206,101
	<u>5,749,304</u>	<u>2,650,465</u>	<u>25,963</u>	<u>60,607</u>	<u>8,486,339</u>
<i>Reconciliation:</i>					
Elimination of intersegment sales					<u>(206,101)</u>
					<u>8,280,238</u>
Segment results	625,889	15,258	11,751	3,822	656,720
<i>Reconciliation:</i>					
Dividend income					13,412
Share of losses of associates, net					<u>(55)</u>
Profit before tax					<u>670,077</u>

4. Turnover

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

Revenue from the following activities has been included in turnover:

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Sales of goods	9,075,494	8,250,464
Commission on securities, futures and commodities broking	15,601	25,867
Gross rental income	4,726	3,907
	<u>9,095,821</u>	<u>8,280,238</u>

5. Profit before tax

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

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Write-down of inventories to net realizable value	109	1,644
Depreciation	66,956	51,042
Operating lease payments in respect of leasehold land and buildings:		
Minimum lease payments	247,207	187,300
Contingent rents	15,812	13,625
Net fair value gain on bullion loans designated at fair value through profit or loss	(3,757)	-
Net fair value loss/(gain) on derivative financial instruments - transactions not qualifying as hedges	8,717	(9,751)
Net fair value gain on investments at fair value through profit or loss	(203)	(585)
Net loss/(gain) on bullion loans designated at fair value through profit or loss ^Δ	(326)	62,913
Net loss/(gain) on disposal of derivative financial instruments ^Δ	(2,826)	9,853
Interest income	(7,781)	(7,769)
Dividend income	(10,582)	(13,623)
Foreign exchange differences, net	(7,789)	(4,638)

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

6. Income tax

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Current - Hong Kong		
Charge for the period	55,379	60,055
Current - Elsewhere		
Charge for the period	26,286	74,967
Overprovision in prior periods	(27)	-
Deferred	12,618	27,809
Total tax charge for the period	94,256	162,831

7. Dividends

	Six months ended 30 June	
	2012	2011
	HK\$'000	HK\$'000
Dividends declared and paid during the period:		
Final dividend for 2011: HK49.0 cents (2010: HK35.0 cents) per ordinary share	331,691	236,922
Dividends declared after the period:		
Interim dividend for 2012: HK10.0 cents (2011: HK11.0 cents) per ordinary share	67,692	74,461

The interim dividends were declared after the interim reporting dates and have not been recognized as liabilities at the end of the respective reporting periods.

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

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to equity holders of the Company of HK\$439,409,000 (2011: HK\$496,242,000), and the weighted average number of ordinary shares of 676,920,000 (2011: 676,920,000) in issue during the period.

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

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

Jewellery retail

The Group's sales are normally made on a cash basis. Credit card receivables from financial institutions in respect of retail sales are aged within one month. There are wholesale customers who have been given credit periods within 60 days.

Wholesale of diamonds

The Group normally grants credit periods of up to 60 days to its trade customers.

Wholesale of precious metals

The Group's wholesale of precious metals is normally conducted on a cash basis.

Securities and commodities broking

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

	30 June 2012 HK\$'000	31 December 2011 HK\$'000
Accounts receivable	<u>563,941</u>	<u>598,827</u>
Receivables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	36,951	24,374
Clearing houses	10,150	6,381
Loans to margin clients	<u>120,871</u>	<u>109,283</u>
	167,972	140,038
Impairment	<u>(358)</u>	<u>(358)</u>
Receivables arising from securities and futures broking	<u>167,614</u>	<u>139,680</u>
Total accounts receivable and receivables arising from securities and futures broking	<u><u>731,555</u></u>	<u><u>738,507</u></u>

Apart from the receivable balances arising from securities and futures broking which bear interest at commercial rates, the balances are non-interest-bearing.

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

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

	30 June 2012 HK\$'000	31 December 2011 HK\$'000
Not yet due	512,571	586,422
Within 30 days past due	80,825	36,915
31 to 60 days past due	10,424	1,543
61 to 90 days past due	1,398	728
Over 90 days past due	5,466	3,616
	610,684	629,224
Loans to margin clients*	120,871	109,283
	731,555	738,507

* The loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not relevant in view of the nature of the business of securities margin financing. As at 30 June 2012, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK\$282,449,000 (31 December 2011: HK\$271,834,000).

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

	30 June 2012 HK\$'000	31 December 2011 HK\$'000
Accounts payable	127,439	72,039
Payables arising from securities and futures broking conducted in the ordinary course of business:		
Cash clients	269,790	252,391
Margin clients	43,282	38,050
Clearing houses	-	6,058
Payables arising from securities and futures broking	313,072	296,499
Total accounts payable and payables arising from securities and futures broking	440,511	368,538

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

An ageing analysis of the accounts payable and payables arising from securities and futures broking, based on the due date, is as follows:

	30 June 2012 HK\$'000	31 December 2011 HK\$'000
Within 30 days (including amounts not yet due)	126,737	77,344
31 to 60 days	2	53
Over 60 days	700	700
	127,439	78,097
Cash clients accounts payable ^Δ	269,790	252,391
Margin clients accounts payable [^]	43,282	38,050
	440,511	368,538

^Δ Included in the cash clients accounts payable arising from dealing in securities conducted in the ordinary course of business is an amount of approximately HK\$242,506,000 (31 December 2011: HK\$237,565,000) representing those clients' undrawn monies/excess deposits placed with the Group. As at 30 June 2012, the cash clients accounts payable included an amount of HK\$3,990,000 (31 December 2011: HK\$5,143,000) in respect of securities transactions undertaken for the accounts of certain Directors. The cash clients accounts payable are repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not meaningful in view of the nature of the business of dealing in securities.

[^] The margin clients accounts payable are repayable on demand and bear interest at commercial rates. No ageing analysis is disclosed as, in the opinion of the Directors, an ageing analysis is not relevant in view of the nature of the business of securities margin financing.

11. Comparative amounts

As further explained in note 2, due to the adoption of the new and revised HKFRSs during the current period, certain comparative amounts have been restated to conform with the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's Results

It proved to be difficult to achieve a repeat performance of the exuberant growth of 2011. According to government statistics, spending in the first five months of 2012 increased 13% year-on-year as compared with 48.7% in the prior year.

Buffeted by dire economic news from the euro zone and the slackening of the growth of the Mainland economy, local and visiting consumers tended to be more cautious in their spending on jewellery and watches.

From late February on, the price of gold went into a downward trend that was interrupted only in mid-May. The slide stimulated the demand for gold, but at the same time it did cut into the margin of gold sales. The realized net loss due to the adverse price trend was HK\$21 million in the first half of 2012, contrasting with a net gain of HK\$80 million in the first half of 2011.

The stock market in Hong Kong remained languid amid the global financial gloom.

For the first half of 2012, the Group achieved turnover of HK\$9,096 million, an increase of 10% over the prior year. Profit attributable to equity holders decreased 11% to HK\$439 million.

Jewellery Retail

Of the total turnover, HK\$7,275 million or 80% came from jewellery retail. Operating profit decreased by 19% to HK\$505 million.

Hong Kong & Macau

Hong Kong and Macau accounted for 59% of the turnover from jewellery retail of which 52% might attribute to visitors from the Mainland. Same store growth in turnover was 16%.

There was growth in the demand for gold products: compared with last year, turnover rose by 33%, whereas in weight terms the increase was 16%.

Capital expenditure amounted to HK\$28 million. Shop rental expenditure in Hong Kong and Macau rose by 30%; excluding the new shops, shop rental increased by 16%.

Mainland China

In the first half, turnover at the stores on the Mainland increased 32%, and its share of jewellery retail was 40%. Same store growth in turnover was 8%.

At the end of the first half of 2012, there were 249 shops on the Mainland, with 21 being new ones added during the period. Cities like Beijing, Tianjin, Taiyuan and Chongqing received additional shops, whereas Liyang in Jiangsu, Shiyan in Hubei and Jinjiang in Fujian got their first.

Capital expenditure went up to RMB58 million as a result of works for the new factory in Shunde, fitting out of the new shops and the renovation of 13 existing shops.

Taiwan

In April the government adjusted fuel prices upward significantly, causing other prices to follow suit. The impact on the retail sector was significant.

With two closures and one new opening during the period, the number of shops stood at 21 at the end of June.

Wholesale of Precious Metals

Healthy demand for gold allowed the wholesales business to register 19% increase in operating profits.

Securities and Futures Broking

Average daily turnover on the stock market was down almost by a quarter from last year. IPOs have all but dried up. Under these circumstances commission income dropped 40% and operating profits down by 85%.

Investments

Properties

The Group holds various properties that are being used for offices, shops and factories. Rental income from investment properties amounted to HK\$5 million, less than 1% of the Group's turnover.

Shares in Hong Kong Exchanges and Clearing Limited ("HKEC")

Since 2000 the shares of HKEC resulting from the reorganization of the then exchanges have been held with no plan for disposal. The holding, 4,953,500 shares, remained unchanged from the start to the end of the period. The unrealized gain on the holding amounted to HK\$543 million (31 December 2011: HK\$617 million).

Finance

Financial Position and Liquidity

As at 30 June 2012, the Group had cash and cash equivalents of HK\$595 million (31 December 2011: HK\$631 million), and total unutilized banking facilities of approximately HK\$3,410 million (31 December 2011: HK\$2,663 million).

Total bank and bullion borrowing amounted to HK\$2,045 million as at 30 June 2012, most of which was unsecured in line with Group policy. The gearing ratio was 32%, based on total bank and bullion borrowing of HK\$2,045 million as a percentage of total equity holders' equity of HK\$6,350 million. The current ratio as at 30 June 2012 was 3.5.

Cash is mostly held in Hong Kong dollar or Renminbi and deposited with leading banks.

The Group manages risk of credit cost and availability by several means: cultivating relationship with a large number of lending banks; putting some loans on a term basis; and fixing interest costs by executing rate swaps on loans as appropriate.

Foreign Exchange Risk Management

The Group's foreign exchange exposure relates to the currencies in which it carries on its business: Renminbi, New Taiwan dollar, US dollar, Euro and Japanese Yen. As such, the risk is easily manageable and slight. As at 30 June 2012, total foreign currency borrowing excluding Renminbi amounted to HK\$655 million (31 December 2011: HK\$38 million) was mainly in US dollar. For the operation in Mainland China, Renminbi borrowing at period end stood at RMB50 million (31 December 2011: RMB321 million).

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

Charge on Assets and Contingent Liabilities

As at 30 June 2012, certain items of properties of the Group with a net carrying value of HK\$155 million (31 December 2011: HK\$157 million), and listed equity investments of HK\$242 million (31 December 2011: HK\$274 million) were pledged to secure banking facilities granted to certain subsidiaries of the Company.

As at 30 June 2012, the Group had no material contingent liabilities.

Human Resources

The Group's total workforce at the end of the first half of 2012 stood at 6,677, of which 72% were in the Mainland.

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

To date no option has been granted under the Company's share option scheme.

Recognition & Awards, Community Support

A list of the numerous awards received by Chow Sang Sang and Emphasis Jewellery may be found at www.chowsangsang.com/group/eng/index.htm.

The Group gave support to the Hong Kong Academy for Performing Arts, the Hong Kong Repertory Theatre, the Hong Kong Philharmonic Orchestra, the Hong Kong Sinfonietta, the Shunde Lunjiao Charity Federation and other community organizations.

Outlook

Although the central government in Beijing has been easing its control on credit, the effect of the stimulation remains to be seen. The Group maintains a positive but cautious attitude, and tunes its inventory control and schedule of store opening accordingly.

With 20 entries waiting to open, the schedule book for new shops has been closed for the remainder of 2012. By the end of the year, some 47 shops will have opened on the Mainland.

In Hong Kong, an Emphasis Jewellery shop has opened at Hysan Place. In Macau, another Emphasis Jewellery will open later in the year in Sands Cotai Central.

The Chinese economy is still growing despite the recent slowdown. The Group will continue to concentrate the expansion of its retail network on the Mainland under the self-managed model, which affords it the maximum leverage for its efforts in brand development and service quality improvement. The Group strives to offer consumers an enjoyable shopping experience in an exclusive and distinctive setting.

DIVIDEND

The Board of Directors has declared an interim dividend of HK10.0 cents (2011: HK11.0 cents) per ordinary share for the six months ended 30 June 2012 payable to shareholders whose names appear on the register of members of the Company on Wednesday, 19 September 2012. The dividend will be paid on Wednesday, 26 September 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17 September 2012 to Wednesday, 19 September 2012, both days inclusive, during such period no transfer of shares will be registered. To ensure the entitlement to the interim dividend, shareholders are reminded to lodge their transfer documents accompanied by the relevant share certificates with the Company's branch share registrars, Tricor Tengis Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 14 September 2012.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

Save as disclosed below, the Company has complied with all code provisions of the Code on Corporate Governance Practices during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code ("CG Code") during the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 of the Listing Rules. In respect of code provision A.6.7 of the CG Code, a Non-executive Director did not attend the annual general meeting of the Company held on 29 May 2012 due to other commitment.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of the Group at www.chowsangsang.com/group/eng/index.htm and the HKEC at www.hkexnews.hk. The 2012 interim report of the Company will be available on both websites and despatched to shareholders on or about Wednesday, 19 September 2012.

BOARD OF DIRECTORS

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

By order of the Board
CHOW Kwen Lim
Chairman

Hong Kong, 30 August 2012