



佳華百貨控股有限公司 JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

(Stock Code 股份代號 : 0602)

Interim Report 中期報告

2012



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Corporate Information

公司資料

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602

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核數師

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Corporate Information

公司資料

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As to PRC law

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公司法律顧問

香港法律

胡關李羅律師行
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開曼群島法律

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中國法律

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Chairman's Statement

董事長報告

Dear Shareholders,

In the first six months of the year, the Group has achieved a satisfactory result on operation with the implementation of cost control measures. Apart from the improvement in sales performance in the renovated main stores, the Group has greatly put forward the energy saving measures and simplifying manpower structure in our stores. The operating results have been improved gently year-on-year. On the expansion part, the Group has specifically targeted on the surrounding area of the Guangdong area to uncover any possible opportunities to increase our market share. All in all, the Group will enhance our core competitiveness, raising recognition, as well as strengthening and extending our leading position in the industry.

INDUSTRY OVERVIEW

In the first half of the year 2012, the international environment was ever changing and getting more complicated. China was facing both the decrease of export trade and the inactive internal demand stimulation, the GDP of the country was only 7.8% year-on-year. This mainly attribute to the deteriorating external conditions. According to the information of the National Bureau of Statistics of China, the domestic economic condition was stable with growth. During the period, the agricultural output was great, the pace of high tech industry was fast, the result of the energy saving measures was satisfactory, the consumer price index has lowered, and the average income of the rural area has been increasing etc. This showed the economic condition of the country has been improving. However, with the sharp increase in property price which made the entry barrier of the retail industry higher, the retail market in the first tier area has been occupied by the existing enterprises and become saturated. The focus of the retail industry will then move to the third to fourth tier area. Among the operation floor, retail enterprise has been facing the considerable increase in its costs, with human costs and rental expenses the dominant. These give the retail enterprise more challenge and make them more conservative towards opening of new stores.

尊敬的各位股東，

本年度之首六個月，本集團經營表現繼續取得了滿意之成績。除主力店裝修調整改造後使銷售額不繼提高外，集團亦積極推動環保節能及精簡人手架構等措施。本期業績跟去年同期有了平穩之發展。在拓展方面，集團已針對廣東省之周邊區域不斷找尋新機會，擴大市場佔有率。本集團會不斷增強核心競爭力，提升知名度，鞏固並發展在行業中的優越地位。

行業概覽

於二零一二年上半年，國際形勢繼續複雜多變，情況非常嚴峻。中國受著外需不足，內需不旺的經濟矛盾下，國內生產總值同比增長只有7.8%，回落主要原因是國際形勢繼續在惡化。根據國家統計局資料，國內經濟情況是「穩中有進」。農業大豐收，高新技術產業增長加快，節能減排取得新成效，居民消費價格指數回落，以及城鄉居民收入繼續增長等，使國內經濟增長情況得到改善。但是，由於房價大幅上漲導致零售業准入門檻越來越高，一線城市的市場已基本被現有企業瓜分，一線城市的商業正呈現基本飽和。企業競爭的重心將會迅速轉移到三四線城市。營運方面，零售企業的各项成本也在大幅提升。其中最為明顯的是人力成本及房租成本，對企業的盈利帶來巨大挑戰。故此，企業在門店拓展上比以前更為謹慎。

Chairman's Statement

董事長報告

According to the National Bureau of Statistics of China, for the first half of this year, the aggregate GDP amounted to approximately RMB22,709.8 billion, representing a growth of approximately 7.8% as compared to the corresponding period last year; the total retail sales of consumer goods amounted to approximately RMB9,822.2 billion, representing an increase of approximately 14.4% as compared to the corresponding period last year. Among which, the total sales in consumer goods was approximately RMB4,659.2 billion, up approximately 14.9% as compared to the corresponding period last year. According to the Statistics Bureau of Guangdong Province, for the first half of this year, the aggregate output of Guangdong Province reached approximately RMB2,620.0 billion, representing a growth of approximately 7.4% as compared to the corresponding period last year, while the total retail sales of consumer goods amounted to approximately RMB1,085.7 billion, representing an increase of approximately 11.6% as compared to the corresponding period last year. Among which, the total sales in retail sectors was approximately RMB970.4 billion, representing a growth of approximately 11.6% as compared to the corresponding period last year. As reported by the Statistics Bureau of Shenzhen, for the first half of this year, the aggregate output of Shenzhen amounted to approximately RMB547.4 billion, up approximately 8.0% as compared to the corresponding period last year; the total retail sales of consumer goods was approximately RMB187.8 billion, representing a growth of approximately 15.5% as compared to the corresponding period last year.

By capturing market opportunities and leveraging on our core advantages, the Group will keep its base in Shenzhen and open up the nearby locations, and maintain and expand its market share in the retail industry.

據中國國家統計局報導：今年上半年，國內生產總值累計實現約為人民幣22,709.8億元，比上年同期增長約7.8%；社會消費品零售總額約為人民幣9,822億元，比上年同期增長約14.4%，其中消費品零售額為人民幣4,659.2億元，比上年同期增長約14.9%。據廣東省統計局報導：今年上半年，廣東省生產總值累計實現約為人民幣2,620億元。比上年同比增長約7.4%；社會消費品零售總額約為人民幣1,085.7億元，比上年同期增長約11.6%；其中商品零售業消費總額約為人民幣9,704億元，比上年同期增長約11.6%。據深圳市統計局報導：今年上半年，深圳市生產總值累計實現約為人民幣5,474億元，比上年同期增長約8.0%；社會消費品零售總額約為人民幣1,878億元，比上年同期增長約15.5%。

本集團繼續抓緊市場機遇，充份發揮核心優勢。繼續以深圳為基地，開發周邊之地區，保持並擴大本身於零售市場之佔有率。

Chairman's Statement

董事長報告

I am pleased to report that, for the six months ended 30 June 2012, the Group has obtained stable results in revenue. Apart from the effect of the result of the disposed subsidiaries last year, the operating profit and profit after tax have been growing gently. During the Period, the Group recorded revenue of approximately RMB408.6 million, representing an increase of approximately 1.5% as compared to the corresponding period last year. Operating profit was approximately RMB31.9 million, representing a decrease of approximately 21.9% as compared to the corresponding period last year (an increase of 20.2% if taking out the gain on disposal of subsidiaries last year); while profit after tax amounted to approximately RMB24.0 million, representing a decrease of approximately 33.4% as compared to the corresponding period last year (an increase of 10.8% if taking out the gain on disposal of subsidiaries last year). Earnings per share was RMB2.31 cents. Cash and bank balances as at the balance sheet date was approximately RMB266.4 million. The Group has maintained a healthy capital structure which builds a solid foundation for future development.

DIVIDENDS

The Board believes that, backed with its sound financial status and cash flow, the Group will be able to finance the investments for its on-going development. The Group will strive to offer a reasonable dividend distribution as a recognition to the shareholders of the Company (the "Shareholders") for their support to the Group.

本人現向大家報告，截至二零一二年六月三十日止六個月，本集團在收入取得平穩的成績，除了受去年出售子公司之門店影響外，在經營溢利及稅後利潤延續去年之穩定的表現。於期內，本集團錄得收入約人民幣4億860萬元，較去年同期上升約1.5%；經營溢利約為人民幣3,190萬元，較去年同期下降約21.9%（撇除去年出售子公司得益，則較去年同期上升約20.2%）；稅後利潤約為人民幣2,400萬元，較去年同期下降約33.4%（撇除去年出售子公司得益，則較去年同期上升約10.8%）；每股盈利為約人民幣2.31分。於結算日之現金及銀行結餘約為人民幣2億6,640萬元。本集團資本結構亦十分穩健，為日後的發展建立了鞏固的基礎。

股息

董事會相信穩健的財務狀況及現金流量將可有力支持集團持續發展所需的投資。本集團將竭力提供合理的派息回報，以回饋本公司股東（「股東」）對本集團的支持。

Chairman's Statement

董事長報告

FUTURE PROSPECT

Looking ahead, the Group will continue to strengthen and enhance its existing competitive edges through establishing new stores and acquiring retail outlets to capture a larger market share. The Group will try to increase the total number of outlets through leasing and acquisition in the South China region as well as to actively expand its business in other regions throughout the country over the coming two years. The Group will continue to expand its business when opportunities arise. Adhering to its corporate mission of "Earnest, Pragmatism, Faithfulness, Comprehensiveness", the Group will continue its efforts to move forward and to set up a best retail network so as to provide quality service and generate remarkable returns for the shareholders.

APPRECIATION

Finally, on behalf of the Board, I would like to take this opportunity to express my sincere appreciation to the shareholders, suppliers, customers and business partners for their long-term support, and thank all staff for their dedication and contribution to the Group.

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
28 August 2012

未來展望

展望未來，集團將會繼續鞏固和擴大現有的競爭優勢：通過成立新建及收購零售店鋪，爭取更大的市場佔有率，我們將嘗試於未來兩年內，在華南地區透過租賃及收購增加店鋪總數，並同時積極在國內其他地區進行業務拓展。集團將在機遇湧現時繼續擴展業務。集團始終堅持「認真、務實、守信、全優」的企業精神，努力建立更完善的零售網絡、提供更優質的服務，以期為廣大股東帶來更理想的回報。

致謝

最後，本人謹代表董事會向廣大股東、供應商、客戶以及業務夥伴，對本公司長期以來的支持，以及本公司上下同仁一直以來付出的努力和貢獻，致以衷心的感謝。

董事長
莊陸坤

中國，深圳
二零一二年八月二十八日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

For the six months ended 30 June 2012, the Group recorded revenue of approximately RMB408.6 million, representing a year-on-year increase of approximately 1.5%. Gross profit amounted to approximately RMB51.8 million, representing a year-on-year increase of approximately 0.7%; while operating profit was approximately RMB31.9 million, representing a year-on-year decrease of approximately 21.9%. Profit attributable to shareholders was approximately RMB24.0 million, representing a year-on-year decrease of 33.4%. Despite of the effect of the disposal of subsidiaries (including five loss-making stores) last year, there was a rebound of the turnover of the period and the consolidated results has been kept stable.

Recapping on the first half of 2012, our Group has the following measures to broaden sources of income and reduce expenditure in our operation.

業務回顧

集團截至二零一二年六月三十日止之六個月，銷售收入約為人民幣4億860萬元，同比上升約1.5%；毛利額約為人民幣5,180萬元，同比上升約0.7%；經營溢利約為人民幣3,190萬元，同比下降約21.9%；股東應佔溢利約為人民幣2,400萬元，同比下降約33.4%；撇除去年出售附屬公司（包含五家虧損店）之影響，期內之銷售額有所反彈而綜合業績亦保持穩定。

回顧二零一二年之上半年，集團於營運方面作出了以下重大之開源及節流措施。



Management Discussion and Analysis

管理層討論及分析

Set up three-tier structure to strengthen internal management

During the period, the Group has completed the set up of three-tier management structure (including headquarter, subsidiaries and store). The management handbook, the business operating system, and the office automation system (OA system) have been all linked. Upon running of the OA system, there will be improvements in the audit procedures, report generation, message transmission and database management etc. It will provide a solid base for the full automation of office. The three-tier structure will highlight the power and responsibility of the headquarter, the subsidiaries and store and will strengthen the work efficiency.

Enhance human resource system to reinforce manpower management

The Group has put forward a new promotion scheme (including result achievement testing and remuneration package) at the market level to avoid brain drain of existing staff and attract new employees. Besides, we have enhanced the selection process, training, examination and testing of staff. For the staff benefit, the Group has raised care on staff to organise festival activities, hold staff talk and improve the incentive scheme. In fact, we have launched the first Sports Day this year to strengthen interpersonal relationship of staff and sense of belonging to the Group.

完成三級架構設置，提升內部管理

於期內，集團完成了三級架構(即總部，子公司及門店)的設置，並對管理手冊、商務系統、及辦公室自動化系統(OA系統)進行連接。建立OA系統並開始運作，優化了內部之審核流程，報表之開發，訊息之傳遞，以及數據庫之管理等。為全面實施辦公室自動化奠定了基礎。完成了三級架構，明確了總部，子公司及門店之權責，提高工作效率。

完善人力資源體系，增強人員管理

為避免人才流失及吸引外來之人才，集團推出了新的晉升方案，績效考核及薪酬福利方案，使員工之薪酬水平切合市場標準。另外，對員工之評選、培訓、考試及測評工作亦大大加強。在員工福利方面，集團提升了对員工之關注，安排節日活動，召開員工座談會，完善老員工之激勵機制等。加之，年內亦舉辦集團之第一次運動會，增強員工之間的感情及對公司之歸屬感。



Management Discussion and Analysis

管理層討論及分析

Adjust the floor plan to increase store sales turnover

With the increase of spending quality of consumer, we have upgraded the brand name composition in our main stores, including Shajing, Longhua, Songgang, Gongming and Shiyang etc. Apart from importing overseas brand name, we have reformed the fresh goods counter to bring up customer flow to the store and match up with the department store section.

Promote ways of saving to increase productivity and reduce operating cost

The Group has expanded the saving measure this year. For the staff cost, we have simplified the shift schedule to reduce the number of staff and lower the staff cost. On the administration, the paperless office is further expanded with the installation of computer equipment resource. On the operation, energy saving management is widely used. This saving measure not only enhanced the productivity but also lowered the operation cost.

Accelerate the development plan and purchase self-owned property

The Group has established the Yunnan subsidiary last year to accelerate the development pace. In addition, we have continued to explore new opportunities in the Guangxi and Hunan district. The new store in Xinduchang of Kunming is expected to be opened by the end of this year. On the other hand, the Group has completed the purchase of a commercial property in Shenzhen Baoan under a major transaction early this year. The four floors will be used as the headquarter office and investment property purpose. Apart from evading the interruption caused by fluctuation of market rent and bring about the possible capital gain, the rental income will provide an attractive income source for the Group.

調整門店之佈局，提升商場之銷售額

隨著國內之消費者之消費質素之提升，本年繼續對沙井、龍華、松崗、公明及石岩等主力店進行百貨品牌升級工作，引入更多出名之國內外品牌商，吸引更多之客源。另外，對本年開始對新鮮類之賣場進行重整，外判場地給小企業，借助他們對新鮮類之專業帶動人流，使超市及百貨更能配合。

推行節流措施，減低營運成本

集團擴大節流措施。於人員方面，實施了精簡編製措施，使整體員工人數減少，員工成本亦有所下降。於辦公管理層面，無紙工作環境亦繼續擴大，善用新增之電腦設備資源。於營運方面，繼續開發新之商場能源管理。繼空調之變頻節能外，更推出使用高效節能燈。這些節流措施，減低了營運成本。

加大拓展方向，購置自有物業

繼去年底於雲南成立了子公司，加快拓展的步伐。在廣西及湖南等地區，亦不斷找尋新機會。位於雲南昆明新都昌分店亦趕緊於去年底開業。除開立分店外，集團於年初亦完成了收購深圳寶安區之商業物業之主要交易，四層之商業面積日後將發展成為公司之總部辦公室及投資物業用途。除可避免業務因市租波動而受到不必要的中斷及將來物業市價上漲時帶來資本收益外，租金收入亦會為集團帶來潛在回報。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK AND PROSPECT

Looking ahead, China economy will be boost up by the shift of global economy focus. With the slogan of the stimulation of domestic demand, average household income has been gradually increasing. This raises the demand and quality of consumer goods. The Directors are confident towards the prospects of the Group's business. The mission of the Group is to become one of the major retail chain enterprise in the PRC. The Group will further strengthen its core competitiveness by improving operating performance and enlarging revenue scale through mergers and acquisitions. The Group will also continue to explore new opportunities for asset building to increase the value of the Company as a whole.

RISK MANAGEMENT

The activities of the Group expose it to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity risk.

(i) Foreign exchange risk

The Group has operation in the PRC so that the majority of the Group's revenues, expenses and cashflows are denominated in RMB and HK Dollars. Assets and liabilities of the Group are mostly denominated in Renminbi (RMB) or Hong Kong Dollars (HK\$). Any significant exchange rate fluctuations of foreign currencies against Renminbi may have financial impact to the Group.

(ii) Interest rate risk

The Group's income and operating cash flow are substantially independent of changes in market interest rates and the Group has no significant interest-bearing assets, other than cash at banks. The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

未來展望及前景

展望未來，中國經濟會隨著世界經濟之重點轉移而不斷起飛。在中國政府以擴內需之口號帶領下，使消費品需求持續強勁。居民收入不斷上升，提高了對消費品之要求及質量，故董事對本集團的業務前景充滿信心。本集團的任務乃成為中國零售業中的主要綜合企業之一。本集團將繼續透過合併與收購來改善營運表現及擴大收入，從而進一步加強其核心競爭力。本集團亦將繼續開發新商機，以擴充資產，提高公司之價值。

風險管理

本集團業務承受各種財務風險，包括外匯風險、利率風險、信貸風險及流動資金風險。

(i) 外匯風險

本集團於中國經營業務，故本集團大部分收入、開支及現金流量均以人民幣及港元計值，而本集團大部分資產及負債均以人民幣或港元計值。外幣兌人民幣匯率的任何重大波動可能對本集團造成財務影響。

(ii) 利率風險

本集團的收入及經營現金流量大致上不受市場利率變動所影響，除銀行現金存款外，本集團亦無重大計息資產。本集團並無利用利率掉期對沖利率風險。

Management Discussion and Analysis

管理層討論及分析

(iii) Credit risk

The Group has no significant concentration of credit risk. Most of the sales transactions were settled in cash basis or by credit card payment. The carrying amount of loan and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets. The Directors are of the opinion that adequate provision for uncollectible receivables has been made in this unaudited consolidated condensed financial information.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities and ability to close our market positions. The Group's objective is to maintain adequate credit lines to ensure sufficient and flexible funding available to the Group.

The Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding during the six months ended 30 June 2012.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(iii) 信貸風險

本集團的信貸風險並無出現重大集中情況。大部分銷售交易均以現金或信用卡付款結算。綜合財務狀況表所列貸款及其他應收款項的賬面值反映本集團財務資產的最高信貸風險。董事認為，已於本未經審核綜合簡明財務資料內就不可收回的應收賬項作出充分撥備。

(iv) 流動資金風險

審慎的流動資金風險管理指維持充足現金及現金等價物、透過充裕的已承諾信貸融資以維持備用資金，及於市場平倉的能力。本集團的目標乃維持足夠信貸融資，以確保本集團具備充裕及靈活的備用資金。

本集團並無使用任何財務工具作對沖用途，且本集團在截至二零一二年六月三十日止六個月並無使用任何對沖工具。

本集團的資金管理政策，是保障本集團按持續經營基準繼續營運的能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2012, the Group had approximately 1,955 employees in the PRC and Hong Kong. The Group continued to recruit high calibre people and provide continuing education and training for employees to help upgrading their skills and knowledge as well as developing team spirit on an on-going basis. For the Period, total staff costs were approximately RMB41.0 million. Competitive remuneration packages and performance-based bonuses are structured to commensurate with individual responsibilities, qualification, experience and performance.

The Group also provides other staff benefit such as mandatory provident fund and share option schemes (details of which were set out in the section head “Corporate Governance and Other Information”).

CONTINGENT LIABILITIES

As at 30 June 2012, the Group has no significant contingent liabilities.

FINANCIAL REVIEW

During the Period, the Group's revenue reached approximately RMB408.6 million, net profit after tax attributable to the owners of the Company was approximately RMB24.0 million. Gross margin and net margin of the Group were about 15.4% and 5.9% respectively. During the Period, the selling and distribution costs and administrative expenses were approximately RMB113.6 million and RMB20.6 million respectively, accounting for approximately 27.8% and 5.0% of the Group's revenue respectively.

僱員及薪酬政策

於二零一二年六月三十日，本集團於中港兩地聘有約1,955名僱員。本集團繼續招聘優秀人才，並為僱員提供持續教育與培訓，以不斷提高僱員的技術及知識，並培養團隊精神。於期內，員工總成本約為人民幣4,100萬元。本集團按個別僱員的職責、資歷、經驗及表現訂立具競爭力的薪酬待遇與按表現釐定的花紅。

本集團亦提供其他員工福利，如強積金及購股權計劃（詳情載於「企業管治及其他資料」一節）。

或然負債

於二零一二年六月三十日，本集團並無重大或然負債。

財務回顧

期內，本集團的收入約為人民幣4億860萬元，本公司擁有人應佔除稅後純利約為人民幣2,400萬元。本集團的毛利率及純利率分別約為15.4%及5.9%。期內，分銷成本、行政開支分別約為人民幣1億1,360萬元及人民幣2,060萬元，各佔本集團收入分別約為27.8%及5.0%。

Management Discussion and Analysis

管理層討論及分析

As at 30 June 2012, the Group's non-current assets amounted to approximately RMB241.2 million (31 December 2011: approximately RMB94.6 million). Non-current assets mainly include property, plant and equipment of approximately RMB62.2 million (31 December 2011: approximately RMB76.9 million), purchase deposit for property acquisition of approximately RMB167.2 million (31 December 2011: approximately RMB Nil) and deposits paid and prepayments of approximately RMB11.8 million (31 December 2011: approximately RMB17.7 million).

As at 30 June 2012, the Group had current assets amounting to approximately RMB431.9 million (31 December 2011: approximately RMB632.0 million). Current assets mainly comprised inventories and consumables of approximately RMB106.3 million (31 December 2011: approximately RMB115.6 million), trade receivables of approximately RMB4.4 million (31 December 2011: approximately RMB2.9 million), deposits paid, prepayments and other receivables of approximately RMB54.8 million (31 December 2011: approximately RMB100.1 million) and cash and bank balances of approximately RMB266.4 million (31 December 2011: approximately RMB413.4 million).

As at 30 June 2012, the Group had current liabilities amounting to approximately RMB235.3 million (31 December 2011: approximately RMB284.8 million). Current liabilities mainly comprised trade payables of approximately RMB176.8 million (31 December 2011: approximately RMB212.8 million), Coupon liabilities, deposits received, other payables and accruals of approximately RMB54.4 million (31 December 2011: approximately RMB63.2 million) and provision for tax of approximately RMB4.1 million (31 December 2011: approximately RMB8.8 million).

於二零一二年六月三十日，本集團非流動資產約為人民幣2億4,120萬元(二零一一年十二月三十一日：約人民幣9,460萬元)。非流動資產主要包括物業、廠房及設備約人民幣6,220萬元(二零一一年十二月三十一日：約人民幣7,690萬元)、購置物業訂金約人民幣1億6,720萬元(二零一一年十二月三十一日：約人民幣無)及已付按金及預付款項約人民幣1,180萬元(二零一一年十二月三十一日：約人民幣1,770萬元)。

於二零一二年六月三十日，本集團擁有流動資產約為人民幣4億3,190萬元(二零一一年十二月三十一日：約人民幣6億3,200萬元)。流動資產主要包括存貨及易耗品約人民幣1億630萬元(二零一一年十二月三十一日：約人民幣1億1,560萬元)、應收貿易賬款約人民幣440萬元(二零一一年十二月三十一日：約人民幣290萬元)、已付訂金、預付款項及其他應收賬項約人民幣5,480萬元(二零一一年十二月三十一日：約人民幣1億10萬元)及現金及銀行結餘約人民幣2億6,640萬元(二零一一年十二月三十一日：約人民幣4億1,340萬元)。

於二零一二年六月三十日，本集團之流動負債約為人民幣2億3,530萬元(二零一一年十二月三十一日：約人民幣2億8,480萬元)。流動負債主要包括應付貿易賬項約為人民幣1億7,680萬元(二零一一年十二月三十一日：約人民幣2億1,280萬元)。票息負債、已收按金、其他應付款項及應計費用約為人民幣5,440萬元(二零一一年十二月三十一日：約人民幣6,320萬元)及稅項撥備約人民幣410萬元(二零一一年十二月三十一日：約人民幣880萬元)。

Management Discussion and Analysis

管理層討論及分析

USE OF PROCEEDS FROM THE IPO

The net proceeds raised from the Company's newly issued and listed shares on the Stock Exchange in May 2007 (after deduction of related issuance expenses) amounted to approximately HK\$265,000,000. As of 30 June 2012, approximately HK\$130,970,000 of the proceeds so raised was used, and the unused proceeds of approximately HK\$134,030,000 was deposited with banks, the security of which was adequately ensured.

Details of the used proceeds raised of approximately HK\$130,970,000 are set out as follows:

- as to approximately HK\$29,000,000 for acquisition of the business of a retail chain in Shenzhen, the PRC;
- as to approximately HK\$28,300,000 for opening of new stores in Yanbu Foshan and Ronggui Foshan, the PRC;
- as to approximately HK\$8,750,000 for opening of a new store in Nanning Guangxi, the PRC;
- as to approximately HK\$4,350,000 for opening of two new stores in Xian sub-district Baoan Shenzhen, the PRC;
- as to approximately HK\$10,400,000 for opening of a new store in Luohu Shenzhen, the PRC;
- as to approximately HK\$15,800,000 for opening of a new store in Buji Shenzhen, the PRC;
- as to approximately HK\$14,300,000 for opening of another new store in Nanning Guangxi, the PRC;

首次公開售股所得款項用途

本公司於二零零七年五月在聯交所新發行上市股份籌集的所得款項淨額，在扣除相關的發行費用後相等於約265,000,000港元。於二零一二年六月三十日，已動用所籌得款項約130,970,000港元，尚未動用的所得款項約134,030,000港元存放在銀行，其安全性有足夠保證。

已動用所籌得款項約130,970,000港元之詳情載列如下：

- 約29,000,000港元用作收購中國深圳連鎖零售店業務；
- 約28,300,000港元用作於中國佛山鹽步及佛山容桂開設新店舖；
- 約8,750,000港元用作於中國廣西南寧開設新店舖；
- 約4,350,000港元用作於中國寶安新安街道辦開設兩家新店舖；
- 約10,400,000港元用作於中國深圳羅湖區開設新店舖；
- 約15,800,000港元用作於中國深圳布吉開設新店舖；
- 約14,300,000港元用作於中國廣西南寧開設另一家新店舖；

Management Discussion and Analysis

管理層討論及分析

- as to approximately HK\$9,200,000 for setting up of a procurement centre in Shiyao Shenzhen, the PRC;
 - as to approximately HK\$6,390,000 for the purchase of transportation equipment; and
 - as to approximately HK\$4,480,000 for the purchase of office equipment.
- 約9,200,000港元用作於中國深圳石岩開設配送中心；
 - 約6,390,000港元用作於購置運輸工具；及
 - 約4,480,000港元用作於購買辦公室設備。

The unused proceeds will be used by the Company for the purposes as set out in the section headed “Future plans and use of proceeds” in the prospectus of the Company dated 8 May 2007.

未動用之所得款項將由本公司動用作本公司日期為二零零七年五月八日之售股章程「未來計劃及所得款項用途」一節所述用途。

Interim Condensed Consolidated Statement of Comprehensive Income

簡明中期綜合全面收益表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

| | | Notes 附註 | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (Restated) (重列) |
|--|--------------------------|-------------|--|--|
| Revenue | 收入 | 4 | 408,641 | 402,406 |
| Cost of inventories sold | 已售存貨成本 | | (284,655) | (278,365) |
| | | | 123,986 | 124,041 |
| Other operating income | 其他經營收入 | 4 | 42,223 | 55,344 |
| Selling and distribution costs | 分銷成本 | | (113,636) | (120,426) |
| Administrative expenses | 行政開支 | | (20,615) | (18,033) |
| Profit before income tax | 除所得稅前溢利 | 6 | 31,958 | 40,926 |
| Income tax expense | 所得稅開支 | 7 | (7,960) | (4,910) |
| Profit for the period | 本期間溢利 | 5 | 23,998 | 36,016 |
| Total comprehensive income for the period | 期內全面收益總額 | | 23,998 | 36,016 |
| Dividend | 股息 | 8 | – | – |
| Earnings per share for profit attributable to the owners of the Company during the period | 期內本公司擁有人應佔溢利之每股盈利 | | | |
| – Basic (RMB cents) | – 基本(人民幣分) | 5 | | |
| | | 9 | 2.31 | 3.47 |
| – Diluted (RMB cents) | – 攤薄(人民幣分) | 9 | N/A不適用 | N/A不適用 |

Interim Condensed Consolidated Statement of Financial Position

簡明中期綜合財務狀況表

As at 30 June 2012 於二零一二年六月三十日

| | | At 30 June 2012 於 二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2011 於 二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|-----------------------|---|--|
| ASSETS AND LIABILITIES | 資產及負債 | | |
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 62,246 | 76,893 |
| Deposits paid and prepayments | 已付按金及預付款項 | 11,790 | 17,712 |
| Purchase deposit for property acquisition | 購置物業之訂金 | 11 | - |
| | | 241,203 | 94,605 |
| Current assets | 流動資產 | | |
| Inventories and consumables | 存貨及易耗品 | 106,288 | 115,606 |
| Trade receivables | 應收貿易賬款 | 12 | 4,393 |
| Deposits paid, prepayments and other receivables | 已付按金、預付款項及其他應收款項 | 54,848 | 100,124 |
| Cash and bank balances | 現金及銀行結餘 | 13 | 266,397 |
| | | 431,926 | 632,037 |
| Current liabilities | 流動負債 | | |
| Trade payables | 應付貿易賬款 | 14 | 176,808 |
| Coupon liabilities, deposits received, other payables and accruals | 息票負債、已收按金、其他應付款項及應計費用 | 54,364 | 63,277 |
| Provision for tax | 稅項撥備 | 4,126 | 8,772 |
| | | 235,298 | 284,828 |
| Net current assets | 流動資產淨值 | 196,628 | 347,209 |
| Net assets | 資產淨值 | 437,831 | 441,814 |
| EQUITY ATTRIBUTABLE TO THE OWNERS OF THE COMPANY | 本公司擁有人應佔權益 | | |
| Share capital | 股本 | 15 | 10,125 |
| Reserves | 儲備 | 427,706 | 431,689 |
| Total equity | 權益總額 | 437,831 | 441,814 |

Interim Condensed Consolidated Statement of Cash Flows

簡明中期綜合現金流量表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

Six months ended 30 June
截至六月三十日止六個月

| | | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|---|-----------------|--|--|
| Net cash inflow from operating activities | 經營業務現金流入淨額 | 77,913 | 75,295 |
| Net cash outflow from investing activities | 投資活動現金流出淨額 | (196,937) | (49,106) |
| Net cash (outflow)/inflow from financing activities | 融資活動現金(流出)/流入淨額 | (27,981) | 16,089 |
| (Decrease)/Increase in cash and cash equivalents | 現金及現金等價物(減少)/增加 | (147,005) | 42,278 |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等價物 | 413,402 | 226,805 |
| Cash and cash equivalents at 30 June | 於六月三十日之現金及現金等價物 | 266,397 | 269,083 |

Interim Condensed Consolidated Statement of Changes in Equity

簡明中期綜合權益變動表

For the six months ended 30 June 2012 截至二零一二年六月三十日止六個月

| | | Share capital | Share premium | Statutory reserve | Statutory welfare reserve | Merger reserve | Share option reserve | Translation reserve | Retained profits | Dividend proposed | Total |
|--|-----------------------------|---------------|----------------|-------------------|---------------------------|----------------|----------------------|---------------------|------------------|-------------------|----------------|
| | | 股本 | 股份溢價 | 法定儲備 | 福利基金 | 合併儲備 | 購股權儲備 | 換算儲備 | 保留溢利 | 擬派股息 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Unaudited for the six months ended 30 June 2012 | 截至二零一二年六月三十日止六個月未經審核 | | | | | | | | | | |
| At 1 January 2012 | 於二零一二年一月一日 | 10,125 | 252,478 | 36,350 | 2,286 | 12,373 | 6,682 | (969) | 93,232 | 29,257 | 441,814 |
| Profit for the period | 期內溢利 | - | - | - | - | - | - | - | 23,998 | - | 23,998 |
| Transfer to statutory reserve | 撥充法定儲備 | - | - | 2,546 | - | - | - | - | (2,546) | - | - |
| Total recognised income and expenses for the period | 期內確認收入及開支總額 | - | - | 2,546 | - | - | - | - | 21,452 | - | 23,998 |
| Dividend paid for 2011 | 二零一一年已派股息 | - | - | - | - | - | - | - | - | (27,981) | (27,981) |
| At 30 June 2012 | 於二零一二年六月三十日 | 10,125 | 252,478 | 38,896 | 2,286 | 12,373 | 6,682 | (969) | 114,684 | 1,276 | 437,831 |
| | | | | | | | | | | | |
| | | Share capital | Share premium | Statutory reserve | Statutory welfare reserve | Merger reserve | Share option reserve | Translation reserve | Retained profits | Dividend proposed | Total |
| | | 股本 | 股份溢價 | 法定儲備 | 福利基金 | 合併儲備 | 購股權儲備 | 換算儲備 | 保留溢利 | 擬派股息 | 總計 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Unaudited for the six months ended 30 June 2011 | 截至二零一一年六月三十日止六個月未經審核 | | | | | | | | | | |
| At 1 January 2011 | 於二零一一年一月一日 | 10,125 | 252,478 | 30,993 | 2,286 | 12,373 | 6,646 | (969) | 69,359 | 3,424 | 386,715 |
| Profit for the period (Note 5) | 期內溢利(註5) | - | - | - | - | - | - | - | 36,016 | - | 36,016 |
| Transfer to statutory reserve | 撥充法定儲備 | - | - | 2,086 | - | - | - | - | (2,086) | - | - |
| Issue of share option | 發出購股權 | - | - | - | - | - | 36 | - | - | - | 36 |
| Total recognised income and expenses for the period | 期內確認收入及開支總額 | - | - | 2,086 | - | - | 36 | - | 33,930 | - | 36,052 |
| Dividend paid for 2010 | 二零一零年已派股息 | - | - | - | - | - | - | - | - | (3,424) | (3,424) |
| At 30 June 2011 | 於二零一一年六月三十日 | 10,125 | 252,478 | 33,079 | 2,286 | 12,373 | 6,682 | (969) | 103,289 | - | 419,343 |

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

1. BASIS OF PREPARATION

Jiahua Stores Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The unaudited condensed consolidated financial statements (“Interim Condensed Financial Statements”) of the Company and its subsidiaries (collectively known as the “Group”) for the six months ended 30 June 2012 (the “period”) have 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 the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Stock Exchange.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited financial information of the Company for the year ended 31 December 2011 (the “2011 Annual Financial Statements”).

1. 編製基準

佳華百貨控股有限公司(「本公司」)於開曼群島註冊成立為獲豁免有限公司。本公司股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司及其附屬公司(合稱「本集團」)截至二零一二年六月三十日止六個月(「期內」)的未經審核簡明綜合財務報表(「簡明中期財務報表」)乃按照香港會計師公會(「香港會計師公會」)頒佈的香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則附錄16的適用披露規定編製。

簡明中期財務報表未包括所有於年度財務報表內要求之所需資料及披露，應與本公司截至二零一一年十二月三十一日年度之經審核財務資料(「二零一一年度財務報表」)一併閱讀。

2. SIGNIFICANT ACCOUNTING POLICIES

- (a) Adoption of new/revised HKFRSs – effective 1 January 2012

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (“the New HKFRSs”) issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 January 2012:

| HKFRSs (Amendments) | Improvements to HKFRSs 2010 |
|-----------------------|--|
| Amendments to HKFRS 7 | Disclosure – Transfers of Financial Assets |

The adoption of the New HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

2. 重大會計政策

- (a) 採納新訂／經修訂香港財務報告準則—於二零一二年一月一日生效

於本年度，本集團首次應用下列由香港會計師公會頒佈，且與本集團於二零一二年一月一日開始年度期間的財務報表有關及有效的新訂準則、修訂及詮釋（「新訂香港財務報告準則」）：

| 香港財務報告準則（修訂本） | 二零一零年香港財務報告準則的改進 |
|----------------|------------------|
| 香港財務報告準則第7號修訂本 | 披露—轉讓金融資產 |

採納新訂香港財務報告準則對本期間及過往期間業績及財務狀況的編製及呈列方式並無造成任何重大影響。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

(b) New/revised HKFRSs that have been issued but are not yet effective

At the date of authorisation, the following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

| | |
|-------------------------------|---|
| Amendments to HKAS 1 | Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income ¹ |
| Amendments to HKAS 32 | Financial Instruments – Presentation – Offsetting Financial Assets and Financial Liabilities ³ |
| HK(IFRIC) – Interpretation 20 | Stripping Costs in the Production Phase of a Surface Mine ² |
| HKAS 19 (2011) | Employee Benefits ² |
| HKAS 27 (2011) | Separate Financial Statements ² |
| Amendments to HKFRS 7 | Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities ² |
| HKFRS 9 | Financial Instruments ⁴ |
| HKFRS 10 | Consolidated Financial Statements ² |
| HKFRS 11 | Joint Arrangements ² |

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則

於授權刊發日期，下列新訂／經修訂香港財務報告準則可能與本集團財務報表相關，乃已經頒佈，但尚未生效及本集團並無提早採納。

| | |
|------------------------------------|--|
| 香港會計準則第1號 修訂本 | 財務報表之 呈列－其他 全面收益項 目之呈列 ¹ |
| 香港會計準則第32號 修訂本 | 金融工具－ 呈列－抵銷 金融資產及 金融負債 ³ |
| 香港(國際財務 報告詮釋 委員會)－ 詮釋第20號 | 露天礦場於 生產階段之 剝採成本 ² |
| 香港會計準則 第19號 (二零一一年) | 僱員福利 ² |
| 香港會計準則 第27號 (二零一一年) | 獨立財務 報表 ² |
| 香港財務報告 準則第7號 修訂本 | 金融工具： 披露－抵銷 金融資產及 金融負債 ² |
| 香港財務報告 準則第9號 | 金融工具 ⁴ |
| 香港財務報告 準則第10號 | 綜合財務 報表 ² |
| 香港財務報告 準則第11號 | 共同安排 ² |

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

| | | | |
|----------|---|--------------|--------------------------------|
| HKFRS 12 | Disclosure of interests in other entities ² | 香港財務報告準則第12號 | 於其他實體之權益披露 ² |
| HKFRS 13 | Fair Value Measurement ² | 香港財務報告準則第13號 | 公平價值計量 ² |
| Various | Annual Improvements to HKFRS 2009-2011 Cycle ² | 多項 | 二零零九至二零一一年周期的年度改進 ² |
| 1 | Effective for annual periods beginning on or after 1 July 2012 | 1 | 於二零一二年七月一日或其後開始之年度期間生效 |
| 2 | Effective for annual periods beginning on or after 1 January 2013 | 2 | 於二零一三年一月一日或其後開始之年度期間生效 |
| 3 | Effective for annual periods beginning on or after 1 January 2014 | 3 | 於二零一四年一月一日或其後開始之年度期間生效 |
| 4 | Effective for annual periods beginning on or after 1 January 2015 | 4 | 於二零一五年一月一日或其後開始之年度期間生效 |

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) requires the Group to separate items presented in other comprehensive income into those that may be reclassified to profit or loss in the future (e.g. revaluation of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains or losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

香港會計準則第1號修訂本 (經修訂) – 其他全面收入 項目之呈列

香港會計準則第1號之修訂(經修訂)規定本集團將呈列於其他全面收入之項目分為該等可能於日後重新分類至損益之項目(如重估可供出售金融資產)及該等未必會重新分類至損益之項目(如重估物業、廠房及設備)。就其他全面收入項目繳納之稅項會按相同基準分配及披露。此修訂將獲追溯應用。

香港財務報告準則第9號 – 金融工具

根據香港財務報告準則第9號，金融資產乃視乎實體管理金融資產的業務模式及金融資產的合約現金流量特點而分類為按公平價值或按攤銷成本計量的金融資產。除非實體可選擇在其他全面收益中確認損益的貿易性質權益投資外，公平價值損益將於損益確認。香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債確認及計量之規定，惟按公平價值計入損益的金融負債除外，其因負債信貸風險變動引致之公平價值變動金額於其他全面收益確認，除非此舉會導致或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認金融資產及金融負債之規定。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

香港財務報告準則第10號 – 綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控股模式。當投資者有權控制被投資方（不論實際上有否行使該權力），對來自被投資方之可變回報享有之承擔或權利以及能運用對被投資方之權力以影響該等回報時，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控制權之概念，即相對其他個別股東之表決權益之數量及分散情況，投資者之表決權益數量足以佔優，使其獲得對被投資方之權力，即使持有被投資方表決權少於50%仍可控制被投資方。潛在表決權僅在實質存在（即持有人有實際能力可行使潛在表決權）時，方會在分析控制權時加以考慮。該準則明文規定評估具有決策權之投資者是否以主事人或代理人身份行事，以及具有決策權之其他各方是否以投資者之代理人身份行事。代理人乃獲委聘以代表另一方及為另一方之利益行事，故在其行使其決策權限時亦並非控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表中綜合入賬之實體出現變動。現行香港會計準則第27號有關其他綜合計算相關事項之會計規定貫徹不變。香港財務報告準則第10號獲追溯應用，惟須受限於若干過渡性條文。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group's financial statements.

本集團正在評估採用這些新訂／經修訂的香港財務報告準則可能造成的影響。到目前為止，董事的結論為，採納這些新訂／經修訂香港財務報告準則不會對本集團財務報表產生重大影響。

3. SEGMENT INFORMATION

On adoption of HKFRS 8 “Operating Segments”, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. There are two business components/reportable segments in the internal reporting to the executive directors, which are operation and management of retail stores and wholesale of consumables and finished goods. No operating segment analysis is presented as less than 10% of the Group's revenue, operating result and asset is attributable to the wholesales of consumables and finished goods.

3. 分部資料

於採納香港財務報告準則第8號「經營分類」後，本集團已根據定期向本集團執行董事呈報，以供彼等決定將資源分配至本集團業務部分及審閱其表現之內部財務資料識別其經營分類及編製分類資料。向執行董事作出內部報告包括兩個業務部分／可呈報分類，即經營及管理零售店及批發易耗品及成品。由於少於10%之本集團收入、經營業績及資產來自批發易耗品及成品，故並無呈列經營分類分析。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

4. REVENUE AND OTHER OPERATING INCOME

The Group is principally engaged in operation and management of retail stores. Revenue, which is also the Group's turnover, represents invoiced value of goods sold, net of value added tax ("VAT"), after allowances for returns and discounts; and the value of services rendered. Revenue and other operating income recognised during the period are as follows:

4. 收入及其他經營收入

本集團主要業務為經營及管理零售店。收入(亦即本集團營業額)指出售貨品的發票值扣除增值稅(「增值稅」)以及退貨及折扣準備,並加上所提供服務的價值。期內確認的收益及其他經營收入如下:

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|--------------------|--|--|
| | | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Revenue – Turnover | 收入 – 營業額 | | |
| Sales of goods | 銷售貨品 | 336,477 | 329,578 |
| Commission from concessionaire sales | 專賣銷售所得佣金 | 51,751 | 52,206 |
| Rental income from sub-leasing of shop premises | 分租店舖物業的 租金收入 | 20,413 | 20,394 |
| Wholesale of consumables and finished goods | 易耗品及成品批發 | – | 228 |
| | | 408,641 | 402,406 |
| Other operating income | 其他經營收入 | | |
| Interest income | 利息收入 | 4,407 | 2,806 |
| Government grants | 政府補貼 | 15 | 192 |
| Administration and management fee income from suppliers | 來自供應商的行政 及管理費收入 | 23,404 | 25,171 |
| Gain on disposal of subsidiaries (Note 5) | 出售附屬公司得益 (註5) | – | 14,350 |
| Others | 其他 | 14,397 | 12,825 |
| | | 42,223 | 55,344 |

5. RE-STATEMENT OF COMPARATIVE FINANCIAL INFORMATION

The Group has made the following adjustments to the comparative financial information:

Pursuant to the share purchase agreement dated 8 June 2011 entered between Shenzhen Baijiahua Department Stores Company Limited (“BJH Department Stores”) and Shenzhen Heng Chong Xin Investment Limited (“Heng Chong Xin”), an independent third party, BJH Department Stores had agreed to sell the entire equity interests in Shenzhen Baijiahua Supermarket Limited (“BJH Supermarket”) and Dongguan Jiahua Department Store Company Limited (“Dongguan Jiahua”) for a consideration of RMB20.5 million and RMB5.5 million respectively.

It was noted that an error was found in the interim report for the six months ended 30 June 2011 (the “2011 Interim Report”) on the calculation of the gain on disposal of subsidiaries. In the 2011 Interim Report, the Group had mistakenly omitted i) the written off of plant, property and equipment of the disposed stores of approximately RMB16,649,000, and ii) the reversal of rental expenses accruals of the disposed stores of approximately RMB8,224,000 in the calculation. Adjustments have been made to rectify these errors and the comparative figures were amended accordingly.

5. 重列比較財務資料

本集團對比較財務資料作出以下調整：

根據深圳市百佳華百貨有限公司(「百佳華百貨」)與獨立第三方深圳市恒創新投資有限公司(「恒創新」)所訂立日期為二零一一年六月八日之股份購買協議，百佳華百貨已同意出售於深圳市百佳華超市有限公司(「百佳華超市」)及東莞市佳華百貨有限公司(「東莞佳華」)之全部股本權益，代價分別為人民幣20,500,000元及人民幣5,500,000元。

本公司注意到，截至二零一一年六月三十日止六個月之中期報告(「二零一一年中期報告」)在計算出售附屬公司之得益時出現錯誤。在二零一一年中期報告內，本集團遺漏為數約人民幣16,649,000之「物業、廠房及設備撇賬」，及約人民幣8,224,000之「出售附屬公司之租金預提沖回」計入。現已調整以糾正該等錯誤及比較數字亦已作出相應修訂。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

The effect of the above adjustments on the calculation on gain on disposal of subsidiaries and the results for the prior period is as follows:

上述計算出售附屬公司得益及業績之調整對過往期間之影響如下：

| | | Six months ended 30 June 2011 截至二零一一年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|---|-------------------|--|
| Gain on disposal of subsidiaries – as previously reported | 出售附屬公司得益—如先前所列 | 22,775 |
| – Written off of property, plant and equipment of disposed stores | – 關閉店之物業、廠房及設備之撇賬 | (16,649) |
| – Reversal of rental expenses accrual of disposed stores | – 出售附屬公司之租金預提沖回 | 8,224 |
| Gain on disposal of subsidiaries – as restated | 出售附屬公司得益—重列 | 14,350 |

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

| | | Six months ended 30 June 2011 截至二零一一年 六月三十日 止六個月 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|---|-------------------|--|
| Profit for the period – as previously reported | 期內溢利 – 如先前所列 | 44,441 |
| – Written off of property, plant and equipment of disposed stores | – 關閉店之物業、廠房及設備之撇賬 | (16,649) |
| – Reversal of rental expenses accrual of disposed stores | – 出售附屬公司之租金預提沖回 | 8,224 |
| Profit for the period – as restated | 期內溢利 – 重列 | 36,016 |

| | | Six months ended 30 June 2011 截至二零一一年 六月三十日 止六個月 (Unaudited) (未經審核) |
|----------------------------------|-------------|--|
| Earnings per share – as restated | 每股盈利 – 重列 | |
| – Basic (RMB cents) | – 基本 (人民幣分) | 3.47 |
| – Diluted (RMB cents) | – 攤薄 (人民幣分) | N/A |

The above errors had been rectified in the 2011 Annual Financial Statements and therefore no restatement is required for the condensed consolidated statement of financial position as at 31 December 2011.

上述錯誤已於二零一一年年度財務報表糾正，因此毋須於二零一一年十二月三十一日之簡明綜合財務狀況表重列。

Notes to the Interim Condensed Financial Statements
 簡明中期財務報表附註

6. PROFIT BEFORE INCOME TAX

6. 除所得稅前溢利

Six months ended 30 June
 截至六月三十日止六個月

| | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) (Restated) (重列) |
|--|--|--|
| Profit before income tax is arrived at after charging: | | |
| Depreciation of property, plant and equipment | 20,222 | 24,908 |
| Loss on disposal of property, plant and equipment | 117 | 286 |
| Operating lease rentals in respect of land and buildings | 28,051 | 34,130 |
| Obsolete inventories written-off | 191 | 352 |
| Staff costs, including directors' emoluments | | |
| – salaries and other benefits | 37,800 | 33,006 |
| – contributions to pension scheme | 3,371 | 3,012 |
| and crediting: | | |
| Gain on disposal of subsidiaries | – | 14,350 |

Notes to the Interim Condensed Financial Statements
簡明中期財務報表附註

7. INCOME TAX EXPENSE

7. 所得稅開支

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|---|------------------|--|--|
| | | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| Current tax | 即期稅項 | | |
| Enterprise income tax – current year | 中國企業所得稅 – 本年度 | 7,960 | 5,010 |
| Deferred tax | 遞延稅項 | – | (100) |
| | | 7,960 | 4,910 |

The Group is not subject to any taxation under the jurisdiction of the Cayman Islands and British Virgin Islands during the period (six months ended 30 June 2011: Nil).

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profit in Hong Kong for the period (six months ended 30 June 2011: Nil).

本集團於期內毋須繳納任何開曼群島及英屬處女群島司法權區之稅項(截至二零一一年六月三十日止六個月：無)。

由於本集團於期內並無來自香港的估計應課稅溢利，故並無就香港利得稅作出撥備(截至二零一一年六月三十日止六個月：無)。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

PRC enterprise income tax of a subsidiary of the Company, Shenzhen Baijiahua Department Stores Company Limited (“BJH Department Stores”) which was established in the PRC and which is situated in the Shenzhen (i.e. a Special Economic Zone), has been provided at the preferential enterprise income tax rate of 15% (except the branches not located in Shenzhen) on the estimated assessable profits during the year ended 31 December 2007. Pursuant to the new PRC enterprise income tax law (“EIT law”) passed by the Tenth National People’s Congress on 16 March 2007, the new enterprise income tax rate for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. Pursuant to the EIT law Article 57 and Guofa 2007 No. 39, the new tax rates of BJH Department Stores (including the head office and the branches located in Shenzhen) whose business registration has been completed on or before 16 March 2007 and situated in Shenzhen (i.e. a Special Economic Zone) is eligible for grandfathering treatments with a gradual increase in tax rate from 15% to 25% over five-year period (i.e. at 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012).

Other subsidiaries of the Company established in the PRC were subject to PRC enterprise income tax at the rate of 25% for the period under the income tax rules and regulations of the PRC (six months ended 30 June 2011: 25%).

於截至二零零七年十二月三十一日止年度，本公司一家於中國成立且位於經濟特區深圳之附屬公司深圳市百佳華百貨有限公司(「百佳華百貨」)之中國企業所得稅已按照其估計應課稅溢利以15%之優惠企業所得稅率作出撥備，惟並非位於深圳之分公司除外。根據第十屆全國人民代表大會於二零零七年三月十六日通過的新中國企業所得稅法(「企業所得稅法」)，內資及外資企業的新企業所得稅率劃一為25%，自二零零八年一月一日起生效。根據企業所得稅法第57條及國發2007第39號，位於經濟特區深圳之百佳華百貨(包括位於深圳之總辦事處及分公司)已於二零零七年三月十六日或之前完成商業登記，故根據稅務過渡辦法，合資格享有過渡待遇，即有關稅率於五年期間由15%逐步增加至25%(即於二零零八年為18%、二零零九年為20%、二零一零年為22%、二零一一年為24%及二零一二年為25%)。

本公司其他於中國成立之附屬公司於期內須根據中國所得稅條例及法規按25%稅率繳納中國企業所得稅(截至二零一一年六月三十日止六個月：25%)。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

8. DIVIDEND

- (a) Dividend attributable to the period
The Board of Directors did not recommend the payment of an interim dividend for the period (six months ended 30 June 2011: Nil).
- (b) Dividend attributable to the previous financial year, approved and paid/payable during the period

8. 股息

- (a) 期內應佔股息
董事會不建議派付期內中期股息(截至二零一一年六月三十日止六個月：無)。
- (b) 上個財政年度應佔及期內獲批准及已／應派付之股息

Six months ended 30 June 截至六月三十日止六個月

| | | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|---|---|--|--|
| Final dividend paid for the year ended 31 December 2010 of approximately RMB0.33 cent per ordinary share | 截至二零一零年十二月三十一日止年度已派付末期股息每股普通股約人民幣0.33分 | - | 3,424 |
| Final dividend paid/payable for the year ended 31 December 2011 of approximately RMB2.82 cents per ordinary share | 截至二零一一年十二月三十一日止年度已／應派付末期股息每股普通股人民幣2.82分 | 29,257 | - |
| | | 29,257 | 3,424 |

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to the owners of the Company for the period of approximately RMB23,998,000 (six months ended 30 June 2011: approximately RMB36,016,000) and on the weighted average number of approximately 1,037,500,002 (six months ended 30 June 2011: approximately 1,037,500,002) ordinary shares in issue during the period.

Diluted earnings per share for the periods ended 30 June 2011 and 2012 was not presented because the impact of the exercise of the share options was anti-dilutive.

10. CAPITAL EXPENDITURES

During the period, the Group incurred capital expenditures of approximately RMB2,800,000 (six months ended 30 June 2011: approximately RMB6,128,000) which mainly related to the acquisition of leasehold improvements, plant and machinery and furniture, fixtures and equipment.

11. PURCHASE DEPOSIT FOR PROPERTY ACQUISITION

During the period, the Group has entered into an agreement to acquire a property from a related company for a consideration of RMB270 million. Up to 30 June 2012, the Group has paid RMB167 million as the purchase deposit for property acquisition. The commitment contracted but not provided for in respect of property acquisition is RMB103 million as at 30 June 2012.

9. 每股盈利

每股基本盈利按期內本公司擁有人應佔溢利約人民幣23,998,000元(截至二零一一年六月三十日止六個月:約人民幣36,016,000元)及期內已發行普通股加權平均數約1,037,500,002股(截至二零一一年六月三十日止六個月:約1,037,500,002股)計算。

由於行使購股權具有反攤薄影響,故並無呈列截至二零一一年及二零一二年六月三十日止期間的每股攤薄盈利。

10. 資本開支

期內,本集團產生資本開支約人民幣2,800,000元(截至二零一一年六月三十日止六個月:約人民幣6,128,000元),主要與購置租賃物業裝修、廠房及機器以及家具、裝置及設備有關。

11. 購置物業之訂金

於期內,集團已簽訂協議從一關連公司以代價人民幣2.7億元購置一物業。截至2012年6月30日止,集團已付人民幣1.67億元作為購置該物業之訂金。於2012年6月30日,於該物業收購中已訂約但未撥備之資本承擔金額約為人民幣1.03億元。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

12. TRADE RECEIVABLES

All of the Group's sales are on cash basis except for certain bulk sale of merchandise to corporate customers which are credit sales. The credit terms offered to these customers are generally for a period of one to three months.

The aging analysis of the trade receivables, based on invoice dates, is as follows:

12. 應收貿易賬款

除若干向企業客戶作出之大量商品銷售乃除銷外，本集團所有銷售以現金進行。授予此等客戶之信貸期一般為期一至三個月。

應收貿易賬款按發票日期的賬齡分析如下：

| | | At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|----------------|----------|--|---|
| Within 30 days | 30日內 | 838 | 1,434 |
| 31-60 days | 31至60日 | 711 | 66 |
| 61-180 days | 61至180日 | 1,212 | 1,283 |
| 181-365 days | 181至365日 | 1,087 | - |
| Over 1 year | 一年以上 | 545 | 122 |
| | | 4,393 | 2,905 |

Notes to the Interim Condensed Financial Statements
 簡明中期財務報表附註

13. CASH AND BANK BALANCES

13. 現金及銀行結餘

| | | At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|--|--------------------|--|---|
| Cash at banks and in hand | 銀行及手頭現金 | 163,761 | 201,917 |
| Bank deposits maturing within three months | 於三個月內到期的 銀行存款 | 102,636 | 130,914 |
| Cash and cash equivalents for the purpose of statement of cash flows | 現金流量表的現金及 現金等價物 | 266,397 | 322,831 |
| Bank deposits maturing over three months | 於三個月以外到期的 銀行存款 | – | 80,571 |
| | | 266,397 | 413,402 |

Notes to the Interim Condensed Financial Statements
 簡明中期財務報表附註

14. TRADE PAYABLES

The aging analysis of the trade payables, based on invoice dates, is as follows:

14. 應付貿易賬款

應付貿易賬款按發票日期的賬齡分析如下：

| | | At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|----------------|----------|--|---|
| Within 30 days | 30日內 | 131,590 | 153,313 |
| 31-60 days | 31至60日 | 27,823 | 32,927 |
| 61-180 days | 61至180日 | 12,390 | 16,937 |
| 181-365 days | 181至365日 | 3,794 | 3,951 |
| Over 1 year | 一年以上 | 1,211 | 5,651 |
| | | 176,808 | 212,779 |

Notes to the Interim Condensed Financial Statements
簡明中期財務報表附註

15. SHARE CAPITAL

15. 股本

| | | At 30 June 2012 截至二零一二年 六月三十日止六個月 | | At 31 December 2011 截至二零一一年 十二月三十一日止年度 | |
|--|--------------------|---|-----------------|--|----------------|
| | | Number of shares | RMB'000 | Number of shares | RMB'000 |
| | | 股份數目 (千股) | 人民幣千元 (未經審核) | 股份數目 (千股) | 人民幣千元 (經審核) |
| Authorised : | 法定 : | | | | |
| Ordinary shares of HK\$ 0.01 each | 每股面值0.01港元 的普通股 | | | | |
| At the beginning and end of the period/year | 期/年初/末 | 10,000,000 | 97,099 | 10,000,000 | 97,099 |
| Issued and fully paid : | 已發行及繳足 : | | | | |
| Ordinary shares of HK\$ 0.01 each | 每股面值0.01港元 的普通股 | | | | |
| At the beginning and end of the period/year | 期/年初/末 | 1,037,500 | 10,125 | 1,037,500 | 10,125 |

Details of movement in share capital for the year ended 31 December 2011 were set out in the 2011 Annual Financial Statements.

截至二零一一年十二月三十一日止年度的股本變動詳情載於二零一一年度財務報表。

Notes to the Interim Condensed Financial Statements
 簡明中期財務報表附註

16. OPERATING LEASE ARRANGEMENTS

(a) Group as lessee

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to independent third parties are as follows:

16. 經營租賃安排

(a) 本集團作為承租人

根據不可撤銷土地及樓宇經營租賃須於未來應付獨立第三方之最低租賃付款總額如下：

| | | At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|------------------------------|---------|--|---|
| Within one year | 一年內 | 37,675 | 38,840 |
| In the second to fifth years | 第二年至第五年 | 148,879 | 149,199 |
| After five years | 五年後 | 109,460 | 127,275 |
| | | 296,014 | 315,314 |

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings payable to, Mr. Zhuang Lu Kun, a director of the Company, and related companies, Shenzhen Baijiahua Industrial Development Company Limited (“BJH Industrial”) and Shenzhen Jiahua Real Estate Development Company Limited (“JH Real Estate”), companies in which Mr. Zhuang Lu Kun and Mrs. Zhuang Su Lan have beneficial interest, are as follows:

| | | At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元 (Unaudited) (未經審核) | At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元 (Audited) (經審核) |
|------------------------------|---------|--|---|
| Within one year | 一年內 | 15,723 | 15,603 |
| In the second to fifth years | 第二年至第五年 | 65,706 | 65,103 |
| After five years | 五年後 | 38,241 | 46,490 |
| | | 119,670 | 127,196 |

根據不可撤銷土地及樓宇經營租賃須於未來應付本公司董事莊陸坤先生以及莊陸坤先生及莊素蘭女士擁有實益權益的關連公司深圳市百佳華實業發展有限公司(「百佳華實業」)及深圳市佳華房地產開發有限公司(「佳華房地產」)的最低租賃付款總額如下：

The Group leases a number of land and buildings under operating leases. The leases run for initial periods of five to fifteen years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and respective landlords. None of the leases include contingent rentals.

(b) Group as lessor

The Group sub-leases out a number of land and buildings under operating leases. One of the leases run for an initial period of ten years and are cancellable with three months' notice. The rentals on this lease are calculated based on a percentage of the relevant sales of the tenants pursuant to the rental agreement. All other leases are cancellable with one to two months' notice.

本集團根據經營租賃租用多項土地及樓宇。租賃初步為期五至十五年，並可選擇於約滿日或本集團與有關業主雙方協定之日期重續租期。租賃並無包括或然租金。

(b) 本集團作為出租人

本集團根據經營租賃分租多項土地及樓宇。其中一項租賃初步為期十年，並可於發出三個月通知後予以撤銷。此項租賃的租金乃按租賃協議項下租戶相關銷售的百分比計算。所有其他租賃可發出一至兩個月通知後予以撤銷。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

17. RELATED PARTY TRANSACTIONS 17. 關連人士交易

In addition to those transactions and balances detailed elsewhere in this Interim Condensed Financial Statements, the following transactions were carried out with related parties:

除本簡明中期財務報表其他部分詳列之交易及結餘外，以下為與關連人士進行之交易：

(a) Transactions with BJH Industrial

(a) 與百佳華實業之交易

| | | Six months ended 30 June 截至六月三十日止六個月 | |
|--|-----------------------|--|--|
| | | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
| | Notes 附註 | | |
| Operating lease rentals paid in respect of land and buildings | 有關土地及樓宇支付的經營租賃租金 (i) | (6,569) | (6,510) |
| Operating lease rentals arrangement in respect of land and buildings | 有關土地及樓宇的經營租賃租金安排 (ii) | (2,755) | (2,755) |
| Rental income arrangement | 租金收入安排 (iii) | 663 | 686 |
| Utilities income arrangement | 水電費收入安排 (iii) | 321 | 340 |

(i) The amounts were determined in accordance with the terms of the underlying agreements.

(i) 該款項乃根據相關協議條款釐定。

(ii) BJH Industrial (as tenant) entered into lease arrangements with certain independent third parties (as landlords) to lease certain premises rented by the Group. The Group paid rental expenses of these premises as disclosed above directly to the landlords and not to BJH Industrial.

(ii) 百佳華實業作為租戶與若干獨立第三方作為業主訂立租賃安排，以租賃若干由本集團租用的物業。本集團就上文披露的該等物業直接向業主而非百佳華實業支付租金開支。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

Pursuant to a lease agreement dated 28 April 2002 between 深圳市中鵬展實業有限公司 (“Zhong Peng Zhan”) (as landlord) and BJH Industrial (as tenant), BJH Industrial leases store premises for a term of 15 years commencing from 16 November 2002 and expiring on 15 November 2017 at a monthly rent of approximately RMB481,000. Pursuant to a supplemental lease agreement dated 1 March 2004 between Zhong Peng Zhan and BJH Industrial, Zhong Peng Zhan has consented that BJH Industrial can provide the store premises for occupation by the Group. Zhong Peng Zhan also consented that the Group shall pay the rental under this lease agreement directly to Zhong Peng Zhan and BJH Industrial has guaranteed the timely payment of rentals to Zhong Peng Zhan by the Group.

根據深圳市中鵬展實業有限公司(「中鵬展」，作為業主)與百佳華實業(作為租戶)所訂立日期為二零零二年四月二十八日的租賃協議，百佳華實業租賃店舖物業，租期為十五年，由二零零二年十一月十六日起至二零一七年十一月十五日屆滿，月租約人民幣481,000元。根據中鵬展與百佳華實業所訂立日期為二零零四年三月一日的補充租賃協議，中鵬展同意百佳華實業提供店舖物業供本集團佔用。中鵬展亦同意本集團直接向中鵬展支付此租賃協議項下租金，而百佳華實業已保證本集團準時向中鵬展支付租金。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

- (iii) BJH Industrial (as landlord) entered into certain sub-lease arrangements with an independent third party (as tenant) to sub-lease part of the retail stores which were rented by the Group. BJH Industrial received the rental income and utilities income as disclosed above on behalf of the Group. Pursuant to a supplemental agreement dated 6 November 2006 between BJH Industrial and the Group, BJH Industrial confirmed that the Group was entitled to the rental income as landlord from the independent third party commencing 1 March 2004. The rentals were determined in accordance with the terms of underlying agreements. Except for the arrangement in respect of Gongming Store, certain sub-lease arrangements had ceased and the Group became the landlord on 1 April 2007.
- (iii) 百佳華實業作為業主與一名獨立第三方作為租戶訂立若干分租安排，以分租由本集團租用的部分零售店。百佳華實業已代表本集團收取上文所披露租金收入及公用服務收入。根據百佳華實業與本集團所訂立日期為二零零六年十一月六日的補充協議，百佳華實業確認，本集團有權由二零零四年三月一日起以業主身分向該名獨立第三方收取租金收入。租金乃根據相關協議條款釐定。除公明店的安排外，若干分租安排已終止，而本集團於二零零七年四月一日成為業主。
- (b) During the six months ended 30 June 2012, the Group leased properties from Mr. Zhuang Lu Kun and JH Real Estate. The incurred operating lease rental expenses were approximately RMB112,000 (six months ended 30 June 2011: approximately RMB106,000) and approximately RMB1,474,000 (six months ended 30 June 2011: approximately RMB1,671,000) respectively. The amounts were determined in accordance with the terms of the underlying agreements.
- (b) 於截至二零一二年六月三十日止六個月，本集團向莊陸坤先生及佳華房地產租用物業。所產生經營租約租金開支分別約為人民幣112,000元（截至二零一一年六月三十日止六個月：約人民幣106,000元）及約人民幣1,474,000元（截至二零一一年六月三十日止六個月：約人民幣1,671,000元）。該等款項乃按相關協議條款釐定。

Notes to the Interim Condensed Financial Statements

簡明中期財務報表附註

(c) Compensation of key management personnel

(c) 主要管理人員酬金

Six months ended 30 June
截至六月三十日止六個月

| | | 2012 二零一二年 RMB'000 人民幣千元 (Unaudited) (未經審核) | 2011 二零一一年 RMB'000 人民幣千元 (Unaudited) (未經審核) |
|--|------------------|--|--|
| Wages, salaries and allowances | 工資、薪金及津貼 | 1,255 | 1,128 |
| Pension costs – defined contribution retirement scheme | 退休金成本 – 定額供款退休計劃 | 24 | 9 |
| | | 1,279 | 1,137 |

18. SUBSEQUENT EVENTS

The Group did not have any other significant subsequent events taken place subsequent to 30 June 2012.

18. 結算日後事項

本集團於二零一二年六月三十日後並無進行任何其他重大結算日後事項。

19. APPROVAL OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The Interim Condensed Financial Statements were approved and authorised for issue by the Board of Directors on 28 August 2012.

19. 批准簡明中期財務報表

簡明中期財務報表於二零一二年八月二十八日獲董事會批准及授權刊發。

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DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2012, the interests or short positions of the Directors and chief executives in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director and chief executives is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債券的權益及淡倉

於二零一二年六月三十日，董事及最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括任何有關董事及最高行政人員根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉)；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內的權益或淡倉；或(c)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(「標準守則」)須知會本公司及聯交所的權益及淡倉如下：

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(A) Ordinary Shares of HK\$0.01 each of the Company (A) 本公司每股面值0.01港元的普通股

| Name 姓名 | Capacity 身分 | Number of shares/ Underlying Shares Held 所持股份/相關股份數目 | | | Percentage of Issued Shares 佔已發行 股份百分比 |
|---|---------------------------|--|---------------------------------|---------------------------|--|
| | | Personal Interest 個人權益 | Family Interest 家族權益 | Total Interest 權益總額 | |
| Mr. Zhuang Lu Kun ("Mr. Zhuang") 莊陸坤先生 (「莊先生」) | Beneficial Owner 實益擁有人 | 617,757,500 | 67,500,000 (Note 1) (附註1) | 685,257,500 | 66.05% |
| | Beneficial Owner 實益擁有人 | 2,000,000 (Note 2) (附註2) | - | - | - |
| Mr. Zhuang Pei Zhong 莊沛忠先生 | Beneficial Owner 實益擁有人 | 1,000,000 (Note 3) (附註3) | - | - | - |
| Mr. Gu Wei Ming 顧衛明先生 | Beneficial Owner 實益擁有人 | 940,000 (Note 4) (附註4) | - | - | - |
| Mr. Zhuang Xiao Xiong 莊小雄先生 | Beneficial Owner 實益擁有人 | 75,000,000 2,000,000 (Note 5) (附註5) | - | 75,000,000 | 7.23% |
| Mr. Chin Kam Cheung 錢錦祥先生 | Beneficial Owner 實益擁有人 | 36,666 (Note 6) (附註6) | - | - | - |
| Dr. Guo Zheng Lin 郭正林博士 | Beneficial Owner 實益擁有人 | 36,666 (Note 7) (附註7) | - | - | - |
| Mr. Ai Ji 艾及先生 | Beneficial Owner 實益擁有人 | 36,666 (Note 8) (附註8) | - | - | - |

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Notes:

- (1) 67,500,000 Shares are held by Mrs. Zhuang Su Lan (“Mrs. Zhuang”). Since Mrs. Zhuang is the spouse of Mr. Zhuang, under the SFO, Mr. Zhuang is deemed to be interested in the said Shares held by Mrs. Zhuang.
- (2) Pursuant to the Share Option Scheme, Share Option in relation to 2,000,000 Shares were granted to Mr. Zhuang.
- (3) Pursuant to the Share Option Scheme, Share Option in relation to 1,000,000 Shares were granted to Mr. Zhuang Pei Zhong.
- (4) Pursuant to the Share Option Scheme, Share Option in relation to 940,000 Shares were granted to Mr. Gu Wei Ming.
- (5) Pursuant to the Share Option Scheme, Share Option in relation to 2,000,000 Shares were granted to Mr. Zhuang Xiao Xiong.
- (6) Pursuant to the Share Option Scheme, Share Option in relation to 36,666 Shares were granted to Mr. Chin Kam Cheung.
- (7) Pursuant to the Share Option Scheme, Share Option in relation to 36,666 Shares were granted to Dr. Guo Zheng Lin.
- (8) Pursuant to the Share Option Scheme, Share Option in relation to 36,666 Shares were granted to Mr. Ai Ji.

All the interests disclosed above represent long position in the shares and underlying shares of the Company.

附註：

- (1) 67,500,000 股股份由莊素蘭女士(「莊太太」)持有。由於莊太太為莊先生的配偶，故根據證券及期貨條例，莊先生被視作於莊太太持有的上述股份中擁有權益。
- (2) 根據購股權計劃，莊先生獲授涉及2,000,000股股份的購股權。
- (3) 根據購股權計劃，莊沛忠先生獲授涉及1,000,000股股份的購股權。
- (4) 根據購股權計劃，顧衛明先生獲授涉及940,000股股份的購股權。
- (5) 根據購股權計劃，莊小雄先生獲授涉及2,000,000股股份的購股權。
- (6) 根據購股權計劃，錢錦祥先生獲授涉及36,666股股份的購股權。
- (7) 根據購股權計劃，郭正林博士獲授涉及36,666股股份的購股權。
- (8) 根據購股權計劃，艾及先生獲授涉及36,666股股份的購股權。

上文披露的所有權益指於本公司股份及相關股份的好倉。

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(B) Share Options

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to a resolution of the sole shareholder of the Company passed on 30 April 2007. The Share Option Scheme complies with the requirements of the Listing Rules. Certain share options have been granted to the Directors, the employees and the consultant of the Company under the Share Option Scheme since its adoption and up to 30 June 2012.

The remaining life of the scheme is around 5 years.

Regarding the values of options as disclosed in this report, it is warned that due to subjectivity and uncertainty of the values of options, such values are subject to a number of assumptions and the limitation of the model.

(B) 購股權

本公司根據本公司唯一股東於二零零七年四月三十日通過之決議案採納一項購股權計劃(「購股權計劃」)。購股權計劃符合上市規則之規定。自採納購股權計劃以來及直至二零一二年六月三十日為止，若干購股權已授予董事，本公司僱員及本公司顧問。

計劃之餘下年期約為五年。

有關本報告披露之購股權價值，務請注意，由於購股權價值之主觀性及不確定性，有關價值受多項假設及有關模式限制。

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(i) Outstanding Options

Details of outstanding options for the underlying shares of the Company at the beginning and end of the Period which have been granted under the Share Option Scheme are as follows:

Options to subscribe for Shares

| Grantee 承授人 | Date of grant 授出日期 | Exercise period 行使期 | Number of Options 購股權數目 | | | | | Exercise price per share 每股行使價 HK\$ 港元 | |
|------------------------------------|-----------------------------|---|--|-----------------------------------|-------------------------------------|----------------------------------|-------------------------------------|---|---|
| | | | Balance at 1 January 2012 二零一二年一月一日結餘 | 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 | | Balance at 30 June 2012 二零一二年六月三十日結餘 |
| Executive Directors 執行董事 | | | | | | | | | |
| Mr. Zhuang Lu Kun 莊陸坤先生 | 30 April 2007 二零零七年四月三十日 | 21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日 | 1,000,000 | - | - | - | - | 1,000,000 | 1.04 |
| | 8 August 2008 二零零八年八月八日 | 9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日 | 1,000,000 | - | - | - | - | 1,000,000 | 0.46 |
| Mr. Zhuang Pei Zhong 莊沛忠先生 | 30 April 2007 二零零七年四月三十日 | 21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日 | 600,000 | - | - | - | - | 600,000 | 1.04 |
| | 8 August 2008 二零零八年八月八日 | 9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日 | 400,000 | - | - | - | - | 400,000 | 0.46 |
| Mr. Gu Wei Ming 顧衛明先生 | 30 April 2007 二零零七年四月三十日 | 21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日 | 540,000 | - | - | - | - | 540,000 | 1.04 |
| | 8 August 2008 二零零八年八月八日 | 9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日 | 400,000 | - | - | - | - | 400,000 | 0.46 |

(ii) 未行使購股權

於期初及期末，根據購股權計劃授出涉及本公司相關股份的尚未行使購股權詳情如下：

可認購股份之購股權

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| Grantee 承授人 | Date of grant 授出日期 | Exercise period 行使期 | Number of Options 購股權數目 | | | | Balance at 30 June 2012 二零一二年 六月三十日 結餘 | Exercise price per share 每股行使價 HK\$ 港元 |
|---|-------------------------------|---|--|---|---|--|---|---|
| | | | Balance at 1 January 2012 二零一二年 一月一日 結餘 | Granted during the period 期內授出 | Exercised during the period 期內行使 | Lapsed during the period 期內失效 | | |
| Mr. Zhuang Xiao Xiong 莊小雄先生 | 30 April 2007 二零零七年四月三十日 | 21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日 | 1,000,000 | - | - | - | 1,000,000 | 1.04 |
| | 8 August 2008 二零零八年八月八日 | 9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日 | 1,000,000 | - | - | - | 1,000,000 | 0.46 |
| Mr. Chin Kam Cheung 錢錦祥先生 | 15 January 2011 二零一一年一月十五日 | 17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日 | 36,666 | - | - | - | 36,666 | 0.9 |
| Dr. Guo Zheng Lin 郭正林博士 | 15 January 2011 二零一一年一月十五日 | 17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日 | 36,666 | - | - | - | 36,666 | 0.9 |
| Mr. Ai Ji 艾及先生 | 15 January 2011 二零一一年一月十五日 | 17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日 | 36,666 | - | - | - | 36,666 | 0.9 |
| Employees of the Group 本集團僱員 | 30 April 2007 二零零七年四月三十日 | 21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日 | 13,760,000 | - | - | (2,120,000) | 11,640,000 | 1.04 |
| | 8 August 2008 二零零八年八月八日 | 9 August 2008 to 8 August 2013 二零零八年八月九日至 二零一三年八月八日 | 5,339,998 | - | - | (620,000) | 4,719,998 | 0.46 |
| | 16 January 2011 二零一一年一月十六日 | 17 January 2011 to 16 January 2016 二零一一年一月十七日至 二零一六年一月十六日 | 2 | - | - | - | 2 | 0.9 |
| Consultant 顧問 | 30 April 2007 二零零七年四月三十日 | 21 November 2007 to 20 November 2012 二零零七年十一月二十一日至 二零一二年十一月二十日 | 600,000 | - | - | - | 600,000 | 1.04 |
| | | | 25,749,998 | - | - | (2,740,000) | 23,009,998 | |

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(ii) Valuation of Share Options

Options granted on 30 April 2007:

The weighted average fair value of Options granted during the year ended 31 December 2007 was RMB0.279 and was determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$1.04 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of Nil and a volatility rate of 41.11%, based on expected share price. Risk-free annual interest rate was determined at 4.26%.

The underlying expected volatility was determined with reference to the historical share price information of a company listed on the Main Board of the Stock Exchange which was engaged in similar business to the Group as there was no historical volatility rate of the Company prior to the date of grant of the Options.

(ii) 購股權價值

於二零零七年四月三十日授出的購股權：

於二零零七年十二月三十一日止年度之年內授出的購股權的以加權平均法計算之公平值約為人民幣0.279元，乃按栢力克－舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價1.04港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅41.11%。無風險年利率定為4.26%。

由於購股權授出日期前本公司並無出現波幅，故相關預計波幅乃經參考從事與本集團類似業務的聯交所主板上市公司的過往股價資料釐定。

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Options granted on 8 August 2008:

The weighted average fair value of Options granted during the year ended 31 December 2008 was RMB0.215 and was determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$0.46 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of nil and a volatility rate of 60.49%, based on expected share price. Risk-free annual interest rate was determined at 3.065%.

The underlying expected volatility was determined based on the historical share price information of the Company from the date of listing on 21 May 2007 to the date of Options granted.

於二零零八年八月八日授出的購股權：

於二零零八年十二月三十一日止年度之年內授出的購股權的以加權平均法計算之公平值約為人民幣0.215元，乃按柏力克-舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價0.46港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅 60.49%。無風險年利率定為3.065%。

相關預計波幅乃根據本公司自上市日期二零零七年五月二十一日至授出購股權當日的過往股價資料釐定。

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Options granted on 15 January 2011:

The weighted average fair value of Options granted during the six months ended 30 June 2011 was RMB0.331 and was determined using the Black-Scholes Option Pricing Model. Significant inputs into the calculation included a share price on issue date of HK\$0.9 and exercise prices as illustrated above. Furthermore, the calculation took into account the expected dividend yield of nil and a volatility rate of 76.60%, based on expected share price. Risk-free annual interest rate was determined at 0.73%.

The underlying expected volatility was determined based on the historical volatility for a period matching the expected life of the Options and reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No options were expired or exercised pursuant to the Scheme during the period.

於二零一一年一月十五日授出的購股權：

於二零一一年六月三十日止六個月之期內授出的購股權的以加權平均法計算之公平值約為人民幣0.331元，乃按栢力克－舒爾斯期權定價模式釐定。計算所用重大數據輸入包括於發行日期的股價0.9港元及上述行使價。此外，計算亦已計及預期零股息率及按預計股價計算的波幅76.60%。無風險年利率定為0.73%。

相關預計波幅乃根據配合購股權的預計年期的過往波幅而釐定並反映過往波幅乃為未來趨勢指標的假設，其未必是實際結果。

期內並無購股權根據該計劃屆滿或行使。

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Other than those disclosed in note 17 to the interim condensed financial statements (which were approved by the independent non-executive Directors and in the opinion of the Directors were carried out on normal commercial terms and in ordinary course of the Group's business), no contracts of significance in relation to the Group's business to which the Company, its holding company, fellow subsidiaries or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Period or at any time during the Period. At no time during the Period was the Company, its holding company, fellow subsidiaries or any of its subsidiaries a party of any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Save as disclosed above, none of Directors, nor their associates, had any other interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which (a) were required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); or which (b) were required pursuant to Section 352 of the SFO to be entered into the register maintained by the Company; or which (c) were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company or the Stock Exchange.

除簡明中期財務報表附註17披露者（經獨立非執行董事批准且董事認為乃於本集團日常業務中按一般商業條款進行）外，於期終及期內任何時間，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何與本集團業務有關，且董事於當中直接或間接擁有重大權益的重大合約。於期內任何時間，本公司、其控股公司、同系附屬公司或其任何附屬公司概無訂立任何安排，致使董事可藉購入本公司或任何其他法人團體的股份或債券而獲益。

除上文披露者外，董事及彼等的聯繫人士概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中，擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括任何有關董事或主要行政人員根據證券及期貨條例有關條文被當作或視作擁有的權益或淡倉）；或(b)根據證券及期貨條例第352條須載入本公司所存置登記冊內的權益或淡倉；或(c)根據上市規則所載標準守則須知會本公司及聯交所的權益及淡倉。

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SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2012, according to the register kept by the Company pursuant to Section 336 of the SFO, and so far as was known to any Director, the following persons (other than the interests of certain Directors disclosed under the section headed "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any associated Corporation" above), had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

主要股東權益

於二零一二年六月三十日，按照本公司根據證券及期貨條例第336條存置的登記冊所示，及據董事所知悉，除上文「董事及最高行政人員於本公司或其任何相聯法團的股份、相關股份及債券的權益及淡倉」一節所披露若干董事之權益外，下列人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉：

| Name 姓名 | Type of interest 權益種類 | Capacity 身份 | Personal Interest 個人權益 | Family Interest 家族權益 | Total 總計 | Approximate percentage of shareholding 股權概約百分比 |
|-------------------|--------------------------|---------------------------|---------------------------|--|------------------|---|
| Mrs. Zhuang 莊太 | Personal 個人利益 | Beneficial owner 實益擁有人 | 67,500,000 | 617,757,500 (Note 1) (附註1) 2,000,000 (Note 2) (附註2) | 685,257,500 - | 66.05% - |

Notes:

附註：

- (1) 617,757,500 Shares are held by Mr. Zhuang. Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares held by Mr. Zhuang.
 - (2) These Shares would be allotted to Mr. Zhuang upon the exercise in full of the share options granted to him under the Share Option Scheme. Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares which are subject to the Share Options granted to Mr. Zhuang.
- (1) 該617,757,500股股份由莊先生持有。由於莊先生為莊太的配偶，故根據證券及期貨條例，莊太被視作於莊先生持有的上述股份中擁有權益。
 - (2) 根據購股權計劃，此等股份將於授予莊先生之購股權獲悉數行使後向彼配發。由於莊先生為莊太之配偶，故根據證券及期貨條例，莊太被視作於莊先生獲授之購股權涉及之上述股份中擁有權益。

Corporate Governance and Other Information

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Save as disclosed above, there was no other person known to the Directors, other than the Directors, who, as at 30 June 2012, had an interest or a short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

DIVIDEND DISTRIBUTION

The directors do not recommend payment of an interim dividend for the Period.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

SHARE OPTION SCHEME

The Company has a Share Option Scheme (the "Scheme"). The purpose of the Scheme is to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Directors, employees of and consultants, professional and other advisers to the Group.

As at 30 June 2012, the number of shares in respect of which options had been granted under the Scheme adopted by the Company and remained outstanding under the Scheme was 23,009,998 shares (six months ended 30 June 2011: 25,749,998), representing approximately 2.22% (six months ended 30 June 2011: approximately 2.48%) of the shares of the Company in issue. For the six months ended 30 June 2012, no share options have been granted and 2,740,000 share options have been lapsed.

CORPORATE GOVERNANCE

On 1st April 2012, the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules ("Former CG Code") was amended and renamed as Corporate Governance Code and Corporate Governance Report ("New CG Code"). The Company has adopted the code provisions as set out in the New CG Code as the code of the Company in substitution for and to the exclusion of the Former CG Code with effect from 1st April 2012.

除上文披露者外，於二零一二年六月三十日，就董事所知，除董事外概無任何人士於本公司股份及相關股份中，擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益或淡倉。

股息分派

董事不建議派付期內中期股息。

買賣或贖回本公司的上市證券

本公司或其任何附屬公司於期內並無買賣或贖回本公司任何上市證券。

購股權計劃

本公司設有購股權計劃（該「計劃」）。該計劃旨在可讓本公司激勵、獎勵、酬謝、補償董事、本集團僱員及顧問、專業人士及其他諮詢顧問及／或向彼等給予利益。

於二零一二年六月三十日，根據本公司採納的購股權計劃授出及尚未行使的購股權所涉及股份數目為23,009,998股（截至二零一一年六月三十日止六個月：25,749,998股），相當於本公司已發行股份約2.22%（截至二零一一年六月三十日止六個月：約2.48%）。截至二零一二年六月三十日止六個月，期內沒有授出購股權，而其中2,740,000股已失效。

企業管治

於二零一二年四月一日，上市規則附錄十四所載之企業管治常規守則（「前企業管治守則」）經修訂及易名為企業管治守則及企業管治報告（「新企業管治守則」）。本公司已採納新企業管治守則所載之守則條文作為本公司之守則，以取代及不再使用前企業管治守則，由二零一二年四月一日起生效。

Corporate Governance and Other Information

企業管治及其他資料

During the six months ended 30th June 2012, the Company has fully complied with the code provisions set out in the Former CG Code and New CG Code.

於截至二零一二年六月三十日止六個月期間，本公司一直全面遵守前企業管治守則及新企業管治守則所載之守則條文。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Mode Code”) as set out in Appendix 10 to the Listing Rules as the Company’s own code for securities transactions by its Directors. Following specific detailed enquiries made with all Directors, the Company confirms that all Directors have fully complied with the required standards set out in the Model Code during the six months ended 30 June 2012.

進行證券交易的標準守則

董事會已採納上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為本公司本身有關董事進行證券交易的準則。經向全體董事作出具體詳細查詢後，本公司確認，全體董事於截至二零一二年六月三十日止六個月期間一直全面遵守標準守則所載規定準則。

REMUNERATION COMMITTEE

The Company has established a remuneration committee on 30 April 2007. The remuneration committee, which comprises the three Independent Non-executive Directors and one Executive Director, is responsible for reviewing and determining the appropriate remuneration policies of the Directors and senior management and making recommendations to the Board from time to time.

薪酬委員會

本公司於二零零七年四月三十日成立薪酬委員會。薪酬委員會由三名獨立非執行董事及一名執行董事組成，負責檢討及釐定董事及高級管理人員的合適薪酬政策，並不時向董事會提出推薦意見。

NOMINATION COMMITTEE

The Company has established a nomination committee on 30 April 2007. The nomination committee, which comprises the three Independent Non-executive Directors and one Executive Directors, is responsible for determining the criteria for identifying candidates suitably qualified, reviewing nominations for the appointment of Directors to the Board and making recommendations to the Board regarding any proposed changes.

提名委員會

本公司於二零零七年四月三十日成立提名委員會。提名委員會由三名獨立非執行董事及一名執行董事組成，負責釐定甄選合資格人選的標準、審閱委任董事加入董事會的提名及就任何建議變動向董事會提出推薦意見。

Corporate Governance and Other Information

企業管治及其他資料

AUDIT COMMITTEE

The Company has established an audit committee on 30 April 2007 in compliance with the Rule 3.21 of the Listing Rules. The audit committee, which comprises the three Independent Non-executive Directors, has reviewed the accounting principles and practices adopted by the Company as well as auditing, internal control and financial reporting matters, including the review of the unaudited interim results for the six months ended 30 June 2012. The financial statements of the Company for the six months ended 30 June 2012 have been reviewed and approved by the audit committee, who are of the opinion that such statements comply with the applicable accounting standards, the Listing Rules and legal requirements, and that adequate disclosures have been made.

INTERIM REPORT

The 2012 Interim Report will be despatched to shareholders and published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.szbjhn.com) in due course.

On behalf of the Board
Jiahua Stores Holdings Limited

Zhuang Lu Kun
Chairman

Shenzhen, the PRC
28 August 2012

As at the date of this report,
the Board comprises:

Executive Directors:
Zhuang Lu Kun, Zhuang Pei Zhong,
Gu Wei Ming, Zhuang Xiao Xiong

Independent Non-executive Directors:
Chin Kam Cheung, Guo Zheng Lin, Ai Ji

審核委員會

本公司已根據上市規則第3.21條於二零零七年四月三十日成立審核委員會。審核委員會由三名獨立非執行董事組成，已審閱本公司採納的會計原則及慣例，以及審核、內部監控及財務申報事宜，包括審閱截至二零一二年六月三十日止六個月的未經審核中期業績。本公司截至二零一二年六月三十日止六個月的財務報表已經審核委員會審閱及批准，且審核委員會認為，有關財務報表符合適用會計準則、上市規則及法例規定，且已作出足夠披露。

中期報告

二零一二年中期報告將於適當時候向股東寄發，並於聯交所網站 (www.hkex.com.hk) 及本公司網站 (www.szbjhn.com)內刊登。

代表董事會
佳華百貨控股有限公司

董事長
莊陸坤

中國，深圳
二零一二年八月二十八日

於本報告日期，
董事會成員包括：

執行董事：
莊陸坤、莊沛忠、
顧衛明、莊小雄

獨立非執行董事：
錢錦祥、郭正林、艾及

香港地址：香港九龍尖沙咀廣東道5號海港城海洋中心12樓1216室

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