

INTERIM DIVIDEND

The directors have declared an interim dividend of 3.0 cents per share for the six months ended 30 June 2001 (2000: 6.0 cents) payable to shareholders on the Register of Members of the Company on 5 October 2001. Dividend warrants will be posted on 12 October 2001.

BUSINESS REVIEW & PROSPECT

The Group's turnover for the six months ended 30 June 2001 increased by 14% over the corresponding period in 2000 to HK\$2,549 million, mainly due to increased wholesale of gold bullion. The profit attributable to shareholders was HK\$17 million, a decrease of 66% compared with HK\$50 million for the corresponding period in 2000. Earnings per share for the period were 3.90 cents compared with 11.47 cents in 2000.

Gold and Gem-set Jewellery

Turnover of the Group's gold and gem-set jewellery operations for the six months ended 30 June 2001 declined by 13% over the corresponding period in 2000 to HK\$939 million. Profit contribution therefrom amounted to HK\$24 million, representing a decrease of 41%.

The results are not unexpected as both Hong Kong's and Taiwan's economies are still very much in the doldrums, with retail spending severely curtailed. In the Mainland, results were mixed as other consumers' goods continued to vie for consumers' money.

We expect retail spending to remain low in both Hong Kong and Taiwan in the second half of the year. We have slashed costs and adjusted our products to suit a reduced market. In the Mainland we shall expand our sales network, both in and out of the cities in which we currently operate.

Precious Metals

Turnover from wholesale of precious metals for the six months ended 30 June 2001 increased 43% to HK\$1,591 million from HK\$1,114 million in 2000, but profit contribution decreased by 24%. The nature of the business is that competition is almost entirely based on price.

中期股息

董事會宣派截至2001年6月30日止六個月之中期股息每股3.0仙(2000年：6.0仙)予2001年10月5日名列本公司股東名冊內之股東，股息單將於2001年10月12日寄發。

業務回顧及展望

本集團截至2001年6月30日止六個月之營業額為2,549,000,000港元，較2000年同期增長14%，主要是貴金屬批發業務之增長。股東應佔溢利為17,000,000港元，較2000年同期錄得之50,000,000港元下跌66%。期內每股盈利3.90仙，2000年每股盈利為11.47仙。

金飾及珠寶鑲作飾品

本集團截至2001年6月30日止六個月之金飾及珠寶鑲作飾品業務營業額為939,000,000港元，較2000年同期下跌13%。溢利貢獻24,000,000港元，下跌41%。

香港及台灣兩地經濟持續不景氣，兩地零售大幅緊縮，此業績已在預料之中。中國內地方面，面對其他消費商品持續競爭，業績受到影響。

預料下半年香港及台灣兩地之零售消費仍然疲弱。本集團除削減成本開支，並調節產品組合以適應下調市場。在中國內地，除鞏固現有銷售點的城市外，更探索其他城市的發展機會，擴展零售網絡。

貴金屬

截至2001年6月30日止六個月之貴金屬批發業務營業額為1,591,000,000港元，較2000年同期錄得之1,114,000,000港元增長43%，但溢利貢獻則下跌24%。此項業務性質差不多完全以價格為競爭基礎。

Securities, Commodities and Gold Bullion

The revenue and the profit contribution from stockbroking for the six months ended 30 June 2001 decreased by 57% and 91% to HK\$15 million and HK\$2 million, respectively. The stock market as a whole has suffered under the global slowdown.

The outlook for the stock market remains cloudy for the rest of the year. With our Internet online trading system, www.338.net, fully operational and offering unique services, we are in a position to explore new products and marketing strategies.

Investments

Rental revenue from investment properties amounted to HK\$3 million, which accounted for about 1% of the Group's overall turnover. Most of the Group's properties are held for our own use as jewellery shops and factory premises. Although the property market is weak the exposure of the Group is not significant.

The shares in Hong Kong Exchanges and Clearing Limited are held by the Group as a long term investment. As at 30 June 2001, the unrealised holding gain amounted to HK\$84 million (31 December 2000: HK\$109 million).

Finance

The Group operates a central treasury which co-ordinates all financing and cash management activities resulting in better control and lower overall cost of funds.

The Group has foreign currency exposure in US dollars, Renminbi and Taiwanese dollars. If and when required, foreign currency loans may be arranged to lessen the impact of fluctuations. Despite such actions, the decline of the Taiwanese dollar has had an impact on our results.

Funding was mainly derived from internal resources. As at 30 June 2001, the Group's total cash on hand was HK\$176 million which together with undrawn facilities of HK\$495 million provide sufficient flexibility to grasp future investment opportunities.

證券、期貨及期金

截至2001年6月30日止六個月之股票經紀業務收入為15,000,000港元，溢利貢獻2,000,000港元，分別下跌57%及91%。股票市場交投因全球性經濟放緩而受到影響。

展望下半年股票市場仍然未許樂觀。本集團互聯網交易系統www.338.net已全面運作，提供獨有服務，有利於本集團開發新產品及開拓市場。

投資

物業投資租金收入3,000,000港元，佔本集團總營業額約1%。本集團所持大部份物業用於經營珠寶店及廠房。因此，樓市雖然疲弱，本集團承受的風險不大。

在香港交易及結算所有限公司之股份，本集團持作長期投資。於2001年6月30日，未實現之持有收益為84,000,000港元（2000年12月31日：109,000,000港元）。

財務

本集團總公司集中統籌各項業務所需資金及現金管理，資金從而得到較佳管控，減低整體融資成本。

本集團外幣風險主要在美元、人民幣及台幣。倘有需要，將盡量安排外幣貸款以減輕匯價波動之影響。然而，台幣貶值仍對本集團業績造成影響。

本集團所需資金主要來自內部儲備。於2001年6月30日，本集團之流動現金為176,000,000港元，加上尚未使用之備用信貸達495,000,000港元，足以應付未來投資商機。

It is the Group's policy to always obtain financing on an unsecured basis whenever possible. The Company guarantees banking and other facilities granted to subsidiaries. The Group's banking facilities was secured by time deposits of HK\$31 million (31 December 2000: HK\$16 million), and certain fixed assets and investment properties with a net carrying value of HK\$246 million (31 December 2000: HK\$250 million). At 30 June 2001, the Group's total bank loan amounted to HK\$14 million (31 December 2000: Nil).

Human Resource

As at 30 June 2001, the Group had 1,360 employees. Employees are rewarded on a performance basis within the general framework of the Group's salary and bonus system. Other employee benefits include insurance, medical cover and subsidies for continuing education. The Group has not adopted any share option scheme.

DIRECTORS' INTERESTS IN SHARES

At 30 June 2001, the interests of the directors in the share capital of the Company or its associated corporations, as recorded in the register maintained by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), were as follows:

		Nature of interest 權益性質					Notes 附註
Name of director 董事		Total number of shares 股份總數	Personal 個人	Family 家族	Corporate 公司	Other 其他	
Chow Kwen Ling	周君令	36,618,100	—	—	36,618,100	—	(3)
Chow Kwen Lim	周君廉	114,659,663	—	—	—	114,659,663	(1)
Chan Bing Fun	陳炳勳	1,100,000	1,100,000	—	—	—	
Vincent W.S. Chow	周永成	114,659,663	—	—	—	114,659,663	(1)
Gerald K.S. Chow	周敬成	86,485,065	16,406,400	78,665	—	70,000,000	(2)
Stephen L.H. Ting	丁良輝	—	—	—	—	—	
Chung Pui Lam	鍾沛林	—	—	—	—	—	
Winston W.S. Chow	周允成	86,144,920	16,080,920	64,000	—	70,000,000	(2)

Save as disclosed above, none of the directors or their associates had any interest (including personal, family and corporate interests) in the equity or debt securities of the Company or any of its associated corporations, as defined in the SDI Ordinance.

本集團政策乃盡量以無抵押方式取得所需融資。本集團為其附屬公司取得銀行及其他信貸提供擔保。本集團之銀行信貸以定期存款 31,000,000 港元（2000 年 12 月 31 日：16,000,000 港元），以及若干固定資產及投資物業賬面淨值達 246,000,000 港元（2000 年 12 月 31 日：250,000,000 港元）作抵押。於 2001 年 6 月 30 日，本集團之銀行貸款總額為 14,000,000 港元（2000 年 12 月 31 日：零港元）。

人力資源

於 2001 年 6 月 30 日，本集團員工總數為 1,360 人。員工的報酬及獎金，以員工表現為評核標準。其他員工福利包括保險、醫療保障及進修補助等。本集團並未採用購股權計劃。

董事於股本之權益

於 2001 年 6 月 30 日，按證券（披露權益）條例第 29 條保存之名冊，各董事於本公司或其聯營公司股本中之權益如下：

除上文披露外，按證券（披露權益）條例定義，各董事或其聯繫人士概無擁有本公司或其聯營公司股本或債券之任何權益（包括個人、家族及公司權益）。