



Hengdeli Holdings Limited  
亨得利控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

Stock Code 股份代號 : 3389



INTERIM REPORT  
中期報告 2012



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# FINANCIAL HIGHLIGHTS

## 財務概要

For the six months ended 30 June  
截至六月三十日止六個月

### Sales

銷售額

RMB'000 人民幣千元



### Profit for the period

期間溢利

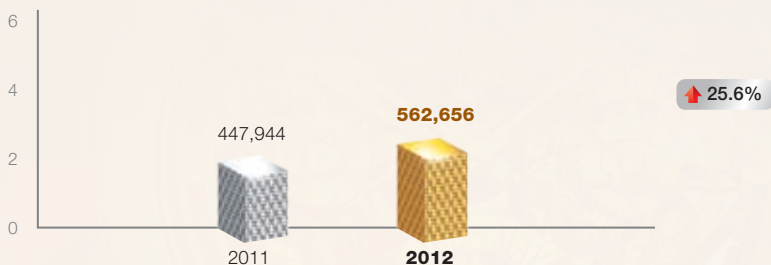
RMB'000 人民幣千元



### Profit attributable to equity shareholders

股東應佔溢利

RMB'000 人民幣千元





# CHAIRMAN'S STATEMENT

## 主席報告書

Dear Shareholders,

During the first half of 2012, amid the complicated and stern global economy, China's economic growth inevitably slowed down yet remained stable. Hengdeli Holdings Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter referred to as the "Group") have attained a stable business growth through proactively grasping the market pace and developing their business in a cautious yet progressive manner, so as to secure shareholders' interests.

As at 30 June 2012, the Group recorded sales of RMB5,749,733,000, representing an increase of 6.3% over the corresponding period last year. Retail sales amounted to RMB4,339,140,000, representing an increase of 4.6% over the corresponding period last year. The Group achieved a net profit of RMB613,621,000, representing an increase of 22.7% over the corresponding period last year.

During the period under review, the retail network was under progressive development. In Mainland China and Taiwan markets, middle-to-high-end "With Time" and "Prime Time" shops remained the focus of the Group's development framework; the Group explored into potential second, third and fourth tier cities while securing its business in first tier cities. Meanwhile, the Group leveraged on the opportunities brought by economy adjustment

各位股東：

二零一二年上半年，國際經濟形勢複雜嚴峻，並顯著影響中國。中國經濟增速回落，但尚為平穩。亨得利控股有限公司（以下簡稱「本公司」）及其附屬公司（以下簡稱「本集團」或「集團」）積極把握市場脈搏，審慎進取發展業務，取得了經營業績的穩定增長，有效保障了股東利益。

截至二零一二年六月三十日止，本集團銷售額錄得5,749,733,000元（人民幣，下同），較去年同期上升6.3%；零售銷售額錄得4,339,140,000元，較去年同期上升4.6%；集團實現淨利潤為613,621,000元，與去年同期相比上升了22.7%。

回顧期內，集團零售網絡發展健康。於中國內地和台灣，在拓展方向上，仍以中高檔的「尚時錶行」和「盛時錶行」為主；在確保一線城市的基礎上，深入有潛質的二、三線，乃至四線城市。同時，借經濟調整之良機，集團大力整固現有零售門店，提升其質素。於香港，則主要以穩健整固為主及確保銷售平穩。經有效拓展和調整

to enhance the quality of its existing retail outlets through pragmatic consolidation. As for Hong Kong, the Group ensured stable sales mainly through moderate consolidation. With effective expansion and optimised adjustment, as at 30 June 2012, the number of its retail outlets increased from 405 at the end of last year to 428. The growth of the sales for the first half of the year was affected by the relatively high benchmark in sales income over the corresponding period last year and the recession of the sales of high-end watches since this year. However, the sales of middle-end watches has shown a pleasant growth of 24%.

During the period under review, the back-office support for the Group's core business was getting mature and expanded. "Hengdeli Customer Services" and maintenance business has enjoyed a more significant brand effect. Moreover, despite the market recession, the manufacture business of packaging and display products which support the Group's core business has recorded a significant growth under the sound management system.

優化，截至二零一二年六月三十日，集團零售門店的數量從去年末的405間增加至428間。受去年本集團同期銷售收入基數較大及今年以來高端錶銷售不十分景氣之影響，上半年集團銷售增速趨緩，但中檔錶銷售仍有不俗增幅，其增長率達24%。

回顧期內，集團核心業務的後台支持日趨成熟與擴大。「亨得利客戶服務」暨維修業務的品牌效應更加顯著。此外，儘管市場低迷，但在良好的管理體系保障下，集團核心業務之延伸產品製造工業的業績仍得到了大幅提升。





During the period under review, the collaboration between the Group and its brand suppliers has deepened to attain new breakthroughs in various aspects including retail development, customer services, manufacture of ancillary products and brand distribution, thus achieving a “win-win” and laying a solid foundation for the Group’s healthy long-term development.

Though the global economic situation remains uncertain, we are still confident about the future prospect of China’s economy. The PRC government has been adopting policies to ensure stable economic growth, and has already adopted measures, the effect of which has started to emerge. Under the new economic situation, with Mainland China as its origin and middle-to-high-end retail sales as its focus, the Group will operate in line with market changes so as to develop its business in the Greater China region in a cautious yet progressive manner in the second half of the year. Taking “pragmatic healthy development” as its principle, the Group will strive to realise steady and continuous profit growth, and generate more satisfying returns for its shareholders, investors, staff and the society.

By Order of the Board  
**Zhang Yuping**  
*Chairman*

Hong Kong, 21 August 2012

回顧期內，集團與品牌供應商的合作更加深入，在零售拓展、客戶服務、配套生產、品牌分銷等方面都有新的突破；合作密切，達至雙贏，並為集團長期健康發展奠定了良好基礎。

目前，雖然世界經濟形勢仍存在較大的不確定性，但是，我們對中國經濟的發展仍有信心。保持經濟的穩定增長是中國政府的一貫政策，並中國政府已採取相應的措施，穩增長的效應已開始體現。在新的經濟形勢下，下半年，本集團仍將緊貼市場，以中國內地為中心，以中高端零售為主體，立足大中華區審慎進取發展業務；以務實健康為原則，竭誠實現穩步而持續性的利潤增長，為股東、廣大的投資者、員工和社會帶來更加理想的回報。

承董事會命  
主席  
張瑜平

香港，二零一二年八月二十一日



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

During the first half of 2012, the mixed and challenging international economy had a significant impact on the PRC, which witnessed a slower yet still steady economic growth. Aligning itself with the pace of market movements, the Group adopted a prudent and progressive stance to expand its operations, achieving steady growing business results and effectively securing shareholders' interests.

### I. Financial Review

#### Sales

As at 30 June 2012, the Group recorded sales of RMB5,749,733,000, representing an increase of 6.3% over the corresponding period last year. Retail sales amounted to RMB4,339,140,000, representing an increase of 4.6% over the corresponding period last year. The retail sales accounted for 75.5% of the total sales, which was in line with the direction of the Group's strategic development.

Thanks to the rapid growth of the middle class in the second and third tier cities in Mainland China, dynamic momentum was brought to the growth of the middle-end and middle-to-high end brands. With a sales growth of 24% over the corresponding period last year, middle-range watches delivered above-average same store sales growth. Meanwhile, the Group continuously enhanced its operation management, strived to increase the gross profit margin of the retail business, as well as adjusted its brand portfolio, optimised its inventory structure and improved its service quality promptly and reasonably in line with the actual market conditions so as to ensure a steady growth in its principal businesses.

二零一二年上半年，國際經濟形勢複雜嚴峻，並顯著影響中國。中國經濟增速回落，但尚為平穩。本集團積極把握市場脈搏，審慎進取發展業務，取得了經營業績的穩定增長，有效保障了股東利益。

#### 一、財務回顧

##### 銷售額

截至二零一二年六月三十日止，本集團銷售額錄得5,749,733,000元(人民幣，下同)，較去年同期增長6.3%；零售銷售額達4,339,140,000元，較去年同期上升4.6%；整體零售額佔總銷售額比重達75.5%，符合集團的戰略發展方向。

中國內地二、三線城市中產階層的快速成長，帶來了中高端品牌的較佳增長。與去年同比，中檔錶銷售增長率達24%，其同店銷售增長率也普遍高於集團平均水平。同時，本集團也不斷強化經營管理，著力提升零售毛利率，及根據市場實際情況及時合理地調整經銷品牌組合，優化庫存結構，提升服務水平，保證了主營業務的平穩增長。

In general, the growth of the Group's retail business slowed down as compared to the same period last year. This was mainly because the growth of the Group's overall sales was dragged down by subdued sales of high-end watches in the wake of the slowdown in China's economic growth amid the global economic turmoil.

整體來看，集團零售同比增長速度減緩，其主要原因在於：受國際經濟環境動盪之衝擊，中國經濟增長減速，以致集團的高端錶零售受到影響，拖累了集團整體銷售的上升速度。

Sales breakdown: (for the six months ended 30 June)  
銷售額分佈：(截至六月三十日止六個月)

		2012		2011	
		RMB('000)	%	RMB('000)	%
		人民幣(千元)		人民幣(千元)	
Retail Business	零售業務				
Mainland China	中國內地	2,824,790	49.1	2,596,200	48.0
Hong Kong	香港	1,414,761	24.6	1,448,813	26.8
Taiwan	台灣	99,589	1.7	102,628	1.9
Wholesale Business	批發業務	1,283,898	22.3	1,155,848	21.4
Customer Services and Others	客戶服務 及其它	126,695	2.3	103,658	1.9
<b>Total</b>	<b>總計</b>	<b>5,749,733</b>	<b>100</b>	<b>5,407,147</b>	<b>100</b>

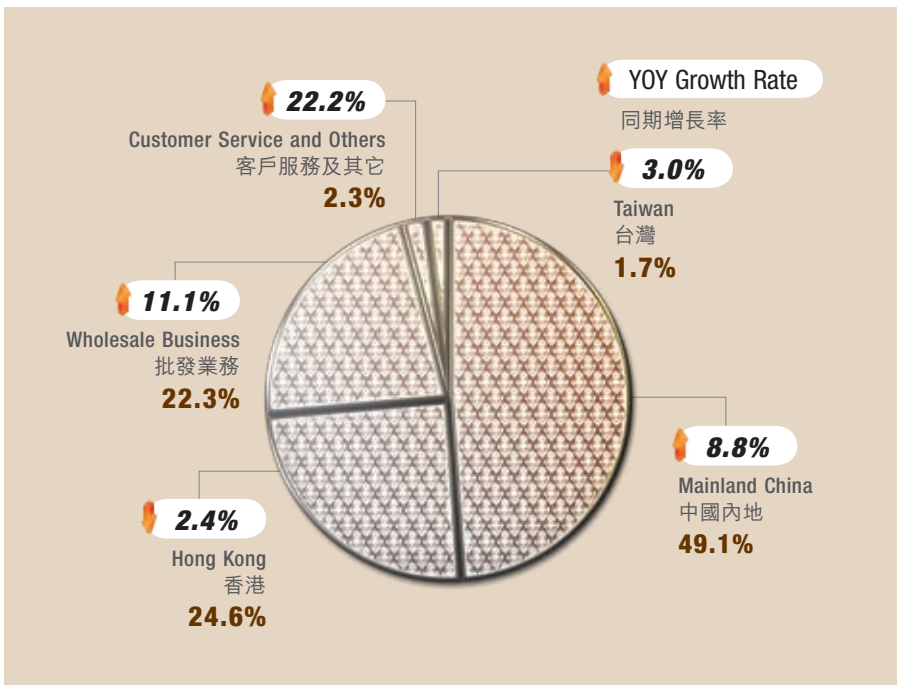
### Gross profit and gross profit margin

As at 30 June 2012, the Group's gross profit increased by 10.3% as compared to the same period last year to approximately RMB1,535,637,000. Gross profit margin was approximately 26.7%, representing an increase of 100bps over the corresponding period last year. The increase in gross profit margin was mainly attributable to the Group's ongoing efforts in expanding retail business with higher gross profit margin, the initiative for lowering the sales to some clients with low profit margin in the wholesale business, and the better understanding on the marketing and sales, as well as the continuous improvement of the retail management.

### 毛利及毛利率

截至二零一二年六月三十日止，本集團之毛利約為人民幣1,535,637,000元，較去年同期上升10.3%；毛利率約26.7%，較去年同期上升100bps。其主要原因在於：集團繼續擴充毛利率較高的零售業務，降低批發業務中部分低利潤率品牌的銷售比例；市場銷售規範的把握以及零售管理水平的不斷提升。





Profit for the period and profit margin

During the period under review, the Group's net profit increased by 22.7% as compared to the same period last year to approximately RMB613,621,000. The corresponding profit margin on sales was approximately 10.7%. The increase was mainly attributable to the completion of the acquisition deal between the Group and Ming Fung Jewellery Group Limited through exchange of shares, the steady increase in sales, the enhanced gross profit margin and the effective cost control over expenses.

期間溢利及溢利率

回顧期內，本集團淨利潤約為人民幣613,621,000元，較去年同期增長22.7%，其相應銷售利潤率約為10.7%。該增長主要是由於集團達成與明豐珠寶集團有限公司之換股收購、銷售額的穩定提升、毛利率改善及成本有效控制所致。

## Financial status and net debt to equity ratio

The Group maintained a sound and stable financial position.

As at 30 June 2012, the Group's total equity interests were RMB5,613,734,000 and current net asset value was RMB6,085,737,000, of which bank deposits amounted to RMB3,430,143,000. The bank loans totalled RMB3,237,311,000.

On 30 June 2012, the net outstanding amount of the USD settled zero coupon convertible bonds due in 2012 issued by the Company in August 2007 was RMB44,000,000. The aggregate principal amount of the HKD settled convertible bonds due in 2015 issued by the Company on 21 October 2010 was HKD2,500,000,000. Taking into account of the net amount of such convertible bonds, together with bank loans, the Group's total debt amounted to RMB5,298,889,000. As at 30 June 2012, the net debt to equity ratio of the Group, including convertible bonds, was approximately 33.3%. The directors of the Company believe that such net debt to equity ratio is within a reasonable range.

## Foreign exchange risk

The Group's transactions are mainly denominated in RMB and HKD. During the period under review, the foreign exchange movements of such currencies were managed properly. Accordingly, the Group was not exposed to significant risks associated with foreign exchange fluctuations.

The Group has been monitoring actively its foreign exchange risk.

## 財務狀況及淨負債權益率

本集團維持穩健的財務狀況。

於二零一二年六月三十日，本集團之權益總額達5,613,734,000元（人民幣，下同），流動資產淨值為6,085,737,000元，其中銀行存款為3,430,143,000元；而銀行貸款則合共為3,237,311,000元。

於二零一二年六月三十日，本公司於二零零七年八月發行以美元結算並於二零一二年到期之零息的可轉換債券之剩餘債券淨額為人民幣44,000,000元。另有二零一零年十月二十一日發行以港幣結算及於二零一五年到期之可換股債券，本金總額為港幣25億元。此等可轉換債券淨額連同銀行貸款，本集團合共負債為人民幣5,298,889,000元，於二零一二年六月三十日，本集團包括可轉債在內的淨負債權益比率約為33.3%，本公司董事認為，此淨負債權益率屬合理經營範圍。

## 外匯風險

本集團之買賣主要以人民幣及港元為單位。於回顧期內，該等貨幣之間的匯率變動已作出妥善處理，故，本集團並無面對重大外匯波動風險。

本集團一直積極關注及監察匯率風險。

### Pledge of assets

As at 30 June 2012, the Group had bank deposits of RMB1,279,000 pledged as security for guarantees, as well as land and buildings of RMB255,790,000 pledged as security for mortgage.

### Contingent liabilities

As at 30 June 2012, the Group did not have any material contingent liabilities.

### Current assets

During the period under review, the current assets of the Group amounted to approximately RMB10,024,963,000, comprising inventories of approximately RMB5,497,182,000, trade and other receivables of approximately RMB1,096,359,000 and cash and cash equivalents of approximately RMB3,430,143,000.

### Current liabilities

During the period under review, the current liabilities of the Group amounted to approximately RMB3,939,226,000, comprising bank loans of approximately RMB2,492,223,000, trade and other payables of approximately RMB1,271,952,000, and current tax payable of approximately RMB126,570,000.

### Material investment, acquisition and disposal

Save as disclosed in notes to the financial statements, there was no material acquisition or disposal of subsidiaries and associated companies, nor was there any significant investment held by the Company during the period under review.

### 資產質押

於二零一二年六月三十日，本集團有銀行存款人民幣1,279,000元用於質押作為擔保書之保證金；及有等值於人民幣255,790,000元的土地和樓宇作為按揭抵押。

### 或然負債

於二零一二年六月三十日，本集團無任何重大或然負債。

### 流動資產

於回顧期內，本集團之流動資產約為人民幣10,024,963,000元，其中包括存貨約為人民幣5,497,182,000元、應收貿易賬款及其它應收賬款約人民幣1,096,359,000元、現金及現金等價物約人民幣3,430,143,000元。

### 流動負債

於回顧期內，本集團之流動負債約人民幣3,939,226,000元，其中包括銀行貸款約人民幣2,492,223,000元、應付貿易賬款及其它應付賬款約人民幣1,271,952,000元、本期應繳稅項約人民幣126,570,000元。

### 重大投資、收購及出售

除財務報表附註所披露之外，本公司於回顧期內概無附屬公司及關聯公司的重大收購或出售，亦無持有重大投資。

## Capital structure

The Company's capital structure is composed of issued share capital, convertible bonds, reserves and accumulated profits. As at 30 June 2012, the issued share capital of the Company was 4,394,131,054 shares and the principal amount of the convertible bonds due 2012 was RMB44,000,000 and the principal amount of the convertible bonds due 2015 was HKD2,500,000,000.

## II. Business Review

During the period under review, the Group's business primarily focused on the build-up of the retail network in the Greater China region with a core presence in Mainland China, supplemented with the provision of comprehensive customer services, manufacturing of packaging and display products, brand distribution and jewellery business.

### Retail network

The Group's core business is the retail of middle-to-high-end internationally renowned watch brands.

Our retail network spans across the Greater China region where retail stores are mainly "Elegant", "Prime Time"/"Hengdeli", "With Time" and single-brand boutiques. "Elegant" mainly sells top grade internationally renowned watch brands; "Prime Time"/"Hengdeli" mainly sells middle-to-high-

## 資本結構

本公司的資本結構包括已發行股本、可轉換債券、儲備及累計溢利。於二零一二年六月三十日，本公司已發行股本為4,394,131,054股；有於二零一二年到期之可轉換債券本金值為人民幣44,000,000元；及有於二零一五年到期之可轉換債券本金值為港幣25億元。

## 二、業務回顧

回顧期內，本集團之業務仍主要專注於以中國內地為主的大中華區零售網絡建設，並輔以全面的客戶服務、延伸產品製造、品牌分銷及珠寶業務的展開等。

### 零售網絡

中高端國際名錶零售是本集團的核心業務。

本集團零售網絡遍及大中華地區，其零售店類型主要包括「三寶名錶」、「盛時錶行」/「亨得利」、「尚時錶行」以及單一品牌專賣店。「三寶名錶」主要銷售頂級國際名錶，「盛時錶行」/「亨得利」主要銷售中高端國





end internationally renowned watch brands, while “With Time” mainly sells internationally fashionable watches. Following the effective expansion and integration, as at 30 June 2012, the Group operated a total of 428 retail outlets in Mainland China, Hong Kong, Macau and Taiwan, an increase of 23 outlets over the end of last year. Of these stores, 23 were “Elegant” shops (6 in Hong Kong, 16 in Mainland China and 1 in Taiwan), 259 were “Prime Time” and “Hengdeli” shops (221 in Mainland China and 38 in Taiwan), 68 were “With Time” shops (65 in Mainland China and 3 in Taiwan) and 78 were brand boutiques (50 in Mainland China, 9 in Hong Kong, 1 in Macau and 18 in Taiwan).

The Group has maintained good partnerships with numerous worldwide renowned watch suppliers, including SWATCH Group, LVMH Group, RICHMONT Group and ROLEX Group. As at 30 June 2012, the Group distributed over 50 internationally renowned brands from the above four major brand suppliers and other independent watchmakers, including Vacheron Constantin, Jaeger-LeCoultre, TAG Heuer, Zenith, Breguet, Cartier, IWC, Rolex, Omega, Van Cleef & Arpels, Scatola del Tempo, Vincent Berard, Longines, Tissot, Frederique Constant and Mido. The Group continued to step up efforts in bringing in and adjusting middle-to-high-end brands to enhance the sales portfolio of the brands, paving the way for the long-term business development and ongoing enhancement of overall sales performance.

際名錶，而「尚時錶行」則主要銷售國際時尚名錶。於有效拓展及經調整整合，截至二零一二年六月三十日止，本集團在中國內地、港澳地區及台灣地區合共經營428間零售門店，比去年年末增加23間。其中，三寶名錶23間（香港6間、中國內地16間、台灣1間）；盛時錶行和亨得利合共259間（其中221間位於中國內地，38間位於台灣）；尚時錶行68間（其中中國內地65間，台灣3間），品牌專賣店78間（中國內地50間、香港9間、澳門1間、台灣18間）。

本集團與眾多國際著名手錶品牌供應商一直保持良好的合作關係，其中包括斯沃琪集團、路威酩軒集團、歷峰集團、勞力士集團等。截至二零一二年六月三十日止，本集團共經銷含上述四大品牌商所屬及其他獨立製錶人所屬之超過50個國際知名品牌，包括：江詩丹頓、積家、豪雅、真力時、寶璣、卡地亞、萬國、勞力士、歐米茄、梵克雅寶、Scatola del Tempo、Vincent Berard、浪琴、天梭、康斯登、美度等。本集團不斷加強中高檔品牌的引進與調整，完善品牌銷售組合，以有利於業務的長遠發展及整體業績的不斷提升。

Leveraging on the economic restructuring in the PRC during the period under review, the Group expanded its retail network in line with the market trend while focusing on strengthening the management of current retail outlets. By enhancing the quality of retail outlets, effectively controlling the costs, adjusting its brand portfolio and optimizing its inventory composition, the Group secured a steady growth in business. Despite the challenging international and domestic economies and the insipid retail market of high-end prestigious watch brands, the Group managed to achieve retail sales of RMB4,339,140,000 for the period under review, representing a growth of 4.6% as compared with the corresponding period last year. Retail sales accounted for 75.5% of the total sales of the Group. The gross profit of the retail business reached RMB1,331,215,000, representing a growth of 9.4% as compared with the corresponding period last year, and the gross profit margin recorded a growth of 140bps.

### *Mainland China*

The Group had developed a comprehensive network of retail outlets in Mainland China, with heavy presence in key regions including Shanghai, Beijing, Northeast China, Zhejiang, Jiangsu, Henan, Shanxi and Hubei, which facilitated the consolidation of its market share. Meanwhile, the Group is also strengthening its retail network by expanding into Southwest and Central China as well as other regions.

回顧期內，借中國經濟結構調整良機，本集團在緊貼市場拓展零售網絡的同時，重點加強現有零售門店的管理、提升零售網點質素、有效控制成本、調整品牌組合、優化庫存結構，保障了業績的穩定增長。在國際、國內經濟形勢嚴峻，高端名錶零售行業市場氣氛低迷的背景下，本集團在回顧期間仍實現零售額達人民幣4,339,140,000元，較去年同期增長4.6%，佔集團總銷售額的75.5%；實現零售毛利為人民幣1,331,215,000元，較去年同期增長9.4%；而毛利率則增長了140bps。

### *中國內地*

本集團於中國內地零售門店佈局完整，在上海、北京、東北、浙江、江蘇、河南、山西、湖北等重點區域達到了多點覆蓋，業已完成市場份額的集中控制；而在西南、華中等地區，網點也已逐步鋪開，並不斷加強。



In order to cater for the actual demand of Mainland consumers and complement the Group's high-end watch business strategy in Hong Kong, most of the Group's retail outlets in Mainland China are Prime Time shops and With Time shops, which are positioned to sell middle-to-high-end and middle-end watches. During the period under review, the Group committed tremendous efforts to re-position such retail shops through a number of approaches, leading to the consolidation and expansion of its retail network in the second, third and fourth tier cities. A total of 16 Prime Time and With Time shops were newly established, mainly in Southwest and Central China as well as in the second and third tier cities in East and North China. These initiatives enabled the Group to consolidate and increase its market share in such regions.

On the other hand, the coverage of Elegant shops which are engaged in the sales of high-end watches, is relatively small in Mainland China. As at 30 June 2012, there were 16 Elegant shops in Mainland China which were mainly located in developed first tier cities such as Shanghai, Beijing, Hangzhou, Nanjing and Shenyang.

During the period under review, the Group opened another Elegant shop in Hangzhou. Located in Dragon Hotel, a five-star hotel in Hangzhou, the shop offered a range of high-end brands such as Blancpain, IWC, Bulgari, Glashutte, Jaquet Droz and Zenith, each showcased in a dedicated elegant zone to interpret its unique glamour. The shop also adopted an innovative marketing approach by offering customers the privileged high grade club services, aiming to provide a better venue for high-end customers in Hangzhou and other cities of Zhejiang to purchase prestigious watch brands.

依據中國內地消費水平的實際需求，及考慮與集團香港高端手錶業務策略的互補定位，本集團在內地的零售門店主要集中於中高檔及中檔定位的盛時錶行及尚時錶行。回顧期內，本集團以主要力量集中抓好該類錶行的佈局調整，以多種方式在二、三、四線城市給予鞏固及擴充。新開設了盛時錶行和尚時錶行合共16間，大多集中在西南、華中地區；同時，於華東、華北二、三線城市也有相應補充。此等穩定及提升了集團在該等地區的市場份額。

本集團名下從事高端手錶銷售的「三寶名錶」在中國內地的覆蓋區域相對較少。截至二零一二年六月三十日止，在中國內地共開設三寶名錶有16間，主要集中於發達的一線城市，如：上海、北京、杭州、南京、沈陽等地。

回顧期內，集團在杭州再開設一間三寶店。該店位於杭州五星級酒店黃龍飯店內，經營品牌主要有寶珀、萬國、寶格麗、格拉蘇蒂、雅克德羅、真力時等高端品牌，每個品牌均設獨立專廳，環境優雅，彰顯獨特魅力。在營銷模式上，該店亦獨辟蹊徑，以高品位的會所式向顧客提供尊貴級服務，從而為浙江暨杭州的高端客戶提供更好的名錶消費場所。

The Cuiwei Elegant shop, which was upgraded from a Prime Time shop, is the first in-store shop established by the Group in cooperation with Beijing Cuiwei Group. Through ongoing operations over 15 years, it has fostered a loyal client base as well as a reputation of privileged services. The shop focuses on a string of brands including Jaeger-LeCoultre, Glashutte, Rolex, Chopard, Bulgari, Zenith and Omega showcased in dedicated zones or counters.

As at 30 June 2012, the Group operated a total of 352 retail outlets in Mainland China. The Group recorded a slower growth pace in terms of domestic retail sales, mainly due to the slower growth momentum of Chinese economy and the relatively high benchmark for the same period last year. However, the Group took initiatives to enhance management through continuous upgrading of the standards of outlet establishment and evaluation, timely adjustments to brand portfolio, optimization of its inventory structure and effective cost control. As a result, the Group managed to achieve a 8.8% growth in sales and a satisfactory growth in the sales of middle-end brands, representing a growth of 24% as compared with the corresponding period last year.

### *Hong Kong and Macau*

Due to the sluggish global economy, Hong Kong saw a slower growth in the retail business, especially for the high-end consumer goods, during the first half of the year. However, sales of Elegant (Hong Kong) remained stable during the period under review, which was attributable to the Group's extensive, solid and loyal client base in Hong Kong, the interaction between retail outlets in Mainland China and Hong Kong, as well as the comprehensive after-sales service network across the Greater China region, ensuring after-sales guarantees for Mainland tourists shopping in Hong

北京翠微三寶店由盛時店升級而成，是集團與北京翠微集團合作的首家店中店。十五年的持續經營，雲集了一群忠實的消費者，並營造出尊貴的服務氛圍。該店以獨立專廳或綜合櫃形式主要經營積家、格拉蘇蒂、勞力士、蕭邦、寶格麗、真力時、歐米茄等多個品牌。

截至二零一二年六月三十日止，集團在中國內地共經營352間零售門店。受到中國經濟增長趨勢放緩和本身集團去年同期基數較大的影響，中國內地的零售額增長相對趨緩。但集團在管理上努力進取，不斷提高開店及評估標準，適時調整品牌組合、優化庫存結構及有效控制成本。因此，銷售額仍較去年同期提升了8.8%，中檔品牌銷售增幅不俗，較去年同期上升了24%。

### *港澳地區*

受制於全球經濟低迷，上半年香港的零售業，特別是高端消費品市場增長相對緩慢。但藉於集團在香港地區廣泛及深厚的忠實客戶基礎、中國內地與香港兩地零售網點的互動、大中華區全方位的售後服務為內地遊客在香港地區購物提供放心的售後保障等，回顧期內，集團香港三寶銷售額仍能維持平穩的態勢。由於大勢及於回顧期內因租約到期關閉了三間專賣店及人民幣和港幣匯率變動等之故，截至二零一二年六月三十日止，香港地區



Kong. Because of the difficult overall business environment and the closure of three boutiques due to expiry of the lease term, and the change of RMB-HKD exchange rate during the period under review, the Group recorded a slight drop of approximately 2.4% in sales in Hong Kong for the six months ended 30 June 2012 as compared to the same period last year, actually increased by 1.0% if the effect of exchange rates is excluded. Gross profit margin registered another growth of 180bps as compared with the corresponding period last year.

During the period under review, the Group did not open any new shops in Hong Kong, but was preparing for the debut of a number of brand boutiques. As at 30 June 2012, the Group operated a total of 15 retail outlets in Hong Kong (3 boutiques closed due to expiry of the lease term during the period under review), of which 6 were Elegant shops that sell various brands and 9 were single-brand boutiques or image shops. Mainly located in prime districts such as Tsim Sha Tsui, Central and Causeway Bay, these shops are able to maintain a leading position in high-end watch retail business in Hong Kong.

The Group's retail business in Hong Kong mainly focuses on high-end brands, including Vacheron Constantin, Breguet, Cartier, Jaeger-LeCoultre, Omega, Chopard, Panerai, Zenith, IWC, Franck Muller, Piaget, Blancpain and Dewitt, as well as Scatola del Tempo, Vincent Berard, Christophe Claret and Heuge by independent watchmakers. During the first half of the year, the Group also introduced certain new brands such as U-Boat and Devon. The sale of such high-end brands fully complemented our retail business in Mainland China and Taiwan, thus creating tremendous synergy.

銷售較去年同期略為下降了2.4%，但如排除匯率轉換影響，實際上升1.0%。而毛利率則再有新的提升，較去年同期上升180bps。

回顧期內，集團在香港未有開設新店，但有多間品牌專賣店正在籌備之中。截至二零一二年六月三十日止，集團在香港合共經營15間零售門店（因租約到期，回顧期內關閉了三間專賣店），其中6間為多品牌的三寶名錶店，其餘9間均為單品牌專賣店或形象店。集團現時在香港的門店主要集中在尖沙咀、中環及銅鑼灣等一線商業地段，始終保持著香港高端手錶零售的領先地位。

本集團在香港的零售定位主要在高端品牌，包括江詩丹頓、寶璣、卡地亞、積家、歐米茄、蕭邦、沛納海、真力時、萬國、法蘭穆勒、伯爵、寶珀及Dewitt等，及獨立製錶商之Scatola del Tempo、Vincent Berard、Christophe Claret、Heuge等。上半年，集團新引進了U-Boat及Devon等品牌。這些高端品牌與集團中國內地及台灣地區的零售業務具有充分的互補性，產生了巨大的協同效應。



The Omega boutique in Macau again achieved positive sales during the period under review. Given the changing economic conditions and improved economic status of Macau, the Group's businesses in Hong Kong and Macau will definitely complement well with each other, which will further consolidate the Group's leading position in the region.

### *Taiwan*

The retail business of the Group in Taiwan is currently in the network-building stage. Similar to its sales strategy in Mainland China, the Group focuses on the sales of middle-to-high-end watches in Taiwan. As at 30 June 2012, the Group operated a total of 60 retail outlets in Taiwan, mainly located in major areas including Taipei, Taichung, Kaohsiung, Hsinchu and Chiayi. Except for one Elegant shop which sells top-class watches and certain boutiques, all retail shops are Hengdeli and With Time shops which sell middle-to-high-end watch brands like Rado, TAG Heuer, Longines, Tissot, Certina and Hamilton.

During the period under review, our sales in Taiwan grew steadily. Currently, the target consumers in Taiwan are mainly local customers. However, following the signing of The Economic Cooperation Framework Agreement (the "ECFA"), the cross-strait business relations will be enhanced and the economic ties among Mainland China, Taiwan and Hong Kong will become closer. It is expected that more tourists in Mainland China will travel to Taiwan, creating new opportunities for Taiwan's retail industry.

位於澳門的歐米茄專賣店於回顧期內銷售仍然看好。隨著澳門經濟業態的不斷改變以及經濟地位的提升，集團於香港和澳門的業務必將形成良好的互補，進一步鞏固集團於港澳地區的領先地位。

### *台灣地區*

集團於台灣的零售仍處於佈局時期，銷售策略與中國內地相同，主要以銷售中高端手錶為主。截至二零一二年六月三十日止，集團在台灣總共經營60間零售門店，主要分佈於台北、台中、高雄、新竹及嘉義等主要地區。除一間三寶名錶銷售頂級手錶及部分專賣店外，其他零售店均為銷售中高端手錶的「亨得利」店和尚時錶行，品牌主要包括雷達、豪雅、浪琴、天梭、雪鐵納、漢米爾頓等。

回顧期內，台灣銷售平穩。就目前來看，台灣地區消費對象主要仍為當地客人。隨著兩岸經貿合作框架協議(ECFA)的簽訂，兩岸經貿關係的強化，中國內地、台灣及香港經濟的進一步融合，相信更多的中國內地遊客將會赴台旅遊，此將為台灣的零售帶來新的契機。

## Customer services and maintenance

During the period under review, the Group's customer services and maintenance had focused on the deep collaboration with brand suppliers and the solicitation and training of maintenance technicians. Apart from Tissot and Hamilton, our customer service platform had also opened up Green Channels for several brands to provide timely maintenance services, of which the efficiency had been further enhanced along with the effective communication with brands. By means of "exchange in the air", the maintenance procedure was greatly simplified and catalyzed so as to provide customers with the most convenient, fastest and most comprehensive assistance, and thus winning general applause from our customers.

The high-calibre maintenance technicians are the foundation of the Group's customer services. During the period under review, the Group had been active in dispatching selected maintenance technicians to the brands for training purposes while making our maintenance technicians more international. The Group's customer services are guaranteed to have achieved international standards through the consistent supply of high-calibre maintenance technicians accomplished by our good partnerships with watch maintenance schools in countries like Sweden and Japan. Our outstanding pre-sale, sale and after-sale services have drawn more and more brands' interests, thus making breakthroughs in the depth and scope of our partnerships with different brands.

## 客戶服務暨維修

回顧期內，本集團的客戶服務暨維修工作主要著重於與品牌供應商的深度合作和維修技術人員的引進與培訓。除天梭、漢米爾頓外，回顧期內，客戶服務再開通了多家品牌適時維修的快捷「綠色通道」，並經與品牌間的有效溝通，令通道運營更加暢順。「空中交互」等方式的運用，大大簡化了維修流程，縮短了維修周期，為客戶提供最方便快捷及全面的幫助，受到了客戶的一致好評。

高素質的維修技術人員是本集團客戶服務之根本。回顧期內，集團一方面積極選派維修服務人員赴品牌接受培訓，另一方面，則促使維修服務人員更趨於國際化。與瑞典、日本等國的鐘錶維修技術學校間的良好合作關係為集團持續輸送高素質的維修技工奠定了良好的基礎，此等確保了集團客戶服務的國際水準。越來越多的品牌商青睞於本集團高水平的售前、售中及售後的保障，令集團與品牌的合作在廣度與深度上均有所突破。



“Advanced technology, online warranty, efficient management and considerate services” is one of the Group’s assurance to our customers and brand suppliers. The Group delivers all-rounded services to customers through an interactive customer service network consisting of “repair and maintenance service centers”, “repair service stations” and “repair service points” and provides the most convenient and tailor-made services to customers by way of warranty in the Greater China region including Mainland China, Hong Kong and Taiwan. The service hotline 4008 acts as the Group’s centralized service channel for the general public, offering timely advice and providing assurance and confidence to customers.

### Packaging and display products

In spite of China’s economic slowdown, the packaging and display segment of our watch business sustained a sound development for the first half of the year. The Group had strived to broaden sources of income and reduce expenditure by strengthening internal management and minimizing costs, and at the same time, optimized the production process and enhanced the quality of our products by introducing new technology. All of the above measures, complemented with our quality services, had gained broad recognition from customers, enhanced our competitiveness in the market and enabled the Group to explore into partnerships with different brands and expand product offerings. During the period under review, the Group had entered into such partnerships with 12 brands involving over 40 products. Apart from the core product types such as standard packaging and display windows, the Group also diversified display products and brand sales products. This had firmly supported the fast development of the Group’s principal businesses including the retail business.

「技術先進、網絡聯保、管理高效、服務貼心」是本集團給予客戶及品牌供應商的信心保證之一。本集團之「維修服務中心」、「維修服務站」及「維修服務點」三個層面的交互式客戶服務網絡為客戶提供全方位服務；以中國內地、香港及台灣等大中華區域聯保方式為客戶提供最便捷周到的服務；4008服務熱線，作為集團服務統一對外的窗口，給客戶提供及時快捷的諮詢以及最佳的信心保障。

### 配套延伸產品

在中國經濟增長趨緩的情況下，上半年集團的手錶配套生產業務仍得到了較好的發展。其主要原因一方面在於，集團大力提倡開源節流，不斷加強內部管理，降低成本，另一方面，則加大科技投入，不斷優化生產工藝，提升產品質量；加之良好的服務。所有這一切，得到了客戶的廣泛認可，市場競爭力不斷增強，合作的品牌與經營的品種不斷增加。回顧期內，集團在此等方面的合作品牌有12個，而經營品種達40餘個。此外，集團除以常規包裝盒、陳列展示櫃為主打品種外，於陳列展覽產品和品牌銷售配套用品等方面均向著多元化的方向發展。此等為集團零售等主導業務的快速發展提供了有力的支持。

## Brand distribution

The Group has about 400 wholesale customers in around one hundred cities in Mainland China. The Group distributes and exclusively distributes world-known watch brands including TAG Heuer, Zenith, Bulgari, Hamilton, Certina, Balmain, Tissot, Mido, ck, Maurice Lacroix and Frederique Constant.

The Group has maintained good partnerships with brand suppliers and numerous retailers. Backed by their extensive and tremendous support, the Group has achieved harmonious and mutually beneficial development.

## Jewellery business

During the period under review, the Group became a substantial shareholder of Ming Fung Jewellery Group Limited following the completion of the stock-for-stock acquisition deal with the company. The wealthy population in Mainland China is emerging while people's consumption in jewellery remains relatively low. The Group believes that the development of our jewellery business will act as a new source of profit and generate satisfactory returns for our shareholders.

## III. Human Resources and Training

As at 30 June 2012, the Group had a total of 7,382 employees in Mainland China, Hong Kong and Taiwan.

The Group is always committed to developing and building up human resources. We implement a systematic recruitment policy and allocate resources to various training programs for the managerial staff, front-line service staff and maintenance technicians. These training programs cover, among others, the

## 品牌分銷

本集團在遍佈中國的近百個城市中，擁有約400家批發客戶，分銷及獨家分銷多個國際知名品牌手錶，包括：豪雅、真力時、寶格麗、漢米爾頓、雪鐵納、寶曼、天梭、美度、ck、艾美、康斯登等。

本集團始終保持著與品牌供應商以及眾多零售商之良好合作關係，得到了其廣泛及大力的支持，而得以取得和諧共贏。

## 珠寶業務

回顧期內，集團完成與明豐珠寶集團有限公司之換股收購，成為其主要股東。中國內地富裕階層不斷湧現，而珠寶消費仍屬偏低。本集團相信珠寶業務的開展將會給集團帶來新的利潤增長點，為股東帶來理想回報。

## 三、人力資源暨培訓

於二零一二年六月三十日，本集團在中國內地、香港及台灣合共聘用7,382名員工。

本集團一貫重視人力資源的開發及增值，採用規範化的招聘體系，並有計劃地投入資源於管理人員、前線服務員及維修技術人員的各類培訓，涵蓋範疇包括管理的藝術、銷售技巧、品牌知識及服務意識等，以提升其知識

art of management, sales skills, brand knowledge and service awareness, so as to enhance staff's knowledge, marketing skills and service capability. The Group also works with our brand suppliers on the provision of regular training to front-line service staff and maintenance technicians in brand knowledge and maintenance expertise.

The Group offers a competitive remuneration package and various incentives, and regularly reviews the structure of relevant mechanisms to cope with corporate development needs. The Group granted options to the general management staff and associates of the Company in recognition of their contributions to the Group and as an incentive for their greater future commitment. The Group also offers various benefits to the employees, including pension plans, MPF plans, insurance schemes, housing and meal allowances, etc. Details of the remuneration package and other benefits are set out in the financial statements.

Under a solid human resources reward system, the Group can attract and retain numerous senior salespersons and senior repair technicians. Also, a number of staff members have received the "Capital Labour Medal" and the "May 1st Labour Medal".

#### **IV. Outlook**

China's economy is generally steady. The Group believes that the PRC government will be able to achieve long-term sustainable development through structural economic adjustment, and is confident about the China's economic outlook. Therefore, the Group will adhere to the business development principle of maintaining its base in Mainland China while expanding business across the Greater China region in a cautious manner.

水平、營銷技能及服務能力；並與品牌供應商合作，常規性地對前線服務員及維修技術人員進行品牌知識及維修技術之培訓。

本集團提供具有競爭力的薪酬及各種激勵機制，並定期檢討有關機制架構，以更加適應企業發展之需。本集團向公司一般管理層及有關人士發出認股權證，以表彰其對集團所作的貢獻，並激勵其今後為之更加努力。同時，本集團亦為僱員提供其它多種福利，包括退休金供款計劃、強積金、保險計劃、房屋及膳食等。有關薪酬等的資料詳細列於財務報表。

在良好的人力資源保障體系中，本集團擁有多個高級銷售人員及高級維修技師，並有多名員工獲得「首都勞動獎章」及「全國五一勞動獎章」之殊榮。

#### **四、未來發展**

目前，中國經濟運行總體平穩。本集團相信，中國政府能夠通過經濟的結構性調整實現其經濟的長期可持續性發展。因此，我們對中國經濟未來的發展前景充滿信心。本集團仍將以中國內地為中心，立足大中華地區審慎進取發展業務。

Our core development strategy remains to cautiously but progressively develop our retail business in line with market demand. In the second half of the year, the Group will strengthen the management of current outlets, based on which the opening of new outlets and adjustment of current outlets will be coordinated, so as to enhance the quality of our retail outlets. In Mainland China and Taiwan, “Prime Time”/“Hengdeli” and “With Time” will continue to be our main focus. Regionally, the Group will consolidate our leading position in the first tier cities, and attach great importance to our development in the second and third tier cities as well as certain fourth tier cities, with a view to perfecting our retail network and keeping in tune with market demand. Meanwhile, the Group will strengthen our partnerships with brands in various aspects including customer services, packaging and display products and brand distribution, thus forging closer relationships which are interactive, complementary and mutually beneficial to facilitate our business development. For the jewellery business, the Group will follow the market trend closely and input resources in a cautious but progressive manner.

Taking “pragmatic healthy development” as our principle, the Group will keep in line with the market trend and fully capitalize on business opportunities to achieve steady and sustainable profit growth in order to generate more satisfactory returns for our shareholders, investors, staff and society.

根據市場需求，積極而穩妥地發展零售業務仍是集團的重要發展策略。下半年，本集團將以加強現有門店管理為重，在此基礎上妥善安排新開門店及調整現有門店，藉以不斷提升零售門店的質素。在中國內地和台灣，仍將以「盛時錶行」/「亨得利」和「尚時錶行」為主，在區域上，除進一步鞏固本集團在一線城市的領先地位外，將以二、三線城市及部分四線城市的拓展為重點，使零售網絡配置更加完善及更能貼合市場的需求。而同時，集團也將強化與品牌在客戶服務、配套生產、品牌分銷等各方面密切的合作，形成更加緊密的互動、互補、共贏關係，以配合集團的業務增長。在珠寶首飾方面，集團將緊貼市場，以穩妥而積極的原則投入資源。

本集團將會緊隨市場，充分把握商機，以務實健康為原則，竭誠實現穩步而持續性的利潤增長，為股東、廣大的投資者、員工和社會帶來更加理想的回報。

## Report of the Directors

## 董事會報告書

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any of Its Associated Corporations

董事及行政總裁持有本公司或任何相聯法團股份、相關股份及債權證之權益及淡倉

As at 30 June 2012, the interests or short positions of each of the Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or were required to be notified 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 they are taken or deemed to have under such provisions of the SFO); or were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

於二零一二年六月三十日，董事及行政總裁於本公司及其相關法團(定義見香港法例第571章證券及期貨條例「證券及期貨條例」第十五部)股份、相關股份及債權證中，擁有根據證券及期貨條例第352條紀錄於本公司須予存置之登記冊內之權益或淡倉；或根據證券及期貨條例第十五部第7及第8部分，須通知本公司及聯交所之權益或淡倉(包括根據證券及期貨條例的該等條文、彼被當作或視作擁有的權益或淡倉)；及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規定，須通知本公司及聯交所之權益及淡倉如下：

Name of Directors 董事姓名	Nature of Interest 權益性質	Number of Shares 股份數目	Approximate Percentage 約百分比
Mr. Zhang Yuping ("Mr. Zhang") 張瑜平先生(「張先生」)	Controlled Corporation and Personal (Note 1) 所控制公司及個人(附註1)	1,571,040,000(L)	35.75%
Mr. Song Jianwen 宋建文先生	Controlled Corporation (Note 2) 所控制公司(附註2)	17,532,000(L)	0.40%
Mr. Huang Yonghua 黃永華先生	Personal 個人	7,136,000(L)	0.16%
Mr. Chen Sheng 陳 聖先生	Personal 個人	10,000,000(L)	0.23%

The letter "L" denotes the person's long positions in the Shares.

「L」代表有關人士於股份持有之好倉。



Note 1: Mr. Zhang owned 82.90% of the issued share capital of Best Growth International Limited (“Best Growth”), which in turn held 1,522,524,000 shares of the Company as at 30 June 2012. During the period under review, Mr. Zhang held 48,516,000 shares of the Company under his name. Accordingly, Mr. Zhang held 1,571,040,000 shares of the Company in aggregate, representing 35.75% of the issued share capital.

附註1：張先生擁有佳增國際有限公司（「佳增」）82.90%的已發行股本，而該公司於二零一二年六月三十日持有本公司1,522,524,000股份；張先生於回顧期內以個人名義持有本公司股份48,516,000股。故，張先生合共持有本公司股份1,571,040,000股，佔已發行股本的35.75%。

Note 2: Mr. Song Jianwen owned the entire issued share capital of Artnew Developments Limited, which in turn owned 0.40% of the issued share capital of the Company.

附註2：宋建文先生擁有藝新發展有限公司全部已發行股本，而該公司持有本公司已發行股本的0.40%。

### Substantial Shareholders’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As far as the Directors were aware, as at 30 June 2012, the interests or short positions of the persons, other than Directors of the Company, in the shares, underlying shares and debentures of the Company which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

### 主要股東持有本公司股份、相關股份及債權證之權益及淡倉

就董事所知悉，於二零一二年六月三十日，於本公司股份、相關股份及債權證中擁有根據證券及期貨條例第336條記錄，於本公司須予存置之登記冊內之權益或淡倉的人士（惟本公司之董事除外）如下：

Name of Shareholder 股東姓名	Number of shares 股份數目	Approximate Percentage 約百分比
Best Growth (Note 1) 佳增(附註1)	1,522,524,000(L)	34.65%
Mr. Zhang Yuping (Note 1) 張瑜平先生(附註1)	1,571,040,000(L)	35.75%
The Swatch Group Hong Kong Limited (Note 2)(附註2)	898,000,000(L)	20.44%
The Swatch Group Limited (Note 2)(附註2)	898,000,000(L)	20.44%

Name of Shareholder 股東姓名	Number of shares 股份數目	Approximate Percentage 約百分比
LVMH Watches & Jewelry Hong Kong Limited (Note 3)(附註3)	18,504,000(L)	0.42%
TAG Heuer SA (Note 3)(附註3)	18,504,000(L)	0.42%
TAG Heuer International SA (Note 3)(附註3)	18,504,000(L)	0.42%
LVMH Asia Pacific Limited (Note 3)(附註3)	259,620,000(L)	5.91%
Sofidiv SAS (Note 3)(附註3)	278,124,000(L)	6.33%
LVMH SA (Note 3)(附註3)	278,124,000(L)	6.33%
JP Morgan Chase & Co. (Note 4)(附註4)	250,938,803(L) 33,200,000(S) 75,081,994(P)	5.71% 0.75% 1.71%

The letter "L" denotes the person's long positions in the shares.

The letter "S" denotes the person's short positions in the shares.

The letter "P" denotes lending pool in the shares.

「L」代表有關人士於股份持有之好倉。

「S」代表有關人士於股份持有之淡倉。

「P」代表可供借出的股份。

Note 1: Best Growth was owned by the Zhang family in the following manner:

附註1：佳增由張氏家族擁有，詳情如下：

Mr. Zhang Yuping	82.9%	張瑜平先生	82.9%
Ms. Zhang Yuhong, younger sister of Mr. Zhang	14.7%	張瑜紅女士 (張先生的胞妹)	14.7%
Mr. Zhang Yuwen, younger brother of Mr. Zhang	2.4%	張瑜文先生 (張先生的胞弟)	2.4%

During the period under review, Mr. Zhang Yuping held 48,516,000 shares of the Company under his name. Accordingly, Mr. Zhang Yuping held 1,571,040,000 shares of the Company in aggregate, representing 35.75% of the issued share capital.

於回顧期內，張瑜平先生以個人名義持有本公司股份48,516,000股，故，張瑜平先生合共持有本公司股份1,571,040,000股，佔已發行股本的35.75%。

Note 2: Among these 898,000,000 shares, 500,000,000 shares were held under the capacity of security interest owner instead of effective interest owner. These 898,000,000 shares were held in the name of and registered in the capacity of The Swatch Group Hong Kong Limited as a beneficial owner. The entire issued share capital of The Swatch Group Hong Kong Limited was beneficially owned by The Swatch Group Limited. The Swatch Group Limited was deemed to be interested in all the shares held by The Swatch Group Hong Kong Limited under the SFO.

Note 3: Among these 278,124,000 shares, 18,504,000 shares were held in the name of and registered in the capacity of LVMH Watches & Jewelry Hong Kong Limited and 259,620,000 shares were held in the name of and registered in the capacity of LVMH Asia Pacific Limited. The entire interests of LVMH Watches & Jewelry Hong Kong Limited were owned by TAG Heuer SA, and TAG Heuer International SA beneficially owned 100% interest in TAG Heuer SA. Sofidiv SAS beneficially owned 100% interest in each of TAG Heuer International SA and LVMH Asia Pacific Limited. LVMH SA owned 100% interest in Sofidiv SAS.

Note 4: JP Morgan Chase & Co. held long positions in 41,486,673 shares of the Company as beneficial owner, short positions in 33,200,000 shares of the Company as beneficial owner, long positions in 134,370,136 shares of the Company as investment manager, and long positions in 75,081,994 shares of the Company as trustee.

附註2：該等898,000,000股股份中有500,000,000股以保證權益人的身份持有，而非實際擁有。該等898,000,000股股份為The Swatch Group Hong Kong Limited以實益擁有人名義登記且由其持有；The Swatch Group Hong Kong Limited之全部已發行股本由The Swatch Group Limited實益擁有；根據證券及期貨條例，The Swatch Group Limited視作於The Swatch Group Hong Kong Limited持有之所有股份中擁有權益。

附註3：該等278,124,000股股份分別由LVMH Watches & Jewelry Hong Kong Limited以其名義登記及持有當中18,504,000股及LVMH Asia Pacific Limited以其名義登記及持有當中259,620,000股。TAG Heuer SA持有LVMH Watches & Jewelry Hong Kong Limited之100%權益，而TAG Heuer International SA全資實益擁有TAG Heuer SA，Sofidiv SAS實益擁有TAG Heuer International SA及LVMH Asia Pacific Limited之100%權益；而LVMH SA則全資擁有Sofidiv SAS。

附註4：JP Morgan Chase & Co.以實益擁有人身份持有本公司41,486,673股之好倉；以實益擁有人身份持有本公司33,200,000股之淡倉；以投資經理身份持有本公司134,370,136股之好倉；以保管人身份持有本公司75,081,994股之好倉。

## Dividend Distribution

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2012.

## Share Option Scheme

A share option scheme was adopted by the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

Details of the options granted by the Company are as follows:

### (i) Options granted in 2007

Name of grantee	Date of grant	Exercise period	Exercise price	Closing price of the shares immediately before the date of grant	Number of options as at 1 January 2012	Number of options exercised during the period	Number of options cancelled during the period	Number of options or the share option scheme during the period	Number of options outstanding as at 30 June 2012	Percentage of the options in the total share capital of the Company
										購股權數目
持有人姓名	授出日期	行使期	行使價 (HKD) (港幣)	緊接授出日期前 股份收市價 (HKD) (港幣)	於 二零一二年 一月一日之 購股權數目	期內行使 購股權數目	期內註銷 購股權數目	購股權條款 或購股權 計劃失效 購股權數目	二零一二年 六月三十日 尚未行使的 購股權數目	購股權數目 佔本公司 總股本的 百分比
Directors 董事	—	—	—	—	—	—	—	—	—	—
Other eligible participants 其他合資格 參與者	28 August 2007 二零零七年 八月二十八日	1 August 2010 to 31 July 2012 二零一零年八月一日至 二零一二年七月三十一日	3.22	4.83	34,804,000	0	0	0	34,804,000	0.792%
Total	合計				34,804,000	0	0	0	34,804,000	0.792%

## 股息分派

董事不建議派付二零一二年六月三十日止六個月之中期股息。

## 購股權計劃

本公司採納購股權計劃，可向選定之參與者授出購股權，作為彼等為本集團所作貢獻之獎勵或報酬。

有關本公司授出購股權之詳情如下：

### (i) 於二零零七年授出之購股權

## (ii) Options granted in 2011

## (ii) 於二零一一年授出之期權

Name of grantee	Date of grant	Exercise period	Exercise price	Closing price of the shares immediately before the date of grant	Number of options as at 1 January 2012	Number of options exercised during the period	Number of options cancelled during the period	Number of options or the share option scheme during the period	Number of options outstanding as at 30 June 2012	Percentage of the options in the total share capital of the Company
持有人姓名	授出日期	行使期	行使價 (HKD) (港幣)	緊接授出日期前 股份收市價 (HKD) (港幣)	於 二零一二年 一月一日之 購股權數目	期內行使 購股權數目	期內註銷 購股權數目	期內根據 購股權條款 或購股權 計劃失效 購股權數目	於 二零一二年 六月三十日 尚未行使的 購股權數目	購股權數目 佔本公司 總股本 的百分比
Directors 董事	-	-	-	-	-	-	-	-	-	-
Other eligible participants 其他合資格 參與者	30 September 2011 二零一一年 九月三十日	30 September 2014 to 29 September 2016 二零一四年九月三十日至 二零一六年九月二十九日	2.93	2.71	4,150,000	0	0	0	4,150,000	0.094%
Total	合計				4,150,000	0	0	0	4,150,000	0.094%

## Purchase, Sale or Repurchase of Securities

During the period under review, the Company repurchased 4,800,000 listed shares on The Stock Exchange of Hong Kong Limited by way of acquisition from the market. The total consideration paid was HKD10,288,000. Upon the completion of the settlement of such repurchase, the Company has cancelled 4,108,000 repurchased shares.

As at 30 June 2012, the issued share capital of the Company was 4,394,131,054 shares. The Company had RMB44,000,000 bonds outstanding, which were listed on Singapore Exchange Securities Trading Limited on 24 August 2007, and HKD2.5 billion bonds outstanding, which were listed on Singapore Exchange Securities Trading Limited on 22 October 2010.

## 購買、出售或購回證券

於回顧期內，本公司以市場收購方式在香港聯合交易所有限公司購回已上市股份4,800,000股，合共支付金額總價為港幣10,288,000元。在購回股份結算完成後，本公司已將其中4,108,000股的購回股份註銷。

截至二零一二年六月三十日止，本公司已發行股本為4,394,131,054股；持有面值44,000,000元人民幣的債券，該等債券於二零零七年八月二十四日於新加坡證券交易所有限公司上市；及，持有面值25億元港幣的債券，該等債券於二零一零年十月二十二日在新加坡證券交易所有限公司上市。

## Disclosure of Information on the Website of the Stock Exchange

An interim report for the six months ended 30 June 2012 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the website of the Stock Exchange and the website of the Company in due course.

## Acknowledgement

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders for their continuous support and to all our staff for their dedication and contribution to the Group during the reporting period.

## General Information

As at the date of this report, the executive Directors are Mr. Zhang Yuping (Chairman), Mr. Song Jianwen and Mr. Huang Yonghua, the non-executive Directors are Mr. Chen Sheng, Mr. Shi Zhongyang and Ms. Zheng Yu and the independent non-executive Directors are Mr. Cai Jianmin, Mr. Wong Kam Fai William and Mr. Liu Xueling.

By Order of the Board

**Zhang Yuping**  
*Chairman*

Hong Kong, 21 August 2012

## 在香港聯交所網站披露資料

載有上市規則附錄16所規定一切資料之截至二零一二年六月三十日止六個月中期報告將會寄發予本公司股東，並且於適當時候刊載於香港聯交所網站及本公司網站。

## 鳴謝

董事藉此機會感謝全體股東一直以來的鼎力支持，以及感謝本集團全體員工於報告期內為本集團付出之努力和貢獻。

## 一般事項

於本報告日期，本公司有主席兼執行董事張瑜平先生、執行董事宋建文先生及黃永華先生；非執行董事陳聖先生、史仲陽先生及鄭豫女士；獨立非執行董事蔡建民先生、黃錦輝先生及劉學靈先生。

承董事會命

主席  
張瑜平

香港，二零一二年八月二十一日

## Corporate Governance Report

Compliance with the Code on Corporate Governance Practices and the Corporate Governance Code

The Company has always been committed to maintaining a high standard of corporate governance to ensure transparency, such that the interests of our shareholders and the cooperative development among our customers, employees and the Group can be safeguarded.

The Company has adopted the Code on Corporate Governance Practices (“CGP Code”) during the period from 1 January 2012 to 31 March 2012 and the Corporate Governance Code (“CG Code”) during the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Directors are of the opinion that the Company complied with the CGP Code from 1 January 2012 to 31 March 2012 and the CG Code from 1 April 2012 to 30 June 2012, except for a deviation from the provision A2.1 of the CPG Code and the CG Code. Given the existing corporate structure, the roles of the chairman and chief executive officer have not been separated, and both are performed by Mr. Zhang Yuping. Although the roles and duties of the chairman and chief executive officer have been performed by the same individual, all major decisions would only be made (where applicable) after consultation with the Board. There are three independent non-executive directors in the Board. All of them possess adequate independence and therefore the Board considers that the Company has achieved balance of power and provided sufficient assurance for scientific decision-making.

## 企業管治報告

遵守企業管治常規守則及企業管治守則

長期以來，本公司致力保持高標準的公司管治機制，確保集團較高的透明度，以保障全體股東之利益，並確保客戶、員工及集團的協調發展。

本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四所載之企業管治常規守則(於二零一二年一月一日至二零一二年三月三十一日期間)及企業管治守則(於二零一二年四月一日至二零一二年六月三十日期間)。

董事認為，本公司於回顧期內一直遵守企業管治常規守則(於二零一二年一月一日至二零一二年三月三十一日期間)及企業管治守則(於二零一二年四月一日至二零一二年六月三十日期間)，惟偏離該等守則A2.1項條文。鑒於現有企業結構，主席及行政總裁之角色並無分開，均由張瑜平先生擔任。儘管主席及行政總裁之角色責任乃歸屬一人，但所有重要決策均經諮詢董事會及經(在適用情況下)董事會作出。董事會有三名極具獨立性之獨立非執行董事，因此，董事會認為本公司已具備充分權力平衡及保障科學決策的作出。

## Audit Committee

The Company has established an audit committee in compliance with the Listing Rules. The audit committee comprises three independent non-executive Directors, with the primary duties of reviewing the accounting principles and practices adopted by the Company as well as material extraordinary items, and the discussion about the auditing internal controls and financial reporting matters, including a review on the interim report for the six months ended 30 June 2012.

## Compliance with the Model Code for Securities Transactions by Director

For the six months ended 30 June 2012, the Company has adopted a code for securities transactions by directors on terms no less exacting than the required standard set out on the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules. All Directors of the Company have confirmed, following specific enquiry by the Company, their compliance with the required standard for securities transactions by Directors set out in the above model code.

## 審核委員會

本公司已遵循上市規則成立審核委員會。本公司審核委員會由三位獨立非執行董事組成。審核委員會負責審閱公司採納的會計原則及慣例、重大不尋常項目、並討論審核內部監控以及財務報告等事宜，其中包括審閱截至二零一二年六月三十日止的中期報告。

## 遵守進行證券交易的標準守則

截至二零一二年六月三十日止的六個月內，本公司已就董事的證券交易，採納一套不低於上市規則附錄十所載的《上市發行人董事進行證券交易的標準守則》所規定的標準行為守則。本公司已向所有董事作出特定查詢，董事已遵守上述守則所規定的有關董事的證券交易標準。



## INTERIM RESULTS

The board of directors (the “Board”) of Hengdeli Holdings Limited (the “Company”) is pleased to present the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2012, along with the comparative figures and selected explanatory notes, which are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and have been reviewed by the Audit Committee of the Company.

## 中期業績

亨得利控股有限公司(「本公司」)之董事會(「董事會」)欣然呈報本公司及其附屬公司(「本集團」)截至二零一二年六月三十日止六個月之未經審核綜合中期業績連同比較數字及附註摘要，此乃根據香港會計師公會頒佈之香港財務報告準則編製而成，並已由本公司審核委員會審閱。

## CONSOLIDATED INCOME STATEMENT

### 綜合損益表

for the six months ended 30 June 2012 – unaudited

截至二零一二年六月三十日止六個月－未經審核

(Expressed in Renminbi)

(以人民幣呈列)

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2012	2011
		二零一二年	二零一一年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note		
	附註		
<b>Turnover</b>	<b>銷售額</b>	<b>3</b>	<b>3</b>
Cost of sales	銷售成本	5,749,733	5,407,147
		(4,214,096)	(4,014,872)
<b>Gross profit</b>	<b>毛利</b>	<b>3</b>	<b>3</b>
Other revenue	其他收益	86,838	73,989
Other net income	其他淨收入	132,451	6,470
Distribution costs	分銷成本	(710,177)	(618,099)
Administrative expenses	行政費用	(147,930)	(130,992)
<b>Profit from operations</b>	<b>經營溢利</b>	<b>896,819</b>	<b>723,643</b>
Finance costs	財務成本	(135,759)	(74,523)
Share of gain of associates	應佔聯營公司收益	13,697	-
Share of loss of jointly controlled entities	應佔合營公司虧損	(3,615)	(2,245)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	<b>5</b>	<b>5</b>
Income tax	所得稅	(157,521)	(146,718)
<b>Profit for the period</b>	<b>期內溢利</b>	<b>613,621</b>	<b>500,157</b>

		For the six months ended 30 June 截至六月三十日止六個月	
		2012 二零一二年 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
<b>Attributable to:</b>	<b>應佔：</b>		
Equity shareholders of the Company	本公司股份持有人	562,656	447,944
Non-controlling interests	非控股權益	50,965	52,213
<b>Profit for the period</b>	<b>期內溢利</b>	<b>613,621</b>	500,157
		<b>RMB 人民幣元</b>	<b>RMB 人民幣元</b>
<b>Earnings per share</b>	<b>每股盈利</b>		
	7		
Basic	基本	<b>0.128</b>	0.102
Diluted	攤薄	<b>0.124</b>	0.101

The notes on pages 40 to 62 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 18(a).

第40至62頁之附註屬本中期財務報告之一部份。應付本公司股份持有人股息之詳情載於附註18(a)。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收入報表

for the six months ended 30 June 2012 – unaudited

截至二零一二年六月三十日止六個月－未經審核

(Expressed in Renminbi)

(以人民幣呈列)

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>Profit for the period</b>	<b>期內溢利</b>	<b>613,621</b>	500,157
<b>Other comprehensive income for the period:</b>	<b>期內其他 全面收入：</b>		
Exchange differences on translation of financial statements	換算財務報表 所產生之匯兌差額	<b>14,198</b>	(38,743)
<b>Total comprehensive income for the period</b>	<b>期內全面收入 總額</b>	<b>627,819</b>	461,414
<b>Attributable to:</b>	<b>應佔：</b>		
Equity shareholders of the Company	本公司股份 持有人	<b>576,854</b>	409,201
Non-controlling interests	非控股權益	<b>50,965</b>	52,213
<b>Total comprehensive income for the period</b>	<b>期內全面收入 總額</b>	<b>627,819</b>	461,414

The notes on pages 40 to 62 form part of this interim financial report.

第40至62頁之附註屬本中期財務報告之一部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

at 30 June 2012 – unaudited

於二零一二年六月三十日 – 未經審核

(Expressed in Renminbi)

(以人民幣呈列)

			At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Fixed assets	固定資產	8		
– Investment property	– 投資物業		253,519	255,601
– Other property, plant and equipment	– 其他物業、廠房 及設備		781,013	665,551
			<b>1,034,532</b>	921,152
Intangible assets	無形資產		31,107	23,325
Goodwill	商譽		402,707	296,921
Interest in associates	於聯營公司之權益	9	563,006	85
Interest in jointly controlled entities	於合營公司之權益		58,434	56,161
Other investments	其他投資	9	797	39,711
Deferred tax assets	遞延稅項資產		70,907	78,051
Other financial assets	其他財務資產	10	312,940	434,000
			<b>2,474,430</b>	1,849,406
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	11	5,497,182	4,521,297
Trade and other receivables	應收貿易賬款及其他應收款項	12	1,096,359	1,114,801
Pledged bank deposits	已抵押銀行存款		1,279	25,899
Cash and cash equivalents	現金及現金等價物	13	3,430,143	3,941,828
			<b>10,024,963</b>	9,603,825
Assets classified as held for sale	分類為持作銷售 之資產		-	136,233
			<b>10,024,963</b>	9,740,058

			At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付貿易賬款及其他應付款項	14	1,271,952	1,758,869
Bank loans	銀行貸款	15	2,492,223	2,041,923
Current taxation	本期應繳稅項		126,570	144,207
Convertible bonds	可換股債券	16	48,481	47,208
Embedded financial derivatives	嵌入式金融衍生工具	16	-	1,222
			<b>3,939,226</b>	<b>3,993,429</b>
Liabilities directly associated with assets classified as held for sale	分類為持作出售之 資產直接相關 的負債		-	28,358
			<b>3,939,226</b>	<b>4,021,787</b>
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>6,085,737</b>	<b>5,718,271</b>
<b>Total assets less current liabilities</b>	<b>總資產減流動 負債</b>		<b>8,560,167</b>	<b>7,567,677</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans	銀行貸款	15	745,088	220,180
Convertible bonds	可換股債券	16	2,013,097	1,982,161
Deferred tax liabilities	遞延稅項負債		41,512	34,669
Provisions	撥備	17	146,736	-
			<b>2,946,433</b>	<b>2,237,010</b>
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>5,613,734</b>	<b>5,330,667</b>
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本		21,290	21,309
Reserves	儲備		5,157,149	4,869,517
<b>Total equity attributable to equity shareholders of the Company</b>	<b>本公司股份持有人 應佔權益 總額</b>		<b>5,178,439</b>	<b>4,890,826</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>435,295</b>	<b>439,841</b>
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>5,613,734</b>	<b>5,330,667</b>

The notes on pages 40 to 62 form part of this interim financial report.

第40至62頁之附註屬本中期財務報告之一部份。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

for the six months ended 30 June 2012 – unaudited

截至二零一二年六月三十日止六個月－未經審核

(Expressed in Renminbi)

(以人民幣呈列)

		Attributable to equity shareholders of the Company									
		本公司股份持有人應佔									
		Capital			PRC			Non-			Total
		Share capital	Share redemption premium	reserve	Capital reserve	Exchange reserve	statutory reserve	Retained profits	Total	controlling interests	Non-controlling interests
		股本	股份溢價	儲備	資本儲備	匯兌儲備	儲備	保留溢利	總計	權益	權益總額
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		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
Balance at 1 January 2011	於二零一一年一月一日之結餘	21,302	2,703,159	34	76,195	(111,114)	218,541	1,408,298	4,316,415	329,266	4,645,681
Changes in equity for the six months ended 30 June 2011	截至二零一一年六月三十日止六個月之權益變動										
Profit for the period	期內溢利	-	-	-	-	-	-	447,944	447,944	52,213	500,157
Other comprehensive income	其他全面收入	-	-	-	-	(38,743)	-	-	(38,743)	-	(38,743)
Total comprehensive income	全面收入總額	-	-	-	-	(38,743)	-	447,944	409,201	52,213	461,414
Dividends approved in respect of the previous year	批准過往年度股息							(184,665)	(184,665)	-	(184,665)
Dividends to holders of non-controlling interests	派付非控股權益持有人之股息							-	-	(28,620)	(28,620)
Shares issued under share option scheme	於購股權計劃下發行之股份	7	6,312	-	(1,765)	-	-	-	4,554	-	4,554
Capital contribution from holders of non-controlling interests	非控股權益持有人注資	-	-	-	-	-	-	-	-	27,500	27,500
Acquisition of additional equity interest in a subsidiary	收購於附屬公司之額外股權	-	-	-	80	-	-	-	80	(3,080)	(3,000)
Balance at 30 June 2011 and 1 July 2011	於二零一一年六月三十日及二零一一年七月一日之結餘	21,309	2,709,471	34	74,510	(149,857)	218,541	1,671,577	4,545,585	377,279	4,922,864
Changes in equity for the six months ended 31 December 2011	截至二零一一年十二月三十一日止六個月之權益變動										
Profit for the period	期內溢利	-	-	-	-	-	-	366,975	366,975	51,144	418,119
Other comprehensive income	其他全面收入	-	-	-	-	(18,681)	-	-	(18,681)	-	(18,681)
Total comprehensive income	全面收入總額	-	-	-	-	(18,681)	-	366,975	348,294	51,144	399,438

Attributable to equity shareholders of the Company  
本公司股份持有人應佔

		Capital		PRC			Non-		Total equity		
		Share capital	Share redemption premium	Capital reserve	Exchange reserve	statutory reserve	Retained profits	controlling interests			
		股本贖回		中國法定			非控股				
		股本	股份溢價	儲備	資本儲備	匯兌儲備	儲備	保留溢利		總計	權益
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
附註	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		
Dividends to holders of non-controlling interests	派付非控股權益持有人之股息	-	-	-	-	-	-	(16,391)	(16,391)		
Transfer between reserves	儲備之間轉移	-	-	-	-	68,027	(68,027)	-	-		
Shares issued under share option scheme	於購股權計劃下發行之股份	-	37	-	(10)	-	-	27	27		
Equity settled share-based transactions	以權益結算， 股份基礎支付交易	-	-	-	280	-	-	280	280		
Capital contribution from holders of non-controlling interests	非控股權益持有人注資	-	-	-	-	-	-	26,600	26,600		
Acquisition of additional equity interest in a subsidiary	收購於附屬公司之額外股權	-	-	-	(3,360)	-	-	(3,360)	1,209 (2,151)		
<b>Balance at 31 December 2011 and 1 January 2012</b>	<b>於二零一一年十二月三十一日及二零一二年一月一日之結餘</b>	<b>21,309</b>	<b>2,709,508</b>	<b>34</b>	<b>71,420</b>	<b>(168,538)</b>	<b>286,568</b>	<b>1,970,525</b>	<b>4,890,826</b>	<b>439,941</b>	<b>5,330,667</b>
<b>Changes in equity for the six months ended 30 June 2012</b>	<b>截至二零一二年六月三十日止六個月之權益變動</b>										
Profit for the period	期內溢利	-	-	-	-	-	562,656	562,656	50,965	613,621	
Other comprehensive income	其他全面收入	-	-	-	14,198	-	-	14,198	-	14,198	
<b>Total comprehensive income</b>	<b>全面收入總額</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,198</b>	<b>-</b>	<b>562,656</b>	<b>576,854</b>	<b>50,965</b>	<b>627,819</b>	
Dividends approved in respect of the previous year	批准過往年度股息										
Dividends to holders of non-controlling interests	派付非控股權益持有人之股息										
Equity settled share-based transactions	以權益結算， 股份基礎支付交易				623			623		623	
Purchase of own shares	購買本公司股份										
- par value paid	- 已付面值	(19)	-	-	-	-	-	(19)	-	(19)	
- premium paid	- 已付溢價	-	-	-	-	-	(8,358)	(8,358)	-	(8,358)	
- transfer between reserves	- 儲備之間轉移	-	-	19	-	-	(19)	-	-	-	
Acquisition of a subsidiary	收購附屬公司	-	-	-	-	-	-	-	7,690	7,690	
Disposal of a subsidiary	出售附屬公司	-	-	-	-	-	-	-	(1,822)	(1,822)	
<b>Balance at 30 June 2012</b>	<b>於二零一二年六月三十日之結餘</b>	<b>21,290</b>	<b>2,709,508</b>	<b>53</b>	<b>72,043</b>	<b>(154,340)</b>	<b>286,568</b>	<b>2,243,317</b>	<b>5,178,439</b>	<b>435,295</b>	<b>5,613,734</b>

The notes on pages 40 to 62 form part of this interim financial report.

第40至62頁之附註屬本中期財務報告之一部份。

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

### 簡明綜合現金流量表

for the six months ended 30 June 2012 – unaudited

截至二零一二年六月三十日止六個月－未經審核

(Expressed in Renminbi)

(以人民幣呈列)

		For the 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	2011 二零一一年 RMB'000 人民幣千元
	Note 附註		
Cash (used in)/generated from operations	營運(所耗)/ 所得現金	(605,461)	255,704
Income tax paid	已付所得稅	(161,171)	(133,621)
Net cash (used in)/generated from operating activities	經營活動(所耗)/ 所得現金淨額	(766,632)	122,083
Net cash used in from investing activities	投資活動所耗 現金淨額	(266,213)	(460,839)
Net cash generated from/ (used in) financing activities	融資活動所得/ (所耗)現金淨額	503,839	(478,555)
Net decrease in cash and cash equivalents	現金及現金等價物 減少淨額	(529,006)	(817,311)
Cash and cash equivalents at 1 January	於一月一日之現金及 現金等價物	13	3,941,828
Effect of foreign exchange rate changes	外幣匯率變動 影響	17,321	(33,734)
Cash and cash equivalents at 30 June	於六月三十日之現金及 現金等價物	13	3,430,143

The notes on pages 40 to 62 form part of this interim financial report.

第40至62頁之附註屬本中期財務報告之一部份。



# NOTES ON THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in RMB unless otherwise indicated)

## 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), including compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 21 August 2012.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2011 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2012 annual financial statements. Details of these changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

# 未經審核中期財務報告附註

(除另有指明外，數額以人民幣呈列)

## 1 編製基準

本中期財務報告已根據香港聯合交易所有限公司(「聯交所」)證券上市規則之適用披露規定編製，包括遵守香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號－中期財務報告。本中期財務報告於二零一二年八月二十一日獲准刊發。

中期財務報告已根據二零一一年年度財務報表採納之相同會計政策編製，惟預期將於二零一二年年度財務報表反映之會計政策變動則除外。該等會計政策之變動詳情載於附註2。

管理層需在編製符合香港會計準則第34號之中期財務報告時作出判斷、估計及假設，而有關判斷、估計及假設會影響政策之應用及以年初至今為基準計算之資產與負債及收入與支出之呈列金額。因此，實際結果可能與估計有所出入。

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2011 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The financial information relating to the financial year ended 31 December 2011 that is included in the interim financial report as being previously reported information does not constitute the Company’s statutory financial statements for that financial year but is derived from the 2011 annual financial statements. The 2011 annual financial statements are available from the Company’s registered office. The auditors have expressed an unqualified opinion on the 2011 annual financial statements in their report dated 20 March 2012.

## 2 Changes in accounting policies

The HKICPA has issued a few amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. None of these amendments have a material impact on the contents of this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

本中期財務報告包含簡明綜合財務報表及主要說明性附註。附註包括對瞭解本集團自刊發二零一一年年度財務報表以來之財務狀況及表現所出現之變動而言屬重大之事項及交易之詮釋。簡明綜合中期財務報表及其附註並無包括根據香港財務報告準則（「香港財務報告準則」）編製之完整財務報表所需之全部資料。

載於中期財務報告與截至二零一一年十二月三十一日止財政年度有關之財務資料，作為過往已呈報之資料並不構成本公司該財政年度之法定財務報表之一部份，惟乃摘錄自二零一一年年度財務報表。二零一一年年度財務報表可於本公司之註冊辦事處查閱。核數師已在其於二零一二年三月二十日刊發之報告對二零一一年度財務報表發表無保留意見。

## 2 會計政策之變動

香港會計師公會已頒佈於本集團及本公司當前會計期間起首次生效之若干香港財務報告準則之修訂。該等修訂對本中期財務報告之內容並無任何重大影響。

本集團並無採用任何於本會計期間尚未生效之任何新準則或詮釋。

### 3 Turnover and segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography (mainly in Mainland China). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Retail segments (includes three segments in Mainland China, Taiwan and Hong Kong): given the importance of the retail division to the Group, the Group's retail business is segregated further into three reportable segments on a geographical basis, as the divisional managers for each of these regions report directly to the senior executive team. All segments primarily derive their revenue from the retail of watches through their own retail network.
- Wholesale segment: this segment distributes numerous world renowned brand watches in Mainland China and Hong Kong.

#### (a) Segment results and assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following basis:

Segment assets represent inventories only.

### 3 營業額及分部報告

本集團透過生產線(產品及服務)及按地區(主要位於中國內地)成立之分部管理業務。按與向本集團最高層行政管理人員就資源分配及表現評估之內部報告資料一致之方式,本集團已呈報下列四個呈報分部。本集團並無合併營運分部,以組成以下之呈報分部。

- 零售分部(分別包括中國內地、台灣及香港之三個呈報分部):鑑於本集團零售分部之重要性,本集團之零售業務進一步按地區分為三個呈報分部,原因為該等地區之各分區經理均直接向高層行政團隊匯報。所有分部均主要透過其本身之零售網絡出售手錶而產生收益。
- 批發分部:本分部於中國內地及香港分銷多款世界級名錶。

#### (a) 分部業績及資產

為評估分部表現及於分部間分配資源,本集團最高層行政管理人員按下列基準監察各個呈報分部之業績及資產:

分部資產僅指存貨。

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. However, other than reporting inter-segment sales, assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is “gross profit”.

Information regarding the Group’s reportable segments as provided to the Group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

收益及開支乃參考有關分部之銷售及該等分部之開支分配至呈報分部。然而，除呈報分部間銷售外，某一分部向另一分部提供之協助(包括共用資產)並不計算在內。

用於呈報分部溢利之表示方式為「毛利」。

期內，有關向本集團最高層行政管理人員提供之資源分配及分部表現評估之本集團呈報分部之資料載列如下。

		Retail 零售													
		Mainland China 中國內地		Hong Kong 香港		Taiwan 台灣		Wholesale 批發		All others* 所有其他*		Total 總計			
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
		二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年	二零一二年	二零一一年		
		RMB'000	RMB'000	RMB'000	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	人民幣千元	人民幣千元	人民幣千元	
For the six months ended 30 June	截至六月三十日止六個月														
Revenue from external customers	來自外部客戶之收益	2,824,790	2,596,200	1,414,761	1,448,813	99,589	102,628	1,283,898	1,155,848	126,695	103,658	5,749,733	5,407,147		
Inter-segment revenue	分部間收益	-	-	-	-	-	-	1,741,606	1,735,758	1,320	6,115	1,742,926	1,741,873		
Reportable segment revenue	呈報分部收益	2,824,790	2,596,200	1,414,761	1,448,813	99,589	102,628	3,025,504	2,891,606	128,015	109,773	7,492,659	7,149,020		
Reportable segment profit	呈報分部溢利	936,533	841,784	362,632	344,613	32,050	30,405	155,957	145,461	48,465	30,012	1,535,637	1,392,275		

		Retail 零售													
		Mainland China 中國內地		Hong Kong 香港		Taiwan 台灣		Wholesale 批發		All others* 所有其他*		Total 總計			
		30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011	30 June 2012	31 December 2011		
		二零一二年六月三十日	二零一一年十二月三十一日	二零一二年六月三十日	二零一一年十二月三十一日	二零一二年六月三十日	二零一一年十二月三十一日	二零一二年六月三十日	二零一一年十二月三十一日	二零一二年六月三十日	二零一一年十二月三十一日	二零一二年六月三十日	二零一一年十二月三十一日		
		RMB'000	RMB'000	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	人民幣千元	人民幣千元		
Reportable segment assets	呈報分部資產	2,865,839	2,553,961	1,238,548	1,054,451	263,958	272,514	1,248,392	796,874	46,534	48,236	5,683,371	4,726,036		

# Revenues from segments below the quantitative thresholds are mainly attributable to a watch repairing and maintenance business, a packaging and decoration business, a hotel and property management business. None of those segments met any of the quantitative thresholds for determining reportable segments.

# 低於數量化最低要求之分部收益主要來自本公司之手錶維修業務、包裝及裝飾業務、酒店及物業管理業務。該等分部並未符合釐定呈報分部之數量化最低要求。

**(b) Reconciliations of reportable segment revenues, profit and assets**

**(b) 呈報分部收益、溢利及資產之對賬**

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>		
Total revenues for reportable segments	呈報分部總收益	7,364,644	7,039,247
Other revenue	其他收益	128,015	109,773
Elimination of inter-segment revenue	抵銷分部間收益	<b>(1,742,926)</b>	<b>(1,741,873)</b>
Consolidated turnover	綜合營業額	<b>5,749,733</b>	5,407,147

For the six months  
ended 30 June  
截至六月三十日止六個月

Profit	溢利	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Total profit for reportable segments	呈報分部總溢利	1,487,172	1,362,263
Other profit	其他溢利	48,465	30,012
		<b>1,535,637</b>	1,392,275
Other revenue	其他收益	86,838	73,989
Other net income	其他淨收入	132,451	6,470
Distribution costs	分銷成本	(710,177)	(618,099)
Administrative expenses	行政費用	(147,930)	(130,992)
Finance costs	財務成本	(135,759)	(74,523)
Share of gain of associates	應佔聯營公司收益	13,697	-
Share of loss of jointly controlled entities	應佔合營公司虧損	(3,615)	(2,245)
Consolidated profit before taxation	綜合除稅前溢利	<b>771,142</b>	646,875

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
<b>Assets</b>	<b>資產</b>		
Total assets for reportable segments	呈報分部總資產	5,636,737	4,677,800
Other assets	其他資產	46,634	48,236
Elimination of inter-segment purchases	抵銷分部間採購	(186,189)	(204,739)
		5,497,182	4,521,297
Trade and other receivables	應收貿易賬款及其他應收款項	1,096,359	1,114,801
Pledged bank deposits	已抵押銀行存款	1,279	25,899
Cash and cash equivalents	現金及現金等價物	3,430,143	3,941,828
Assets classified as held for sale	分類為持作出售資產	-	136,233
Non-current assets	非流動資產	2,474,430	1,849,406
Consolidated total assets	綜合總資產	12,499,393	11,589,464

#### 4 Other revenue and net income

#### 4 其他收益及收入淨額

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>Other revenue</b>	<b>其他收益</b>		
Interest income	利息收入	30,766	29,345
Government grants	政府補貼	12,900	7,825
Dividend income from unlisted investments	非上市投資股息收入	37,542	29,527
Rental income	租金收入	3,733	2,350
Others	其他	1,897	4,942
		86,838	73,989

For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>Other net income</b>	<b>其他收入淨額</b>		
Changes in fair value of embedded financial derivatives (note 16)	嵌入式金融衍生工具公允值變動(附註16)	1,222	3,015
Net gain on disposal of subsidiaries (note 21)	出售附屬公司之收益淨額(附註21)	122,247	-
Net gain on deemed disposal of other investment (note 9)	視作出售其他投資之收益淨額(附註9)	17,119	-
Net loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損淨額	(2,208)	-
Net foreign exchange (loss)/gain	外匯兌換(虧損)/收益淨額	(6,444)	3,455
Others	其他	515	-
		<b>132,451</b>	<b>6,470</b>



## 5 Profit before taxation

Profit before taxation is arrived at after charging:

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>(a) Finance costs</b>	<b>(a) 財務成本</b>		
Interest expense on bank loans	銀行貸款利息開支	86,726	25,749
Interest on convertible bonds (note 16)	可換股債券之利息 (附註16)	46,499	46,861
Bank charges	銀行費用	2,534	1,913
		<b>135,759</b>	<b>74,523</b>

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>(b) Other items</b>	<b>(b) 其他項目</b>		
Amortisation	攤銷	989	1,361
Depreciation	折舊	49,090	36,833
Operating leases charges in respect of properties	物業經營租賃費用		
– minimum lease payments	– 最低租賃款項	108,278	85,948
– contingent rents	– 或然租金	237,141	213,326
		<b>345,419</b>	<b>299,274</b>

## 5 除稅前溢利

除稅前溢利經扣除以下項目後得出：

## 6 Income tax

## 6 所得稅

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>Current tax</b>	<b>本期稅項</b>		
Hong Kong profits tax	香港利得稅	43,587	41,622
Mainland China income tax	中國內地所得稅	99,357	105,668
Taiwan and Macau income taxes	台灣及澳門所得稅	590	1,112
Sub-total	小計	143,534	148,402
Deferred taxation	遞延稅項	13,987	(1,684)
		157,521	146,718

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2011: 16.5%) to the six months ended 30 June 2012.

香港利得稅撥備乃按截至二零一二年六月三十日止六個月採用估計年度實際稅率16.5%（二零一一年：16.5%）計算。

Taxation for other overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the relevant countries or jurisdictions.

同樣地，其他海外附屬公司之稅項乃按適用於其所在的相關國家或司法權區之估計年度實際稅率計算。

## 7 Earnings per share

### (a) Basic earnings per share

The calculation of basic earnings per share of the six months ended 30 June 2012 is based on the profit attributable to equity shareholders of the Company of RMB562,656,000 (six months ended 30 June 2011: RMB447,944,000) and the weighted average of 4,397,644,932 ordinary shares (six months ended 30 June 2011: 4,397,210,098 ordinary shares) in issue during the interim period.

### (b) Diluted earnings per share

The calculation of diluted earnings per share amount for the six months ended 30 June 2012 is based on the profit attributable to equity shareholders of the Company of RMB607,933,000 and the weighted average of 4,914,657,443 ordinary shares, adjusting for the effects of conversion of United States Dollar (“USD”) Settled Senior Unsecured Zero Coupon Convertible Bonds due 2012 (the “2012 Convertible Bonds”) and conversion of Hong Kong Dollar (“HKD”) Settled 2.5% Convertible Bonds due 2015 (the “2015 Convertible Bonds”).

The calculation of diluted earnings per share amount for the six months ended 30 June 2012 has not included the potential effects of the deemed issue of shares under the Company’s share option scheme for nil consideration as it has anti-dilutive effects on the basic earnings per share amount during the interim period.

## 7 每股盈利

### (a) 每股基本盈利

截至二零一二年六月三十日止六個月之每股基本盈利乃根據本公司股份持有人應佔溢利人民幣562,656,000元(截至二零一一年六月三十日止六個月：人民幣447,944,000元)及中期期間已發行普通股加權平均股數4,397,644,932股普通股(截至二零一一年六月三十日止六個月：4,397,210,098股普通股)計算。

### (b) 每股攤薄盈利

截至二零一二年六月三十日止六個月之每股攤薄盈利乃根據本公司股份持有人應佔溢利人民幣607,933,000元及普通股加權平均股數4,914,657,443股普通股計算，並就以美元(「美元」)結算於二零一二年到期之優先無抵押零息可換股債券(「二零一二年可換股債券」)之兌換影響及以港元(「港元」)結算於二零一五年到期之2.5厘可換股債券(「二零一五年可換股債券」)之兌換影響作出調整。

截至二零一二年六月三十日止六個月之每股攤薄盈利金額之計量並無包括於本公司購股權計劃下以零代價視作發行股份之潛在影響，此乃由於其對中期期間每股基本盈利金額具有反攤薄影響。

The calculation of diluted earnings per share amount for the six months ended 30 June 2011 is based on the profit attributable to equity shareholders of the Company of RMB447,341,000 and the weighted average of 4,419,074,295 ordinary shares, adjusting for the effects of conversion of the 2012 Convertible Bonds and the effect of deemed issue of shares under the Company's share option scheme for nil consideration.

截至二零一一年六月三十日止六個月之每股攤薄盈利乃根據本公司股份持有人應佔溢利人民幣447,341,000元及普通股加權平均股數4,419,074,295股普通股計算，並就以二零一二年可換股債券之兌換影響及於本公司購股權計劃下以零代價視作發行股份之影響作出調整。

The calculation of diluted earnings per share amount for the six months ended 30 June 2011 has not included the potential effects of the deemed conversion of the above mentioned the 2015 Convertible Bonds into ordinary shares as it has anti-dilutive effects on the basic earnings per share amount during the interim period.

截至二零一一年六月三十日止六個月之每股攤薄盈利金額之計量並無包括視作兌換上述二零一五年可換股債券為普通股之潛在影響，此乃由於其對中期期間每股基本盈利金額具有反攤薄影響。

**(i) Profit attributable to equity shareholders of the Company (diluted)**

**(i) 本公司股份持有人應佔溢利(攤薄)**

		<b>For the six months ended 30 June</b>	
		<b>截至六月三十日止六個月</b>	
		<b>2012</b>	2011
		<b>二零一二年</b>	二零一一年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Profit attributable to equity shareholders (basic)	股份持有人應佔溢利(基本)	<b>562,656</b>	447,944
Effect of effective interest on the liability component of convertible bonds	可換股債券負債組成部份之實際利率之影響	<b>46,499</b>	1,203
Effect of gains recognised on the derivative component of convertible bonds	可換股債券衍生工具組成部份之已確認收益之影響	<b>(1,222)</b>	(3,015)
Effect of exchange loss recognised on the liability component of convertible bonds	可換股債券負債組成部份之已確認匯兌虧損之影響	-	1,209
Profit attributable to equity shareholders (diluted)	股份持有人應佔溢利(攤薄)	<b>607,933</b>	447,341

(ii) Weighted average number of ordinary shares (diluted)

(ii) 普通股加權平均數(攤薄)

		For the 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	2011 二零一一年 RMB'000 人民幣千元
Weighted average number of ordinary shares (basic)	普通股加權平均數(基本)	4,397,644,932	4,397,210,098
Effect of conversion of convertible bonds	兌換可換股債券之影響	517,012,511	12,206,760
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	於本公司購股權計劃下以零代價視作發行股份之影響	-	9,657,437
Weighted average number of ordinary shares (diluted)	普通股加權平均數(攤薄)	4,914,657,443	4,419,074,295

## 8 Fixed assets

### (a) Additions and disposals

During the six months ended 30 June 2012, the Group made a prepayment of RMB77,220,000 for acquiring a property in Shanghai for administrative purpose and carried out certain decoration and construction projects with the total costs of approximately RMB53,140,000.

## 8 固定資產

### (a) 添置及出售

截至二零一二年六月三十日止六個月期間，本集團已支付人民幣77,220,000元收購上海一項物業，以作行政用途，並進行若干裝潢及建築項目，總成本約為人民幣53,140,000元。

## (b) Valuation

The investment properties are located in Shenzhen, Wuhan and Urumqi in Mainland China and Taipei in Taiwan, and are rented out under the terms of operating leases. The fair value of the investment property as at 30 June 2012, as determined by reference to recent market transactions of comparable properties, amounted to RMB351,526,000 (31 December 2011: RMB350,000,000). Rental income of RMB3,733,000 was received from leasing the investment properties during the six months ended 30 June 2012 (six months ended 30 June 2011: RMB2,350,000).

## (b) 估值

投資物業乃位於中國內地之深圳、武漢及烏魯木齊以及台灣之台北，並根據經營租賃條款出租。於二零一二年六月三十日，經參考可比較物業最近之市場交易所釐定之投資物業公允值為人民幣351,526,000元（二零一一年十二月三十一日：人民幣350,000,000元）。於截至二零一二年六月三十日止六個月租賃投資物業之租金收入為人民幣3,733,000元（截至二零一一年六月三十日止六個月：人民幣2,350,000元）。

## 9 Interest in associates

Name of associate	Form of business structure	Place of establishment	Proportion of ownership interest held by the Group 本集團持有之所有權權益比例	Issued/registered capital	Principal activities
聯營公司名稱	業務架構形式	成立地點		已發行／註冊股本	主要業務
Ming Fung Jewellery Group Limited*	Incorporated	Cayman Islands	15.27%	HKD43,660,273	Sales and distribution of jewellery and watches
明豐珠寶集團有限公司*	註冊成立	開曼群島	15.27%	43,660,273港元	銷售及分銷珠寶及手錶
Harvest Max Holdings Limited**	Incorporated	British Virgin Islands	40%	HKD160,000	Sales and distribution of jewellery and watches
豐溢控股有限公司**	註冊成立	英屬處女群島	40%	160,000港元	銷售及分銷珠寶及手錶

## 9 於聯營公司之權益

\* On 13 April 2012, the Group completed an equity exchange transaction with Ming Fung Jewellery Group Limited (“Ming Fung”), a company listed on the Stock Exchange, pursuant to which the Group sold its equity interest in OMAS International S.A. and its subsidiary (“OMAS”) to Ming Fung in exchange for 666,666,667 of Ming Fung’s newly issued shares (the “Consideration Shares”), representing approximately 15.44% of the issued share capital of Ming Fung as enlarged by the issue of the Consideration Shares. Upon the completion of this transaction, the Group became Ming Fung’s largest shareholder at that time.

\*\* In 2011, the Group acquired 10% equity interest of Harvest Max Holdings Limited (“Harvest Max”). On 3 April 2012, the Group completed the acquisition of an additional 30% equity interest in Harvest Max. Upon the completion of this transaction, the Group held 40% equity interest in Harvest Max.

\* 於二零一二年四月十三日，本集團已完成與聯交所上市的公司明豐珠寶集團有限公司(「明豐」)之股權轉換交易，據此，本集團已出售其於OMAS International S.A.及其附屬公司(「OMAS」)之股權予明豐以換取666,666,667股明豐新發行股(「代價股份」)，佔明豐經發行代價股份而擴大之已發行股本約15.44%。本交易完成後，本集團成為明豐當時最大的股東。

\*\* 於二零一一年，本集團持有豐溢控股有限公司(「豐溢」)10%之股權。二零一二年四月三日，本集團完成有關豐溢之額外30%股權的全部收購。完成此次交易後，本集團持有豐溢40%之股權。

## 10 Other financial assets

## 10 其他財務資產

		<b>At 30 June 2012</b>	At 31 December 2011
		於二零一二年 六月三十日	於二零一一年 十二月三十一日
		<b>RMB'000</b>	RMB'000
		人民幣千元	人民幣千元
Prepayment in respect of the acquisition of subsidiaries	有關收購附屬公司 之預付款項	<b>312,940</b>	434,000
		<b>312,940</b>	434,000

## 11 Inventories

Inventories in the consolidated statement of financial position comprise:

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	22,078	25,490
Work in progress	在製品	21,972	38,937
Finished goods	製成品	5,453,132	4,456,870
		5,497,182	4,521,297

## 11 存貨

於綜合財務狀況表之存貨包括：

## 12 Trade and other receivables

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Current	未逾期	619,324	684,850
Less than 1 month past due	逾期少於一個月	54,695	63,384
1 to 3 months past due	逾期一至三個月	6,908	11,186
More than 3 months but less than 12 months past due	逾期超過三個月但少於十二個月	3,372	25,996
More than 12 months past due	逾期超過十二個月	1,645	3,833
Trade debtors, net of allowance for doubtful debts	應收貿易債項，扣除呆壞賬撥備	685,944	789,249
Prepayments and other receivables	預付款項及其他應收款項	410,415	325,552
		1,096,359	1,114,801

## 12 應收貿易賬款及其他應收款項



All of the trade and other receivables are expected to be recovered within one year.

Customers are normally granted credit terms of not more than 70 days depending on the credit worthiness of individual customers.

### 13 Cash and cash equivalents

As at 31 December 2011 and 30 June 2012, all the Group's cash and cash equivalents in the consolidated statement of financial position and the condensed consolidated cash flow statement represents cash at bank and cash in hand.

### 14 Trade and other payables

所有應收貿易賬款及其他應收款項均預期於一年內收回。

一般授予客戶之信貸期不超過70日，視乎個別客戶之信譽而定。

### 13 現金及現金等價物

於二零一一年十二月三十一日及二零一二年六月三十日，於綜合財務狀況表及簡明綜合現金流量表呈列之所有本集團現金及現金等價物指存於銀行之現金及手頭現金。

### 14 應付貿易賬款及其他應付款項

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	一個月內	821,173	1,145,643
Over 1 month but less than 3 months	超過一個月但少於三個月	243,432	183,391
Over 3 months but less than 12 months	超過三個月但少於十二個月	24,316	16,066
Over 1 year	超過一年	8,979	31,971
Total creditors and bills payables	債權總額及應付票據總額	1,097,900	1,377,071
Other payables and accrued expenses	其他應付款項及應計費用	140,039	349,463
Advance receipts from customers	預收客戶款項	34,013	32,335
		1,271,952	1,758,869

## 15 Bank loans

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Current	即期		
- secured bank loans	- 已抵押銀行貸款	14,325	13,000
- unsecured bank loans	- 無抵押銀行貸款	2,477,898	2,028,923
		<b>2,492,223</b>	2,041,923
Non-current	非即期		
- secured bank loans	- 已抵押銀行貸款	153,623	157,149
- unsecured bank loans	- 無抵押銀行貸款	591,465	63,031
		<b>745,088</b>	220,180

At 30 June 2012, the banking facilities of certain subsidiaries were secured by mortgages over their land and buildings with an aggregate carrying value of RMB255,790,000 (31 December 2011: RMB253,148,000).

## 15 銀行貸款

於二零一二年六月三十日，若干附屬公司之銀行信貸由彼等賬面值合共人民幣255,790,000元(二零一一年十二月三十一日：人民幣253,148,000元)之土地及樓宇按揭作抵押。

## 16 Convertible bonds

### (i) The 2012 Convertible Bonds

On 24 August 2007, the Company issued the 2012 Convertible Bonds with an aggregate principal amount of RMB1,150,000,000. The subscription amount payable in respect of each RMB1,000,000 principal amount of the Bonds is approximately USD132,282. The 2012 Convertible Bonds are listed on Singapore Exchange Securities Trading Limited.

## 16 可換股債券

### (i) 二零一二年可換股債券

於二零零七年八月二十四日，本公司發行二零一二年可換股債券，本金總額為人民幣1,150,000,000元。每份本金額人民幣1,000,000元之可換股債券之應付認購款項約為132,282美元。二零一二年可換股債券於新加坡證券交易所有限公司上市。

The movement of the liability component and embedded financial derivatives of the 2012 Convertible Bonds for the six months ended 30 June 2012 is set out below:

截至二零一二年六月三十日止六個月之二零一二年可換股債券之負債部份及嵌入式金融衍生工具之變動情況載列如下：

		<b>Liability component</b>	<b>Embedded financial derivatives</b>	<b>Total</b>
		<b>負債部份</b>	<b>嵌入式金融 衍生工具</b>	<b>總計</b>
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 31 December 2011	於二零一一年 十二月三十一日	47,208	1,222	48,430
Interest charged during the period (note 5(a))	期內計提利息 (附註5(a))	1,273	-	1,273
Changes in fair value during the period (note 4)	期內公允值變動 (附註4)	-	(1,222)	(1,222)
As at 30 June 2012	於二零一二年 六月三十日	48,481	-	48,481

No conversion, redemption or purchase and cancellation of the 2012 Convertible Bonds has occurred during the six months ended 30 June 2012.

截至二零一二年六月三十日止六個月，並無轉換、贖回或購買及註銷二零一二年可換股債券。

#### (ii) The 2015 Convertible Bonds

On 20 October 2010, the Company issued the 2015 Convertible Bonds in the aggregate principal amount of HKD2,500,000,000. The 2015 Convertible Bonds are listed on Singapore Exchange Securities Trading Limited.

#### (ii) 二零一五年可換股債券

於二零一零年十月二十日，本公司發行二零一五年可換股債券，本金總額為2,500,000,000港元。二零一五年可換股債券於新加坡證券交易所有限公司上市。

The movement of the liability component and the equity component of the 2015 Convertible Bonds for the six months ended 30 June 2012 is set out below:

截至二零一二年六月三十日止六個月，二零一五年可換股債券之負債部份及權益部份之變動情況載列如下：

		<b>Liability component</b>	<b>Equity component</b>	<b>Total</b>
		<b>負債部份</b>	<b>權益部份</b>	<b>總計</b>
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 31 December 2011	於二零一一年 十二月三十一日	1,982,161	60,412	2,042,573
Interest charged during the period (note 5(a))	期內計提利息 (附註5(a))	45,226	-	45,226
Interest paid during the period	期內已付利息	(25,476)	-	(25,476)
Foreign currency translation difference	外匯兌換差額	11,186	-	11,186
As at 30 June 2012	於二零一二年 六月三十日	2,013,097	60,412	2,073,509

No conversion, redemption or purchase and cancellation of the 2015 Convertible Bonds has occurred during the six months ended 30 June 2012.

截至二零一二年六月三十日止六個月，並無轉換、贖回或購買及註銷二零一五年可換股債券。

## 17 Provisions

In respect of acquisition of the Ming Fung's equity interest in 2012 (see note 9), the Group has committed to make further payment to Ming Fung, if the profit target for OMAS as set forth in the relevant agreement is not achieved.

## 17 撥備

有關於二零一二年收購的明豐股權（見附註9），本集團已承諾，倘若相關協議載列的OMAS利潤目標並未達標，本集團將再支付款項予明豐。

In addition, upon the acquisition of Harvest Max's 30% equity interest (see note 9), the Group committed to make additional payment to the shareholder of Harvest Max if the net profit target for Harvest Max as set forth in the share purchase agreement is achieved.

此外，收購豐溢的30%股權後（見附註9），本集團已承諾，倘若購股協議載列的豐溢利潤目標淨額達標，本集團將額外支付款項予豐溢的股東。

Both of these contingent payments will be due after one year and were recorded based on management's best estimation on the probabilities of whether these profit targets will be achieved or not and the respective payment amounts as per the relevant contractual agreements.

## 18 Capital, reserves and dividends

### (a) Dividends

- (i) No interim dividend was declared after the interim period.
- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the interim period, are as follows:

上述兩份或然款項將於一年後到期，並按照管理層對該等利潤目標會否達標及各有關合約協議款項的可能性之最佳估計記錄。

## 18 資本、儲備及股息

### (a) 股息

- (i) 中期期間後並無宣派中期股息。
- (ii) 上個財政年度已批准並已於中期期間派付之應付本公司股份持有人股息如下：

	For the 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	2011 二零一一年 RMB'000 人民幣千元
Final dividend in respect of the previous financial year, approved during the following interim period, of RMB0.064 per share (six months ended 30 June 2011: RMB0.042 per share)	281,487	184,665

### (b) Purchase of own shares

During the period ended 30 June 2012, a total of a 4,800,000 shares were repurchased on the Stock Exchange at an aggregate price paid of HKD10,288,000 (RMB equivalent: 8,377,000) which includes related expenses of HKD35,000 (RMB equivalent: 29,000).

### (b) 購回股份

截至二零一二年六月三十日止期間，合共4,800,000股股份於聯交所以10,288,000港元(相等於人民幣8,377,000元)之總價購回，該價格包括相關開支35,000港元(相等於人民幣29,000元)。

## 19 Share-based payments

No share option was exercised during the six months ended 30 June 2012 (31 December 2011: 1,755,000 share options).

## 20 Acquisition of subsidiaries and business

On 1 January 2012, the Group acquired the retail business of a local third party, which is principally engaged in retail of watches and clocks in Mainland China. During the six months ended 30 June 2012, this business acquired contributed revenue of RMB4,393,000 and profit of RMB839,000 to the Group's result.

On 1 April 2012, the Group acquired the retail business of a local third party, which is principally engaged in retail of watches in Mainland China, for a cash consideration of RMB148,560,000. In the three months ended 30 June 2012, this business acquired contributed revenue of RMB25,274,000 and profit of RMB2,149,000 to the Group's result.

Goodwill in respect of these acquisitions of RMB105,786,000 in the consolidated statement of financial position as at 30 June 2012 has been determined on a provisional basis as the Group is still in the process of identifying and obtaining independent valuation to assess the fair value of the identifiable assets acquired. The goodwill may be adjusted upon completion of the initial accounting.

## 21 Disposal of subsidiaries

In September and October 2011, the Group entered into two contractual agreements, pursuant to which, the Group agreed to sell its equity interest in OMAS (see note 9) and another PRC subsidiary.

## 19 以股份為基礎支付

截至二零一二年六月三十日止六個月，概無購股權獲行使(二零一一年十二月三十一日：1,755,000份購股權)。

## 20 收購附屬公司及業務

於二零一二年一月一日，本集團收購當地第三方(主要在中國內地從事鐘錶零售)的零售業務。截至二零一二年六月三十日止六個月，該購得的業務為本集團業績貢獻收益人民幣4,393,000元及溢利人民幣839,000元。

於二零一二年四月一日，本集團以現金代價人民幣148,560,000元收購當地第三方(主要在中國內地從事手錶零售)的零售業務。截至二零一二年六月三十日止三個月，該購得的業務為本集團業績貢獻收益人民幣25,274,000元及溢利人民幣2,149,000元。

於二零一二年六月三十日的綜合財務狀況表內該等收購的商譽人民幣105,786,000元已按暫定基準釐定，原因為本集團仍在尋求及獲得獨立估值以評估已收購的可資識別資產的公允值。商譽可能會於初步會計處理完成後作出調整。

## 21 出售附屬公司

於二零一一年九月及十月，本集團訂立兩項合約協議，據此，本集團同意出售其於OMAS(見附註9)及另一家中國附屬公司之股權。

During the six months ended 30 June 2012, these transactions were completed and gains on disposal of subsidiaries totalling RMB122,247,000 were recognised in profit or loss for the current interim period.

截至二零一二年六月三十日止六個月，該等交易已完成，出售附屬公司之收益合共人民幣122,247,000元已於本中期間之損益中確認。

## 22 Capital commitments

## 22 資本承擔

		At 30 June 2012 於二零一二年 六月三十日 RMB'000 人民幣千元	At 31 December 2011 於二零一一年 十二月三十一日 RMB'000 人民幣千元
Contracted for	已訂約	189,972	-
		<b>189,972</b>	<b>-</b>

## 23 Related party transactions

The Group has transactions with a jointly controlled entity and a company controlled by an associate. The following is a summary of principal related party transactions carried out by the Group with the above related parties for the periods presented.

## 23 關連方交易

本集團與合營公司控制之公司及聯營公司控制的一家公司進行交易。本集團與以上關連方於呈報期間進行之主要關連方交易概述如下。

### Recurring Transactions

### 經常性交易

		For the 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	2011 二零一一年 RMB'000 人民幣千元
<b>Lease expense to:</b>	支付予下列人士之租賃費用：		
A jointly controlled entity	合營公司	5,888	4,433
<b>Sales of goods to:</b>	向下列人士銷售貨品之銷售額：		
A subsidiary of an associate	聯營公司之附屬公司	18,574	-
<b>Purchase of goods from:</b>	向下列人士採購貨品之採購額：		
A subsidiary of an associate	聯營公司之附屬公司	8,163	-

# Corporate Information

## Stock Information

Place of Listing: Main Board of The Stock Exchange of Hong Kong Limited  
Stock Short Name: Hengdeli  
Stock Code: 3389  
Company Website: www.hengdeligroup.com

## Board of Directors

### *Executive Directors*

Mr. Zhang Yuping (*Chairman*)  
Mr. Song Jianwen  
Mr. Huang Yonghua

### *Non-executive Directors*

Mr. Chen Sheng  
Mr. Shi Zhongyang  
Ms. Zheng Yu

### *Independent Non-executive Directors*

Mr. Cai Jianmin  
Mr. Wong Kam Fai, William  
Mr. Liu Xueling

## Company Secretary

Mr. Ng Man Wai, Peter

## Registered Office

Cricket Square Hutchins Drive  
P.O. Box 2681 Grand Cayman  
KY1-1111  
Cayman Islands

## Head Office

Room 301, 3/F, Lippo Sun Plaza  
28 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong

## Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East, Hong Kong

# 公司資料

## 股份資料

上市地點：香港聯合交易所有限公司  
主板

股份簡稱：亨得利  
股份代號：3389  
公司網址：www.hengdeligroup.com

## 董事會成員

### *執行董事*

張瑜平先生(主席)  
宋建文先生  
黃永華先生

### *非執行董事*

陳聖先生  
史仲陽先生  
鄭豫女士

### *獨立非執行董事*

蔡建民先生  
黃錦輝先生  
劉學靈先生

## 公司秘書

吳文偉先生

## 註冊辦事處

Cricket Square Hutchins Drive  
P.O. Box 2681 Grand Cayman  
KY1-1111  
Cayman Islands

## 總辦事處

香港九龍尖沙咀廣東道28號  
力寶太陽廣場3樓301室

## 香港股份過戶登記處

香港中央證券登記有限公司  
香港皇后大道東183號  
合和中心17樓1712至1716室



## Cayman Island Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman)  
Limited  
Butterfield House 68 Fort Street  
P.O. Box 609 Grand Cayman  
KY1-1107 Cayman Islands

## Auditor

KPMG  
Certified Public Accountants  
8/F, Prince's Building, 10 Chater Road  
Central, Hong Kong

## Legal Advisor

Gallant Y. T. Ho & Co.  
5/F, Jardine House  
1 Connaught Place, Central, Hong Kong

## Investors Inquiry

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Room 301, 3/F, Lippo Sun Plaza,  
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Fax: (852) 3150 6728  
Email: kelly.fung@pordahavas.com

## 開曼群島主要股份過戶登記處

Butterfield Fulcrum Group (Cayman)  
Limited  
Butterfield House 68 Fort Street  
P.O. Box 609 Grand Cayman  
KY1-1107 Cayman Islands

## 核數師

畢馬威會計師事務所  
執業會計師  
香港中環  
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## 法律顧問

何耀棟律師事務所  
香港中環康樂廣場一號  
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