

Condensed Consolidated Profit and Loss Account

(Financial figures are expressed in Hong Kong dollars)



	Note	Unaudited Six months ended 30 Jun 2002 \$'000	Unaudited Six months ended 30 Jun 2001 \$'000
INCOME			
Trading fees, transaction levy and trading tariff	5	166,932	193,723
Stock Exchange listing fees		165,007	144,495
Clearing and settlement fees		96,402	119,419
Depository, custody and nominee services fees		87,216	90,790
Income from sale of information		158,538	175,692
Investment income	6	135,008	199,468
Other income		84,087	77,620
	3	893,190	1,001,207
OPERATING EXPENSES			
Staff costs and related expenses		262,336	287,483
Information technology and computer maintenance expenses		131,612	118,846
Premises expenses		49,881	51,897
Product marketing and promotion expenses		7,803	9,797
Legal and professional fees		6,031	15,875
Depreciation and amortisation		78,382	77,911
Other operating expenses		41,109	35,140
		577,154	596,949

Condensed Consolidated Profit and Loss Account

	Note	Unaudited Six months ended 30 Jun 2002 \$'000	Unaudited Six months ended 30 Jun 2001 \$'000
PROFIT BEFORE TAXATION	3	316,036	404,258
TAXATION	7	(26,145)	(38,705)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS		<u>289,891</u>	<u>365,553</u>
DIVIDEND		<u>83,450</u>	<u>83,253</u>
		\$	\$
Earnings per share	8	<u>0.28</u>	<u>0.35</u>
Interim dividend declared per share		<u>0.08</u>	<u>0.08</u>



Condensed Consolidated Statement of Changes in Equity

(Financial figures are expressed in Hong Kong dollars)



	Unaudited Six months ended 30 Jun 2002 \$'000	Unaudited Six months ended 30 Jun 2001 \$'000
Total equity at 1 Jan	5,235,407	4,878,956
Change in valuation of investment property	(1,500)	–
Change in valuation of other properties	(8,245)	–
Change in fair value of non-trading securities	5,672	2,154
Net (deficits)/gains not recognised in the condensed consolidated profit and loss account	(4,073)	2,154
Profit attributable to shareholders	289,891	365,553
Realisation of change in fair value of non-trading securities on maturity and disposal	(540)	(8,259)
2001/2000 final dividend	(260,166)	(260,166)
Dividend on shares issued for share options exercised after declaration of 2001 final dividend	(448)	–
Proceeds from issue of shares under share option scheme	18,514	–
Total equity at 30 Jun	5,278,585	4,978,238

Condensed Consolidated Balance Sheet

(Financial figures are expressed in Hong Kong dollars)

	Note	Unaudited at 30 Jun 2002 \$'000	Audited at 31 Dec 2001 \$'000
NON-CURRENT ASSETS			
Fixed assets	9	779,479	786,110
Investments in associated companies	10	42,237	–
Clearing House Funds	11	946,077	944,154
Compensation Fund Reserve Account	12	35,505	35,146
Cash and Derivatives Market Development Fund	13	914	914
Non-trading securities maturing over one year		83,590	52,366
		1,887,802	1,818,690
CURRENT ASSETS			
Margin funds on derivatives contracts	14	4,822,123	4,803,107
Accounts receivable, prepayments and deposits	15	2,227,610	2,334,767
Taxation recoverable		5,241	5,857
Trading securities		3,278,899	3,182,527
Bank balances and time deposits pledged		–	10,000
Bank balances and time deposits		1,217,687	1,590,062
		11,551,560	11,926,320
CURRENT LIABILITIES			
Bank loans		48,564	46,453
Margin deposits and securities received from			
Participants on derivatives contracts	14	4,822,123	4,803,107
Accounts payable, accruals and other liabilities	15	2,469,870	2,733,306
Participants' admission fees received		6,950	14,550
Deferred revenue		143,509	246,827
Taxation payable		32,430	19,556
Provisions	16	25,772	25,927
		7,549,218	7,889,726
NET CURRENT ASSETS		4,002,342	4,036,594
TOTAL ASSETS LESS CURRENT LIABILITIES		5,890,144	5,855,284



Condensed Consolidated Balance Sheet



	Note	Unaudited at 30 Jun 2002 \$'000	Audited at 31 Dec 2001 \$'000
NON-CURRENT LIABILITIES			
Participants' admission fees received		87,350	91,500
Participants' contributions to Clearing House Funds	11	421,350	423,960
Deferred taxation		73,717	75,275
Provisions	16	29,142	29,142
		611,559	619,877
NET ASSETS			
		5,278,585	5,235,407
CAPITAL AND RESERVES			
Share capital	17	1,043,127	1,040,665
Share premium	17	16,052	-
Revaluation reserves	18	39,184	43,797
Designated reserves	19	696,908	692,016
Retained earnings	20	3,399,864	3,198,763
Proposed and declared dividend		83,450	260,166
		5,278,585	5,235,407
SHAREHOLDERS' FUNDS			
		5,278,585	5,235,407

Condensed Consolidated Cash Flow Statement

(Financial figures are expressed in Hong Kong dollars)

Note	Unaudited Six months ended 30 Jun 2002 \$'000	Unaudited Six months ended 30 Jun 2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	316,036	404,258
Non-cash items:		
Net change in accruals for investment income	1,939	42,128
Net exchange loss	–	2,540
Depreciation and amortisation	78,382	77,911
Others	(616)	1
Net increase in trading securities	(106,270)	–
Settlement of amounts transferred from retained earnings to Clearing House Funds and Compensation Fund Reserve Account	(4,892)	–
Hong Kong Profits Tax paid net of refund	(13,030)	(12,534)
Decrease/(increase) in other current assets	108,377	(132,195)
(Decrease)/increase in other current liabilities	(360,301)	108,472
Net cash inflow from operating activities	19,625	490,581
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchases net of proceeds from sales of fixed assets	(81,513)	(128,536)
Net increase in non-trading securities	(24,191)	(400,224)
(Increase)/decrease in time deposits with original maturity more than three months	(224,399)	443,557
Net cash outflow from investments in associated companies and disposal of subsidiary	(42,446)	–
Net cash outflow from investing activities	(372,549)	(85,203)



Condensed Consolidated Cash Flow Statement



	Note	Unaudited Six months ended 30 Jun 2002 \$'000	Unaudited Six months ended 30 Jun 2001 \$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares under share option scheme		18,514	-
Admission fees received less refunds to Participants		(11,750)	(1,700)
Dividend paid		(260,614)	(260,166)
Net cash outflow from financing activities		(253,850)	(261,866)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents (note a):			
At 1 Jan		1,351,964	3,050,647
At 30 Jun	21(a)	745,190	3,194,159

(a) Cash and cash equivalents comprise cash on hand, bank balances and time deposits within three months of maturity when acquired.