

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim accounts ("interim accounts") are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants, and Appendix 16 of the Listing Rules of The Stock Exchange of Hong Kong Limited.

The accounting policies and methods of computation used in the preparation of these interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2003.

1. 賬目編製之基準及重要會計政策

此等未經審核簡明綜合中期賬目（「中期賬目」）乃按照香港會計師公會頒布之香港會計實務準則（「會計準則」）第25號「中期財務報告」及香港聯合交易所有限公司上市規則附錄16而編製。

編製此等中期賬目所採用之會計政策及計算方法與編製二零零三年十二月三十一日止年度之全年賬目所採用者符合一致。

Notes to Condensed Consolidated Interim Accounts

簡明綜合中期賬目附註

2. TURNOVER AND SEGMENT INFORMATION

An analysis of the Group's turnover and contribution to profit before taxation by principal activities is as follows:

2. 營業額及分項資料

集團之營業額及除稅前溢利之貢獻按主要業務分析如下：

		Turnover		Contribution to profit before taxation	
		For six months ended		For six months ended	
		營業額		除稅前溢利之貢獻	
		六個月結算至		六個月結算至	
		30.6.2004	30.6.2003	30.6.2004	30.6.2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Securities broking and dealing	證券經紀及買賣	139,967	55,819	28,017	262
Forex, bullion, commodities and futures	外匯、黃金、商品及期貨	79,795	58,940	9,262	10,339
Margin finance and other financing services	證券放款及其他金融服務	83,968	61,064	43,372	5,113
Term loans	有期借款	18,811	44,150	12,266	37,664
Corporate finance and others	企業融資及其他	127,693	50,156	63,038	13,875
		450,234	270,129	155,955	67,253
Associated companies	聯營公司				
Share of profits and losses	所佔溢利及虧損			81,591	31,791
Amortization of share of goodwill	攤銷所佔商譽			(370)	(412)
Amortization of goodwill on acquisition	攤銷收購時之商譽			(14,718)	(15,245)
Amortization of negative goodwill on acquisition	攤銷收購時之負商譽			29,542	17,341
				96,045	33,475
Jointly controlled entities	共同控制公司				
Share of profits and losses	所佔溢利及虧損			(780)	1
Amortization of goodwill on acquisition	攤銷收購時之商譽			(115)	-
				(895)	1
				251,105	100,729

No analysis of geographical segments is presented as the contribution to turnover and results of operations outside Hong Kong is below 10%.

由於海外地區對營業額及業績之貢獻均少於10%，因此並無呈列經營地域之分項分析。

3. OPERATING PROFIT AFTER FINANCE COSTS

3. 除融資成本後經營溢利

		For six months ended	
		六個月結算至	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		千港元	千港元
Operating profit after finance costs is stated after crediting and charging the following:	除融資成本後經營溢利已計入及扣除下列項目：		
Crediting:	計入下列收益：		
Amortization of negative goodwill on acquisition of subsidiary companies	攤銷收購附屬公司所產生之負商譽	5,568	1,402
Dividends from listed investments	上市投資股息	29,744	7,035
Dividends from unlisted investments	非上市投資股息	29,523	13,146
Interest income	利息收入	81,670	73,735
Loss arising from default of loan agreement with Millennium Touch Limited written back	因 Millennium Touch Limited 未履行貸款協議而產生之虧損撥回	773	19,332
Net realized profit on derivatives	衍生工具已兌現淨收益	6,709	3,160
Net realized profit on trading securities	證券經營已兌現淨收益	204	-
Net unrealized profit on trading securities	證券經營未兌現淨收益	-	276
Profit on dealing in foreign currencies	外匯買賣收益	13,630	5,953
Profit on disposal of an associated company	出售一聯營公司之溢利	-	1,146
Profit on disposal of fixed assets	出售固定資產收益	41	-
Profit on disposal of other investments	出售其他投資收益	3,421	-
Profit on other dealing activities	其他買賣活動收益	4,149	3,010
Provision for doubtful debts written back	呆賬準備撥回	2,435	3,938
Unrealized profit on derivatives	衍生工具未兌現收益	3	-

Notes to Condensed Consolidated Interim Accounts

簡明綜合中期賬目附註

3. OPERATING PROFIT AFTER FINANCE COSTS (Continued)

3. 除融資成本後經營溢利(續)

		For six months ended	
		六個月結算至	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		千港元	千港元
Charging:	扣除下列支出：		
Amortization of intangible assets	攤銷無形資產	1,782	1,076
Depreciation	折舊		
– Owned fixed assets	– 自置固定資產	7,609	6,816
– Leased fixed assets	– 租賃固定資產	256	256
Interest expenses	利息支出	9,763	3,675
Interest expenses in respect of litigation with New World Development Company Limited	有關與新世界發展有限公司訴訟之利息支出	2,934	–
Loss on deemed disposal of a listed associated company	視作出售一上市聯營公司之虧損	4,138	–
Loss on disposal of a jointly controlled entity	出售一共同控制公司虧損	–	5,549
Loss on disposal of fixed assets	出售固定資產虧損	–	382
Loss on disposal of other investments	出售其他投資虧損	–	1,348
Net realized loss on trading securities	證券經營已兌現淨虧損	–	14
Net unrealized loss on trading securities	證券經營未兌現淨虧損	4,973	–
Permanent impairment of other investments transferred from investment revaluation reserve	撥自投資重估儲備之其他投資永久價值削減	690	1,200
Provision for bad and doubtful debts	呆壞賬準備	1,419	19,927

4. TAXATION

4. 稅項

		For six months ended	
		六個月結算至	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		千港元	千港元
Current tax	當期稅項		
Hong Kong profits tax	香港利得稅	17,006	6,144
Overseas taxation	海外稅項	2,741	3,039
		19,747	9,183
Deferred tax	遞延稅項		
Current period	本期	(814)	(1,592)
Resulting from change in tax rate	產生自稅率改變	-	(177)
		(814)	(1,769)
Share of associated companies	所佔聯營公司		
Hong Kong profits tax	香港利得稅	1,685	643
Overseas taxation	海外稅項	9,968	5,297
Deferred taxation	遞延稅項	17,440	287
		29,093	6,227
		48,026	13,641

Hong Kong profits tax has been provided at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

香港利得稅準備是以期內估計應課稅溢利按稅率17.5%(二零零三年: 17.5%)計算。在其他地區繳付之稅項則根據集團於期內在該國家經營所得之估計應課稅溢利按該地之現行稅率計算。

Notes to Condensed Consolidated Interim Accounts

簡明綜合中期賬目附註

5. DIVIDENDS

5. 股息

		For six months ended	
		六個月結算至	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		千港元	千港元
Proposed interim dividend of 2 cents per share (2003: 2 cents per share)	擬派中期股息每股派 2 港仙 (二零零三年：每股派 2 港仙)	24,914	24,955
Special dividend of 1 cent per share (2003: Nil)	特別股息每股派 1 港仙 (二零零三年：無)	12,457	-
Adjustment to 2002 final dividend	二零零二年末期股息之調整	-	(4)
		37,371	24,951

6. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$202,937,000 (2003: HK\$87,151,000) and 1,245,703,156 ordinary shares in issue during the period (2003: the weighted average number of 1,340,538,311 ordinary shares).

No diluted earnings per share is presented for the period as there are no dilutive potential ordinary shares as at period end (2003: Nil).

6. 每股盈利

每股盈利之計算乃按期內股東應佔溢利 202,937,000 港元 (二零零三年：87,151,000 港元) 及期內已發行普通股 1,245,703,156 股 (二零零三年：普通股加權平均股數 1,340,538,311 股) 而計算。

於期末時，因無潛在攤薄盈利之普通股，故期內並無每股攤薄盈利 (二零零三年：無)。

7. OTHER INVESTMENTS

7. 其他投資

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Listed equity investments issued by corporate entities, at market value	由企業發行之上市股權投資，按市值		
– Listed in Hong Kong	– 在香港上市	363,657	346,734
– Listed outside Hong Kong	– 在香港以外上市	2,055	2,903
		365,712	349,637
Unlisted equity investments, at fair value*	非上市股權投資，按公平價值*	218,683	227,401
Club debentures, exchange participation rights and statutory deposits and other deposits with Exchange and Clearing companies	會所會籍、交易所參與權、交易所及結算公司之法定按金及其他按金	24,878	24,711
		609,273	601,749
Add: amounts due from investee companies*	加：其他投資公司欠賬*	95,682	101,271
Less: provision for amount due from an investee company	減：一其他投資公司欠賬準備	(2,161)	(2,161)
		702,794	700,859
Less: amount due to an investee company	減：一其他投資公司貸賬	-	(1,796)
		702,794	699,063

* A sum totalling HK\$118,002,692.19 is included in “unlisted equity investments” and “amounts due from investee companies” being the amount, (excluding interest which has been expensed in prior years) which represents the carrying value of the effective 12.5% interest in the completed project in Kuala Lumpur, Malaysia presently known as “The Renaissance Kuala Lumpur Hotel”. The Board is not in possession of full information that would in the opinion of the Directors render it appropriate to make any present provision against the carrying value. The matter will continue to be reviewed in the light of both probable ongoing litigation and the commercial prospects of the project.

* 包括在「非上市股權投資」及「其他投資公司欠賬」中之一總額共118,002,692.19港元(不包括於往年已支銷之利息)，是於馬來西亞吉隆坡之已完成項目(現稱為「The Renaissance Kuala Lumpur Hotel」)12.5%實際權益之賬面值。董事會並無擁有完整資料令董事認為適合在現時對該賬面值作出任何撥備。考慮及可能進行之訴訟及此計劃之商業前景下，此事項將會繼續被審閱。

Notes to Condensed Consolidated Interim Accounts

簡明綜合中期賬目附註

8. CASH AND BANK BALANCES

8. 現金及銀行結存

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Cash and bank balances	現金及銀行結存	425,375	323,339
Fixed deposits with banks	銀行定期存款	185,122	243,584
		610,497	566,923

The Group maintains trust accounts with licensed banks to hold clients' deposits arising from normal business transactions. At 30 June 2004, trust accounts not otherwise dealt with in these accounts totaled HK\$1,937,070,000 (2003: HK\$2,004,233,000).

集團於持牌銀行設有信託戶口，為經營日常業務所需而持有客戶信託存款。於二零零四年六月三十日，此賬目並未包括之信託存款共1,937,070,000港元（二零零三年：2,004,233,000港元）。

9. TRADE AND OTHER RECEIVABLES

9. 經營及其他應收賬

		30.6.2004		31.12.2003	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Trade receivables	經營應收賬				
Accounts receivable from brokers and clients	應收經紀及客戶賬	958,818		969,396	
Less: provision	減：準備額	(35,118)		(34,143)	
			923,700		935,253
Secured margin loans	有抵押證券放款	1,545,567		1,592,610	
Less: provision	減：準備額	(193,381)		(195,385)	
			1,352,186		1,397,225
Secured term loans	有抵押有期借款	214,146		440,964	
Unsecured term loans	無抵押有期借款	5,864		5,864	
Less: provision	減：準備額	(68,816)		(68,816)	
			151,194		378,012
			2,427,080		2,710,490
Current portion of promissory notes and amounts due from listed associated companies	上市聯營公司於一年內到期之承諾票據及欠賬		87,563		208,539
Current portion of amount due from an investee company	一其他投資公司於一年內到期之欠賬		-		11,000
Interest receivable	應收利息		6,359		3,160
Other accounts receivable, deposits and prepayments	其他應收賬、按金及預付費用		116,297		75,700
			2,637,299		3,008,889

Notes to Condensed Consolidated Interim Accounts

簡明綜合中期賬目附註

9. TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of the trade receivables is as follows:

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Current	即期	2,411,700	2,706,280
30-60 days	30-60天	3,204	2,176
60-90 days	60-90天	8,522	340
Over 90 days	90天以上	300,969	300,038
		2,724,395	3,008,834
Less: provisions	減：準備額	(297,315)	(298,344)
		2,427,080	2,710,490

There were listed securities, unlisted securities and properties of clients held as collateral against secured margin loans and term loans. The market value of the listed securities as at 30 June 2004 was HK\$4,736,024,000 (2003: HK\$5,118,827,000).

The credit of trade receivables including secured margin loans and secured term loans are approved and reviewed by either the Credit and Risks Management Committee or the Executive Committee. Clients are normally required to provide additional margin or securities whenever there are any shortfalls in their accounts.

Specific provisions are made for doubtful debts as and when they are considered necessary by the Credit and Risks Management Committee or the Executive Committee. Trade receivables in the balance sheet are stated net of such provisions.

9. 經營及其他應收賬(續)

經營應收賬之賬齡分析如下：

集團持有客戶上市證券、非上市證券及物業作為有抵押證券放款及有抵押有期借款之抵押品。於二零零四年六月三十日，此等上市證券之市值為4,736,024,000港元（二零零三年：5,118,827,000港元）。

包括有抵押證券放款及有抵押有期借款的經營應收賬之信貸是由信貸及風險管理委員會或執行委員會批閱。當客戶戶口抵押不足時，一般要求客戶增加按金或抵押品以應付不足之數。

特定呆賬準備是因應信貸及風險管理委員會或執行委員會認為需要時提撥。經營應收賬是扣除此等準備列於資產負債表中。

10. TRADING ACCOUNT SECURITIES

10. 證券經營賬

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Equity securities listed in Hong Kong, at market value	在香港上市之股權證券，按市值		
Issued by corporate entities	由企業發行	20,635	10,567
Issued by banks	由銀行發行	13,033	12,596
Issued by public utility entities	由公營機構發行	250	26
		33,918	23,189
Equity securities listed outside Hong Kong, at market value	在香港以外上市之股權證券，按市值		
Issued by corporate entities	由企業發行	3,435	4,243
Marketable debt securities	有市債債務證券		
Issued by central government	由中央政府發行	7,794	7,747
Others	其他	3,111	384
		48,258	35,563

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11. BANK LOANS AND OVERDRAFTS

11. 銀行借款及透支

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Bank overdrafts	銀行透支		
– Secured*	– 有抵押*	59,036	56,665
– Unsecured	– 無抵押	–	48,828
		59,036	105,493
Bank loans	銀行借款		
– Secured*	– 有抵押*	–	177,954
		59,036	283,447
Current portion of long term bank loans (note 16)	一年內到期之長期銀行借款 (附註 16)	5,975	5,911
		65,011	289,358

* At 30 June 2004, listed investments belonging to the Group and margin clients with a total market value of HK\$992,580,000 (2003: HK\$792,489,000) were pledged to banks and financial institutions. Banking facilities of HK\$1,785,000,000 (2003: HK\$1,865,000,000) were available to the Group. The Group also had leasehold properties with a total book value of HK\$31,447,000 (2003: HK\$31,751,000) pledged to banks as security for overdraft facilities of HK\$44,000,000 (2003: HK\$44,000,000). The outstanding balance of the draw down of the overdraft facilities at 30 June 2004 was HK\$36,898,000 (2003: HK\$36,505,000).

* 於二零零四年六月三十日，屬於集團及證券放款客戶之上市證券有抵押予銀行及財務機構，其總市值為992,580,000港元（二零零三年：792,489,000港元），集團可動用的信貸額為1,785,000,000港元（二零零三年：1,865,000,000港元）。集團亦有賬面總值31,447,000港元（二零零三年：31,751,000港元）之有租契物業按予銀行，作為給予集團透支信貸44,000,000港元（二零零三年：44,000,000港元）之抵押。於二零零四年六月三十日，提取之透支信貸額為36,898,000港元（二零零三年：36,505,000港元）。

12. TRADE AND OTHER PAYABLES

12. 經營及其他應付賬

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Accounts payable to brokers and clients	應付經紀及客戶賬	1,135,634	1,226,384
Other accounts payable and accruals	其他應付賬及應付費用	228,896	341,547
Current portion of obligation under a finance lease (note 16)	一年內到期之融資租賃債務 (附註 16)	526	890
		<u>1,365,056</u>	<u>1,568,821</u>
The ageing analysis of the accounts payable to brokers and clients is as follows:			
Current	即期	1,094,310	1,202,228
30-60 days	30-60 天	3,016	3,382
60-90 days	60-90 天	18,300	1,519
Over 90 days	90 天以上	20,008	19,255
		<u>1,135,634</u>	<u>1,226,384</u>

13. SHARE CAPITAL

13. 股本

		No. of shares of HK\$0.2 each 股數每股面值 0.2 港元		Amount 金額	
		30.6.2004	31.12.2003	30.6.2004	31.12.2003
				HK\$'000	HK\$'000
				千港元	千港元
Authorized:	法定股本：				
Balance brought forward and carried forward	結餘承上及轉下	15,000,000,000	15,000,000,000	3,000,000	3,000,000
Issued and fully paid:	發行及繳足股本：				
Balance brought forward	結餘承上	1,245,703,156	1,504,223,465	249,141	300,845
Shares repurchased and cancelled	回購及註銷股份	-	(258,520,309)	-	(51,704)
Balance carried forward	結餘轉下	<u>1,245,703,156</u>	<u>1,245,703,156</u>	<u>249,141</u>	<u>249,141</u>

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14. PROFIT AND LOSS ACCOUNT

14. 損益賬

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Balance as at 1 January, as previously reported	一月一日結存， 按以往列賬	1,951,339	2,247,170
Prior year adjustments	上年度調整		
– Adoption of new SSAP 12	– 採納新會計準則第 12 號	–	(141,912)
– Share of an associated company	– 所佔一聯營 公司	–	(5,905)
		1,951,339	2,099,353
As restated	重列		
Profit attributable to shareholders for the period/year	本期／是年度股東 應佔溢利	202,937	241,914
Dividends paid	股息支付	(74,742)	(49,891)
Premium on shares repurchase	回購股份之溢價	–	(284,639)
Transfer to capital redemption reserve on shares repurchase	就回購股份轉撥至資本 贖回儲備	–	(51,704)
Shares repurchase expenses	回購股份之費用	–	(2,836)
Transfer to capital reserve by associated companies	聯營公司轉撥至 資本儲備	(1,107)	(858)
		2,078,427	1,951,339
Representing:	分列為：		
Retained profits	保留溢利	2,041,056	1,876,597
Proposed dividends	擬派股息	37,371	74,742
		2,078,427	1,951,339

15. LOAN NOTES

15. 貸款票據

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Balance as at 1 January	一月一日結存	231,637	-
Loan notes issued on shares repurchase	就回購股份所發行之 貸款票據	-	255,234
Purchase and cancellation	購回及註銷	(2,000)	(23,597)
		229,637	231,637

The loan notes bear interest at 4% per annum and the principal of the loan notes is due for repayment on 7 March 2008.

貸款票據附有年利率4%之利息，貸款票據本金額於二零零八年三月七日期償還。

16. LONG TERM LIABILITIES

16. 長期負債

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Secured bank loans*	有抵押銀行借款*	33,277	36,213
Obligation under a finance lease	融資租賃債務	526	966
Other long term employee benefits	其他長期員工福利	5,544	4,832
		39,347	42,011
Less: current portion	減：一年內到期之部分		
Secured bank loans	有抵押銀行借款	(5,975)	(5,911)
Obligation under a finance lease	融資租賃 債務	(526)	(890)
		32,846	35,210

* The Group had leasehold properties with a total book value of HK\$63,230,000 (2003: HK\$63,520,000) pledged to banks as security for installment loans granted to the Group.

* 集團有賬面總值63,230,000港元(二零零三年：63,520,000港元)之有租契物業按予銀行，作為給予集團分期貸款之抵押。

Notes to Condensed Consolidated Interim Accounts

簡明綜合中期賬目附註

17. COMMITMENTS

(a) Capital commitments

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Contracted but not provided for	已簽約但未在賬目中作出準備者	8,194	2,520
Authorized but not contracted for	已批准但未簽約者	5,215	16,205
		13,409	18,725

17. 承擔

(a) 資本承擔

(b) Commitments under operating leases

At 30 June 2004, the Group had future aggregate minimum lease payments under non-cancelable operating leases as follows:

(b) 營運租約承擔

於二零零四年六月三十日，集團根據不可撤銷營運租約而須於未來支付之最低租賃付款如下：

		30.6.2004		31.12.2003	
		Land and buildings	Others	Land and buildings	Others
		房地產	其他	房地產	其他
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	19,674	1,606	24,582	927
In the second to fifth year inclusive	二至五年內	42,613	-	7,510	38
		62,287	1,606	32,092	965

18. CONTINGENT LIABILITIES

(a) At 30 June 2004, the Group had guarantees as follows:

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Guarantee for banking facility granted to an investee company	給予一投資公司之銀行信貸保證	7,020	6,989
Indemnities on banking guarantees made available to a clearing house and regulatory body	對給予一結算所及監管機構之銀行保證所作之擔保	4,540	4,540
Indemnities on letter of credit issued by a bank for a loan to a client	對一銀行就一客戶貸款所發出信用狀之擔保	-	67,556
Other guarantees	其他保證	2,265	913
		13,825	79,998

(b) On 9 September 2002, Sun Hung Kai Investment Services Limited ("SHKIS"), an indirect wholly-owned subsidiary of the Company, was served with a writ with a statement of claim attached, by Shenzhen Building Materials Group Co. Limited, a Shenzhen PRC registered company, claiming the return of certain shares in Shenzhen International Holdings Limited (worth approximately HK\$38 million at 30 June 2004) together with interest, costs and damages. The actions taken by SHKIS in regard to the shares were based on considered advice from reputable legal counsel, which advice was strictly followed in its implementation. The case remains at an early stage with interlocutory matters still being dealt with. The plaintiffs have taken few steps to progress their action. Notwithstanding, the case is being strenuously defended and at this stage the Directors take the view that while a provision has been made for legal costs, it is not appropriate for any other provision to be made with respect to this action.

18. 或然負債

(a) 集團於二零零四年六月三十日之保證如下：

(b) 於二零零二年九月九日，深圳市建材集團有限公司（一間在中國深圳市註冊成立之公司）向本公司間接全資附屬公司新鴻基投資服務有限公司（「新鴻基投資」）發出索償傳票，要求退還若干深圳國際控股有限公司之股份（於二零零四年六月三十日約值38百萬港元），並索償涉及之利息、費用及有關損失。新鴻基投資採取之行動是基於一名有名望的法律顧問所提出之深思熟慮意見，而緊遵執行。此訴訟仍處於初步階段，正進行非正審事項。原告人就其索償只採取少量法律行動。然而，集團現正斷然否定此索償，而在現階段，公司董事認為在作出訴訟費撥備後，對此訴訟不適宜作出任何其他撥備。

18. CONTINGENT LIABILITIES (Continued)

(c) On 4 February 2004, Sun Tai Cheung Credits Limited ("STCC"), also an indirect wholly-owned subsidiary of the Company, and SHKIS were served with a writ with a statement of claim attached ("200/2004") by Shanghai Finance Holdings Limited, claiming, inter alia, an order that the sale of the shares in Shun Loong Holdings Limited ("Shun Loong Shares") by STCC as assignee to SHKIS (at a consideration of HK\$36,500,000 subject to additional amounts in a sum of HK\$15,700,000 which may be payable one year from the date of completion under certain conditions) pursuant to a sale and purchase agreement dated 25 June 2003 be set aside, or alternatively, as against STCC, damages and an account as to the money obtained by STCC in respect of the Shun Loong Shares. The writ is being vigorously defended. STCC and SHKIS were properly advised at all times during the transaction and firmly believe that there is no basis to the claim. STCC and SHKIS have applied to have the claim struck out. The strike-out hearing is presently listed to be heard on 28 October 2004.

While a provision has been made for legal costs, at this stage the Directors are of the view that it is not appropriate for any other provision to be made with respect to this action.

(d) The Group understands that a further writ was issued by New World Development Company Limited in April 2004, naming Sun Hung Kai Securities Limited ("SHKS"), a wholly-owned subsidiary of the Company, as defendant, and claiming the sums of HK\$27,237,489.51 and HK\$7,697,418.42, as well as interest thereon from March 2000 and January 2001 respectively. The writ has not been served on SHKS. If served, it will be vigorously defended.

While a provision has been made for legal costs, at this stage the Directors are of the view that it is not appropriate for any other provision to be made with respect to this action.

18. 或然負債 (續)

(c) 於二零零四年二月四日，Shanghai Finance Holdings Limited 向同為本公司間接全資附屬公司新泰昌授信有限公司（「新泰昌授信」）及新鴻基投資發出索償傳票（「200/2004」），要求（其中包括）撤銷新泰昌授信（作為受讓入）根據日期為二零零三年六月二十五日之買賣協議向新鴻基投資出售順隆集團有限公司股份（「順隆股份」）（作價36,500,000港元，在若干條件規限下，將會於完成日期一年後支付額外15,700,000港元之款項），或要求新泰昌授信給予損害賠償以及申索新泰昌授信就順隆股份所獲取之金額。集團正極力否定此項索償。新泰昌授信及新鴻基投資在交易期間一直按適當建議行事，並深信有關索償毫無理據。新泰昌授信及新鴻基投資已申請剔除此宗索償。剔除聆訊現已排期於二零零四年十月二十八日審理。

在現階段，公司董事認為在作出訴訟費撥備後，對此訴訟不適當作出任何其他撥備。

(d) 集團知悉新世界發展有限公司於二零零四年四月向本公司一全資附屬公司新鴻基証券有限公司（「新鴻基証券」）（作為被告）發出另一索償傳票，要求索償27,237,489.51港元及7,697,418.42港元以及分別由二零零零年三月及二零零一年一月起所涉及之有關利息。此索償傳票並未送達至新鴻基証券。如獲送達，集團將極力否定此索償。

在現階段，公司董事認為在作出訴訟費撥備後，對此訴訟不適當作出任何其他撥備。

19. SUBSEQUENT EVENTS

On 19 May 2004, Tailwind Consultants Limited, a wholly-owned subsidiary of the Company, as vendor entered into an agreement with Asia Coast Investments Limited, a wholly-owned subsidiary of Tian An China Investments Company Limited ("Tian An"), as purchaser in respect of the disposal of the vendor's 17.29% equity interest in CBI Investment Limited at a consideration of HK\$28 million. Under the agreement, the consideration was settled by HK\$3 million cash and a HK\$25 million promissory note issued by Tian An. The agreement was completed on 5 August 2004 and resulted in a loss of HK\$715,000.

On 27 August 2004, the Company repurchased a loan note issued by the Company with a face value of HK\$100,000,000 at a consideration of HK\$98,500,000 and resulted in a gain of HK\$1,500,000.

19. 結算日以後之事項

於二零零四年五月十九日，集團一間全資附屬公司Tailwind Consultants Limited作為賣方與天安中國投資有限公司（「天安」）一間全資附屬公司Asia Coast Investments Limited作為買方訂立協議，出售賣方於CBI投資有限公司所持有之17.29%權益，代價28百萬港元。根據該協議，代價以3百萬港元現金及由天安發行之25百萬港元承諾票據支付。此協議於二零零四年八月五日完成，並導致虧損715,000港元。

於二零零四年八月二十七日，本公司購回由本公司發行票面值100,000,000港元之貸款票據，代價98,500,000港元，獲利1,500,000港元。

20. MATURITY PROFILE OF ASSETS AND LIABILITIES 20. 資產及負債到期分析

		As at 30 June 2004 於二零零四年六月三十日					
		Within 3 months	3 months to 1 year	1 year to 5 years	After 5 years	On demand	Total
		三個月內	三個月 至一年	一年至 五年	五年後	即時還款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Assets	資產						
Promissory/loan notes of a listed associated company	— 上市聯營公司之承諾 票據及貸款票據	-	87,000	78,000	-	-	165,000
Fixed deposits with banks	銀行定期存款	185,122	-	-	-	-	185,122
Term loans	有期借款	35,548	49,000	-	-	135,462	220,010
Debts securities in trading account securities	於證券經營賬之債務證券	7,794	-	-	-	-	7,794
		59,036	-	-	-	-	59,036
Liabilities	負債						
Bank loans and overdrafts	銀行借款及透支	59,036	-	-	-	-	59,036
loan notes	貸款票據	-	-	229,637	-	-	229,637
long term bank loans	長期銀行借款	1,480	4,495	25,235	2,067	-	33,277
Obligation under a finance lease	融資租賃債務	224	302	-	-	-	526

20. MATURITY PROFILE OF ASSETS AND LIABILITIES (Continued) 20. 資產及負債到期分析 (續)

		As at 31 December 2003 於二零零三年十二月三十一日					
		Within 3 months	3 months to 1 year	1 year to 5 years	After 5 years	On demand	Total
		三個月內	至一年	一年至 五年	五年後	即時還款	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Assets	資產						
Promissory/loan notes of a listed associated company	— 上市聯營公司之承諾 票據及貸款票據	—	40,419	78,000	—	145,000	263,419
Fixed deposits with banks	銀行定期存款	243,584	—	—	—	—	243,584
Term loans	有期借款	278,486	79,000	—	—	89,342	446,828
Debts securities in trading account securities	於證券經營賬之債務證券	7,747	—	—	—	—	7,747
Liabilities	負債						
Bank loans and overdrafts	銀行借款及透支	283,447	—	—	—	—	283,447
loan notes	貸款票據	—	—	231,637	—	—	231,637
Long term bank loans	長期銀行借款	1,466	4,445	24,963	5,339	—	36,213
Obligation under a finance lease	融資租賃債務	219	671	76	—	—	966

The above tables only list out the assets and liabilities which have a term of maturity. Overdue assets are reported as on demand.

上表只列出有期限之資產及負債，過期而未償還之資產列為即時還款。

21. RELATED PARTY TRANSACTIONS

During the period, the Group had the following material transactions with related parties:

21. 有關連人士之交易

於期內，集團與有關連人士有以下之重大交易：

		For six months ended	
		六個月結算至	
		30.6.2004	30.6.2003
		HK\$'000	HK\$'000
		千港元	千港元
Dividend received from a subsidiary company of the ultimate holding company	向最終控股公司之一附屬公司收取之股息	-	4,610
Disposal of Group's interest in a jointly controlled entity together with the assignments of advances to that company and its subsidiary to an indirect subsidiary of the ultimate holding company	出售一共同控制公司之權益及轉讓給予該公司及其附屬公司之貸款予最終控股公司之一間接附屬公司	-	87,500
Interest income from a listed associated company	從一上市聯營公司所得之利息收益	3,796	6,436
Insurance premium received from the ultimate holding company and its subsidiary companies	從最終控股公司及其附屬公司收取之保險費	2,982	3,784
Insurance premium received from a listed associated company	從一上市聯營公司收取之保險費	3,250	1,249
Promissory note received from a listed associated company	從一上市聯營公司收取之承諾票據	87,000*	40,419
Rent, property management and air-conditioning fees received from a listed associated company	從一上市聯營公司所得之租金、物業管理及空調費用	-	468
Service fees received from a listed associated company	從一上市聯營公司收取之服務費用	636	-

21. RELATED PARTY TRANSACTIONS (Continued)

At 30 June 2004, the Group had the following material balances with related parties:

		30.6.2004	31.12.2003
		HK\$'000	HK\$'000
		千港元	千港元
Amounts due from/(to) associated companies	聯營公司欠賬／(貸賬)		
Amounts due from a listed associated company	— 上市聯營公司欠賬		
— Loan note	— 貸款票據	78,000	78,000
— Promissory notes	— 承諾票據	87,000	185,419
— Interest receivable and others	— 應收利息及其他	106	23,120
Amounts due from other associated companies	其他聯營公司欠賬	83,804	78,117
Amounts due to other associated companies	其他聯營公司貸賬	(44,395)	(32,168)
Dividend receivable from a subsidiary of the ultimate holding company	最終控股公司之一附屬公司所欠之應收股息	-	11,000

* On 28 January 2004, a listed associated company paid cash of HK\$115,647,000 and issue a new promissory note of HK\$87,000,000 to settle the principal of the promissory notes and outstanding interest owed to the Group. The new promissory note bears an interest at 5% per annum and is payable on a semi-annual basis. It will mature and is due for repayment on 30 December 2004.

21. 有關連人士之交易(續)

於二零零四年六月三十日，集團與有關連人士有以下之重大結餘：

* 於二零零四年一月二十八日，一上市聯營公司以現金115,647,000港元及發行一面值87,000,000港元新承諾票據以支付欠集團承諾票據之本金及未付利息。此新承諾票據附有年利率5%之利息，按每半年支付，並於二零零四年十二月三十日到期償還。

22. COMPARATIVE FIGURES

A listed associated company of the Group subsequently adjusted the prior year adjustment for the adoption of SSAP12, "Income Taxes", after the preparation of its interim report for the six months ended 30 June 2003. The comparatives of the interim accounts were restated accordingly to take into account the effect of the Group's share of the adjustment. The opening retained earning and reserve at 1 January 2003 were reduced by HK\$140,915,000 and HK\$35,000 respectively. The profit for the six months ended 30 June 2003 was reduced by HK\$3,521,000.

22. 上年度比較數字

集團有一上市聯營公司於編製截至二零零三年六月三十日止之六個月中期報告後，調整就採納會計準則第12號「所得稅」所作之上年度調整。本中期賬目之上年度比較數字因而重列以反映集團所佔之調整，於二零零三年一月一日之期初保留溢利及儲備分別減少為140,915,000港元及35,000港元，對截至二零零三年六月三十日止之六個月溢利為減少3,521,000港元。