

## 1. PRINCIPAL ACCOUNTING POLICIES

The Company is a publicly listed company incorporated in Hong Kong. The condensed consolidation interim financial statements ("interim accounts") of the Company for the six months ended 30 June 2005 comprise the Company and its subsidiaries and the Group's interest in associates and jointly controlled entities.

The interim accounts were authorized for issuance on 13 September 2005.

### (a) Statement of compliance

The interim accounts have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in compliance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Except for those mentioned in (b) below, the accounting policies and method of computation used in the preparation of the interim accounts are consistent with those used in the 2004 audited consolidated financial statements of the Group, which have been prepared in accordance with accounting standards issued by the HKICPA under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit and loss and investment properties, which are carried at fair value.

## 1. 重要會計政策

本公司是於香港成立之上市公司。本公司截至二零零五年六月三十日之中期簡明綜合財務報表（「中期賬目」）包括本公司及附屬公司，及集團於聯營公司及共同控制公司之投資。

此等中期賬目於二零零五年九月十三日獲批准刊發。

### (a) 遵例聲明

中期賬目是根據香港聯合交易所有限公司證券上市規則內適用之披露規定及遵照香港會計師公會頒布的香港會計準則（「HKAS」）34「中期財務報告」而編製。

除以下(b)段所述，用以編製中期賬目所採用的會計政策及計算方法與編製集團二零零四年經審核綜合財務報表所採用者符合一致，二零零四年經審核財務報表是根據香港會計師公會頒布的會計準則按歷史成本常規法而編製，並對以公平值列賬的可供出售財務資產、按公平值列賬及在損益賬處理之財務資產及財務負債、及投資物業作出重估而修訂。

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

**(b) Basis of preparation and consolidation**

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), HKASs and Interpretations, which are effective for accounting periods beginning on or after 1 January 2005 for the purpose of converging by 1 January 2005 all HKFRSs and HKASs with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Group has adopted the following new/revised HKFRSs and HKASs issued up to 30 June 2005 which are pertinent to its operations and have resulted in changes to the Group's accounting policies. The 2004 comparatives have been restated as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Investments in Joint Ventures
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings Per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement

## 1. 重要會計政策 (續)

**(b) 賬目編製之基準及綜合賬之準則**

香港會計師公會已頒布多項新及經修訂香港財務報告準則 ([HKFRSs])、HKASs、及其詮釋，於二零零五年一月一日或以後開始的會計期間生效，用以於二零零五年一月一日前將所有HKFRSs及HKASs與國際會計準則委員會所頒布的國際財務報告準則接軌。

集團已採納以下截至二零零五年六月三十日前頒布之新／經修訂之HKFRSs及HKASs，此等HKFRSs及HKASs對集團營運有關及導致集團會計政策改變，二零零四年之比較數字亦根據有關規定而重列。

HKAS 1	財務報表呈列
HKAS 7	現金流量表
HKAS 8	會計政策、會計估計變更以及差錯
HKAS 10	資產負債表日以後事項
HKAS 16	物業、廠房及設備
HKAS 17	租賃
HKAS 21	外幣匯率變動影響
HKAS 23	借款費用
HKAS 24	關聯人士披露
HKAS 27	綜合及獨立財務報表
HKAS 28	聯營公司投資
HKAS 31	合營企業投資
HKAS 32	財務票據：披露及呈列
HKAS 33	每股盈利
HKAS 36	資產價值削減
HKAS 38	無形資產
HKAS 39	財務票據：確認及計量

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

**(b) Basis of preparation and consolidation**

(Continued)

HKAS 40	Investment Property
HKFRS 3	Business Combinations
HK-Int 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HKAS-Int 21	Income taxes – Recovery of Revalued Non-Depreciated Assets

The adoption of the above new/revised HKFRSs and HKASs has the following impact on the Group's accounting policies:–

- (i) The adoption of new/revised HKASs 1, 7, 8, 10, 21, 23, 24, 27, 28, 31 and 33 did not result in substantial changes to the Group's accounting policies. In summary:
- HKAS 1 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures;
  - HKASs 7, 8, 10, 21, 23, 27, 28, 31, and 33 have no material effect on the Group's policies, but affect certain disclosure of the accounts;
  - HKAS 24 affects the identification of related parties and the disclosure of related party transactions.
- (ii) The adoption of HKAS 16 has resulted in a change in the accounting policy for the Group's leasehold land and buildings (see 1b(iii) below), which are now carried at their costs less accumulated depreciation and impairment losses.

1. 重要會計政策 (續)

**(b) 賬目編製之基準及綜合賬之準則**

(續)

HKAS 40	投資物業
HKFRS 3	業務合併
HK-Int 4	租賃 – 釐訂香港土地租賃的租賃年期
HKAS-Int 21	所得稅 – 收回經重估的無折舊資產

採納以上新／經修訂HKFRSs及HKASs對集團會計政策有以下影響：

- (i) 採納新／經修訂HKASs 1、7、8、10、21、23、24、27、28、31及33對集團的會計政策並無帶來重大改變。概括而言：
- HKAS 1對呈列少數股東權益、所佔聯營公司除稅後業績淨額、及其他披露有所影響；
  - HKASs 7、8、10、21、23、27、28、31及33對集團政策沒有重大影響，惟影響賬目中之若干披露；
  - HKAS 24對識別關連人士及對關連人士交易的披露有所影響。
- (ii) 採納HKAS 16使集團的有租契房地產之會計政策有所改變(請參閱以下1b(iii)段)，有租契房地產現以原值減累計折舊及價值削減入賬。

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

**(b) Basis of preparation and consolidation**  
(Continued)

- (iii) The adoption of revised HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straightline basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land was accounted for at cost or valuation less accumulated depreciation and accumulated impairment.

In accordance with HK-Int 4, the Group changed the estimated useful life of the land and buildings from "over the remaining term of the lease, including the period for which a right of renewal is attached" to "over the remaining term of the lease".

- (iv) The adoption of HKASs 32 and 39 has resulted in a change in the accounting policy for recognition, measurement, derecognition and disclosure of financial instruments.

Until 31 December 2004, investment of the Group were classified as "trading account securities" and "other investments" respectively. They were stated at fair value or estimated fair value at the balance sheet date. Any unrealized gains less losses arising from the valuation of "trading account securities" at the balance sheet date were dealt with in the profit and loss account. As to "other investments", changes in the fair value of individual securities were credited or debited to the investment revaluation reserve until the securities were sold, or were determined to be impaired. Upon disposal, the cumulative gain or loss was dealt with in the profit and loss account.

## 1. 重要會計政策 (續)

**(b) 賬目編製之基準及綜合賬之準則**  
(續)

- (iii) 採納經修訂HKAS 17使會計政策有所改變，有租契土地及土地使用權是從物業、廠房及設備分類至營運租賃。對有租契土地及土地使用權最初預付款是按租期以直線攤分法於損益計算表支銷，或當有價值削減時，將價值削減於損益計算表支銷。於往年，有租契土地是以成本或估值減累積折舊及累積價值削減入賬。

根據HK-Int 4，集團將房地產的估計可用年期由「按租契尚餘年期攤銷，租期包括附有租約續期權之期間」更改為「按租契尚餘年期攤銷」。

- (iv) 採納HKASs 32及39，改變集團對財務票據的確認、計量、停止確認等會計政策及財務票據的披露。

截至二零零四年十二月三十一日，集團的投資是分別分類為「證券經營賬」及「其他投資」，以結算日之公平值或估計公平值列賬。於結算日對「證券經營賬」估值所產生的未兌現溢利及虧損是計入損益計算表中。至於「其他投資」中個別證券公平值變動是在投資重估儲備中貸記或支銷，直至該證券出售或被定為價值削減為止，此累計收益或虧損於出售時計入損益計算表內。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

**(b) Basis of preparation and consolidation**  
(Continued)

As from 1 January 2005, in accordance with HKAS 39, financial assets are classified as “financial assets at fair value through profit and loss”, “available-for-sale financial assets” and “loans and receivables”. The classification depends on the purpose for which the assets are acquired. “Financial assets at fair value through profit or loss” and “available-for-sale financial assets” are carried at fair value with changes in fair values recognized in the profit & loss account and equity respectively. “Loans and receivables” consist of secured margin or term loans and other trade receivables. Secured margin or term loans are recognized and carried at original contract note or drawdown amount less an allowance for any uncollectible amounts after taking into account the value of each client account’s underlying collateral. Other trade receivables are measured at amortized cost using the effective interest method.

1. 重要會計政策 (續)

**(b) 賬目編製之基準及綜合賬之準則**  
(續)

於二零零五年一月一日，根據 HKAS 39 財務資產是因應購入資產的目的而分類為「按公平值列賬及在損益賬處理的財務資產」、「可供出售財務資產」、「貸款及應收賬」。「按公平值列賬及在損益賬處理的財務資產」及「可供出售財務資產」以公平值列賬，而公平值的變動是分別計入損益計算表或權益中。「貸款及應收賬」包括有抵押證券放款、有期借款、及其他經營應收賬，有抵押證券放款或有期借款以原有的成交單金額或提款額減計入各客戶戶口中抵押品後未能收足數額的準備而確認及列賬，其他經營應收賬以實際利息法按攤銷後成本計量。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (b) Basis of preparation and consolidation

(Continued)

Below please find the effect of redesignation of trading account securities and other investments together with their reclassification as at 1 January 2005 on the adoption of HKAS 39:

### 1. 重要會計政策 (續)

#### (b) 賬目編製之基準及綜合賬之準則

(續)

以下為因應採納HKAS 39而於二零零五年一月一日重新定名證券經營賬及其他投資的影響及其分類：

		New designation on 1/1/2005 1/1/2005重新定名						
		As reported on 31/12/2004	Effect on adoption of HKAS 39	As restated on 1/1/2005	Intangible assets	Financial assets at fair value through profit and loss	Available- for-sale financial assets	Investments in associates
		31/12/2004	採納 HKAS 39	1/1/2005	無形資產	按公平價值 列賬及在 損益賬處理 的財務 資產	可供出售 財務資產	聯營公司 投資
		按以往列賬 HK\$'000 千港元	的影響 HK\$'000 千港元	重列 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Other investments	其他投資							
Equity investments	股權投資	784,778	(2,096)	782,682	-	-	782,682	-
Club memberships and exchange participation rights *	會所會籍及 交易所 參與權 *	5,425	-	5,425	5,425	-	-	-
Statutory deposits and other deposits with Exchange and Clearing companies	交易所及 結算公司之 法定按金 及其他按金	26,624	-	26,624	-	-	26,624	-
Net amount due from investee companies	投資公司 欠賬淨額	90,883	(1,447)	89,436	-	250	89,186	-
Trading account securities	證券經營賬	48,263	(223)	48,040	-	48,040	-	-
Investments in associates #	聯營公司投資 #	2,433,428	2,469	2,435,897	-	2,469	-	2,433,428

\* Following the adoption of HKAS 39, the Group has reclassified its exchange participation rights and club memberships which are previously grouped under "other investments" to intangible assets.

# The warrants of a listed associated company which are previously grouped under "investments in associates" are classified under "financial assets at fair value through profit and loss" and carried at fair value in accordance with the provisions of HKAS 39.

\* 採納HKAS 39後，集團將以往歸類於「其他投資」的交易所參與權及會所會籍重新分類為無形資產。

# 根據HKAS 39之條文，以往歸類於「聯營公司投資」的一上市聯營公司認股權證重新分類為「按公平價值列賬及在損益賬處理的財務資產」，並以公平價值列賬。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

**(b) Basis of preparation and consolidation**

(Continued)

(v) The adoption of HKAS 38 results in a change of the useful lives of intangible assets according to the provisions of HKAS 38. Certain exchange participation rights with amortization on a straight line basis over its estimated useful lives of five years before 1 January 2005 were changed to indefinite useful life on that date. Accumulated amortization as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of these intangible assets.

(vi) The adoption of revised HKAS 40 has resulted in a change in the accounting policy of which the changes in fair values of the investment properties are recorded in the income statement as part of other income. In prior years, the increases in fair value were credited to the investment property revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

(vii) The adoption of HKFRS 3, HKAS 36 and HKAS 38 results in a change in the accounting policy for goodwill.

Prior to this, goodwill and negative goodwill were amortized in the income statement on a straight line basis over their estimated useful lives of five years.

1. 重要會計政策 (續)

**(b) 賬目編製之基準及綜合賬之準則**

(續)

(v) 根據HKAS 38之條文，無形資產的可用年數因採納HKAS 38而改變，若干交易所參與權於二零零五年一月一日前按其估計可用年數以直線攤分法分五年攤銷由該日起改為無期限可用年數，於二零零四年十二月三十一日的累積攤銷作為相應減少該等無形資產成本的對銷。

(vi) 採納HKAS 40使投資物業公平值變動的會計政策有所改變，此變動是以其他收入計入損益計算表。於往年，公平值的增加是貸記至投資物業重估儲備，公平值的減少首先對銷整個組合以往的重估增值，然後於損益計算表中支銷。

(vii) 採納HKFRS 3、HKAS 36、及HKAS 38對商譽的會計政策有所改變。

以往，商譽和負商譽是按其估計可用年數以直線攤分法分五年攤銷至損益計算表。

## 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

**(b) Basis of preparation and consolidation**

(Continued)

Following the adoption of HKFRS 3, HKAS 36 and HKAS 38:

- The Group ceased amortization of remaining goodwill and remaining negative goodwill from 1 January 2005;
- Unamortized negative goodwill was derecognized by way of a corresponding adjustment to the opening retained earnings at 1 January 2005;
- Accumulated amortized goodwill as at 31 December 2004 was eliminated with a corresponding decrease in the cost of goodwill;
- From the year ending 31 December 2005 onwards, goodwill is tested annually at balance sheet date for impairment, as well as when there is indication of impairment.

(viii) The adoption of revised HKAS-Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred taxes arising from the revaluation of investment properties. Such deferred taxes are measured on the basis of tax consequences that would follow from recovery of the carrying amount of the assets through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

## 1. 重要會計政策 (續)

**(b) 賬目編製之基準及綜合賬之準則**

(續)

採納HKFRS 3、HKAS 36、及HKAS 38後：

- 集團由二零零五年一月一日起停止攤銷餘下的商譽及餘下的負商譽；
- 停止確認未攤銷負商譽，作為二零零五年一月一日期初保留溢利的相應調整；
- 於二零零四年十二月三十一日的累計商譽攤銷作為相應減少商譽成本的對銷；
- 從截至二零零五年十二月三十一日年度開始，於每年結算日及有價值削減迹象時，檢查商譽有否價值削減。

(viii) 採納HKAS-Int 21對重估投資物業所引致的遞延稅項量計之會計政策有所改變，以使用方式收回資產賬面值的稅項結果為基礎而計量遞延稅項。於往年，以出售方式收回資產賬面值。



1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(b) Basis of preparation and consolidation

(Continued)

Effect of changes in the accounting policies and estimates on consolidated profit and loss account:

1. 重要會計政策 (續)

(b) 賬目編製之基準及綜合賬之準則

(續)

會計政策及估計的改變對綜合損益計算表的影響：

	HKAS 16	HKAS 17	HKAS 38	HKAS 32 & 39	HKFRS 3, HKAS 36 & 38	HK-Int 4	HKAS-Int 21	Share of associates	Total
	HKAS 16	HKAS 17	HKAS 38	HKAS 32 及 39	HKAS 36 及 38	HK-Int 4	HKAS-Int 21	所佔聯營公司	總額
	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元
<b>Profit and loss for six months ended 30 June 2005</b>	<b>截至二零零五年六月三十日六個月損益計算表</b>								
Decrease in turnover (Decrease)/increase in other income	-	-	-	(807)	-	-	-	-	(807)
Decrease/(increase) in direct cost and operating expenses	(16)	38	423	-	-	(234)	-	-	211
Increase in other expenses in income taxes	-	-	-	(7)	-	-	-	-	(7)
Increase/(decrease) in share of profits and losses of associates	(35)	(1)	-	(24)	-	1	(1,186)	-	(1,245)
	-	-	-	-	(14,768)	-	-	26,162	11,394
	(51)	37	423	(702)	(18,766)	(233)	(1,186)	26,162	5,684
Increase/(decrease) in basic earnings per share	-	-	-	(0.1)	(1.5)	-	(0.1)	2.1	0.4
				cents	cents		cents	cents	cents
<b>Profit and loss for six months ended 30 June 2004</b>	<b>截至二零零四年六月三十日六個月損益計算表</b>								
(Increase)/decrease in direct cost and operating expenses	(16)	12	-	-	-	-	-	-	(4)
Increase in other expenses in income taxes	-	-	-	-	-	-	-	(633)	(633)
Increase/(decrease) in share of profits and losses of associates	(26)	15	-	-	-	-	-	-	(11)
	-	-	-	-	-	-	-	12,316	12,316
	(42)	27	-	-	-	-	-	11,683	11,668
Increase in basic earnings per share	-	-	-	-	-	-	-	0.9	0.9
								cents	cents

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 1. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### (b) Basis of preparation and consolidation

(Continued)

Effect of changes in accounting policies and estimates on consolidated balance sheet:

### 1. 重要會計政策 (續)

#### (b) 賬目編製之基準及綜合賬之準則

(續)

會計政策及估計的改變對綜合資產負債表的影響：

	HKAS 16	HKAS 17	HKAS 38	HKAS 32 & 39	HKAS 36 & 38 及 38	HK-Int 4	HKAS-Int 21	Share of associates 公司	Total 總額
	HKAS 16	HKAS 17	HKAS 38	HKAS 32 及 39	HKAS 36 及 38	HK-Int 4	HKAS-Int 21	所佔聯營 公司	總額
	HK\$'000	HK\$'000	HK\$'000	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	千港元	千港元	千港元
<b>Balance sheet at 30 June 2005</b>	<b>二零零五年六月三十日資產負債表</b>								
Intangible assets	-	-	423	5,425	-	-	-	-	5,848
Leasehold land	-	74,981	-	-	-	-	-	-	74,981
Property and equipment	2,137	(78,678)	-	-	-	(234)	-	-	(76,775)
Investments in associates	-	-	-	-	138,713	-	-	47,443	186,156
Other investments	-	-	-	(907,710)	-	-	-	-	(907,710)
Available-for-sale financial assets	-	-	-	900,024	-	-	-	-	900,024
Deferred tax assets	-	-	-	-	-	-	(1,077)	-	(1,077)
Negative goodwill	-	-	-	-	18,398	-	-	-	18,398
Trade and other receivables	-	-	-	(2,411)	-	-	-	-	(2,411)
Trading account securities	-	-	-	(48,263)	-	-	-	-	(48,263)
Financial assets at fair value through profit and loss	-	-	-	49,952	-	-	-	-	49,952
Taxation payable	-	-	-	423	-	-	-	-	423
Deferred tax liabilities	(392)	541	-	-	-	1	-	-	150
	<b>1,745</b>	<b>(3,156)</b>	<b>423</b>	<b>(2,560)</b>	<b>157,111</b>	<b>(233)</b>	<b>(1,077)</b>	<b>47,443</b>	<b>199,696</b>
Opening retained earnings	1,796	(3,193)	-	(3,390)	175,877	-	109	151,289	322,488
Capital and other reserves	-	-	-	1,532	-	-	-	(130,008)	(128,476)
Profit and loss for the period	(51)	37	423	(702)	(18,766)	(233)	(1,186)	26,162	5,684
	<b>1,745</b>	<b>(3,156)</b>	<b>423</b>	<b>(2,560)</b>	<b>157,111</b>	<b>(233)</b>	<b>(1,077)</b>	<b>47,443</b>	<b>199,696</b>
<b>Balance sheet at 31 December 2004</b>	<b>二零零四年十二月三十一日資產負債表</b>								
Leasehold land	-	66,896	-	-	-	-	-	-	66,896
Property and equipment	2,153	(70,631)	-	-	-	-	-	-	(68,478)
Investments in associates	-	-	-	-	-	-	-	25,520	25,520
Deferred tax assets	-	-	-	-	-	-	109	-	109
Deferred tax liabilities	(357)	542	-	-	-	-	-	-	185
	<b>1,796</b>	<b>(3,193)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>25,520</b>	<b>24,232</b>
Opening retained earnings	1,879	(3,246)	-	-	-	-	377	127,297	126,307
Capital and other reserves	-	-	-	-	-	-	-	(130,008)	(130,008)
Profit and loss for the year	(83)	53	-	-	-	-	(268)	28,231	27,933
	<b>1,796</b>	<b>(3,193)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>25,520</b>	<b>24,232</b>

## 2. TURNOVER AND SEGMENT INFORMATION

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

## 2. 營業額及分項資料

集團之營業額及除所得稅前溢利之貢獻按主要業務分析如下：

		Turnover		Contribution to profit before income taxes	
		For six months ended		For six months ended	
		營業額		除所得稅前溢利之貢獻	
		六個月結算至		六個月結算至	
		30.6.2005	30.6.2004	30.6.2005	30.6.2004
				As restated	
				重列	
		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	<b>126,302</b>	139,967	<b>22,224</b>	28,017
Forex, bullion, commodities and futures	外匯、黃金、商品及期貨	<b>71,457</b>	79,795	<b>7,383</b>	9,262
Margin finance and other financing services	證券放款及其他金融服務	<b>77,723</b>	83,968	<b>26,922</b>	43,372
Term loans	有期借款	<b>14,206</b>	18,811	<b>8,956</b>	12,266
Corporate finance and others	企業融資及其他	<b>90,523</b>	127,693	<b>77,459</b>	62,401
		<b>380,211</b>	450,234	<b>142,944</b>	155,318
Associated companies	聯營公司				
Share of profits and losses	所佔溢利及虧損			<b>124,221</b>	95,152
Amortization of share of goodwill	攤銷所佔商譽			-	(370)
Amortization of goodwill on acquisition	攤銷收購時之商譽			-	(14,718)
Amortization of negative goodwill on acquisition	攤銷收購時之負商譽			-	29,542
Share of taxation	所佔稅項			<b>(31,894)</b>	(30,338)
				<b>92,327</b>	79,268
Jointly controlled entities	共同控制公司				
Share of profits and losses	所佔溢利及虧損			<b>2</b>	(780)
Amortization of goodwill on acquisition	攤銷收購時之商譽			-	(115)
				<b>2</b>	(895)
				<b>235,273</b>	233,691

No analysis of geographical segments is presented as the contribution to turnover and results of operations outside Hong Kong were 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。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 3. PROFIT AFTER FINANCE COSTS

### 3. 除融資成本後溢利

		<b>For six months ended</b>	
		六個月結算至	
		<b>30.6.2005</b>	30.6.2004
			As restated
			重列
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Profit after finance costs is stated after crediting and charging the following:	除融資成本後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
Dividends from listed investments	上市投資股息	<b>8,543</b>	29,744
Dividends from unlisted investments	非上市投資股息	<b>17,692</b>	29,523
Gain on revaluation of investment properties	重估投資物業收益	<b>10,000</b>	-
Interest income	利息收入	<b>73,749</b>	81,670
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
Net realized profit on derivatives	衍生工具已兌現淨收益	<b>10,635</b>	6,709
Net realized profit on trading securities	證券經營已兌現淨收益	<b>1,970</b>	204
Profit on dealing in foreign currencies	外匯買賣收益	<b>2,817</b>	13,630
Profit on disposal of a jointly controlled entity	出售一共同控制公司之溢利	<b>1,219</b>	-
Profit on disposal of equipment	出售設備收益	-	41
Profit on disposal of available-for-sale financial assets/other investments	出售可供出售財務資產/其他投資收益	<b>2,951</b>	3,421
Profit on other dealing activities	其他買賣活動收益	<b>2,306</b>	4,149
Impairment for receivables/provision for doubtful debts written back	應收賬價價值削減/呆賬準備撥回	<b>12,898</b>	2,435
Repayment of interest in respect of litigation with New World Development Company limited pursuant to Court of Appeal Judgment	根據上訴法院裁決就與新世界發展有限公司訴訟所獲之利息退還	<b>14,011</b>	-
Unrealized profit on derivatives	衍生工具未兌現收益	-	3

3. PROFIT AFTER FINANCE COSTS (Continued)

3. 除融資成本後溢利(續)

		<b>For six months ended</b>	
		六個月結算至	
		<b>30.6.2005</b>	30.6.2004
			As restated
			重列
		<b>HK\$'000</b>	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	<b>1,840</b>	1,782
Amortization of leasehold land	攤銷有租契土地	<b>814</b>	306
Depreciation	折舊		
– Owned property and equipment	– 自置物業及設備	<b>8,743</b>	7,306
– Leased equipment	– 租賃設備	<b>42</b>	256
Impairment of equipment and intangible assets	設備及無形資產價值削減	<b>236</b>	–
Interest expenses	利息支出	<b>8,885</b>	9,763
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	–	4,771
Loss on disposal of equipment	出售設備虧損	<b>277</b>	–
Net unrealized loss on trading securities	證券經營未兌現淨虧損	<b>1,780</b>	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
Impairment for receivables/provision for bad and doubtful debts	應收賬價值削減／呆壞賬準備	<b>19,527</b>	1,419
Unrealized loss on derivatives	衍生工具未兌現虧損	<b>1,358</b>	–

## 3. PROFIT AFTER FINANCE COSTS (Continued)

- \* On 1 April 2004, the High Court of Hong Kong awarded a judgment (the "Judgment") in favour of New World Development Company Limited ("NWDC") against Sun Hung Kai Securities Limited ("SHKS") following legal proceedings regarding a joint venture in respect of land and two hotels in Kuala Lumpur, Malaysia. The Judgment was for a principal amount of HK\$80,117,652.72 together with interest of HK\$25,416,365.50 and interest at judgment rate from 16 December 1998 until payment, and costs (together estimated by the Company as at 17 June 2004 to be in the region of approximately HK\$160 million).

SHKS has since year 2000 booked as "Other Investments" an amount of approximately HK\$118 million including payments already made to NWDC in a total sum of HK\$35.3 million. A provision of HK\$18.7 million for interest was made in 2000. Additionally, a provision of HK\$58,364,000 was made in these accounts in respect of interest and legal costs in 2003 and an interest expense of HK\$2,934,000 was paid in 2004.

SHKS appealed against the Judgment to the Court of Appeal. That Court has now handed down its Judgment ("the Court of Appeal Judgment") in which the Court ordered a repayment to SHKS of part of the interest element for the period from 16 December 1998 to 31 March 2004 previously ordered against SHKS in the Court of First Instance but otherwise broadly confirmed the Judgment. The sum repayable amounted to HK\$14,783,090.86 and has now been repaid.

SHKS has obtained leave to appeal the Court of Appeal Judgment to the Court of Final Appeal. It is not presently known when that appeal will be heard.

## 3. 除融資成本後溢利(續)

- \* 於二零零四年四月一日，香港高等法院就新世界發展有限公司(「新世界發展」)向新鴻基証券有限公司(「新鴻基証券」)就關於馬來西亞吉隆坡之土地及兩間酒店之合營企業而提出之法律訴訟作出裁決(「裁決」)。新世界發展被判勝訴。裁決為新鴻基証券須支付本金額80,117,652.72港元與利息25,416,365.50港元，及由一九九八年十二月十六日起計至付款日期按裁決息率計算之利息，以及訟費(本公司估計於二零零四年六月十七日合共約160百萬港元)。

新鴻基証券自二零零零年起已將約118百萬港元之金額列賬為「其他投資」，當中包括已向新世界發展支付之款項總額合共35.3百萬港元，於二零零零年已計入18.7百萬港元之利息撥備。另外，本賬目已就有關利息及法律費用共58,364,000港元於二零零三年作出撥備，及於二零零四年支付利息2,934,000港元。

新鴻基証券已就裁決向上訴法院提出上訴，上訴法院現已宣判裁決(「上訴法院裁決」)，判令退還部份新鴻基証券按原訟法院判決所支付由一九九八年十二月十六日起計至二零零四年三月三十一日之利息，惟確定大部份其他裁決。金額合共14,783,090.86港元之利息經已退還。

新鴻基証券已獲批准向終審法院就上訴法院裁決提出上訴。現時並不知悉最終上訴之聆訊會於何時展開。

### 3. PROFIT AFTER FINANCE COSTS (Continued)

Pending any Judgment pursuant to such appeal to the Court of Final Appeal, the Company's present understanding of the effect of the Court of Appeal Judgment is that SHKS now effectively owns 25% of NWDC's entire interest (including the shareholder loans advanced by, or on behalf of, NWDC, and/or Stapleton Development Limited ("SDL"), and/or SHKS to Great Union Properties Sdn Bhd ("GUP")) in the Joint Venture (as defined in the Judgment) being the 50-50 joint venture between NWDC and/or SDL and IGB Corporation Bhd. to purchase land and to build two hotels of 1,000 rooms and a 200 unit service apartment block at the city centre of Kuala Lumpur and SDL holds 12.5% of the shares in GUP on trust for SHKS.

### 4. INCOME TAXES

Current tax	當期稅項
Hong Kong profits tax	香港利得稅
Overseas taxation	海外稅項
Deferred tax	遞延稅項
Current period	本期

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 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.

### 3. 除融資成本後溢利(續)

直至終審法院作出任何判決，據本公司目前對上訴法院裁決結果之理解，新鴻基証券實際上擁有新世界發展於合營企業(在裁決中釋義)全部權益(包括來自或代替新世界發展、及/或來自或代替 Stapleton Development Limited ("SDL")、及/或來自或代替新鴻基証券付予 Great Union Properties Sdn Bhd ("GUP") 的股東貸款)之25%。此合營企業是新世界發展及/或SDL與IGB Corporation Bhd.各佔一半，在吉隆坡市中心購入土地及發展兩所設有1,000個房間之酒店和設有200個單位之服務式公寓。SDL以信託方式代新鴻基証券持有GUP的12.5%股本。

### 4. 所得稅

For six months ended	
六個月結算至	
30.6.2005	30.6.2004
	As restated
	重列
HK\$'000	HK\$'000
千港元	千港元
<b>12,000</b>	17,006
<b>209</b>	2,741
<b>12,209</b>	19,747
<b>6,555</b>	(803)
<b>18,764</b>	18,944

香港利得稅準備是以期內估計應課稅溢利按稅率17.5%(二零零四年: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。

## 5. DIVIDENDS

## 5. 股息

		<b>For six months ended</b>	
		六個月結算至	
		<b>30.6.2005</b>	30.6.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Proposed interim dividend of 2.5 cents per share (2004: 2 cents per share)	擬派中期股息每股派 2.5 港仙 (二零零四年：每股派 2 港仙)	<b>31,143</b>	24,914
Special dividend of nil cent per share (2004: 1 cent per share)	特別股息：無 (二零零四年：每股派 1 港仙)	-	12,457
		<b>31,143</b>	37,371

## 6. EARNINGS PER SHARE

The calculation of earnings per share was based on the profit attributable to shareholders of HK\$215,646,000 (2004: HK\$214,605,000) and 1,245,703,156 ordinary shares in issue during the period (2004: 1,245,703,156 ordinary shares).

No diluted earnings per share were presented for the period as there were no dilutive potential ordinary shares as at period end (2004: Nil).

## 6. 每股盈利

每股盈利之計算乃按期內股東應佔溢利 215,646,000 港元 (二零零四年：214,605,000 港元) 及期內已發行普通股 1,245,703,156 股 (二零零四年：普通股 1,245,703,156 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 (二零零四年：無)。



7. INVESTMENTS IN ASSOCIATED COMPANIES

7. 聯營公司投資

		<b>30.6.2005</b>		31.12.2004 As restated 重列	
		<b>HK\$'000</b> 千港元	<b>HK\$'000</b> 千港元	HK\$'000 千港元	HK\$'000 千港元
Carrying value of listed associated companies	上市聯營公司賬面值		<b>2,503,638</b>		2,273,184
Carrying value of unlisted associated companies	非上市聯營公司賬面值		<b>110,221</b>		109,477
			<b>2,613,859</b>		2,382,661
Less: provision for impairment	減：價值削減準備額		<b>(21,892)</b>		(21,892)
			<b>2,591,967</b>		2,360,769
Amounts due from associated companies	聯營公司欠賬	<b>211,286</b>		161,519	
Less: provision for impairment	減：價值削減準備額	<b>(18,726)</b>		(18,726)	
			<b>192,560</b>		142,793
Less: amounts due to associated companies	減：聯營公司貸賬		<b>(57,537)</b>		(44,404)
			<b>2,726,990</b>		2,459,158
Less: current portion of term loan and amounts due from listed associated companies	減：上市聯營公司於一年內到期之有期借款及欠賬		<b>(50,040)</b>		(210)
			<b>2,676,950</b>		2,458,948
Market value of listed associated companies	上市聯營公司市值		<b>960,435</b>		1,109,200

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 7. INVESTMENTS IN ASSOCIATED COMPANIES (Continued)

Summarized financial information of associated companies at 30 June 2005 was as follows:

### 7. 聯營公司投資 (續)

於二零零五年六月三十日聯營公司的財務資料概要如下：

		<b>For six months ended</b>	
		六個月結算至	
		<b>30.6.2005</b>	30.6.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Total revenue	總收益	<b>1,042,697</b>	1,437,062
Profit and loss for the period	本期溢利及虧損	<b>340,768</b>	168,144
		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Total assets	總資產	<b>11,293,323</b>	11,039,341
Total liabilities	總負債	<b>(5,615,032)</b>	(5,593,496)

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER INVESTMENTS 8. 可供出售財務資產及其他投資

		<b>Available- for-sale financial assets</b>	Other investments
		可供出售 財務資產	其他投資
		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	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	<b>447,199</b>	476,810
- Listed outside Hong Kong	- 在香港以外上市	<b>3,809</b>	4,474
		<b>451,008</b>	481,284
Unlisted equity investments, at fair value*	非上市股權投資， 按公平價值*	<b>412,587</b>	303,494
Club memberships and exchange participation rights	會所會籍及 交易所參與權	-	5,425
Statutory deposits and other deposits with Exchange and Clearing companies	交易所及結算公司之 法定按金 及其他按金	<b>26,746</b>	26,624
		<b>890,341</b>	816,827
Add: amounts due from investee companies*	加：投資公司 欠賬*	<b>87,921</b>	94,935
Less: provision for amount due from an investee company	減：一投資公司 欠賬準備	-	(2,161)
		<b>978,262</b>	909,601
Less: amount due to an investee company	減：一投資公司 貸賬	<b>(447)</b>	(1,891)
		<b>977,815</b>	907,710

Other investments were redesignated to various line items on 1 January 2005 on the adoption of HKAS 39. Please refer to note 1 for details.

於採納HKAS 39後，其他投資於二零零五年一月一日已重新定名為不同項目，詳情請參閱賬目附註1。

## 8. AVAILABLE-FOR-SALE FINANCIAL ASSETS AND OTHER INVESTMENTS (Continued)

- \* Pending any judgment pursuant to such appeal to the Court of Final Appeal, the Company's present understanding of the effect of the Court of Appeal Judgment is that SHKS now effectively owns 25% ("SHKS Interest") of NWDC's entire interest (including the shareholder loans advanced by, or on behalf of, NWDC, and/or SDL and/or SHKS to GUP in the Joint Venture (as defined in the Judgment) being the 50-50 joint venture between NWDC and/or SDL and IGB Corporation Bhd. to purchase land and to build two hotels of 1,000 rooms and a 200 unit service apartment block at the city centre of Kuala Lumpur and SDL holds 12.5% of the shares in GUP on trust for SHKS. A sum totalling HK\$118,003,000 (2004: HK\$118,003,000) 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 SHKS Interest.

The Board has decided that it is not presently appropriate to make any provisions in respect of the litigation or for impairment of the value of its interest in the total Kuala Lumpur hotels project pursuant to the Judgment and the Court of Appeal Judgment (together "the Judgments"). This decision has been taken because it is considered that the current circumstances of the nature and value of the interests existing under the Judgments and the uncertainty of our appeal against the Court of Appeal Judgment to the Court of Final Appeal (the "Final Appeal"), result in a situation where it is not possible to decide with any degree of accuracy as to what the final position may be. On the one hand if SHKS is completely successful in the Final Appeal then it may be entitled to recovery of monies already paid. On the other hand if it is not totally successful or only partially successful then it may be possible that further provision for impairment of the value of its final interests in the Kuala Lumpur hotels project may be required. The extent of such provision is not presently capable of determination as the holding company of the hotel namely GUP has not provided a current valuation of the project and SHKS has not had sufficient access to the detailed books and records of GUP to reach a supportable view as to the value of the project.

## 8. 可供出售財務資產及其他投資(續)

- \* 直至終審法院作出任何判決，據本公司目前對上訴法院裁決結果之理解，新鴻基證券實際上擁有新世界發展於合營企業(在裁決中釋義)全部權益(包括來自或代替新世界發展、及／或來自或代替SDL、及／或來自或代替新鴻基證券付予GUP的股東貸款)之25%([「新鴻基證券權益」])。此合營企業是新世界發展及／或SDL與IGB Corporation Bhd.各佔一半，在吉隆坡市中心購入土地及發展兩所設有1,000個房間之酒店和設有200個單位之服務式公寓。SDL以信託方式代新鴻基證券持有GUP的12.5%股本。包括在「非上市股權投資」及「投資公司欠賬」中之一筆總額共118,003,000港元(2004: 118,003,000港元)(不包括於往年已支銷之利息)之賬項，是代表新鴻基證券權益的賬面值。

董事會認為在現時不適宜就裁決及上訴法院裁決(統稱「該等裁決」)對此訴訟或對吉隆坡酒店項目權益減值作出任何撥備。採取此決定乃由於經考慮在該等裁決下存在的權益之價值及性質之當前情況，以及對上訴法院裁決向終審法院作出之上訴(「最終上訴」)之不明朗因素，導致未能以任何的準確程度決定最終結果之情況。一方面，倘新鴻基證券於該最終上訴完全獲勝，其可能有權取回所有已付金額；另一方面，倘該上訴敗訴或僅部分獲勝，其有可能須就吉隆坡酒店項目之最終權益進一步作出減值撥備。由於酒店之控股公司GUP並無提供該項目之現有估值，兼且新鴻基證券亦未能獲得GUP之詳細賬冊紀錄，因而未能對該項目的價值達致具理據支持之意見，因此目前未能釐訂作出該等撥備之程度。

9. CASH AND CASH EQUIVALENTS

9. 現金及現金等價物

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Cash and bank balances	現金及銀行結存	<b>457,387</b>	406,959
Fixed deposits with banks	銀行定期存款	<b>145,480</b>	80,290
		<b>602,867</b>	487,249

The Group maintains trust accounts with licensed banks to hold clients' deposits arising from normal business transactions. At 30 June 2005, trust accounts not otherwise dealt with in these accounts totalled HK\$1,920,330,000 (2004: HK\$2,178,901,000).

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。於二零零五年六月三十日，此賬目並未包括之信託存款共1,920,330,000港元（二零零四年：2,178,901,000港元）。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 10. TRADE AND OTHER RECEIVABLES

### 10. 經營及其他應收賬

		30.6.2005		31.12.2004 As restated 重列	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Trade receivables	經營應收賬				
Accounts receivable from brokers and clients	應收經紀及 客戶賬	<b>673,506</b>		654,135	
Less: provision for impairment	減：價值削減準備額	<b>(5,564)</b>		(36,618)	
			<b>667,942</b>		617,517
Secured margin loans	有抵押證券放款	<b>1,472,422</b>		1,609,183	
Less: provision for impairment	減：價值削減準備額	<b>(159,208)</b>		(202,353)	
			<b>1,313,214</b>		1,406,830
Secured term loans	有抵押有期借款	<b>218,726</b>		234,262	
Unsecured term loans	無抵押有期借款	-		5,864	
Less: provision for impairment	減：價值削減準備額	<b>(35,332)</b>		(58,816)	
			<b>183,394</b>		181,310
			<b>2,164,550</b>		2,205,657
Current portion of term loan and amounts due from listed associated companies	上市聯營公司 於一年內到期 之有期借款及欠賬		<b>50,040</b>		210
Interest receivable	應收利息		<b>4,234</b>		3,239
Other accounts receivable, deposits and prepayments	其他應收賬、按金 及預付費用		<b>165,025</b>		80,060
			<b>2,383,849</b>		2,289,166

10. TRADE AND OTHER RECEIVABLES (Continued)

The ageing analysis of the trade receivables is as follows:

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Current	即期	<b>2,157,720</b>	2,199,925
31-60 days	31-60天	<b>2,718</b>	12,560
61-90 days	61-90天	<b>2,251</b>	383
Over 90 days	90天以上	<b>201,965</b>	290,576
		<b>2,364,654</b>	2,503,444
Less: provisions for impairment	減：價值削減準備額	<b>(200,104)</b>	(297,787)
		<b>2,164,550</b>	2,205,657

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 2005 was HK\$5,950,779,000 (2004: HK\$6,420,945,000).

The credit of trade receivables including secured margin loans and secured term loans is reviewed and approved 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 for impairment 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 for impairment.

10. 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。於二零零五年六月三十日，此等上市證券之市值為5,950,779,000港元（二零零四年：6,420,945,000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。

特定呆賬之價值削減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價值削減準備列於資產負債表中。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS AND TRADING ACCOUNT SECURITIES

### 11. 按公平值列賬及在損益賬處理的財務資產及證券經營賬

		<b>Financial assets at fair value through profit and loss</b>	Trading account securities
		按公平值列賬及在損益賬處理的財務資產	證券經營賬
		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	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	<b>15,445</b>	23,152
– Issued by banks	– 由銀行發行	<b>12,503</b>	13,133
– Issued by public utility entities	– 由公營機構發行	<b>32</b>	32
		<b>27,980</b>	36,317
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	<b>2,861</b>	3,740
– Issued by bank	– 由銀行發行	<b>70</b>	59
		<b>2,931</b>	3,799
Equity securities unlisted outside Hong Kong, at fair value	在香港以外之非上市股權證券，按公平值		
– Issued by corporate entity	– 由企業發行	<b>77,536</b>	–
Marketable debt securities	有市值債務證券		
– Issued by central government	– 由中央政府發行	<b>7,718</b>	7,741
Derivatives listed in Hong Kong	在香港上市之衍生工具	<b>2,956</b>	–
Others	其他	<b>530</b>	406
		<b>119,651</b>	48,263



11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS AND TRADING ACCOUNT SECURITIES (Continued)

Trading account securities were redesignated on 1 January 2005 on the adoption of HKAS 39. Please refer to note 1 for details.

12. BANK LOANS AND OVERDRAFTS

11. 按公平值列賬及在損益賬處理的財務資產及證券經營賬(續)

於採納HKAS 39後，證券經營賬於二零零五年一月一日已重新定名，詳情請參閱賬目附註1。

12. 銀行借款及透支

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Bank loans	銀行借款		
-Secured*	- 有抵押 *	<b>243,000</b>	-
-Unsecured	- 無抵押	<b>28,000</b>	-
		<b>271,000</b>	-
Bank overdrafts	銀行透支		
-Secured*	- 有抵押 *	<b>112,124</b>	57,905
-Unsecured	- 無抵押	<b>22,615</b>	-
		<b>134,739</b>	57,905
Current portion of long term bank loans (note 17)	一年內到期之長期銀行借款 (附註 17)	<b>6,035</b>	6,040
		<b>411,774</b>	63,945

\* At 30 June 2005, listed investments belonging to the Group and margin clients with market values of HK\$205,864,000 and HK\$969,162,000 respectively (2004: HK\$227,021,000 and HK\$847,385,000 respectively) were pledged to banks and financial institutions. Banking facilities of HK\$1,563,500,000 (2004: HK\$1,735,000,000) were available to the Group. The Group also had leasehold properties with a total book value of HK\$30,957,000 (2004: HK\$31,279,000) pledged to banks as security for overdraft facilities of HK\$37,300,000 (2004: HK\$37,300,000). The outstanding balance of the draw down of the overdraft facilities at 30 June 2005 was HK\$36,516,000 (2004: HK\$37,049,000).

\* 於二零零五年六月三十日，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，其市值分別為205,864,000港元及969,162,000港元(二零零四年：分別為227,021,000港元及847,385,000港元)，集團可動用的信貸額為1,563,500,000港元(二零零四年：1,735,000,000港元)。集團亦有賬面總值30,957,000港元(二零零四年：31,279,000港元)之有租契物業按予銀行，作為給予集團透支信貸37,300,000港元(二零零四年：37,300,000港元)之抵押。於二零零五年六月三十日，提取之透支信貸額為36,516,000港元(二零零四年：37,049,000港元)。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 13. TRADE AND OTHER PAYABLES

### 13. 經營及其他應付賬

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Accounts payable to brokers and clients	應付經紀及客戶賬	<b>806,234</b>	867,135
Other accounts payable and accruals	其他應付賬及應付費用	<b>231,416</b>	205,749
Current portion of obligation under a finance lease (note 17)	一年內到期之融資租賃債務 (附註 17)	-	76
		<b>1,037,650</b>	1,072,960

The ageing analysis of the accounts payable to brokers and clients is as follows:

應付經紀及客戶賬之賬齡分析如下：

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Current	即期	<b>773,643</b>	852,009
31-60 days	31-60 天	<b>2,219</b>	3,640
61-90 days	61-90 天	<b>16,920</b>	3,037
Over 90 days	90 天以上	<b>13,452</b>	8,449
		<b>806,234</b>	867,135

### 14. SHARE CAPITAL

### 14. 股本

		No. of shares of HK\$0.2 each 股數每股面值 0.2 港元		Amount 金額	
		<b>30.6.2005</b>	31.12.2004	<b>30.6.2005</b>	31.12.2004
				<b>HK\$'000</b>	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	<b>15,000,000,000</b>	15,000,000,000	<b>3,000,000</b>	3,000,000
Issued and fully paid:	發行及繳足股本：				
Balance brought forward and carried forward	結餘承上及轉下	<b>1,245,703,156</b>	1,245,703,156	<b>249,141</b>	249,141

15. RETAINED EARNINGS

15. 保留溢利

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	As restated 重列 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	<b>2,221,194</b>	1,951,339
Prior year adjustments	上年度調整		
– Adoption of HKAS 16	– 採納 HKAS 16	<b>1,796</b>	1,879
– Adoption of HKAS 17	– 採納 HKAS 17	<b>(3,193)</b>	(3,246)
– Adoption of HKAS-Int 21	– 採納 HKAS-Int 21	<b>109</b>	377
– Share of associated companies	– 所佔聯營 公司	<b>155,528</b>	127,297
		<b>2,375,434</b>	2,077,646
As restated	重列		
Adjustments to opening retained earnings	期初保留溢利之 調整		
– Adoption of HKAS 32 and 39	– 採納 HKAS 32 及 39	<b>(3,390)</b>	–
– Adoption of HKFRS 3	– 採納 HKFRS 3	<b>175,877</b>	–
– Share of associated companies	– 所佔聯營 公司	<b>(4,239)</b>	–
		<b>2,543,682</b>	2,077,646
Profit attributable to shareholders for the period/year	本期／本年度 股東應佔溢利	<b>215,646</b>	412,728
Dividends paid	股息支付	<b>(74,742)</b>	(112,113)
Transfer to capital reserve by associated companies	聯營公司轉撥 至資本儲備	<b>(314)</b>	(2,827)
		<b>2,684,272</b>	2,375,434
Representing:	分為：		
Retained profits	保留溢利	<b>2,653,129</b>	2,300,692
Proposed dividends	擬派股息	<b>31,143</b>	74,742
		<b>2,684,272</b>	2,375,434

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 16. LOAN NOTES

### 16. 貸款票據

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Balance as at 1 January	一月一日結存	<b>129,637</b>	231,637
Purchase and cancellation	購回及註銷	<b>(60,000)</b>	(102,000)
		<b>69,637</b>	129,637

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。

### 17. LONG TERM LIABILITIES

### 17. 長期負債

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Secured bank loans*	有抵押銀行借款*	<b>27,319</b>	30,307
Obligation under a finance lease	融資租賃債務	-	76
Other long term employee benefits	其他長期員工福利	<b>498</b>	876
Advance from minority shareholder	來自少數股東借款	<b>1,022</b>	1,022
		<b>28,839</b>	32,281
Less: current portion	減：一年內到期之部分		
Secured bank loans	有抵押銀行借款	<b>(6,035)</b>	(6,040)
Obligation under a finance lease	融資租賃債務	-	(76)
		<b>22,804</b>	26,165

\* The Group had leasehold properties with a total book value of HK\$72,440,000 (2004: HK\$64,498,000) pledged to banks as security for instalment loans granted to the Group.

\* 集團有賬面總值72,440,000港元(二零零四年：64,498,000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。

18. COMMITMENTS

(a) Capital commitments

		<b>30.6.2005</b>	31.12.2004
		<b>HK\$'000</b>	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	<b>10,667</b>	28,688
Authorized but not contracted for	已批准但未簽約者	<b>2,382</b>	2,209
		<b>13,049</b>	30,897

18. 承擔

(a) 資本承擔

(b) Commitments under operating leases

At 30 June 2005, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

(b) 營運租約承擔

於二零零五年六月三十日，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：

		<b>30.6.2005</b>		31.12.2004	
		<b>Land and buildings</b>	<b>Others</b>	Land and buildings	Others
		房地產	其他	房地產	其他
		<b>HK\$'000</b>	<b>HK\$'000</b>	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Within one year	一年內	<b>21,963</b>	<b>4</b>	19,577	578
In the second to fifth year	第二年至第五年	<b>27,513</b>	-	33,952	-
		<b>49,476</b>	<b>4</b>	53,529	578

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 19. ACQUISITION OF SUBSIDIARIES

The Group acquired the following subsidiaries during the period:

### 19. 收購附屬公司

集團於期內收購以下附屬公司：

Name	Principal activities	Date of acquisition	Percentage acquired	Component of cost	Cost including capitalized expenses 包括資本化費用之成本 HK\$'000 千港元
名稱	主要業務	購入日期	購入百分率	成本組合	
Hing Yip Holdings Limited 興業控股有限公司	Property investment 物業投資	1/2/2005	100%	Cash 現金	<b>13,811</b>
Excalibur Futures Limited 駿溢期貨有限公司	Futures dealing and broking 期貨買賣及經紀	17/3/2005	100%	Cash 現金	<b>16,853</b>
Excalibur Securities Limited 駿溢證券有限公司	Securities broking 證券經紀	17/3/2005	100%	Cash 現金	<b>9,033</b>
Sing Hing Investment Limited 誠興投資有限公司	Property investment 物業投資	18/4/2005	100%	Cash 現金	<b>38,477</b>
					<b>78,174</b>

19. ACQUISITION OF SUBSIDIARIES (Continued)

The aggregate assets and liabilities arising from the acquisition are as follows:

19. 收購附屬公司 (續)

以下為購入的總資產及負債：

		<b>Acquiree's carrying amount</b>	<b>Fair value</b>
		被購入者之 賬面值 <b>HK\$'000</b>	公平值 <b>HK\$'000</b>
		千港元	千港元
Cash and cash equivalents	現金及現金等價物	<b>15,758</b>	<b>15,758</b>
Intangible assets	無形資產	<b>618</b>	<b>618</b>
Investment property	投資物業	<b>26,934</b>	<b>39,362</b>
Leasehold land	有租契土地	<b>6,376</b>	<b>8,900</b>
Property and equipment	物業及設備	<b>10,179</b>	<b>11,610</b>
Available-for-sale financial assets	可供出售財務資產	<b>1,734</b>	<b>1,734</b>
Trade and other receivables	經營及其他應收賬	<b>17,723</b>	<b>16,823</b>
Trade and other payables	經營及其他應付賬	<b>(16,575)</b>	<b>(16,575)</b>
Deferred tax liabilities	遞延稅項負債	<b>(124)</b>	<b>(124)</b>
Net assets	淨資產	<b>62,623</b>	<b>78,106</b>
Total purchase consideration	購入總代價		<b>78,174</b>
Excess of net fair value over consideration recognized in profit and loss	公平值超出代價之 數額於損益 計算表中確認		<b>68</b>
Goodwill	商譽		<b>199</b>
Purchase consideration settled in cash	以現金結算之 購入代價		<b>267</b>
Cash and cash equivalents in subsidiaries acquired	購入之現金及 現金等價物		<b>78,174</b>
Cash outflow on acquisition	收購之現金流出額		<b>(15,758)</b>
			<b>62,416</b>

The goodwill is attributable to the synergies expected to arise after the Group's acquisition of the subsidiaries.

商譽為集團收購該等附屬公司後產生的預期協同收益。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 19. ACQUISITION OF SUBSIDIARIES (Continued)

The aggregate revenue and the profit and loss of the acquired subsidiaries are as follows:

		<b>For six months ended 六個月結算至 30.6.2005 HK\$'000 千港元</b>	<b>Post acquisition 收購後  HK\$'000 千港元</b>
Total revenue	總收益	<b>19,080</b>	<b>12,774</b>
Profit and loss	溢利及虧損	<b>1,215</b>	<b>2,199</b>

### 19. 收購附屬公司 (續)

以下為被收購附屬公司的總收益和溢利及虧損：

### 20. CONTINGENT LIABILITIES

(a) At 30 June 2005, the Group had guarantees as follows:

		<b>30.6.2005 HK\$'000 千港元</b>	31.12.2004 HK\$'000 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	<b>6,996</b>	7,000
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	<b>5,540</b>	5,540
Other guarantees	其他保證	<b>5,238</b>	3,184
		<b>17,774</b>	15,724

### 20. 或然負債

(a) 集團於二零零五年六月三十日之保證如下：



## 20. CONTINGENT LIABILITIES (Continued)

(b) On 4 February 2004, Sun Tai Cheung Credits Limited ("STCC") and Sun Hung Kai Investment Services Limited ("SHKIS"), both indirect wholly-owned subsidiaries of the Company, were served with a writ including a statement of claim ("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 total sum not exceeding HK\$15,700,000 which might have been 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 believe that the claim is not soundly based. STCC and SHKIS have applied to have the claim struck out. The proceedings have now been stayed until further order of the court.

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.

## 20. 或然負債 (續)

(b) 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」）及新鴻基投資服務有限公司（「新鴻基投資」）發出附有申索陳述書之令狀（「200/2004」），要求（其中包括）撤銷新泰昌授信（作為受讓人）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所出售順隆集團有限公司之股份（「順隆股份」）（作價36,500,000港元，在若干條件規則下，將會於完成日期一年後額外支付不超過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。集團正極力對此項索償作出抗辯。新泰昌授信及新鴻基投資在交易期間一直按適當專業建議行事，並深信有關索償理據不足。新泰昌授信及新鴻基投資已申請剔除此宗索償。有關司法程序現正暫停辦理，直至法院另行頒令為止。

在現階段，本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。

## 20. CONTINGENT LIABILITIES (Continued)

(c) By the Judgment of Deputy High Court Judge To on 1 April 2004 (the "Judgment") in HCA 3191/1999 between NWDC and SDL against SHKS, a wholly-owned subsidiary of the Company, SHKS was ordered to pay NWDC the sum of HK\$105,534,018.22 together with interest on the principal sum of HK\$80,117,652.72 at judgment rate from 16 December 1998 until payment, pursuant to the terms of an oral agreement which His Lordship found (the "Oral Agreement"). As at 17 June 2004, the date when the Judgment sum was paid, the Judgment amounted to HK\$150,115,681.54 (being HK\$105,534,018.22 plus interest of HK\$44,581,663.32). SHKS has paid the Judgment amounts. SHKS filed an appeal against the Judgment both as to liability and quantum (the "Appeal") to the Court of Appeal. That Court has now handed down its Judgment ("the Court of Appeal Judgment") in which the Court ordered a repayment to SHKS of part of the interest element for the period from 16 December 1998 to 31 March 2004 previously ordered against SHKS in the Court of First Instance but otherwise broadly confirmed the Judgment. The sum repayable amounted to HK\$14,783,090.86 and has now been repaid.

SHKS has obtained leave to appeal the Court of Appeal Judgment to the Court of Final Appeal (the "Final Appeal"). It is not presently known when the Final Appeal will be heard.

## 20. 或然負債 (續)

(c) 根據高等法院暫委法官杜淮峯於二零零四年四月一日就新世界發展與SDL向本公司全資附屬公司新鴻基證券提出之法律訴訟(高等法院民事訴訟1999年第3191宗)作出之裁決(「裁決」)，根據法官認定的口頭協議(「口頭協議」)內訂明之條款，新鴻基證券被判令向新世界發展支付總額105,534,018.22港元，連同本金金額80,117,652.72港元由一九九八年十二月十六日起至付款期間按判定利率計算之利息。於二零零四年六月十七日(即支付判定金額當日)，新鴻基證券已支付判定金額，總額為150,115,681.54港元(即105,534,018.22港元連同利息44,581,663.32港元)。新鴻基證券已向上訴法院申請就該項裁決之法律責任及索償金額提出上訴(「上訴」)。上訴法院現已宣判裁決(「上訴法院裁決」)，判令退還部份新鴻基證券按原訟法院判決所支付由一九九八年十二月十六日起計至二零零四年三月三十一日之利息，惟確定大部份其他裁決。金額合共14,783,090.86港元之利息經已退還。

新鴻基證券已獲批准向終審法院就上訴法院裁決提出上訴(「最終上訴」)。現時並不知悉最終上訴之聆訊會於何時展開。

## 20. CONTINGENT LIABILITIES (Continued)

Since the handing down of the Judgment, NWDC has written to SHKS demanding payment of three further amounts for what it asserts as pro-rata shareholders' contributions advanced by NWDC on behalf of SHKS (the "New Claims"):

1. on 1 March 2000 in the sum of HK\$27,234,753.52;
2. on 2 January 2001 in the sum of HK\$7,697,418.42

(the Group understands that a further writ was issued by NWDC in April 2004, naming SHKS as defendant, and claiming the aforesaid two amounts as well as interest thereon from March 2000 and January 2001 respectively ("Further Writ"). The Further Writ has not been served on SHKS); and

3. on 1 June 2004 in the sum of HK\$2,565,839.47 in respect of a bank loan by GUP. (a provision has been made with respect to this claim in the accounts of SHKS).

The outcome of the Final Appeal as well as other issues will be relevant to the determination of whether SHKS is liable to pay the New Claims which NWDC asserts are due under the Oral Agreement. Accordingly, the Directors take the view that the New Claims are a contingent liability, and that while a provision has been made for legal costs, it is considered that it is not presently appropriate for any other provision to be made with respect to the Final Appeal or the Further Writ. However, the Directors in Note 8 to the accounts have provided an analysis as to the possible financial implications for the Company depending on the ultimate outcome of the Final Appeal.

## 20. 或然負債 (續)

自宣佈裁決以來，新世界發展曾以書面要求新鴻基證券額外支付三筆款項，聲稱為新世界發展代表新鴻基證券墊付按比例之股東供款（「新索償」）：

1. 於二零零零年三月一日墊付之 27,234,753.52 港元；
2. 於二零零一年一月二日，墊付之 7,697,418.42 港元

（集團知悉新世界發展於二零零四年四月向新鴻基證券（作為被告）發出另一令狀（「另一令狀」），要求索償上述兩筆款額，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。此另一令狀並未送達至新鴻基證券）；及

3. 於二零零四年六月一日，要求就 GUP 之銀行貸款支付 2,565,839.47 港元。（已就該索償於新鴻基證券之賬目作出撥備）。

最終上訴結果以及其他事項將與釐定新鴻基證券是否須支付新索償有關，而新世界發展聲稱此乃根據口頭協議而需支付。因此，公司董事認為新索償乃或然負債，亦鑑於本公司已為訴訟費作出撥備，故此認為現時不適宜為最終上訴或另一令狀作出任何撥備。然而，本公司董事已於賬目附註 8 中對最終上訴的最終結果所引致的可能發生之財務影響作出分析。

## 21. MATURITY PROFILE OF ASSETS AND LIABILITIES 21. 資產及負債到期分析

		As at 30 June 2005 於二零零五年六月三十日					
		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 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Assets</b>	<b>資產</b>						
Term loan/loan note of a listed associated company	一上市聯營公司之 有期借款及 貸款票據	48,000	-	78,000	-	-	126,000
Lending over one year	一年期以上放款	-	-	4,401	-	-	4,401
Fixed deposits with banks	銀行定期存款	145,480	-	-	-	-	145,480
Term loans	有期借款	91,800	8,070	-	-	118,856	218,726
Debts securities in financial assets at fair value through profit and loss	於按公平值列賬及 在損益賬處理的 財務資產中之 債務證券	7,718	-	-	-	-	7,718
		<b>7,718</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,718</b>
<b>Liabilities</b>	<b>負債</b>						
Bank loans and overdrafts	銀行借款及透支	405,739	-	-	-	-	405,739
Loan notes	貸款票據	-	-	69,637	-	-	69,637
Long term bank loans	長期銀行借款	1,491	4,544	21,284	-	-	27,319
		<b>1,491</b>	<b>4,544</b>	<b>21,284</b>	<b>-</b>	<b>-</b>	<b>27,319</b>

21. MATURITY PROFILE OF ASSETS AND LIABILITIES  
 (Continued)

21. 資產及負債到期分析 (續)

		As at 31 December 2004 於二零零四年十二月三十一日					
		Within 3 months 三個月 內	3 months to 1 year 三個月 至一年	1 year to 5 years 一年至 五年	After 5 years 五年後	On demand 即時 還款	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Assets</b>	<b>資產</b>						
Loan note of a listed associated company	一上市聯營公司之 貸款票據	-	-	78,000	-	-	78,000
Lending over one year	一年期以上放款	-	-	3,200	-	-	3,200
Fixed deposits with banks	銀行定期存款	80,290	-	-	-	-	80,290
Term loans	有期借款	61,145	34,600	-	-	144,381	240,126
Debts securities in trading account securities	於證券經營賬中之 債務證券	7,741	-	-	-	-	7,741
		<b>7,741</b>	<b>34,600</b>	<b>81,200</b>	<b>-</b>	<b>144,381</b>	<b>240,126</b>
<b>Liabilities</b>	<b>負債</b>						
Bank loans and overdrafts	銀行借款及透支	57,905	-	-	-	-	57,905
Loan notes	貸款票據	-	-	129,637	-	-	129,637
Long term bank loans	長期銀行借款	1,500	4,540	24,267	-	-	30,307
Obligation under a finance lease	融資租賃債務	76	-	-	-	-	76
		<b>60,381</b>	<b>4,540</b>	<b>153,904</b>	<b>-</b>	<b>-</b>	<b>218,825</b>

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

上表只列出有限期之資產及負債，過期而未償還之資產列為即時還款。

# Notes to Condensed Consolidated Interim Accounts

## 簡明綜合中期賬目附註

### 22. RELATED PARTY TRANSACTIONS

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

### 22. 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：

		<b>For six months ended</b>	
		六個月結算至	
		<b>30.6.2005</b>	30.6.2004
			As restated
			重列
	Note 附註	<b>HK\$'000</b> 千港元	HK\$'000 千港元
<b>Associated companies 聯營公司</b>			
Insurance premium received from a listed associated company	從一上市聯營公司收取之保險費	<b>3,147</b>	3,250
Interest income from a listed associated company	從一上市聯營公司所得之利息收益	<b>1,330</b>	3,796
Term loan drawdown by a subsidiary company of a listed associated company	一上市聯營公司之附屬公司提取 有期借款	<b>48,000</b>	-
	(a)		
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
Purchase of two companies from a subsidiary of a listed associated company	從一上市聯營公司之一附屬公司購入 兩間附屬公司	<b>52,283</b>	-
Service fees received from listed associated companies	從上市聯營公司收取之服務費用	<b>1,513</b>	636
<b>Ultimate holding company and its subsidiary companies 最終控股公司及其附屬公司</b>			
Dividend received from a subsidiary of the ultimate holding company	向最終控股公司之一附屬公司收取之股息	<b>14,540</b>	-
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	<b>2,648</b>	2,982
Rent and property management fee paid to a subsidiary company of the ultimate holding company	付予最終控股公司之一附屬公司租金及物業管理費	<b>620</b>	-
<b>Key management personnel 主要管理人員</b>			
Short-term benefits	短期福利	<b>4,279</b>	4,864
Post-employment benefits	離職後福利	<b>180</b>	190

## 22. RELATED PARTY TRANSACTIONS (Continued)

At 30 June 2005, the Group had the following material balances with related parties:

			<b>30.6.2005</b>	31.12.2004
		Note	<b>HK\$'000</b>	HK\$'000
		附註	千港元	千港元
Amounts due from/(to)	聯營公司			
associated companies	欠賬／(貸賬)			
Amounts due from a listed	— 上市聯營			
associated company	公司欠賬			
– Loan note	— 貸款票據	(b)	<b>78,000</b>	78,000
– Term loan	— 有期借款	(a)	<b>48,000</b>	–
– Others	— 其他	(c)	<b>529</b>	–
Amounts due from other	其他聯營公司			
associated companies	欠賬	(c)	<b>84,757</b>	83,519
Amounts due to other	其他聯營公司			
associated companies	貸賬	(c)	<b>(57,537)</b>	(44,404)

(a) On 2 March 2005, a loan facility up to HK\$100 million was granted to a subsidiary company of a listed associated company. The interest rate follows the prime rate of Hong Kong and Shanghai Banking Corporation Limited plus 1% per annum. The loan was guaranteed by the listed associated company.

(b) The loan note bears interest at 2.5% per annum and is payable annually. It matures and is due for repayment on 29 August 2008.

(c) These amounts due from/(to) associated companies are unsecured, non-interest bearing and have no fixed term of repayment.

## 22. 有關連人士之交易(續)

於二零零五年六月三十日，集團與有關連人士有以下之重大結餘：

(a) 於二零零五年三月二日，集團給予一上市聯營公司之附屬公司100百萬港元信貸額，利息為香港上海滙豐銀行有限公司最優惠年利率加1%。此貸款是由該上市聯營公司擔保。

(b) 此貸款票據附為年利率2.5%之利息，按每年支付，並於二零零八年八月二十九日到期償還。

(c) 此等聯營公司欠賬／(貸賬)乃無抵押、免息及無固定還款期。

## 23. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and interest-rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

## 23. 金融風險管理

集團經營活動面對各種金融風險，包括市場風險、信貸風險、流動資金風險和利率風險。集團整體的風險管理是關注不可預測的金融市場和尋求將其對集團財務造成的潛在不利影響減至最低。

**23. FINANCIAL RISK MANAGEMENT (Continued)**

The Group has established policies and procedures for risk management which are reviewed regularly by the management and the Credit & Risks Management Committee (the "CRM"), which reports to the Executive Committee of the Board of Directors, to ensure the proper monitoring and control of all major risks arising from the Group's activities at all times. The Group's Internal Audit and Compliance department ("IAC") (which reports independently to the non-executive Chairman and the Audit Committee) also performs regular reviews to supplement the various internal control measures adopted by the management and various divisions within the Group, to ensure compliance with policies and procedures.

**(a) Market Risk****(i) Trading Risk**

Market risk arises from trading activities, including market-making and proprietary trading. Trading activities across the Group are subject to limits approved by management. The Group's Trading Risk Control Unit ("TRCU") independently monitors and reports the positions, risks and profit and loss ("P&L") of its proprietary trading activities involving derivatives, foreign exchange and bullion. In addition to the TRCU, part of the Group's proprietary trading exposure is closely monitored by the Credit department. Proprietary trading exposures are measured on both a "mark-to-market" and a "mark-to-fair" basis, and "maximum loss" and "position" limits are used. Value at Risk (VaR) and stress-tests are also used in the assessment of risk. These are approaches that assist in the quantification of risk by combining the size of a position and the extent of a potential market movement into a potential impact on P&L.

The Group's various proprietary trading positions and P&L are reported daily to senior management for review. The Group's IAC also performs audits to supplement the above controls to ensure compliance with the established market risk limits and guidelines.

**23. 金融風險管理 (續)**

集團已設立風險管理的政策及程序，並由向董事會執行委員會匯報的管理層及信貸及風險管理委員會(「信貸風險委員會」)定期進行檢討，以確保於任何時候因集團業務而產生之所有主要風險得以受到適當監控。除管理層及個別部門採取各項內部監控措施外，集團的稽核及法規監核部(「稽核部」)(一個向非執行主席及審核委員會獨立匯報的部門)亦會定期查核，從而確保該等政策及程序得以遵守。

**(a) 市場風險****(i) 買賣風險**

市場風險來自買賣活動，包括營造市場活動及自營買賣活動。集團之買賣活動須受管理層審批之限額限制。集團之買賣風險監控小組(「買賣風險監控小組」)負責獨立監察及匯報涉及衍生工具、外匯及黃金之自營買賣狀況、風險、利潤及虧損(「損益」)。除買賣風險監控小組外，信貸部亦會密切監察集團之部份自營買賣風險。自營買賣風險按「市場價格」及「公平價格」計算風險，並設定「虧蝕上限」及「持倉」限額。此外，評估風險時亦會使用風險值及壓力測試，結合持倉之規模及潛在市場變化對損益產生之潛在影響，以協助量化風險。

集團各項自營買賣活動持倉狀況及損益，均每日匯報予高級管理層以供審閱。集團之稽核部亦會作出審核，以補充上述監控措施，確保遵從集團既訂之市場風險限額及指引。



## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Market Risk (Continued)

#### (ii) Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from movements of foreign exchange rates.

The Group's foreign exchange risk primarily arises from currency exposures originating from its leveraged foreign exchange business or purchases of foreign securities on behalf of clients. Foreign exchange risk is managed and monitored by the relevant department under the limits approved by the Group's Board or Executive Committee. In relation to our leveraged foreign exchange activity, our position is that of a market-maker, and accordingly our risk is our open currency positions which are subject to management approved limits and are monitored and reported daily. The other possible risk is primarily a derivative foreign exchange risk for a client who does not or cannot meet margin calls following any period of substantial currency turbulence. Our principal lending operations are carried out in local currency to obviate foreign exchange risk. Accordingly, the Group has no significant exposure to foreign exchange fluctuations on loan assets.

### (b) Credit Risk

Credit risk arises from a number of areas. These include the possibility that a customer or counter-party in a transaction may default during the settlement process. It also arises from lending, settlement, treasury, market-making, derivatives, proprietary trading, and other activities undertaken by the Group.

## 23. 金融風險管理 (續)

### (a) 市場風險 (續)

#### (ii) 外匯風險

外匯風險乃外幣匯率變動對盈利或資本造成之風險。

集團之外匯風險主要來自其槓桿外匯或代客購買海外證券之業務。外匯風險由有關部門按集團董事會或執行委員會所批准之限額作出管理及監察。就槓桿外匯業務而言，由於集團乃擔任莊家之位置，因此，外幣未平倉合約（須受由管理層審批之限額限制，並須每日受其監控及向其匯報）會存在外匯風險。另外，倘客戶在經歷重大匯率波動後未能或無法填補保證金額，亦可能對集團造成衍生外匯風險。集團主要之貸款業務仍以本地貨幣進行，以減低外匯風險，故此，集團之貸款資產並無承受重大外匯風險。

### (b) 信貸風險

導致信貸風險的成因眾多，包括客戶或交易對手有可能在交收過程中出現違約，信貸風險亦可能來自放款、交收、庫務、作價買賣、衍生產品、自營買賣，以及其他集團所從事之活動。

**23. FINANCIAL RISK MANAGEMENT (Continued)****(b) Credit Risk (Continued)**

The Group's credit manual sets out in detail the credit approval and monitoring procedures, which are established in accordance with sound business practices, the requirements and provisions of the relevant ordinances, and where applicable, the codes or guidelines issued by the Securities and Futures Commission.

Day-to-day credit management is performed by the Credit department with reference to the aforementioned criteria including creditworthiness, collateral pledged, and risk concentration of the counter-parties. Decisions made daily by the Credit department are reported and reviewed by the Executive Directors and senior management of the Group and by the CRM at its regular meetings.

**(c) Liquidity Risk**

The Group manages its liquidity position to ensure the Group maintains a prudent and adequate liquidity ratio, in strict accordance with statutory requirements. This is achieved by the management, comprising the Executive Directors, the Chief Financial Officer and relevant senior managers monitoring the liquidity position of the Group on a daily basis to ensure the availability of sufficient liquid funds to meet all obligations and compliance with the statutory requirements such as the Financial Resources Rules applying to various licensed subsidiaries.

**(d) Interest Rate Risk**

Interest rate risk primarily results from timing differences in the re-pricing of interest bearing assets, liabilities and commitments. The Group's interest rate risk exposure arises mainly from margin financing and other lending activities undertaken. The Group has the legal capacity to quickly recall such loans or re-price its margin loans to an appropriate level. Its interest-sensitive positions can readily be identified. Interest rates paid by the Group are managed by the Finance department with the aim of maximizing the spread of interest consistent with liquidity and funding obligations.

**23. 金融風險管理 (續)****(b) 信貸風險 (續)**

集團之信貸政策指引詳列批准信貸及監管程序。該等程序乃按照專業守則、有關條例之規定以及證券及期貨事務監察委員會發出之有關守則或指引而訂定。

日常信貸管理由信貸部負責。信貸部會就交易對手之信譽、抵押品及風險分佈作出批核。並由集團之執行董事及高級管理層每日審閱，而信貸風險委員會亦於定期例會中作出檢討。

**(c) 流動資金風險**

集團監管其流動資金狀況，確保有審慎而充裕之流動資金比率，以遵守有關之法定要求。管理層包括執行董事、財務總監及有關高層管理人員每日均監察集團之流動資金狀況，以符合法定要求(如適用於集團多間持牌附屬公司的財務資源條例)。

**(d) 利率風險**

利率風險主要由就附有利息之資產、負債及承擔重新定價之時差所引致。集團的利率風險主要來自證券放款及其他貸款業務。集團可法定要求借款人即時償還貸款，或重訂證券放款之息率至適當水平。集團亦可容易地確定其在提供貸款時所承受之利率風險水平。集團所支付之利率乃由財務部管理，以盡量令息差符合資金之流動性及需求。