

## Management Discussion and Analysis 管理層討論及分析

### REVIEW OF OPERATIONS

#### The Market

The local stock market underwent a period of consolidation in the first half of 2005. The Hang Seng Index traded between 13,320 and 14,270 and closed at 14,201 on June 30. Market sentiment has been mixed with, on the one hand, rising oil prices and interest rates and on the other hand, the excess liquidity stemming from speculation on RMB appreciation, the buoyant Hong Kong property market and improved local employment figures. The daily average market turnover for the period remained quite active at HK\$16.77 billion.

#### Securities Broking

The turnover and commission income of our Securities Broking division declined as retail broking activities slowed amid market uncertainty on interest rates and oil prices. Capital raising activities did not capture investor enthusiasm prior to the IPO for the Bank of Communications in June. However, our involvement in this area remained robust as we participated in no less than 24 issues on behalf of our clients. Several investment seminars were held to familiarize clients with new financial products.

To widen the scope of client services and trading platforms, we made order placing and account enquiry available via mobile devices through cooperative arrangements with Telecom Digital in the Mango Stock II project. Also, in June an upgraded Internet trading service for U.S. stocks was launched on the new SHK Exchange platform.

#### SHK Online

SHK Online began 2005 with solid momentum, experiencing strong growth in new accounts during the first two months. However, as the overall market sentiment and activities began to subside after Chinese New Year, the share-trading turnover for SHK Online also tapered off slightly. Nevertheless, trading in HKEx-listed derivatives products (futures and options) showed significant growth throughout the first half of 2005. As a result, SHK Online was able to post year-on-year improvement in its total revenue despite an overall market environment that remained relatively subdued.

#### 業務回顧

##### 股票市場

二零零五年上半年，本港股市踏入整固期。恒生指數在13,320點至14,270點之間上落，六月三十日收報14,201點。市場氣氛好淡爭持，一方面，油價及利率持續攀升，另一方面，市場憧憬人民幣升值、本地樓市興旺及就業情況改善，令市場充斥大量資金。期內，股市每日平均成交金額為167.7億港元，反映大市交投頗為活躍。

##### 證券經紀

由於市場因利率及油價問題而波動，零售經紀業務有所放緩，集團證券經紀部之營業額及佣金收入亦下跌。在六月份交通銀行進行首次公開招股之前，投資者對集資活動反應冷淡。儘管如此，集團仍能在此方面取得成績，期內代表客戶參與不少於24宗集資活動。此外，集團亦舉辦多個投資講座，以加深客戶對新金融產品之認識。

為擴大客戶服務範圍及股票交易平台，集團與電訊數碼合作發展Mango Stock II之項目，透過流動工具向客戶提供落盤及賬戶查詢服務。此外，全新之新鴻基交易平台亦於六月份推出已提升之互聯網美股交易服務。

##### 鴻財網

鴻財網之業務在二零零五年初展現動力，首兩個月新增賬戶數目增長強勁。然而，由於農曆新年後市場整體氣氛及成交開始減弱，鴻財網之股票交易額稍微倒退，但在二零零五年上半年，於聯交所上市之衍生產品（期貨及期權）之交易額錄得顯著增長。因此，即使整體市場環境較為疲弱，鴻財網期內之總收入仍較去年同期有所增長。

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On the marketing and promotion front, the SHK Online Mini Cooper Lucky Draw promotion, which commenced at the beginning of 2005, drew strong responses from both new and existing customers alike. A series of marketing campaigns, including billboards and TV commercials, were launched in the first quarter to further enhance the visibility of that programme. The promotion will carry over into the second half of 2005 and it is envisaged that the response to the programme should remain strong and underpin the continuing growth of SHK Online for the rest of 2005.

### Research

The SHK Research division published a total of 107 strategy, sector and company reports during the first half of 2005, excluding daily investment notes and commentaries. During the same period, the division attended 272 company presentations, recorded 1,515 media quotes and conducted 9 seminars.

Our top 20 calls in the first half of 2005 outperformed the HSI by a margin of between 14.11% and 112.8% compared with 12.3% and 62.2% in the corresponding period of 2004. As an independent unit, our Research division is thorough and objective in its analyses; the breakdown of calls made in the first half of 2005 is as follows: Buy 48%, Hold 32%, Sell 20%.

市場推廣及宣傳活動方面，鴻財網在二零零五年初展開之Mini Cooper幸運大抽獎宣傳活動，均獲得新舊客戶踴躍支持。為進一步引起公眾對該個抽獎活動的注意，鴻財網已於首季推出一連串市場推廣活動（包括廣告板及電視廣告宣傳）。有關宣傳活動會於二零零五年下半年繼續展開，預期市場反應將仍然良好，應有助鴻財網於二零零五年下半年之業務持續增長。

### 資料研究

新鴻基資料研究部於二零零五年上半年共刊發107份策略性、個別行業及公司報告（不包括每日發表之投資摘要及評論）。期內，該部門出席了272次公司簡報會，分析報告被傳媒引述1,515次，並舉辦了9次講座。

二零零五年上半年，我們推介買入而表現最佳之20隻股份，其股價表現超越恒指14.11%至112.8%（相對於去年同期的12.3%至62.2%）。作為一個獨立運作之部門，我們的資料研究部作出透徹及客觀之分析，二零零五年上半年之股票投資建議細分如下：買入48%、持有32%及沽售20%。

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### Corporate Finance

In the first half of the year, the Corporate Finance division experienced a reduction in turnover. However, it successfully sponsored the IPOs of Bauhaus International (Holdings) Limited and Shinhint Acoustic Link Holdings Limited on the main board of The Stock Exchange of Hong Kong Limited. We also completed the secondary placement of shares in a number of listed companies including Soundwill Holdings Limited, Upbest Group Limited, Wing Lee Holdings Limited, Pearl Oriental Enterprises Limited, Topsearch International (Holdings) Limited and Tianjin TEDA Biomedical Engineering Company Limited. The division was appointed as the financial adviser to Quality HealthCare Asia Limited on its general offer for a repurchase of shares, to A-Max Holdings Limited on its very substantial acquisition and to Asia Network Holdings Limited on the acquisition of and mandatory general offer for the shares of Stockmartnet Holdings Limited. We were appointed as the independent financial adviser to Melco International Development Limited on its very substantial acquisition & connected transaction and major & connected transaction. The division was also actively involved in a number of underwriting exercises for IPO and rights issues.

The Corporate Finance division will continue to focus on IPO projects for medium-sized enterprises in both Hong Kong and China and the financial advisory and placing services for listed companies in Hong Kong.

### Securities Margin Financing

The first half of 2005 saw steady growth in our margin loan book. Although interest rates have risen, net revenues continued to be strongly positive through the use of the Group's shareholders' funds. Our exposure to defaults in comparison to our loan book has not been excessive.

### Term Lending

Term lending activity has been pleasing during the period. This segment of our business continues to make a satisfactory contribution to profit.

### 企業融資

二零零五年上半年，企業融資部之營業額下跌。然而，該部門期內成功保薦包浩斯國際（控股）有限公司及成謙聲匯控股有限公司於香港聯合交易所有限公司之主板上市。此外，我們亦為數間上市公司（包括金朝陽集團有限公司、美建集團有限公司、永利控股有限公司、東方明珠實業有限公司、至卓國際（控股）有限公司及天津泰達生物醫學工程股份有限公司）在交易市場進行股份配售。就卓健亞洲有限公司以全面收購方式購回股份之建議、奧瑪仕控股有限公司之一項非常重大收購以及Asia Network Holdings Limited以強制性全面收購方式收購金融社控股有限公司，部門獲委任為該等公司之財務顧問，並就新濠國際發展有限公司之一項非常重大收購及關連交易以及另一項重大及關連交易出任獨立財務顧問。此外，部門亦積極參與了數間公司首次公開招股及供股之承銷工作。

企業融資部將繼續着眼於中港兩地中型企業之首次公開招股項目，以及為香港上市公司提供財務顧問及配售服務。

### 證券放款

二零零五年上半年，集團之證券放款額錄得穩定增長。雖然利率上升，但集團運用其股東資金以作放款，故在此項業務之淨收益仍見增長。集團之拖欠借款相對放款額之風險不高。

### 有期借款

期內，集團之有期借款業務理想。此項業務持續為集團帶來令人滿意之盈利貢獻。

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### Foreign Exchange, Bullion, Commodities, and Financial Futures

During the first half of 2005, the U.S. dollar strengthened relative to the other major currencies with the U.S. dollar Index rising from 80.5 to 88. Commentators attributed the rise to ongoing U.S. interest rate hikes. Another key factor influencing financial markets was the historically high price of oil, which reached US\$60.95 per barrel in June.

We have seen a significant increase in investor interest and trading turnover in commodities futures particularly in markets where volatility has increased such as crude oil, copper, aluminium, soybean and coffee. With investors focusing their attention on such markets, we have experienced a decline in precious metals and foreign exchange related activities. The increase in turnover in Hong Kong commodities products has been very satisfactory for the period. Derivative products that provide higher leverage such as index and stock options have become more popular for our clients.

### Wealth Management

SHK Wealth Management achieved pleasing growth for the first six months of 2005. Both the sales force and gross revenue experienced double digit growth in percentage terms. In order to cater to the differing needs and investment objectives of our customers, our platform carries over 1,000 mutual funds and a total of 8 unit-linked products. We will continue our efforts to maintain our leading position in the market.

### Fund Management

Our fund management team launched a Hedge Fund division in the first half of 2005 to take advantage of investor demand and growth in the Asian hedge fund industry. Our strategy was to attract experienced traders and portfolio managers by offering an institutional platform and seed capital. In June, the division seeded and launched a market neutral quantitative strategy fund, with a scalable system-driven investment process. The geographical focus for the fund is on all established Asia-Pacific stock markets (including Japan and Australia). The division is planning further fund launches in the second half of 2005.

### 外匯、黃金、商品及期貨

二零零五年上半年內，美元之表現較其他主要貨幣強，美元指數由80.5點升至88點。市場評論員將美元指數上升歸因於美國利率高企。此外，影響金融市場之另一個主因是油價曾於六月份創下每桶60.95美元之歷史高位。

我們發現投資者對商品期貨之投資意欲顯著轉強，成交額亦顯著上升，尤其是在波動性增強之市場，例如原油、銅、鋁、大豆及咖啡。由於投資者將注意力集中於這些市場，導致貴金屬及與外匯相關之產品成交額下跌。期內，香港商品之成交額之升幅則令人非常滿意。槓桿作用較大之衍生產品(例如指數及股票期權)已越來越受客戶歡迎。

### 資產管理

二零零五年首六個月，新鴻基資產管理部錄得令人滿意之增長。部門之銷售隊伍及收益均錄得雙位數字之百分比增長。為配合客戶之不同需要及投資目標，部門之服務平台共提供超過一千隻互惠基金及八種投資連結產品之選擇。我們將繼續致力維持在市場之領導地位。

### 基金管理

為配合投資者需要及乘着亞洲對沖基金行業之增長，集團基金管理部於二零零五年上半年成立對沖基金部。部門之策略是透過提供機構性之平台及初期資本，吸引富經驗之對沖基金經理加盟。部門於六月份籌組及推出一隻市場中立量化策略性基金，應用具規模以系統為主導之投資程序，並以所有主要亞太區股市(包括日本及澳洲)為重點市場。該部門現正籌劃於二零零五年下半年推出其他基金。

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### Alternative Investments

Our Alternative Investments division experienced a solid start to 2005. Supported by what appeared to be relatively stable market conditions, our assets under management grew steadily in the first quarter. However, with the unexpected downgrades of General Motors and Ford in the second quarter, the market witnessed a huge technical sell-off in credit markets, creating a challenging environment for both equities and bonds. Additionally, adverse media reports of hedge funds experiencing substantial losses, redemptions and even closures in some cases created a general sense of nervousness amongst investors which resulted in a slowing of asset inflows. Despite the events of the first half, our assets under management increased 26% compared to the end of 2004.

### Insurance Broking

2005 has so far been a difficult year for the general insurance industry, with premiums decreasing sharply across most classes. Premiums declined significantly worldwide and notably in the Asian markets following several years of satisfactory underwriting results and attractive investment returns.

To face the challenges ahead, the division will maintain its focus on the improvement of distribution channels as well as exploring the opportunity for strengthening our position in areas where we foresee profitable growth.

### Electronic Financial Information Service

SHK Financial Data Limited ("SHK Financial Data") continued to maintain its position as one of the leading providers of comprehensive financial information covering the Hong Kong equity market. Although the Hong Kong stock market in the first half of 2005 remained range bound, we were able to achieve a 14.9% growth in operating profit compared with the corresponding period in 2004. We are hopeful of an improved contribution from SHK Financial Data for the full 2005 year.

### 另類投資

踏入二零零五年，另類投資部取得實質性表現。由於市況趨向穩定，該部門管理之資產於首季穩步增長。然而，通用汽車及福特於第二季突然被調低評級，信貸市場出現龐大技術性拋售，為股票及債券市場增添不少壓力。此外，傳媒就對沖基金出現龐大虧損、引發贖回潮，及部份基金更被迫關閉的負面報導，令投資者普遍存有戒心，導致流入資產減少。儘管市場上半年之狀況未如理想，但我們管理之資產仍較二零零四年底增加26%。

### 保險經紀

二零零五年整個保險市場經營環境困難，絕大部份保險產品之保費均大幅下調。經過以往數年來理想的業績以及不俗的投資回報，保險市場承受保費下調壓力。全球保費顯著下滑，尤以亞洲市場跌幅為甚。

面對未來之挑戰，保險經紀部將繼續致力改善分銷渠道及拓展商機，望能在預期會取得利潤增長之市場上鞏固我們之地位。

### 電子財經資訊服務

新鴻基財經資訊有限公司（「新鴻基財經資訊」）繼續維持其作為香港股票市場內容供應商之領導地位。雖然本港股市於二零零五年上半年維持幅度內之上落，但此項業務之經營溢利仍較二零零四年同期錄得14.9%之增長。期望新鴻基財經資訊會為集團二零零五年全年帶來進一步之盈利貢獻。

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### Branch Network

The branch network experienced some difficult trading conditions with the decline in market turnover. Strengthening and maintaining the product knowledge and customer services skills of sales staff remains the focus for the branch management. Internal product training is regularly provided to sales staff. Similarly, in order to enhance our clients' financial investment knowledge, several client educational investment seminars have been conducted at different branches. We intend to review the operations of the entire branch network to enable us to profitably continue to offer a broad range of financial products and professional services to our clients throughout the network.

### Shun Loong

The gradual stabilization and development of Shun Loong has continued in 2005, with the adoption of a range of business initiatives that are directed to broadening both the client base and the establishment of a stable long term profit stream.

### Excalibur

In March 2005, the Group completed the acquisitions of Excalibur Futures Limited ("Excalibur Futures") and Excalibur Securities Limited ("Excalibur Securities"). Since the acquisitions, Excalibur Futures' turnover has increased and its client base has expanded. It continues to rank highly in the HSI futures market and we expect a positive contribution to our profitability for 2005.

### Sun Hung Kai International Bank [Brunei] Limited

Sun Hung Kai International Bank [Brunei] limited was officially opened in February 2004. The bank plans to develop international banking business including deposit taking from non-residents, extending credits, arranging money collections and transmissions, foreign exchange, issuance of guarantees as well as offering investment banking and other banking services.

### 分行網絡

隨着市場成交額下降，集團之分行網絡之經營環境困難，但分行管理仍著重於強化及保持營銷僱員之產品知識及客戶服務技巧，並定期為營銷僱員提供產品之內部培訓。此外，為了增強客戶對金融投資之認識，各分行亦舉辦了多個教育性之投資講座。我們會檢討整個分行網絡之運作，望能在有盈利之情況下繼續透過分行網絡為客戶提供各種金融產品以及專業服務。

### 順隆

順隆於二零零五年繼續整固及發展其業務，並以擴闊客戶層與建立穩定而長遠之溢利來源為其業務發展方針。

### 駿溢

於二零零五年三月，集團完成駿溢期貨有限公司（「駿溢期貨」）及駿溢證券有限公司（「駿溢證券」）之收購。自集團收購後，駿溢期貨之交易額已見增長，其客戶層亦見拓闊，將可繼續在恒指期貨市場之交易額排名取得高位，並預期在二零零五年會為集團帶來盈利貢獻。

### Sun Hung Kai International Bank [Brunei] Limited

Sun Hung Kai International Bank [Brunei] limited 於二零零四年二月正式開業。該銀行計劃發展國際銀行業務，包括接受非定居人士之存款、提供信貸、安排現金代收及轉遞、外匯交易、簽發擔保以及提供投資銀行及其他銀行服務。

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### INVESTMENTS IN PRINCIPAL ASSOCIATED COMPANIES

#### Tian An China Investments Company Limited ("Tian An")

During the period under review, Tian An recorded sales of total gross floor area ("GFA") of approximately 56,000m<sup>2</sup> (2004: 120,100m<sup>2</sup>), whereas a total of 309,300m<sup>2</sup> GFA was under construction (2004: 438,800m<sup>2</sup>), and 53,700m<sup>2</sup> GFA of residential/commercial properties was completed (2004: 90,550m<sup>2</sup>).

The net profit attributable to Tian An's shareholders was HK\$83 million, representing a 6.6% increase over the corresponding period. A 53% decrease in turnover to HK\$418.3 million was due mainly to reduced property sales. Sales have declined primarily because Tian An has, where appropriate, retained selected commercial and office properties for rental income. The increase in net profit for the period is the result of contributions from jointly controlled entities as well as the appreciation in value of Tian An's portfolio of investment properties.

Tian An is of the view that the P.R.C. Government's ongoing implementation of macro-economic policy has been the most important contributing factor for a stable and sustained development of the China property markets. Tian An will continue to seek opportunities whilst adopting appropriate strategies to deal with the changing economic environment.

#### Quality HealthCare Asia Limited ("Quality HealthCare")

Quality HealthCare has continued to deliver growth in its overall profit performance in the first six months of 2005. It reported a turnover of HK\$403 million, and net profit of HK\$23.2 million, representing increases of 5.1% and 15.1% respectively over the same period last year.

Quality HealthCare is working with its insurance partners to provide high standard surgical facilities in its outpatient settings. In addition to enhancing its capacity to provide outpatient surgical services, Quality HealthCare will provide value added programmes for employers addressing the medical, occupational and lifestyle needs of their employees from a viewpoint of integrated holistic care.

### 於主要聯營公司之投資

#### 天安中國投資有限公司 (「天安」)

於回顧期內，天安錄得銷售物業總樓面面積 (「總樓面面積」) 約56,000平方米 (二零零四年：120,100平方米)，在建工程總樓面面積合共309,300平方米 (二零零四年：438,800平方米)，而已竣工之商住物業總樓面面積為53,700平方米 (二零零四年：90,550平方米)。

天安之股東應佔淨溢利為83百萬港元，較去年同期上升6.6%。營業額下跌53%至418.3百萬港元，其主要原因是物業銷售減少所致。物業銷售下降主要是由於天安按策略預留部份商業及寫字樓作出租用用途所致。期內淨溢利增加乃來自共同控制公司之貢獻及投資物業組合升值。

天安認為，中國政府持續推行宏觀調控措施，是推動中國物業市場穩定及持續發展之重要因素。天安將繼續尋找商機，同時採取合適策略以應對經濟環境之變化。

#### 卓健亞洲有限公司 (「卓健」)

於二零零五年首六個月，卓健之整體盈利表現持續增長，錄得營業額403百萬港元及淨溢利23.2百萬港元，較去年同期分別上升5.1%及15.1%。

卓健與保險業夥伴合作，於門診診所提供高水平的外科設施。除提升門診外科服務外，卓健亦為僱主提供增值服務，以切合其員工在醫療、工作及生活上之不同需要，達至綜合全人護理服務的目標。

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The Hong Kong SAR Government has repeatedly delivered very clear messages and directives for healthcare reform and public private partnership opportunities. Quality HealthCare is supportive of these initiatives and looks forward to participating in these reforms in order to improve and widen the healthcare services available for Hong Kong people.

### Yu Ming Investments Limited (“Yu Ming”)

The net profit attributable to shareholders of Yu Ming for the period under review increased to HK\$188.3 million, compared to HK\$22.8 million over the same period last year, mainly as a result of share of profit from investment in the Argyle Centre, which has appreciated significantly in value.

As at 30 June 2005, the major investments of Yu Ming were in AsiaWorld-Expo, Argyle Centre, CR Airways Limited (“CR Airways”), Oriental Cashmere Limited (“Oriental Cashmere”), high-yield bonds and equity securities.

Confirmed bookings for the AsiaWorld-Expo have continued to exceed original expectations. In the near future, Yu Ming will increase its interest in the joint venture company that owns 13.5% of AsiaWorld-Expo. Yu Ming has been encouraged by high occupancy rates and appreciating shop values in the Argyle Centre as well as the recent recovery in the value of its bond portfolio which had fallen due to credit market deterioration in the U.S. in the first half of 2005.

CR Airways is now making scheduled flights to five destinations in southern China, and has obtained the requisite permissions to make scheduled flights to four other cities. In June 2005, Yu Ming finalized its acquisition of a 25% interest in Oriental Cashmere for approximately HK\$47 million. Oriental Cashmere is the third largest cashmere knitwear manufacturer in the P.R.C. and recorded sound profit in 2004.

香港特區政府已再三就醫護改革及公私營夥伴合作措施發出清晰的訊息及指引。卓健對這些措施深表支持，並期望能參予有關改革，為港人提供更優質及更多選擇的醫護服務。

### 禹銘投資有限公司（「禹銘」）

於回顧期內，禹銘之股東應佔淨溢利增至188.3百萬港元，去年同期則為22.8百萬港元，淨溢利增加主要是由於旺角中心大幅升值，令禹銘於該項投資所佔之溢利相繼上升。

於二零零五年六月三十日，禹銘之主要投資為亞洲國際博覽館、旺角中心、中富航空有限公司（「中富航空」）、Oriental Cashmere Limited（「Oriental Cashmere」）、高息債券及股本證券。

亞洲國際博覽館現時已確認之訂場預約繼續超出原先預期。短期內，禹銘將會增持其於持有亞洲國際博覽館13.5%權益之合營公司之權益。由於旺角中心之店舖之出租率甚高及價值持續上升，加上最近禹銘之債券組合價值經二零零五年上半年美國信貸市場表現欠佳而下跌後有所反彈，禹銘之業績表現令人滿意。

中富航空現有飛往中國南部五個城市之航班服務，並已獲批准提供飛往另外四個城市之航班服務。於二零零五年六月，禹銘已落實收購Oriental Cashmere之25%權益，作價約47百萬港元。Oriental Cashmere為中國第三大開士米針織製造商，其於二零零四年錄得理想之盈利。

## Management Discussion and Analysis 管理層討論及分析

### FINANCIAL RESOURCES AND GEARING RATIO

The Group is in a strong and healthy financial position.

As at 30 June 2005, the shareholders' funds of the Group amounted to HK\$5,445.2 million, representing an increase of HK\$407.2 million or approximately 8.08% from those of 31 December 2004. The Group's short-term bank deposits, bank balances and cash amounted to HK\$602.9 million (at 31 December 2004: HK\$487.2 million). The Group's total bank borrowings and loan notes amounted to HK\$502.7 million (at 31 December 2004: HK\$217.8 million) with HK\$411.8 million (at 31 December 2004: HK\$63.9 million) repayable within one year (mainly utilized to support margin loan financing) and HK\$90.9 million (at 31 December 2004: HK\$153.9 million) repayable beyond one year.

The liquidity of the Group remained healthy as demonstrated by the current ratio (current assets/current liabilities) of 2.1 times as at 30 June 2005 (at 31 December 2004: 2.43 times).

The Group continued to maintain a low gearing ratio, calculated on the basis of the Group's total bank borrowings and loan notes over the Group's shareholders' funds, at 9.23% at the period end (at 31 December 2004: 4.32% restated).

### CAPITAL STRUCTURE, BANK BORROWINGS AND EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Company has not issued any additional shares or made share repurchases during the period.

Other than the mortgage loans and the remaining balance of 4% loan notes in a sum of HK\$97 million, the Group's bank borrowings were on a short-term basis and in H.K. dollars as at 30 June 2005. They were charged at floating interest rates. There are no known seasonal factors in our borrowing profiles.

The fluctuations in exchange rates and market prices do not impose a significant risk to the Group as its level of foreign currency exposure is relatively immaterial.

### 財政資源及資本與負債比率

集團維持強健之財政狀況。

於二零零五年六月三十日，集團之股東資金為5,445.2百萬港元，較二零零四年十二月三十一日之數額增長407.2百萬港元，或約8.08%。集團之短期銀行存款、銀行結存及現金合共為602.9百萬港元（於二零零四年十二月三十一日：487.2百萬港元）。集團之總銀行借款連同貸款票據合共為502.7百萬港元（於二零零四年十二月三十一日：217.8百萬港元），須於一年內償還之款項為411.8百萬港元（於二零零四年十二月三十一日：63.9百萬港元）（主要用作證券放款融資），而須於一年後償還之款項為90.9百萬港元（於二零零四年十二月三十一日：153.9百萬港元）。

於二零零五年六月三十日，集團之流動資產比率（流動資產相對流動負債）為2.1倍（於二零零四年十二月三十一日：2.43倍），顯示集團之流動資金依然穩健。

集團繼續維持一個低的資本與負債比率，按集團之銀行總借款及貸款票據相對集團之股東資金計算，該比率於本期結束日為9.23%（於二零零四年十二月三十一日：重列為4.32%）。

### 資本結構、銀行貸款及匯兌率浮動風險

集團於期內並無發行任何額外股份或購回股份。

除了總值共97百萬港元之按揭貸款及4%貸款票據外，集團於二零零五年六月三十日之銀行貸款為港元短期貸款，並根據浮動利率計算。集團之銀行借款並不受任何已知之季節性因素所影響。

匯率及市價之變動概不會令集團承擔重大風險，因其外匯風險水平相對來說不大。

## Management Discussion and Analysis 管理層討論及分析

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINTLY CONTROLLED ENTITIES

During the period, the Group acquired all the interest in Hing Yip Holdings Limited and Sing Hing Investment Limited from a wholly-owned subsidiary of Tian An, a listed associated company of the Group, at a total consideration of HK\$52.3 million. These two subsidiaries are principally engaged in property investment in China and own certain office premises in the Tian An Centre in Shanghai. A portion of the office premises is occupied by our Shanghai offices to facilitate expansion while the presently unused units have been leased out for rental income.

In March 2005, the Group acquired all the interest in Excalibur Futures and Excalibur Securities at a total consideration of HK\$25.9 million. Excalibur Futures is principally engaged in futures dealing and broking whereas Excalibur Securities is engaged in securities broking.

Other than the above acquisitions, there were no material acquisitions or disposals of subsidiaries, associated companies and jointly controlled entities during the period.

### SEGMENT INFORMATION

Detailed segment information in respect of the Group's turnover and contribution to profit before income taxes are shown in note 2 to the accounts.

### CHARGES ON GROUP ASSETS

Listed shares with an aggregate value of HK\$205.9 million were pledged by subsidiaries for bank loans and overdrafts. Leasehold properties of the Group with a total book value of HK\$103.4 million were pledged by subsidiaries to banks for mortgage loans and overdrafts granted to them with a total outstanding balance of HK\$63.8 million as at 30 June 2005.

### CONTINGENT LIABILITIES

Details regarding the contingent liabilities are set out in note 20 to the accounts.

### 附屬公司、聯營公司及共同控制公司之重大收購及出售

集團於期內從天安(集團之上市聯營公司)的附屬公司購入興業控股有限公司及誠興投資有限公司所有權益，總代價為52.3百萬港元。此兩間附屬公司主要從事於中國之物業投資及擁有在上海天安中心若干辦公室物業。部分辦公室物業是為促進集團上海辦事處發展之用，而餘下單位現已出租以賺取租金。

於二零零五年三月，集團購入駿溢期貨及駿溢證券，總代價為25.9百萬港元。駿溢期貨主要從事期貨買賣及期貨經紀，而駿溢證券主要從事證券經紀。

除上述收購以外，於期內並無附屬公司、聯營公司及共同控制公司之任何重大收購或出售。

### 分項資料

有關集團營業額、除所得稅前溢利之貢獻之分項資料詳情，請參閱賬目附註2。

### 集團資產押記

集團之附屬公司將其持有總值205.9百萬港元之上市公司股份抵押予銀行，以換取銀行貸款及透支。集團之附屬公司亦將其賬面總值103.4百萬港元之有租契物業抵押予銀行，作為給予按揭貸款及透支之抵押，該等貸款於二零零五年六月三十日之未償還結餘為63.8百萬港元。

### 或然負債

或然負債詳情載於賬目附註20。

## Management Discussion and Analysis 管理層討論及分析

### MATERIAL LITIGATION UPDATE

- (a) On 28 February 2005, by order of the Hong Kong High Court, the claim by Shenzhen Building Materials Group Co. Limited against Sun Hung Kai Investment Services Limited ("SHKIS"), an indirect wholly-owned subsidiary of the Company, was dismissed with costs to SHKIS. SHKIS is continuing to seek recovery of its costs.
- (b) By the Judgment of Deputy High Court Judge To on 1 April 2004 (the "Judgment") in HCA 3191/1999 between New World Development Company Limited ("NWDC") and Stapleton Development Limited against Sun Hung Kai Securities Limited ("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. Matters relating to the Judgment and the Court of Appeal Judgment are further described in notes 3, 8 and 20 to the accounts.

### 重大訴訟之最新進展

- (a) 於二零零五年二月二十八日，根據高等法院之判令，深圳市建材集團有限公司向本公司之間接全資附屬公司新鴻基投資服務有限公司（「新鴻基投資」）提出之索償已被撤銷，須支付訟費予新鴻基投資。新鴻基投資正繼續追討該筆訟費。
- (b) 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有限公司（「新世界發展」）與Stapleton Development Limited向本公司全資附屬公司新鴻基証券有限公司（「新鴻基証券」）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，新鴻基証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），新鴻基証券已支付判定金額，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）。新鴻基証券已向上一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港元之利息已經退還。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（「最終上訴」）。現時並不知悉最終上訴之聆訊會於何時展開。有關裁決及上訴法院裁決之進一步詳情載於賬目附註3、8及20。

## Management Discussion and Analysis 管理層討論及分析

- (c) On 4 February 2004, Sun Tai Cheung Credits Limited ("STCC") and 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 ("Shanghai Finance"), 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.
- (d) Shun Loong Finance Limited and Shun Loong Holdings Limited (together the "Petitioners"), both indirect wholly-owned subsidiaries of the Company, filed a winding-up petition on 19 February 2004 in the British Virgin Islands ("B.V.I.") seeking an order that Shanghai Finance be wound up by reason of its failure to pay debts owing to the Petitioners. The B.V.I. proceedings were stayed by order of the B.V.I. court. The Petitioners have appealed that decision but have agreed not to pursue the appeal during the stay of 200/2004.
- (e) The Company, STCC and SHKIS filed a writ on 7 February 2004 (230/2004) naming as defendants Shanghai Land Holdings Limited, Stephen Liu Yiu Keung, Yeo Boon Ann, The Standard Newspapers Publishing Limited and Hong Kong Economic Times Limited and claiming damages for libel, injunctive relief, interest and costs. The case remains at an early stage.
- (c) 於二零零四年二月四日，Shanghai Finance Holdings Limited (「Shanghai Finance」)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就順隆集團有限公司之股份(「順隆股份」)向新鴻基投資所作之出售(作價36,500,000港元，在若干條件下，將會於交易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。
- (d) 順隆財務有限公司及順隆集團有限公司(統稱為「呈請人」)(同為本公司之間接全資附屬公司)在二零零四年二月十九日於英屬處女群島提交一項清盤呈請，基於Shanghai Finance未能償還欠負呈請人之債務，故要求判令Shanghai Finance清盤。英屬處女群島法院判令暫停辦理英屬處女群島之司法程序。呈請人已就該決定提出上訴，但同意在法院暫停辦理200/2004案之司法程序期間不提出上訴。
- (e) 本公司、新泰昌授信及新鴻基投資於二零零四年二月七日向上海地產控股有限公司、廖耀強、楊文安、英文虎報出版有限公司及香港經濟日報有限公司(同為被告)發出傳訊令狀(230/2004)，申索誹謗賠償、要求頒布禁制令，以及索償涉及之利息及訟費。此訴訟仍處於初步階段。

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- (f) SHKIS filed a notice of action on 8 June 2004 in Canada naming as defendants Sung Chun ("Sung"), Song Lei ("Song") and the Bank of Montreal claiming from Sung and Song reimbursement for funds totalling US\$1,300,000 transferred by them in addition to costs, and against the Bank of Montreal for an injunction freezing the subject funds or alternatively for payment of the funds into court. SHKIS discontinued the action in respect of the Bank of Montreal, and agreed to a dismissal of the action against Song. On 31 March 2005, Madam Justice Herman granted summary judgment to SHKIS in the amount of Canadian currency sufficient to purchase HK\$10,533,000 plus prejudgment and postjudgment interest thereon. SHKIS has instructed its legal advisers to effect the payment to it of the funds, as well as interest that has accrued thereon, that are held in the custody of the Superior Court of Justice. SHKIS is continuing to seek recovery of its costs from Sung in Canada.
- (g) SHKIS filed a writ on 23 July 2004 in Hong Kong naming as defendants Sellon Enterprises Limited ("Sellon"), Sung and Song and seeking a declaration that Sellon holds property wholly or in part on trust for SHKIS. The case remains at an early stage.
- (f) 新鴻基投資於二零零四年六月八日在加拿大提呈一份訴訟通知書，向宋秦、Song Lei及蒙特利爾銀行(同為被告)發出傳票，要求宋秦及Song Lei償付由其轉撥合共1,300,000美元之金額連同訟費，並要求向蒙特利爾銀行發出禁制令凍結上述金額或將該金額繳存法院。新鴻基投資終止對蒙特利爾銀行之訴訟及同意撤銷對Song Lei之訴訟。於二零零五年三月三十一日，大法官Herman女士向新鴻基投資作出簡易判決，判予獲取一筆相等於10,533,000港元之加幣金額(連同裁決前後之利息)。新鴻基投資已委託其法律顧問辦理取回由最高法院保管之有關金額及累計利息。新鴻基投資亦正繼續於加拿大向宋秦追討有關訟費。
- (g) 新鴻基投資於二零零四年七月二十三日於香港提交一份令狀，向Sellon Enterprises Limited(「Sellon」)、宋秦及Song Lei(同為被告)提出訴訟，要求法庭判令聲明Sellon持有之財產全部或部份是為新鴻基投資所託管之財產。此訴訟仍處於初步階段。

### HUMAN RESOURCES AND TRAINING

As of 30 June 2005, the total number of employees was 876. Staff costs (including Directors' emoluments) and contributions to retirement benefit schemes amounted to approximately HK\$75.3 million (2004: HK\$85.7 million).

We operate different remuneration schemes according to role. For sales personnel, the package may comprise either a base pay or draw and commission/bonus/sales incentive, or alternatively, it can be a straight commission arrangement. For non-sales personnel, the remuneration is comprised of either a straight base pay, or where appropriate, a base pay with a performance-based bonus element.

There are currently no share option schemes applicable to the Group's officers or employees.

### 人力資源及培訓

截至二零零五年六月三十日，集團僱員人數共有876名。僱員成本(包括董事酬金)及退休福利計劃供款合共約75.3百萬港元(二零零四年：85.7百萬港元)。

集團為營銷及非營銷僱員設立不同之薪酬制度。營銷僱員之薪酬組合包括底薪以及佣金／花紅／銷售獎金，或僅佣金安排，而非營銷僱員之薪酬則僅有底薪，或於適當情況下底薪連同按表現發放之花紅。

集團現時並無適用於其高級職員或僱員之認購股權計劃。

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We have also organized a total of 18 in-house Continuing Professional Training (CPT) programmes and Continuing Professional Development (CPD) programmes for our sales staff to ensure that they are updated with new product knowledge and the latest regulatory-related issues.

### MANAGEMENT OF RISKS

#### Policies and Procedures

The Group has established policies and procedures for risk management which are reviewed regularly by the management and the Credit & Risks Management Committee, 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.

#### Financial Risks

The Group's financial risk management is discussed in note 23 to the accounts.

#### Operational Risk

Operational risk has been defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Board places importance on ensuring that there is an effective operational risk management framework by maintaining strong risk and internal control cultures, including clear lines of responsibility and segregation of duties, effective internal reporting and contingency planning.

Line management is required to declare and submit annually its "Responsibility Statement for Internal Control Procedures" for review by the Group's IAC.

#### Reputational Risk

A key factor for businesses in the financial services sector is their reputation for financial probity and prudence. In our case, with our important and valuable "brand", we manage these risks through our strong internal controls and risk management regime, by comprehensive employee training and operational manuals in key areas, and by the strength and independence of our IAC.

集團亦為旗下之營銷僱員舉辦了共18個內部持續專業培訓課程及持續專業培訓計劃，確保營銷僱員掌握最新之產品知識及現行之監管事務資訊。

#### 風險管理

##### 政策及程序

集團已設立風險管理之政策及程序，並由管理層及須向董事會執行委員會匯報之信貸及風險管理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監控。除管理層及個別部門採取各項內部監控措施外，集團之稽核及法規監核部（「稽核部」）（一個向非執行主席及審核委員會獨立匯報之部門）亦會定期查核，從而確保該等政策及程序得以遵守。

#### 金融風險

集團之金融風險管理於賬目附註23內論述。

#### 營運風險

營運風險指因內部程序、人為及制度不足或失當或外在事件導致產生損失之風險。

董事會一貫注重維持良好之風險及內部監控制度（包括清晰界定職權範圍及職務分工）、有效之內部匯報及應變計劃，以確保集團擁有有效之營運風險管理機制。

高級管理層須每年申報及提交一份「內部監控程序責任聲明」，供集團之稽核部審閱。

#### 商譽風險

誠實及審慎之商譽對金融服務業來說是一重要因素。就集團而言，「品牌」實屬非常重要及珍貴，而藉著嚴謹之內部監控及風險管理，如在主要業務上推行全面之員工及營運守則，加上集團稽核部之效能與獨立運作，致使我們成功管理此方面之風險。