

Management Discussion and Analysis

管理層討論及分析

## Review of Operations

### The Market

Following a quiet first quarter, in the second quarter of 2002 the stock market showed signs of improvement, probably resulting from the better-than-expected U.S. economy and the export-led recovery in the mainland P.R.C. and Hong Kong. The Hang Seng Index (HSI) rallied in May as more international portfolio monies were allocated to non-U.S. equities. However, the rally was not sustained, as the U.S. stock market retreated following a series of corporate accounting frauds and weaker economic indicators. The benchmark HSI fell 7% to 10,598.55 during the first half of 2002, which was marginally better than the 7.8% decline of the Dow Jones Industrial Average (DJIA) and substantially better than the 25% slump in the Nasdaq Composite Index. The H-share index recorded a 23.3% gain to close at 2,167. The B-share markets in Shanghai and Shenzhen, however, experienced significant corrections of 12.1% and 10.2% respectively, in an absence of any major policy stimulus, and with concern as to the long-term viability of the instrument class.

The average daily turnover in Hong Kong shrank 21.1% to HK\$7.341 billion for the first half of this year compared to the same period last year, against the backdrop of the aftermath of the 9-11 incident. Until stability is restored to the U.S. market or investors' confidence is regained, it will be difficult for the market to approach significantly higher levels.

## 業務回顧

### 市況

股市在二零零二年首季交投淡靜，在次季卻出現改善跡象，主要是因為美國的經濟較預期為佳，以及中國內地和香港的經濟在出口帶動下呈現復甦。隨著更多國際投資組合資金轉移至美國以外的股市，恆生指數（恆指）在五月份回升。然而，由於美國企業爆發連串賬目欺詐醜聞，加上經濟指標轉弱，導致美國股市回落，港股的升勢亦未能持續。具指標作用的恆指在二零零二年上半年下跌7%，報10,598.55點，略較下跌7.8%的道瓊斯工業平均指數（道指）為佳，更遠勝下挫25%的納斯達克綜合指數。H股指數錄得23.3%的升幅，收報2,167點。上海和深圳的B股市場則大幅調整，分別下跌12.1%及10.2%，這是因為有關方面並無推出具刺激作用的重大政策，以及市場關注B股的長期存在價值所致。

在美國九一一事件過後，香港股市在上半年的平均每日成交量為73.41億港元，較去年同期下跌21.1%。在美國市場恢復穩定或投資者重拾信心之前，香港股市將難以顯著攀升。

A Hong Kong Exchanges-sponsored consultation paper was released at the end of July concerning proposals for the de-listing and/or forced consolidation of listed equities which did not fulfill certain suggested criteria including pricing. This incident created a severe market decline of so-called “penny stocks” as investors sold stocks with prices less than the suggested HK\$0.50 threshold in order to protect their position.

Although the HKEx immediately withdrew the proposal for further review and separate discussion, and the Government announced an enquiry into the matter, already fragile investor confidence was affected by the events, and at the time of writing, many of the affected stocks had still not regained their former prices.

Certain of our clients were affected by these events, and although the events are post balance date, in the interests of prudence we have reviewed the collateral held by us. However with the diversity of our businesses, and the breadth of our lending portfolio, we do not believe that there is a significant impact on our results requiring additional provisioning at this stage. However, the matter will be kept under review.

## **Securities**

During the first half of 2002, the HSI tested the 12,000 level in January but was unable to break above the resistance.

香港交易所七月底發出一份諮詢文件，建議不符合若干修訂準則（包括股價水平的準則）的上市公司須除牌及／或強制合併股份，促使投資者為保障其利益而拋售股價低於建議除牌價0.50港元的股份，因而觸發市場上的「仙股」暴挫。

雖然港交所立即撤回上述建議作進一步檢討及獨立討論，而政府亦宣佈會查究該宗事件，但投資者仍備受影響，令本已脆弱的信心更大受打擊。於本文撰寫時，不少受影響的股份仍未能回升至事件發生前的股價水平。

集團部份客戶亦受上述事件所影響，而雖然這宗事件在賬目結算日後發生，但為謹慎起見，集團已檢討所持有之客戶抵押品。憑藉多元化的業務發展，加上貸款組合分佈廣泛，我們相信此事件對集團的業績影響不大，因此現階段集團毋須作額外的撥備，但我們會繼續檢討事件所帶來的影響。

## **證券**

在二零零二年上半年，恆指在一月份上試12,000點水平，但未能突破阻力。

Hopes related to the QDII investment proposal floated in the mainland P.R.C. in April, the proposed spin-off of Cheung Kong's biotechnology division and increased activity in local home sales assisted the Hang Seng Index to unsuccessfully attempt the 12,000 level again in May; as market sentiment, especially that in the U.S., turned down when prominent U.S. companies such as the energy trader Enron collapsed, and telecoms group WorldCom admitted to a US\$3.9 billion accounting fraud.

Notwithstanding the difficult environment, our Securities Brokerage Division continued to expand its distribution capacity targeting clients through asset gathering exercises and flexible margin-financing programs.

With our strong client base and our product diversity, we have improved our market share during these difficult economic conditions. One of the most significant new income streams came from our development of the opportunity to provide a new service as a Liquidity Provider and market maker for derivative warrant issuers. This helped to compensate for the slowdown of more traditional securities brokerage activities from retail and corporate clients.

Since the re-launching of derivative warrants as permitted by new HKEx rules in January this year, we have been appointed as a Liquidity Provider by several leading issuers. Revenue from this new activity has successfully rewarded our efforts in exploring new opportunities.

中國內地在一月份公佈認可本地機構投資者投資建議，引起市場的憧憬，加上香港的長江集團建議分拆生物科技業務，以及本地住宅樓宇買賣的活動增加，帶動恆生指數在五月份再度上試12,000點的水平，但隨着美國能源商Enron等大型公司的倒閉，以及電訊集團WorldCom承認一筆39億美元的賬目欺詐，導致市場氣氛(尤其在美國)向下逆轉，令該上試受阻。

儘管市場經營環境困難，我們的證券經紀部繼續擴展其分銷網絡，透過滙集客戶資產及靈活的證券放款計劃，務求爭取更多客戶。

憑藉強大的客戶基礎及多元化的產品，我們在經濟不景下仍能提高市場佔有率。我們把握機會發展新的服務，包括為衍生認股權證發行人擔任流通量提供者及莊家，該項服務成為集團最重要的新收入來源之一，並有助彌補集團為個人與公司客戶所提供的傳統證券經紀業務上收入之減少。

自根據今年一月份公佈新的港交所規則重新推出衍生認股權證以來，我們獲多名首要的發行人委任為流通量提供者。集團努力發掘新的商機，而這項新業務已成功帶來了回報。

Looking forward, we will continue to explore more opportunities to develop new income streams. Apart from derivative warrants, we have applied to the HKEx to be accepted as a Liquidity Provider for newly-approved Equity Linked Instruments (ELIs), which are being listed on the Stock Exchange of Hong Kong from August this year. Hopefully this new product will provide another strong income source.

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

Despite the volatile market conditions and economic downturn, we were able to sustain substantial growth in the leveraged forex business transaction volume in the first half of 2002. As a result of our success in acquiring some international bank and institutional clients, the transaction volume of Hang Seng Futures Index (HSFI) and its derivative products, such as index options, has achieved a significant rise in market share. Transactions of overseas commodities including DJIA and S&P Index Futures also increased following the upsurge of volatility in the U.S. stock market. Additionally, we commenced an income stream from client trading in physical commodities traded on Japanese exchanges. We expect these product streams to contribute to a stable income for the Group in the forthcoming year.

展望未來，我們將繼續發掘更多商機，以開拓收入來源。除衍生認股權證外，我們已向港交所申請成為最新認可的股票掛鈎票據的流通量提供者，而股票掛鈎票據已由本年八月起在香港聯交所上市。我們期望這項新產品可成為集團另一個重要的收入來源。

### **外匯、黃金、商品及期貨**

雖然市況反覆不定及經濟放緩，集團之槓桿式外匯業務的交易量在二零零二年上半年仍能維持增長。由於成功取得若干國際銀行及機構性客戶，以交易量計算，我們在恆生期貨指數及其衍生產品(如指數期權)的市場佔有率大幅上升。隨着美國股市的波動增加，海外商品(包括道指及標準普爾指數期貨)的交易量亦有所提高。此外，客戶在日本交易所的實物商品交易亦開始為集團帶來收入。預期來年此等業務將為集團帶來穩定的收入貢獻。

## Online Trading

Continuing the momentum from 2001, SHK Online began the year with a client and asset transfer program specifically targeting the client base of a competitor which had ceased business at the end of 2001. The program offered incentives to customers who transferred accounts and assets to SHK Online and succeeded in substantially increasing SHK Online's client base and customer asset level. In addition, efforts similar to last year's "Asset Transfer Program" conducted throughout the first half of 2002 to encourage customers to fund their accounts and transfer assets from competing brokerage firms, saw both the client base and customer asset level increase steadily. While the daily turnover of SHK Online has experienced a slight reduction in the period under review as a result of the generally more inactive market, emphasis on cost control, coupled with reduced reliance on incentives and a careful revamp of the overall pricing structure, allowed SHK Online to improve its financial position and contribution, despite the reduced turnover.

Looking forward to the second half of 2002, we will continue to monitor and adjust both our pricing and cost structure carefully, with the use of more promotional programs to capture suitable market opportunities as they arise. The revamped website is also nearing its final stages of preparation and is currently expected to be launched towards the end of 2002.

## 鴻財網

延續二零零一年的發展動力，鴻財網鑒於某競爭對手於二零零一年底停業，在年初推出特別以該競爭對手的客戶為目標的客戶轉倉優惠計劃。該計劃設有數項優惠，以吸引客戶轉移其賬戶與資產至鴻財網，成功令鴻財網的客戶數目及所持客戶資產均顯著上升。此外，鴻財網在二零零二年上半年推行與去年類似的「資產轉移計劃」，鼓勵客戶將資金注入賬戶，以及把資產從其他經紀行轉移至鴻財網，因而導致其客戶數目與所持客戶資產均穩步增加。雖然市場普遍交投淡靜，使鴻財網的每日成交量在回顧期內略為下降，但鴻財網著重成本控制，並減少倚賴客戶優惠計劃，以及審慎重訂整個收費結構，令該部門之財政狀況及對集團的貢獻得以改善。

展望二零零二年下半年，我們將繼續審慎監察和調整定價及收費結構，並利用更多推廣優惠計劃，以捕捉合適的市場商機。此外，經改良的網站已接近最後的準備階段，現時預期該網站可於二零零二年底推出。

## Asset Management Division

SHK Financial Management's operations were launched in late 2001 to provide financial planning and wealth management services to individual and corporate clients. Our financial advisors hold the necessary licences from the Securities and Futures Commission and the Hong Kong Confederation of Insurance Brokers. We now offer over 400 fund choices from various well-known fund houses, as well as unit-linked products from leading insurance companies such as Royal Skandia Life Assurance Limited, Friends Provident International Limited and Zurich International Life Limited. Revenue streams from this business commenced in the first half.

The Alternative Investments Department was established within the Asset Management Division to bring talented managers and innovative structures to investors in the Asia Pacific region. The division is comprised of professionals with extensive experience in the hedge fund industry. In May, we joined with Asset Alliance Corporation, a leading New York based Hedge Fund managing US\$4.6 billion in assets, to jointly submit the "Asset Alliance Premier Hedge Fund" to the Securities and Futures Commission for authorization for retail distribution under its newly approved guidelines for such approval. We also worked with Fixed Income Discount Advisory Co., a U.S. fund manager specializing in mortgage-backed securities, to develop a fund tailored for professional investors in Asia looking for an enhanced yield product. We were pleased to be invited to speak on hedge fund related topics at various conferences and round tables, including Hedge Fund World Asia in Hong Kong in May.

### 資產管理部

集團的新鴻基財務策劃業務於二零零一年底開始運作，為個人及公司客戶提供財務策劃及財富管理服務。我們的理財顧問均持有由證券及期貨事務監察委員會及香港保險顧問聯會簽發的所需牌照。現時我們提供四百多項由不同著名基金公司所管理的基金選擇，以及由多間首要保險公司(如萊斯基亞人壽保險有限公司、Friends Provident International Limited及蘇黎世國際人壽保險有限公司)提供的單位相連產品。這項業務在上半年開始取得收入。

資產管理部亦開設了另類投資部門，為亞太區的投資者帶來能幹的基金管理人才及提供創新的結構性產品，而該部門乃由對沖基金業內經驗豐富的專業人士所組成。在五月份，我們聯同管理46億美元資產的紐約首要對沖基金公司Asset Alliance Corporation向證券及期貨事務監察委員會提出申請，批准「Asset Alliance Premier Hedge Fund」就其最新發出的指引作零售分銷。此外，我們與專門從事投資於按揭證券的美國基金管理公司Fixed Income Discount Advisory Co.合作，共同推出一個專為尋求優質高息產品的亞洲專業投資者而設的基金。我們並欣然應邀出席多個研討會和圓桌會議，包括五月份在香港舉行的Hedge Fund World Asia，就對沖基金有關的議題作討論。

## Corporate Finance

The Corporate Finance Division maintained its presence in sponsoring initial public offerings despite the bearish market sentiment. In the first half of the year, the division successfully completed the sponsoring of three initial public offerings on the main board of the HKEx, namely, the listing of Wang Sing International Holdings Limited, Greenfield Chemical Holdings Limited and China Fair Land Holdings Limited. We were also able to complete the secondary placement of shares of four listed companies, namely, U-RIGHT International Holdings Limited, Technology Ventures Holdings Limited, i100 Limited and Bright International Group Limited. In addition, the division was a co-manager of CK Life Science Int'l. (Holdings) Inc., a co-underwriter of BOC Hong Kong (Holdings) Limited, and a book-runner and lead manager of First Natural Foods Holdings Limited. In the second half of the year, we propose to actively sponsor P.R.C. enterprises to list on the GEM board of the HKEx.

## Insurance Broking

Despite the continuing difficult conditions of the economy, the Insurance Broking Division produced pleasing results by actively developing specialty insurance areas, such as credit and Directors & Officers Liability insurances. Winning a large construction project and carefully controlling its overhead, the division was able to achieve over 20% growth in premium income and 40% increase in operating profit for the first half of 2002.

## 企業融資

企業融資部在市場淡靜下繼續為首次公開招股的公司擔當保薦工作。該部門於上半年成功為三間公司完成首次公開招股的保薦工作，包括保薦旺城國際控股集團有限公司、嘉輝化工控股有限公司及正輝中國集團有限公司於港交所的主板上市。我們亦完成四間上市公司在交易市場之股份配售，分別為佑威國際控股有限公司、宏昌科技集團有限公司、i100 Limited及瑩輝集團有限公司。此外，該部門擔當長江生命科技集團有限公司的聯席經辦人、中銀(香港)控股有限公司的聯席包銷商，以及第一天然食品有限公司的配售經辦人及牽頭經辦人。在下半年，集團擬積極保薦中國內地企業在港交所的創業板上市。

## 保險經紀

儘管經濟持續低迷，保險經紀部積極發展專門保險項目，如信貸與董事及主管責任保險等，並取得佳績。由於贏得一個大型建築項目的合約，加上審慎控制開支，該部門在二零零二年上半年錄得逾20%的保費收入增長，經營溢利亦增加40%。



## Securities Financing

Despite the unfavorable economic situations, our margin portfolio remained at similar levels to last year end as the drop in the margin book was compensated by the gradual increase of the margin portfolio for online trading. In March 2002, we completed the transfer of the customers and loan book of Bali International Finance Limited (acquired in December 2001) to our Securities Division.

## Term Lending

As a result of the economic conditions and market sentiment requiring a more cautious approach in our lending policy, our enterprise financing or term loan portfolio reduced by approximately 40% (receivables as at 30 June 2002) as compared with last year end. We will, however, continue to focus on the development of this business due to its significant potential.

## Research

The research team of mainland P.R.C. and Hong Kong analysts continued their development program designed to produce high-quality investment advice and reports. In the first half of 2002, in addition to the regular daily notes, we produced a total of 185 reports and attended 245 company visits and presentations. In addition, we recorded 1,289 media quotes and experienced improved viewership from both overseas and local institutional investors.

### 證券放款

在經濟環境不利的情况下，雖然證券放款額在期內下跌，但為網上交易的證券放款組合漸增所彌補，故證券放款組合維持與去年底相若的水平。在二零零二年三月，我們完成將百達利財務有限公司（集團於二零零一年十二月收購的公司）的所有客戶及貸款賬項轉移至集團的證券部。

### 有期借款

基於經濟放緩及市場氣氛普遍轉淡，我們須採取更審慎的貸款政策，企業放款或有期借款組合較去年底減少約40%（以二零零二年六月三十日的貸款計算）。然而，我們將繼續集中發展這項潛力優厚的業務。

### 資料研究

資料研究部於國內和本港的分析員繼續提升其研究系統，為投資者提供高質素的投資意見及分析。在二零零二年上半年，除定期每日公佈的分析意見外，我們共發表了185份研究報告，以及出席245次公司探訪及簡報會。此外，對於我們提供的投資分析，亦錄得共1,289次的媒體引述，海外及本地機構投資者的瀏覽人數也有所增加。

As an independent research unit, we sought to base our calls on valid fundamental analysis. The breakdown of our recommendations during the review period was: STRONG BUY 5.3%, BUY 44.3%, HOLD 27.9% and SELL 22.5%.

## **Electronic Financial Information Service**

The first half of 2002 saw a poor business environment in both the securities and the information technology industries, which adversely affected the performance of SHK Financial Data Limited (51% owned). However, we maintained our position as one of the leading information content providers of comprehensive financial information covering the Hong Kong equity market, as well as the forex and bullion markets. Currently, our client base is composed mainly of “blue chip” companies from various sectors such as financial institutions, brokers, Internet Service Providers (ISPs), telecommunications operators, paging operators and other market information providers.

In preparation for the uncertainties ahead, in the second half of 2001, we implemented measures to reduce operating costs, such as reduction in staff and other expenses. As a result, our operating profit recorded an improvement and we are hopeful that the company will be able to improve further for the full year.

作為一個獨立的研究部門，其所提供的意見是基於有效的基本因素分析而作出。我們在回顧期內提出的建議劃分如下：強烈推薦買入5.3%，買入44.3%，持有27.9%及沽售22.5%。

## **電子財經資訊服務**

在二零零二年上半年，證券及資訊科技業的經營環境均欠佳，對新鴻基財經資訊有限公司(集團持有51%權益)的業績造成不利的影響。然而，我們仍是具領導地位的財經資訊供應商之一，所提供的財經資訊，內容全面且覆蓋香港股市、外匯及黃金市場。目前，我們的客戶主要包括不同行業的「藍籌」公司，如金融機構、證券經紀、互聯網服務供應商、電訊公司、傳呼公司及其他市場資訊供應商。

我們在二零零一年下半年實施了各項措施，以削減營運成本，如減少員工人數及其他開支，為未來欠明朗的前景作好準備。因此，該公司的經營溢利已見改善，並盼其全年業績會進一步轉佳。

Going forward, we will continue to adopt stringent cost controls and at the same time, we will also allocate sufficient resources to enhance our Company Data Card and develop more innovative products to meet market needs. In the near future, we will launch information products such as “IPO Centre” and “Corporate Action Monitor”. We are optimistic as to our prospects, and should be in a strong position to benefit when market conditions improve.

## **China Desk**

The China Desk was further consolidated to capture business opportunities in the mainland P.R.C. Our current focus is to strengthen our corporate finance service there by providing support for the listing of mainland P.R.C. companies on the GEM or the Main Board of the HKEx. We have achieved progress in recruiting new clients from private enterprises, allowing us to benefit from the upsurge of privately-owned enterprises seeking listing in Hong Kong. In addition, we have established strategic partnerships with appropriate securities firms in the mainland P.R.C., which has assisted us to expand our client base and business sources, as well as to promote our brand name in the industry. Our P.R.C. representative offices maintain regular contact with the national and provincial governments, allowing us to keep in touch with the latest development of financial policies and practices.

展望未來，我們將繼續嚴格控制成本，同時會分配足夠的資源以提升公司資料庫和發展更多創新的產品，迎合市場的需求。在短期內，我們將推出「新股上市中心」及「公司消息縱覽」等資訊產品。我們對前景抱樂觀的態度，當市況有所改善時，該公司憑着其穩健應可受惠。

## **中國業務**

集團進一步整固中國業務，以把握國內商機。我們透過協助國內公司在港交所創業板或主板上市，集中發展國內的企業融資業務。在與國內民營企業拓展新的客戶關係方面，我們已取得進展，令集團可藉國內民企爭相來港上市的熱潮而受惠。此外，我們與國內合適的證券公司建立策略性夥伴關係，有助擴大集團的客戶層及生意來源，亦可提高我們在業內的知名度。集團在中國的代表辦事處與全國及省政府經常保持接觸，讓我們可掌握中國內地金融政策及慣例的最新發展。

## Investments in Principal Associated Companies and Jointly Controlled Entity

### Tian An China Investments Company Limited (“Tian An”) (43.27% owned)

The overall performance of Tian An in the first half of 2002 was satisfactory. During the period, the company recorded sales of 68,140m<sup>2</sup> gross floor area from residential/commercial properties.

In line with the strong economic growth in the first half of the year in the mainland P.R.C., its property market maintained last year’s favorable momentum. Statistics showed that investment in mainland P.R.C. property amounted to RMB282.1 billion in the first half with a surge of 32.9% year-on-year. The P.R.C.’s accession to the World Trade Organization has also created new opportunities in office and residential properties in major cities. At the same time, the favorable environment inevitably attracted more overseas developers to enter the mainland P.R.C. property development market resulting in more competition. Tian An has anticipated such a trend and is well prepared to confront this reality.

### Yu Ming Investments Limited (“Yu Ming”) (21.36% owned)

The principal activities of Yu Ming include investments in Hong Kong and the mainland P.R.C. For the first half year of 2002, Yu Ming retained its focus on bond investments. Yu Ming has indicated that it has ample liquidity to take advantage of a weak market in Hong Kong and an emerging market in the mainland P.R.C. Looking forward, Yu Ming has also indicated that it intends to further explore investment opportunities in the mainland P.R.C.

## 主要聯營公司及共同控制公司之投資

### 天安中國投資有限公司 (「天安」) (集團持有43.27%權益)

天安在二零零二年上半年的整體業績令人滿意。期內，該公司銷售的住宅／商廈物業樓面總面積為68,140平方米。

中國內地在上半年的經濟增長蓬勃，其地產市場亦如去年般興旺。統計數據顯示，上半年國內地產市場的投資高達人民幣2,821億元，較去年同期上升32.9%。隨著中國加入世界貿易組織，將為國內各主要城市的辦公及住宅物業創造商機。與此同時，該有利環境亦吸引了更多海外發展商進軍國內的地產發展市場，使競爭加劇。天安已預計此趨勢，並作好準備面對挑戰。

### 禹銘投資有限公司 (「禹銘」) (集團持有21.36%權益)

禹銘的主要業務包括在香港和中國內地進行投資。在二零零二年上半年，禹銘仍然集中於債券投資業務。禹銘表示擁有充裕的流動資金，可利用現時疲弱的香港市場及國內新興市場。展望未來，禹銘表示擬進一步發掘國內的投資機會。

## SHK Finance Limited (50% owned)

Adverse market conditions during the first half of 2002 impacted the performance of the jointly controlled entity. The high unemployment rate and climbing bankruptcy filings adversely affected borrowers' loan repayments. The company recorded a record-high charge-off rate for the loan portfolio. Reacting to the situation, the company has adopted a more cautious lending approach to control bad debts but notwithstanding these measures, profitability was not achieved.

Given the uncertainties ahead, the company has curtailed the planned branch network expansion. In the meantime, it will strive to improve the business by launching new loan products in the market. With tighter control of operating expenses and additional revenue generated from new products, the company is focusing on an improved performance in the second half of the year.

## Financial Resources and Gearing Ratio

The Group's financial strength remained robust. As at 30 June 2002, the Group's total bank borrowings amounted to HK\$188 million, which, when related to Group shareholders' funds, resulted in a gearing ratio of approximately 4.12%. Net bank borrowings (excluding bank borrowings which were drawn down for the margin finance, term loan and personal finance business where the funds were on-lent to clients at a gross profit) amounted to HK\$33 million which represented a gearing ratio of 0.71%.

The liquidity of the Group is demonstrated by the current ratio (current assets/current liabilities) which was 2.55 times. This ratio showed improvement from the 2.19 times applicable in the previous year ended 31 December 2001.

## 新鴻基財務有限公司 (集團持有50%權益)

二零零二年上半年的不利市況，對此共同控制公司的業績造成衝擊。失業率創新高，申請破產的個案數字攀升，均對借款人的還款能力構成不利的影響。該公司貸款組合的撇賬率升至新高，因應這情況，該公司已採取較審慎的放款方針以控制壞賬，但儘管實行上述措施，該公司在回顧期內並未錄得盈利。

由於香港的經濟前景不明朗，該公司已擱置擴展分行網絡的計劃。同時，該公司將透過在市場推出新的貸款產品，竭力改善其貸款業務。憑着嚴格控制營運開支，並從新產品增添收入，該公司現正致力改善下半年的業績。

## 財政資源及資本與負債比率

集團的財政實力持續穩健。於二零零二年六月三十日，集團的銀行總借款額為188百萬港元，若與集團股東資金相比，資本與負債比率約為4.12%。若以銀行借款淨額(扣除集團之證券放款、有期借款及私人貸款業務為賺取利潤而轉借予客戶的銀行借款)33百萬港元計算，資本與負債比率則為0.71%。

集團的流動資產比率(流動資產相對流動負債)較截至二零零一年十二月三十一日止之年度為佳，由2.19倍上升至2.55倍。

## 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 as shown in note 13 to the accounts on page 16. The business activities of the Group are funded by its paid-up capital, mortgage loan (for purchase of our office premises) and bank borrowings.

Apart from the mortgage loan mentioned above, the Group's bank borrowings are on short-term basis with over 50% in HK dollar as at 30 June 2002. They are subject to annual renewal and are based on floating interest rates. There are no seasonal factors in our borrowing profile.

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 as compared with its total assets value or outstanding debts.

## Material Acquisition and Disposal of Subsidiaries and Associated Companies

As reported in the 2001 Annual Report, on 28 December 2001, the Group reclassified its 21.36% interest in Yu Ming from "other investment" to "investment in associated company". This will impact for the first time in this half. We were also able to realize a small profit of HK\$2 million on the sale of our 25% share in Galy Electric Appliance Co. Ltd. Guangzhou. Apart from that, there has been no material acquisition or disposal of subsidiaries and associated companies by the Group in the first half.

## 資本結構、銀行借款及滙兌率浮動風險

本公司於期內並沒有發行任何額外股份或購回本公司股份，詳情請參閱第16頁賬目附註13。本集團的業務活動的資金來自繳足股本、按揭貸款(用作購買寫字樓物業)及銀行借款。

除上述按揭貸款外，集團的銀行借款全屬短期借貸，於二零零二年六月三十日的銀行借款，百份之五十以上乃港幣借款，此等銀行借款每年更新一次並以浮息計算，集團之銀行借款並不受季節性的影響。

外滙兌換率及市場價格的浮動對本集團並不會造成重大風險，與本集團總資產值或未償還債項比較，其外滙風險相對來說並不重要。

## 附屬及聯營公司的重大收購及出售

如在二零零一年度年報所述，於二零零一年十二月二十八日，集團把持有的21.36%禹銘權益由「其他投資」重新歸類為「聯營公司投資」，這對集團上半年度的賬目首次有所影響。此外，我們出售廣州嘉利電器有限公司的25%股權，獲微利2百萬港元。除以上所述外，集團在上半年內並無任何附屬及聯營公司的重大收購及出售。

## Segment Information

Detailed segmental information in respect of the Group's turnover and contribution to profit before taxation are shown in note 2 to the accounts on page 8.

## Charges on Group Assets

Listed shares with an aggregate value of approximately HK\$80 million were pledged by subsidiaries as security for bank loans and overdrafts. A property asset of the Group with a carrying value of approximately HK\$46 million was pledged by a subsidiary to a bank for an outstanding installment loan of HK\$32 million granted to the subsidiary.

## Contingent Liabilities

Details regarding the contingent liabilities are set out in note 17 to the accounts on page 19.

## Employees

As of 30 June 2002, the total number of employees was 605. We operate different remuneration schemes according to role. For sales personnel, the package comprises a base pay or draw, and commission or bonus, whereas for non-sales personnel, it comprises base pay and performance-based bonus elements when circumstances are appropriate. There are currently no share option schemes applicable to the Company's officers or employees.

## 分項資料

有關集團營業額及除稅前溢利之貢獻之分項資料詳情，請參閱第8頁賬目附註2。

## 集團資產押記

集團的附屬公司將其持有總值約80百萬港元的上市公司股份抵押予銀行，以取得銀行貸款及透支。集團的一間附屬公司亦將其賬面值約46百萬港元的物業資產抵押予銀行，以取得一筆尚欠32百萬港元的分期貸款。

## 或然負債

集團的或然負債詳情，請參閱第19頁賬目附註17。

## 僱員

於二零零二年六月三十日，集團僱員人數合共為605人。我們為營銷及非營銷僱員設立不同的薪酬制度。以營銷僱員而言，酬勞包括底薪，另有佣金或花紅，而非營銷僱員則包括底薪及在適當情況下按表現發放的花紅。本公司目前並無採納任何適用於其行政人員或僱員的購股權計劃。

To sustain its competitive edge, the Group continued to focus on building its sales teams and identifying high calibre individuals through a graduate recruitment programme. It will dedicate its efforts to provide the best resources for the personal growth and continuous professional development for its staff.

As a progressive company and a leading financial institution, the Group is committed to promote continuing learning at the community level. Collaborating with the School of Professional and Continuing Education (SPACE), the University of Hong Kong, a one-year Certificate Programme in Financial Studies was launched in January. In addition to providing scholarships to graduates with outstanding performance, the Group also offers internship to individuals on completing the programme. Quoting Professor Enoch Young, SPACE Director, the initiative “marks a new approach to manpower training for the financial industry. This new approach is to bridge the training gap between the knowledge learned through traditional academic education and the dynamic skills required by today’s business corporations.”

## Management of Risks

There has been no material change in the nature of the Group’s exposures, policies and practices in managing its risks to those which were previously reported in our Annual Report for 2001.

為保持競爭優勢，集團繼續培育營銷隊伍，並透過畢業生招聘計劃，羅致優秀人才。集團將致力為員工的個人增長及持續專業發展提供最佳資源。

作為一間穩步發展和具有領導地位的金融機構，集團致力在社層推廣持續學習的精神。集團於一月份與香港大學專業進修學院合辦了一個為期一年的財務學證書課程，除設有獎學金獎勵成績優異的畢業生外，集團亦為完成課程的學生提供實習機會。在此引述香港大學專業進修學院院長楊健明教授的一席話，這項課程「標誌著金融業人力資源培訓的新方針。這個新的培訓方針為學生建立了一度橋樑，使學生不但可從傳統的學術教育學習財務知識，亦能認識現今商業機構所需靈活多變的技巧，從而將兩者的差距拉近。」

## 風險管理

集團所面對的風險性質、採用的風險管理政策及一貫措施，與集團在二零零一年度年報所載者並無重大轉變。