

Chairman's Statement

主席報告



The Group reaffirms its commitment to deliver a comprehensive range of quality financial services and products to its increasing client base.

集團一如既往，貫徹其為不斷擴大之客戶群提供覆蓋全面之優質金融服務及產品之承諾。

The Group achieved pleasing growth in 2003 in the context of a recovering economy and a strengthening Hong Kong market. Following the difficulties caused by Severe Acute Respiratory Syndrome (SARS) in the first half, the market rebounded, supported by an inflow of funds, confidence regarding the prospects of P.R.C. issues, and improved local and worldwide market sentiment. The Group's performance for the year was positively affected by this resurgence. The development of additional revenue streams also supported the improved result. The Group's performance also benefited from lower provisioning for doubtful debts, resulting from the improved capital market and stringent credit control, together with the write-back of some provisions from past years. On the other hand, the adverse judgment recently received in our litigation with New World Development Company Limited substantially reduced the profit we would otherwise have made, as we have provided an additional HK\$58 million approximately pending the outcome of any appeals.

The Group undertook a share repurchase and loan note issuance program during the year. The program was designed to benefit shareholders by providing additional liquidity to those shareholders who at the time wished to dispose equities and hold fixed income loan notes. Also, the benefits of the program for those investors who chose to retain their shares are demonstrated in the earnings per share which increased by 53.3%, compared to the overall profits increase of 31.5%.

在經濟復甦及香港市場反彈的情況下，本集團在二零零三年取得理想的業績增長。雖然上半年度非典型肺炎事件造成困難重重，但隨後得到資金的流入、對中國前景充滿信心以及本地及全球市場氣氛得到改善等各種因素支持，市場得以反彈。在經濟逐漸復甦的帶動下，集團全年的業績表現良好。此外，集團開拓更多收入來源亦有助集團在二零零三年創下佳績。由於資本市場有所改善，及集團實施嚴謹的信貸監控，壞賬撥備因而減少，加上回撥前數年的撥備，亦對集團的表現有利。另外，就集團與新世界發展有限公司之間之訴訟，法院最近已作出對集團不利的裁決，而在未有任何上訴結果前，集團已作出約58百萬港元之額外撥備，因此大大削弱了集團之利潤。

在二零零三年，集團推行了一項股份回購及貸款票據發行計劃。該計劃旨在透過向當時希望出售股份而持有固定收入的貸款票據的股東提供額外流動資金，務求讓股東獲益。此外，對於選擇保留本公司股份之投資者而言，集團之每股盈利錄得53.3%之增幅（相對集團整體利潤升幅31.5%），更足以充份顯示出此計劃所帶來之裨益。

The Board has decided in the light of the Group's improved earnings that it would be appropriate to share the benefit with shareholders and accordingly has recommended a special dividend of HK4 cents per share together with a normal final dividend of HK2 cents per share making a total of HK8 cents per share for the year.

ASSOCIATED COMPANIES

During the year, the Group's three principal associated companies recorded satisfactory performances.

Tian An China Investments Company Limited recorded a 16% increase in sales of total gross floor area over 2002 and increased its nett profit by approximately 17.7%. The company's current development projects, together with its substantial land bank are expected to benefit the company in the future.

Quality HealthCare Asia Limited's operating profit improved as it continued to focus on its core healthcare business, to further develop its client base, and provide additional medical, including specialist, services for Hong Kong. The company is now better positioned as a result of recent corporate restructuring.

Yu Ming Investments Limited rationalized its equity and debt securities portfolio while retaining an investment in a shopping mall and participating in a joint venture exhibition centre at the Hong Kong International Airport.

RESULTS FOR THE YEAR

During the year, the Group recorded a 27.7% increase in profit before tax to HK\$299.8 million (2002: HK\$234.7 million re-stated). Consolidated profit attributable to shareholders increased by 31.5% to HK\$241.9 million (2002: HK\$184.0 million re-stated). As a result of the share repurchase, earnings per share (EPS) increased much more rapidly than total profit with an increase of 53.3% to HK18.7 cents (2002: HK12.2 cents). Turnover was HK\$667.5 million for the year, against HK\$564.2 million for the previous year.

鑒於集團盈利之增長，董事會認為現時是適當時刻與股東共同分享成果，因而建議派發特別股息每股4港仙，連同末期股息每股2港仙，全年每股派息合共8港仙。

聯營公司

在二零零三年，集團三間主要的聯營公司均取得理想業績。

天安中國投資有限公司銷售的樓面總面積較二零零二年增長16%，淨溢利增長約17.7%。該公司憑現時的发展項目，加上其大量的土地儲備，預期將可在未來受惠。

卓健亞洲有限公司仍專注其核心醫療保健業務，務求進一步拓展其客戶基礎，及為香港市民提供更多醫療(包括專科)服務。該公司近期進行了公司重組，因此現正處於更穩健的狀況。

禹銘投資有限公司改善了其股票及債務證券的投資組合，並保留一項商場投資，及參與了一項位於香港國際機場的展貿中心合營計劃。

全年業績

於二零零三年，集團錄得27.7%之除稅前溢利增長，達299.8百萬港元(二零零二年：重列為234.7百萬港元)。股東應佔綜合溢利增長31.5%至241.9百萬港元(二零零二年：重列為184.0百萬港元)。由於進行了股份回購，每股盈利遠高於總溢利，增加53.3%至18.7港仙(二零零二年：12.2港仙)。相對去年之營業額564.2百萬港元，本年度之營業額則為667.5百萬港元。

Chairman's Statement

主席報告

OPERATIONS

The Group reaffirms its commitment to deliver a comprehensive range of quality financial services and products to its increasing client base.

BUSINESS EXPANSION

In June 2003, the Group acquired the brokerage firm, Shun Loong Holdings Limited with a view to increasing market share in Hong Kong and the Greater China region.

The Group's newly incorporated wholly-owned subsidiary, Sun Hung Kai International Bank [Brunei] Limited was granted the first full license to conduct international banking business in Brunei, including non-resident deposit-taking, credits, money collections and transmissions; foreign exchange, guarantee issuance, investment banking and other banking services.

EXTENSION OF FINANCIAL PRODUCTS AND CLIENT SERVICE CAPABILITIES

The Group continues to expand and increase its service offerings and client service capabilities. Online trading of the Hang Seng Index (HSI) futures contracts and H-share Index futures was launched in late 2003 and is now profitable, whilst the SHK US\$ Yield Plus Fund grew over 86% in terms of client assets under management to more than US\$200 million.

The Group's position as a market maker and a liquidity provider for several leading financial institutions enables us to offer attractive derivative warrant trading programs to our clients. The Wealth Management team is in a strong position to offer tailor-made financial solutions utilizing a full range of financial products. Following its success in the SHK US\$ Yield Plus Fund, our Alternative Investments department has recently launched a second fund, the SHK Value Restructuring Fund, strictly for qualified investors.

業務

集團一如既往，貫徹其為不斷擴大之客戶群提供覆蓋全面之優質金融服務及產品之承諾。

業務擴展

在二零零三年六月，集團收購了一間經紀行順隆集團有限公司，藉以增加集團在香港及大中華地區的市場佔有率。

集團新成立的一間全資擁有的附屬公司Sun Hung Kai International Bank [Brunei] Limited 獲授予首個正式牌照，可在汶萊辦理國際銀行業務，包括接受非定居人士的存款、信貸、現金代收及轉遞；外匯交易、簽發擔保、投資銀行及其他銀行服務。

擴展金融產品及客戶服務

集團不斷擴展及增加各種服務，並且加強客戶服務。在二零零三年年底，集團推出了恒生指數(恒指)期貨合約及H股指數期貨的網上買賣服務，並已錄得盈利，而新鴻基美元益增基金所管理的客戶資產增長超過86%，高於200百萬美元。

作為莊家並為幾間首要金融機構擔任流通量提供者，使集團能為客戶提供具吸引力的衍生認股權證買賣服務。資產管理部現時具備雄厚實力，利用多元化的金融產品為客戶提供度身訂製的財務方案。繼新鴻基美元益增基金取得成功後，集團的另類投資部最近推出了第二隻基金——新鴻基價值重建基金，此基金只供合資格投資者投資。

The on-going development of our IT systems has enabled the Group to offer our traditional clients the additional flexibility of online and Interactive Voice Response (IVRs) trading as an adjunct to their broker relationship.

PEER RECOGNITION

The Group's Arbitrage and Derivative Trading operations resulted in a consistently high ranking in the HKEx Turnover Ranking for traded options. In the EuroMoney survey published in December 2003, being a survey of over 1,000 private banks globally, the Group was the only Hong Kong based firm to be voted as the "Best Specialist Providers in Precious Metals Investing" under the Hong Kong category.

RESEARCH

The Research division maintained its productivity and independence in delivering quality analytical reports based on site visits and both fundamental and technical analysis. As an indication of its research capability, its "model portfolio" of stocks substantially outperformed the HSI and registered a gain of 68.6% in 2003.

OUR COMMUNITY

The Group continues to promote and support worthwhile causes. As in previous years, we partnered with University of Hong Kong School of Professional And Continuing Education (SPACE) to offer scholarships to the three top performing students from the Financial Studies Certificate program. We were also the main sponsor for the 14th China-Hong Kong Investment Stimulation Competition 2003-2004, a joint university investment competition with the aim of providing students in both the mainland and Hong Kong with the opportunity to gain financial knowledge regarding investment strategies in different markets through an online investment simulation game.

由於集團的資訊科技系統不斷發展，使集團能為傳統客戶提供網上及互動式語言回覆 (IVRs) 買賣服務，以輔助經紀為客戶提供服務，藉以增加買賣的靈活性。

業界的認同

集團的套戥及衍生工具買賣業務經常在香港交易所的買賣期權成交額排名保持高位。EuroMoney在二零零三年十二月出版的調查顯示，在對全球逾1,000間私人銀行所進行的調查中，本集團是在香港類別下唯一獲選「貴金屬投資最佳專業提供者」的香港本地公司。

資料研究

資料研究部繼續根據實地考察及基本與技術分析發表高質素之分析報告，保持該部門之生產力及獨立性。在二零零三年，該部門之「模擬投資組合」中的股票表現大大超出恆指，錄得68.6%之盈利，這足以顯示出其在資料研究方面的實力。

社會服務

集團繼續促進及支持有價值的事宜。正如在過去幾年，本集團與香港大學專業進修學院 (SPACE) 合作，提供獎學金予金融學證書課程的首三名表現最佳的學員。集團亦是二零零三至二零零四年第十四屆中港模擬投資比賽的主贊助商。該比賽是聯合大學的投資比賽，旨在為中港兩地的學生提供機會透過網上的模擬投資遊戲，於不同的股票市場投資，以汲取金融知識。

Chairman's Statement

主席報告

OUTLOOK

The economic outlook for 2004 presently appears stronger than in 2003 in view of the expected growth momentum in the U.S. in a presidential election year, increasing business opportunities through the mainland's continued strong economic growth, and supportive measures in Hong Kong such as the introduction of the Individual Visa Scheme and the Closer Economic Partnership Arrangement (CEPA). First quarter market figures, if continued, are expected to sustain this momentum at least in the first half.

Conversely, intractable problems such as the huge "twin deficits" of the U.S. trade and currency imbalances more generally, and a politically uncertain world could adversely impact on the positive outlook.

The Group is committed to strengthening its position as one of Hong Kong's leading local financial institutions and to continuing its role as a major participant in the financial services industry. The Group's strong balance sheet and sound market expertise places it in a strong position to meet new business and market challenges and respond to regulatory and statutory developments as they occur.

APPRECIATION

On 1 March 2004 Mr. David Hui resigned from his post of Deputy Chairman and Chief Executive Officer but remains as a Non-Executive Director on our Board. We offer our special thanks and appreciation for his contribution to the Group.

展望

預期美國在總統大選之一年經濟會有所增長，加上中國內地經濟持續強勁增長，以及在香港推行之各項支持性措施，如推出個人旅遊簽證計劃及更緊密經貿關係安排(CEPA)等，均有助增加商業機會；因此，按現時情況，二零零四年的經濟前景，相對二零零三年應有更強勁之表現。倘第一季的市場數字能夠持續，則可望在上半年保持此升勢。

相反地，一些複雜的問題，例如美國龐大之「雙重逆差」(貿易逆差及更廣泛之貨幣不平衡逆差)，以及全球政局不明朗，均對樂觀之經濟前景帶來不利影響。

作為香港首要的本地金融機構之一，集團致力加強其地位，並繼續擔當金融服務業主要參與者的角色。集團財政穩健且具有高度之市場專業水平，故具備實力以迎接各種商業及市場上之新挑戰，並能切合回應監管及法定條例之新發展。

致謝

在二零零四年三月一日，許業榮先生辭去本公司副主席及行政總裁之職，但在董事會中仍擔任非執行董事，我們特別感謝彼對集團之貢獻。

FINANCIAL HIGHLIGHTS 財務摘要	◆	CHAIRMAN'S STATEMENT 主席報告	◆	MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析	◆	DIRECTORS' REPORT 董事會報告	◆	AUDITORS' REPORT 核數師報告	◆	FIVE YEAR FINANCIAL SUMMARY 五年財務概要
---------------------------------	---	---------------------------------	---	---	---	-------------------------------	---	------------------------------	---	--

Finally, I would like to take this opportunity to thank our shareholders for their support; my fellow directors, our senior management, professional advisors and employees for their dedication; and our clients for their confidence and loyalty.

最後，本人謹此衷心感謝各位股東的支持；各位董事、高層管理人員、專業顧問與員工的努力；以及各位客戶的信賴與鼎力支持。



Arthur George Dew

Chairman

13 April 2004



主席

狄亞法

二零零四年四月十三日