



we bring together

**people
capital
ideas**



people, capital, ideas

The Pearl epitomizes what the people, capital and ideas of Tai Fook have come to mean today. Just like a valuable pearl, the Tai Fook culture has been gradually nourished over many years, enduring the test of time, yet continuing its journey of growth. Today, the pearl embodies all the dedicated work of the past, and stands to tell a brighter and more magnificent future.

人才、資金、意念

珍珠，寓意大福多年來在金融領域上憑藉其對人才、資金、意念的堅持，在日積月累間，凝聚非凡的瑰寶，成就閃耀的未來。

Contents

目錄

2 Corporate Information	2 公司資料
4 Financial Highlights	4 財務摘要
5 Management Discussion and Analysis	8 管理層論述及分析
10 Financial Review	14 財務回顧
17 Condensed Consolidated Profit and Loss Account	17 簡明綜合損益表
18 Condensed Consolidated Balance Sheet	18 簡明綜合資產負債表
19 Condensed Consolidated Statement of Changes in Equity	19 簡明綜合股本權益變動表
20 Condensed Consolidated Cash Flow Statement	20 簡明綜合現金流量表
21 Notes to the Condensed Financial Statements	21 簡明財務報表附註
40 Independent Auditors' Review Report	41 獨立核數師審閱報告書
42 Additional Information	42 其他資料

Financial Calendar 財務日誌

13 September 2005 二零零五年九月十三日	Announcement of interim results (unaudited) 公佈中期業績 (未經審核)
12 October 2005 by 4:00 p.m. 二零零五年十月十二日下午四時正前	Latest date for registration for entitlement to interim dividend 登記享有中期股息之最遲日期
13 to 19 October 2005 二零零五年十月十三日至十九日	Book close dates 暫停辦理股東登記手續之日期
19 October 2005 二零零五年十月十九日	Record date for interim dividend 中期股息之記錄日期
28 October 2005 二零零五年十月二十八日	Despatch of interim dividend warrants 派發中期股息單

Corporate Information

公司資料

Directors

Executive Directors

CHENG Kar Shun, Henry	Chairman
LO Lin Shing, Simon	Deputy Chairman
DOO Wai Hoi, William	Deputy Chairman
WONG Shiu Hoi, Peter	Managing Director
LEE Yiu Wing, William	
CHAN Chi On, Derek	

Non-executive Directors

WONG Kwok Kin, Andrew
LAM Wai Hon, Patrick
CHEUNG Wing Yui, Edward
HO Hau Chong, Norman
TO Hin Tsun, Gerald

Independent Non-executive Directors

MAN Mo Leung
TSUI Hing Chuen, William
WEI Chi Kuan, Kenny

Adviser to the Board

LUO Gang
<i>(resigned as executive director on 1 April 2005)</i>

Company Secretary

LI Tung Wing, Mike

Qualified Accountant

LO Wai Ho, Kendy

Auditors

Ernst & Young

Place of Incorporation

Incorporated in Bermuda with limited liability

Registered Office

Clarendon House
Church Street, Hamilton HM 11
Bermuda

Principal Place of Business

25th Floor, New World Tower
16-18 Queen's Road Central
Hong Kong

Web Site Address

Homepage: <http://www.taifook.com>
e-wealth club: <http://www.e-wealthclub.com>

董事

執行董事

鄭家純	主席
魯連城	副主席
杜惠愷	副主席
黃紹開	董事總經理
李耀榮	
陳志安	

非執行董事

黃國堅
林煒瀚
張永銳
何厚鏘
杜顯俊

獨立非執行董事

文暮良
徐慶全
魏啟寬

董事會顧問

羅剛
<i>(於二零零五年四月一日辭任為執行董事)</i>

公司秘書

李東榮

合資格會計師

盧偉浩

核數師

安永會計師事務所

註冊成立地點

於百慕達註冊成立為有限公司

註冊辦事處

Clarendon House
Church Street, Hamilton HM 11
Bermuda

主要營業地點

香港
皇后大道中16-18號
新世界大廈25樓

互聯網網址

主網頁: <http://www.taifook.com>
創富會: <http://www.e-wealthclub.com>

Corporate Information 公司資料

Principal Share Registrars and Transfer Office

The Bank of Bermuda Limited
6 Front Street, Hamilton HM 11
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

Tricor Investor Services Limited
G/F., BEA Harbour View Centre
56 Gloucester Road, Wanchai
Hong Kong

Board Committees

Audit Committee

MAN Mo Leung
TSUI Hing Chuen, William
WEI Chi Kuan, Kenny
CHEUNG Wing Yui, Edward
HO Hau Chong, Norman

Business Review Committee

WONG Shiu Hoi, Peter
LEE Yiu Wing, William
WONG Kwok Kin, Andrew
LAM Wai Hon, Patrick

Credit Committee

LO Lin Shing, Simon
WONG Shiu Hoi, Peter
LEE Yiu Wing, William
WONG Yat Hang, Peter
HUI Yee, Wilson
WU Kwok Leung, Edmond
CHANG Chow Kam Wen, Margaret
LO Wai Ho, Kendy

Executive Committee

WONG Shiu Hoi, Peter
LEE Yiu Wing, William
CHAN Chi On, Derek
WONG Yat Hang, Peter
HUI Yee, Wilson
WU Kwok Leung, Edmond
YING Tak Sun, Nelson

Remuneration Committee

TSUI Hing Chuen, William
MAN Mo Leung
WEI Chi Kuan, Kenny
WONG Kwok Kin, Andrew
LAM Wai Hon, Patrick

主要股份過戶登記處

The Bank of Bermuda Limited
6 Front Street, Hamilton HM 11
Bermuda

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔告士打道56號
東亞銀行港灣中心地下

董事會委員會

審核委員會

文暮良
徐慶全
魏啟寬
張永銳
何厚鏘

業務回顧委員會

黃紹開
李耀榮
黃國堅
林煒瀚

信貸委員會

魯連城
黃紹開
李耀榮
黃逸行
許儀
胡國良
張周錦雲
盧偉浩

執行委員會

黃紹開
李耀榮
陳志安
黃逸行
許儀
胡國良
應德信

薪酬委員會

徐慶全
文暮良
魏啟寬
黃國堅
林煒瀚

Financial Highlights

財務摘要

		For the six months ended 30 June 截至六月三十日止六個月		Percentage change 變動百分比
		2005 二零零五年 (Unaudited) (未經審核)	2004 二零零四年 (Unaudited) (未經審核)	Increase/ (Decrease) 增加/(減少)
For the six months ended 30 June 2004/30 June 2005	截至二零零四年 六月三十日/ 二零零五年 六月三十日止六個月			
Turnover (HK\$'000)	營業額 (千港元)	182,644	189,576	(4)
Net Profit (HK\$'000)	純利 (千港元)	30,293	45,012	(33)
Per Share	每股			
Basic Earnings Per Share (HK Cents)	每股基本盈利 (港仙)	5.18	8.39	(38)
Diluted Earnings Per Share (HK Cents)	每股攤薄盈利 (港仙)	N/A	8.28	N/A
Dividend Per Share (HK Cents)	每股股息 (港仙)	2	4	(50)
NAV Per Share (HK\$)	每股資產淨值 (港元)	1.70	1.70	0
At the six months end	至六個月止			
Shareholders' Funds (HK\$'000)	股東資金 (千港元)	993,335	971,010	2
Total Assets (HK\$'000)	總資產 (千港元)	2,962,975	2,680,439	11
Number of Shares in Issue	已發行股份數目	583,773,699	572,281,699	2
Share Price	股價			
– High (HK\$)	– 高 (港元)	1.30	1.40	(7)
– Low (HK\$)	– 低 (港元)	0.98	1.10	(11)
Financial ratios	財務比率			
Gearing Ratio	資本負債率			
– Borrowing to Total Assets ¹	– 借貸與總資產 ¹	0.13	0.06	117
– Borrowing to NAV ²	– 借貸與資產淨值 ²	0.40	0.16	150
Return on Total Assets ³ (%)	總資產回報 ³ (%)	1.02	1.68	(39)
Return on Shareholders' Fund ⁴ (%)	股東資金回報 ⁴ (%)	3.05	4.64	(34)

Notes:

附註:

- Borrowing to Total Assets = Total Borrowings/Total Assets
- Borrowing to NAV = Total Borrowings/ Net Asset Value (NAV)
- Return on Total Assets = Net Profit/Total Assets
- Return on Shareholders' Fund = Net Profit/Shareholders' Fund

- 借貸與總資產 = 總借貸/總資產
- 借貸與資產淨值 = 總借貸/資產淨值
- 總資產回報 = 純利/總資產
- 股東資金回報 = 純利/股東資金

Management Discussion and Analysis

Results and Overview

The Group achieved an unaudited net profit attributable to shareholders of HK\$30.3 million for the first half of 2005, representing a decline of 33% from the corresponding period in 2004. Earnings per share amounted to HK5.2 cents, a decline of 38% year-on-year as the issued share capital was enlarged by a new capital issue in March 2004. Turnover for the period amounted to HK\$182.6 million, a decline of 4% compared to the same period last year. The Board has proposed an interim dividend of HK2.0 cents per share, compared with HK4.0 cents for last year.

The profit drop was attributed to an additional provision of HK\$5.1 million made for doubtful debts and a higher tax provision. Profit before tax and provision for doubtful debts declined only modestly from HK\$45.6 million last year to HK\$40.2 million. The operating margin decreased from 24% to 22%. In addition to our solid financial achievements, we are pleased that the industry has continued to recognise our strong market niche as evidenced by the Group being voted the Best Equities House by FinanceAsia and the Best Brokerage Company by Capital magazine during the year.

Our business performance continued to be affected by conditions and activity in the local securities market. For the first half of 2005, the average daily turnover recorded by the Stock Exchange rose only 1% to HK\$16.9 billion. Excluding trading on derivative warrants, which accounted for 16% of the turnover during the period, turnover on other securities dropped 5% year-on-year. On the other hand, activity in the derivatives market was exceptionally strong. There was a 9% increase in the average daily number of futures contracts traded on the Futures Exchange to 62,681 and an 8% increase in the average daily number of stock options contracts traded on the Stock Exchange to 25,206.

The overall performance of local stocks was adversely affected both by higher oil prices and interest rates during the first half of 2005. The representative indices for blue chips and H-shares, namely the Hang Seng Index and the Hang Seng China Enterprises Index, eased 0.2% and edged up 2.5% respectively for the period under review. The U-shape performance of the two major market segments, intervened by erratic fluctuations had made investment decisions difficult for both longer-term investors and short-term traders. The primary market was also relatively quiet, with the total equity funds raised declining by 42% year-on-year to HK\$124.7 billion.

The robust performances of both the Chinese and local economies have, however, kept the local stock market resilient. A strong uptrend with sharply higher turnovers emerged in July. China's real GDP climbed 9.5% year-on-year for the second quarter of 2005, sustaining the strong growth of 9.4% for the preceding quarter. The growth rate for the first six months of 2005 was a respectable 9.5%. In Hong Kong, the GDP growth for the second quarter accelerated to 6.8% from 6.2% for the preceding quarter, contributing an encouraging growth rate of 6.5% for the first half. Further supporting the recent stock market rallies were better-than-expected corporate results from major listed companies. The market capitalisation of the Main Board and the GEM reached, for the first time, a record HK\$7,000 billion in July, representing more than five times of the nominal GDP of the territory.

Business Review

Securities and Futures Broking

Income from our broking business declined 15% to HK\$102.9 million and a lower profit contribution of HK\$15.7 million was recorded. The sluggish performance of the cash market explained for the drop in our commission income. Besides, there were

Management Discussion and Analysis

several hot IPO issues for the corresponding period in 2004 which helped boost our commission income from successful IPO applicants. IPO activity was relatively slow in the first half of 2005. The increasingly active trading in derivative warrants may have diverted investors from trading in other securities. During the period, we strengthened our institutional broking services, and continued to operate the largest network of non-bank retail branches in the territory to maintain our extensive coverage of retail customers. Investment seminars hosted/sponsored by us and trading-aided software developed by us were very well received by the public, both in Hong Kong and on the Mainland. Our online services continued to contribute significantly to our broking business as Internet application becomes increasingly popular and our information security control is proven reliable.

Corporate Finance

The performance of the division improved significantly during the period, with a 100% rise in income to HK\$41.1 million and a 80% increase in profit contribution to HK\$12.6 million. During the first half of 2005, we have worked on more than 30 financial advisory transactions and over 20 private placements and underwriting exercises in the secondary market. For the initial public offering market, we have participated in the underwriting syndicates of 11 new issues. Despite a relatively quiet primary market for mid-cap IPO enterprises, we were able to derive higher fee income from providing financial advisory services and added IPO candidates to our listing pipeline.

Margin Financing

Interest income declined by 22% to HK\$29.2 million, resulting in a similar decrease in profit contribution to HK\$14.7 million. Though advances to customers increased by 20% to HK\$945.3 million over the period, the more competitive rates offered to our customers and the pressure on interest margins led to the decline in profitability. A provision of HK\$5.1 million was made for a specific loan account.

Other Investment Services and Activities

The investment market was challenging during the first half of 2005, hence we were conservative in our investment strategies. Taking advantage of our research capability, we continued to identify and accumulate quality investments during market slump and benefited from share prices' appreciation when the market picked up in recent months. We emerged unscathed from the volatile market during the first half of the year because we had focused on stock selection. Our asset management business also achieved solid investment returns during the review period, though the size of our managed funds was somewhat affected by the cautious sentiment on the part of our investors.

Prospects

The uncertainties in oil prices and interest rates persisted during the review period may remain so in the near future. Despite this, activity in the local market soared dramatically in July. The Stock Exchange recorded an average daily turnover of HK\$20.8 billion for the month. The full-year market turnover looks set to exceed the level for 2004 because market sentiment has remained positive. The primary market is expected to be reactivated by the listing of 1-2 major state-owned Chinese banks later this year. The major risks to the market remain to be the sustained rate hikes and an unabated rise in oil prices.

Our established strength in customer coverage and recognised professional services to our customers should enable us to tap business opportunities as and when they arise. We aim to be an integrated financial services provider, covering a wide range of global equity, FX and futures products that are supported by competent online trading platforms. Our strong and liquid financial position should support our margin finance business, which we expect to see increased demand as market activity continues to be brisk. Our corporate finance and investment activities will no doubt benefit more from a bullish market. Meanwhile, a FX trading center has recently been opened in Central and we will open two new branches in convenient locations in the coming months to strengthen our sales services.

Management Discussion and Analysis

In our view, the investment environment may stay positive for the remaining 2005, given the tame inflation outlook for the US economy, the resilient Chinese economy and the continued recovering of the Hong Kong economy. The speculation on the Renminbi revaluation may persist, leading to fund flow into the local market. The firm property prices in the territory demonstrated the strongest ever confidence in the local economy since its prolonged adjustment after 1998.

Our Board continues to be impressed by the great contributions from our dedicated staff members and the firm support from our business partners and stakeholders. We believe we are on track to achieve profit growth for the full year.

By order of the Board

Wong Shiu Hoi, Peter
Managing Director

Hong Kong, 13 September 2005

管理層論述及分析

業績及業務回顧

本集團於二零零五年上半年錄得未經審核股東應佔純利3,030萬港元，較二零零四年同期減少33%。每股盈利為5.2港仙，較去年減少38%，乃由於二零零四年三月發行新股本令已發行股本擴大所致。期內營業額為18,260萬港元，較去年同期減少4%。董事會建議派發中期股息每股2.0港仙，而去年則為4.0港仙。

溢利減少乃由於作出510萬港元額外呆賬撥備及較高稅務撥備所致。除稅及呆賬撥備前溢利僅較去年4,560萬港元輕微跌至4,020萬港元。邊際經營溢利由24%下降至22%。除本集團所取得穩健之財務成就外，集團非常榮幸於年內分別獲亞洲金融及資本雜誌選為最佳證券行及最佳經紀公司，印證業界繼續確認集團之強大市場優勢。

本集團之業務表現仍受本地證券市場之狀況及活動所影響。於二零零五年上半年，聯交所所報每日平均成交僅增加1%至169億港元。撇除佔期內成交16%之衍生認股權證買賣，其他證券之成交較去年下跌5%。另一方面，衍生市場之成交非常活躍。於期貨交易所買賣之期貨合約的每日平均成交增加9%至62,681張，而於聯交所買賣之購股權合約的每日平均成交則增加8%至25,206張。

本地股市於二零零五年上半年之整體表現同時受油價及息率上漲負面影響。代表藍籌股及H股之恒生指數及恒生國企指數分別於回顧期內下跌0.2%及微升2.5%。兩大市場分部受不穩定波幅影響導致呈U形走勢，令長期投資者及短期交易者均難以作出投資決定。一級市場亦相對淡靜，所籌集資金總額較去年減少42%至1,247億港元。

儘管如此，由於國內及本地經濟表現強勁，令本地股票市場獲得支持。七月份股市出現強勁升勢，營業額顯著急升。二零零五年第二季中國實質國民生產總值較去年上升9.5%，維持上一季度9.4%之強勁增長。二零零五年首六個月增幅為9.5%，成績驕人。香港第二季本地生產總值之增幅由上一季度之6.2%擴大至6.8%，令上半年增幅達6.5%，成績令人鼓舞。主要上市公司業績較預期為佳，為近期股票市場回升貢獻額外動力。於七月份，主板及創業板之市值首次達到70,000億港元之新高，相當於本地名義生產總值五倍以上。

業務回顧

股票及期貨經紀

經紀業務收入減少15%至10,290萬港元，導致溢利貢獻降至1,570萬港元。現金市場表現疲弱，導致佣金收入下降。此外，二零零四年同期出現數宗觸目的首次公開招股活動，有助本集團從獲接納首次公開招股申請人中獲得更多佣金收入。首次公開招股活動於二零零五年上半年相對放緩。衍生認股權證買賣日趨活躍，或會分散買賣其他證券投資者的注意力。本集團於期內加強機構經紀業務，並繼續經營香港最大非銀行零售分行網絡，維持廣大的銷售客戶覆蓋面。本集團所舉辦／贊助的投資研討會以及自行開發的協助買賣軟件深受中港兩地用戶歡迎。隨著互聯網應用日漸普及，加上本集團資訊保安監控證實可靠，本集團網上服務繼續為經紀業務帶來龐大貢獻。

企業融資

企業融資業務於期內表現顯著改善，收入及溢利貢獻分別增加100%及80%至4,110萬港元及1,260萬港元。本集團於二零零五年上半年於二手市場進行三十多宗財務顧問交易及二十多項私人配售及包銷活動。於首次公開招股市場方面，本集團參與十一隻新發行股份之承銷財團。儘管中型首次公開招股企業之主要市場較為淡靜，本集團可透過提供財務顧問服務獲取更高費用收入，並為本集團招攬更多首次公開招股客戶。

孖展融資

利息收入減少22%至2,920萬港元，導致溢利貢獻相應減至1,470萬港元。儘管期內向客戶提供之墊款增加20%至94,530萬港元，但向客戶提供更具競爭力之息率及息差受壓導致盈利能力下降。本集團已就一個特定貸款賬戶作出510萬港元撥備。

其他投資服務及業務活動

二零零五年上半年投資市場充滿挑戰，因此本集團採取保守投資策略。本集團善用其研究實力，繼續於市場低迷時物色及累積優質投資，乘近期數月市場重拾升軌之勢，從股價升值中得益。本集團於本年度上半年未受市場波動影響，此乃本集團細意篩選優質股票所致。儘管本集團所管理基金業務某程度上受投資者審慎的投資氣氛所影響，其資產管理業務於回顧期內仍取得穩健的投資回報。

前瞻

油價及息率走勢於回顧期間繼續不明朗，而此狀況於可見將來仍可能持續。儘管如此，本地市場於七月變得非常活躍。聯交所於該月錄得的每日平均成交額達208億港元。由於市場氣氛持續向好，全年市場交投量可望突破二零零四年水平。由於本年較後時間有一至兩家主要中國國有銀行上市，預期一級市場將因而再度活躍。市場主要風險仍為息率持續高企及油價急升。

本集團之優勢在於客戶覆蓋廣泛，加上向客戶提供認可專業服務，應有助我們把握隨時出現之商機。本集團決意成為綜合金融服務供應商，在完善網上交易平台作為後盾下，涵蓋各類環球證券、外匯及期貨產品。本集團強健而高度流通之財務狀況可支持其孖展融資業務，而隨著市場持續活躍，我們預期對此項業務之需求將日益增加。本集團之企業融資及投資業務無疑將從暢旺之市場中得益。與此同時，本集團近期已於中環開設外匯交易中心，並將於未來數月在便利地點內開設兩家新分行，以加強銷售服務。

我們認為，鑑於美國經濟通脹前景轉趨溫和、中國經濟保持強勁以及香港經濟繼續復甦，投資環境於二零零五年可能維持正面。市場對人民幣重估之揣測可能持續，導致資金流入本地市場。本地樓價靠穩，顯示自一九九八年長期調整後對本地經濟之信心已恢復至最高水平。

董事會衷心感謝本集團盡責員工之寶貴貢獻以及業務夥伴及股東之穩固支持。我們認為，本集團全年將可以錄得溢利增長。

承董事會命

黃紹開
董事總經理

香港，二零零五年九月十三日

Financial Review

Financial Performance

Turnover

Turnover of the Group for the six months ended 30 June 2005 was HK\$182.6 million (2004 : HK\$189.6 million). A summary of the turnover from different operations of the Group is set out below:-

	For the six months ended 30 June			
	2005		2004	
	HK\$'000	%	HK\$'000	%
Securities dealing and broking	67,438	36.9	90,119	47.5
Futures dealing and broking	35,076	19.2	30,580	16.2
Interest income	29,151	16.0	37,149	19.6
Corporate finance and advisory	41,086	22.5	20,492	10.8
Bullion contracts dealing and broking	336	0.2	549	0.3
Income earned from the provision of nominee and custodian services	4,117	2.2	3,866	2.0
Fund management	–	0.0	3	0.0
Income from proprietary trading	3,106	1.7	4,578	2.4
Income from leveraged foreign exchange trading	696	0.4	193	0.1
Commission income from the sale of savings plans	1,638	0.9	2,047	1.1
	182,644	100.0	189,576	100.0

Net Profit/(Loss) Attributable to Shareholders

Net Profit attributable to shareholders for the six months ended 30 June 2005 was HK\$30.3 million, compared with a net profit of HK\$45.0 million for the six months ended 30 June 2004.

Treasury Policies

The Group generally finances its operations with internally generated cash flow, bank borrowings and unsecured term loans from independent third parties. Majority of the Group's banking facilities are renewable on a yearly basis and are subject to floating interest rates.

Financial Review

It is the policy of the Group to maintain adequate liquidity at all times to meet its obligations and commitments as and when they fall due. The Group's financial risk management strategies include obtaining substantial standby banking facilities, diversifying the funding sources, spacing out the maturity dates to reduce interest volatility exposure and reviewing capital adequacy ratio from time to time.

The Group's principal operations are transacted and recorded in Hong Kong dollars and the level of foreign currency exposure on non-Hong Kong dollar assets and liabilities is relatively immaterial as compared with its total asset value or outstanding liabilities. Hence, the Group considers that it has no significant exposure to foreign exchange fluctuations.

Liquidity and Financial Resources

The financial position of the Group remained sound and healthy during the review period. At 30 June 2005, the Group's cash balance totalled HK\$237.2 million, compared with HK\$258.1 million as at the beginning of the period. Cash held on behalf of customers stood at HK\$1,145.9 million, slightly declined from HK\$1,226.1 million as at 31 December 2004. The current ratio was healthy at 1.43 times.

As at 30 June 2005, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 40%, up from 20% as at 31 December 2004. Higher gearing resulted from increase in borrowings, which are mainly used to finance the increased margin loans. All borrowings are of short-term maturities at floating interest rates. Bank and other borrowings totalled HK\$397.6 million (31 December 2004: HK\$194.2 million), against total margin loans of HK\$936.5 million (31 December 2004: HK\$772.4 million). The ratio of interest income to interest expense was 5.44 times, compared with 10.45 times for the last reference period. The decline was mainly due to increase in interest rates and bank borrowings to finance the margin loans.

Our operating cash flow remains adequate for financing our recurrent working capital requirements. Besides, the Group has unutilised banking facilities of HK\$1.01 billion, while our capital commitments are minimal. The Group's assets and liabilities are substantially denominated in Hong Kong dollars, so our foreign exchange exposure is immaterial. Except for the guarantees provided to the banks for securing normal banking facilities for our subsidiaries, the Company has no other significant contingent liabilities.

Capital Structure

During the period, the Company made share repurchases of a total of 1,480,000 shares of the Company on The Stock Exchange of Hong Kong Limited to enhance the net asset value of the Company. As at 30 June 2005, the total issued share capital of the Company stood at HK\$58.4 million, comprising 583,773,699 shares of HK\$0.10 each.

Material Acquisition and Disposal of Subsidiaries and Associated Companies

There was no material acquisition or disposal of subsidiaries and associated companies by the Group for the period.

Employees

The Group's total staff costs for the six months ended 30 June 2005, which excluded commissions paid to commission-based staff, amounted to HK\$57.9 million, representing a rise of slightly over 9% from HK\$53.0 million for last reference period. As at 30 June 2005, the Group employed a total of 419 (December 2004 : 417) permanent staff of which 108 (December 2004: 108) were commission-based staff.

Financial Review

Risk Management

The Group also adopts very stringent risk management policies and monitoring systems to contain exposure associated with credit, liquidity, market and IT systems in all its major operations.

Credit Risk

The Credit Committee has appointed a group of authorised persons who are charged with the responsibility of approving credit limit of each customer. The Committee is responsible for approval of stock acceptable for margin lending at a specified ratio. The approved stock list is updated quarterly, and will be revised as and when deemed necessary by the Committee. The Committee will prescribe from time to time lending limits on individual stocks or on an individual customer and his/her associates.

The Credit Control Department is responsible for making margin calls to customers whose trades exceed their respective limits. Any such excess is required to be made good within 2 days for securities and the next day for futures of the deficiency report. The deficiency report will be monitored daily by the Group's finance director and responsible officers. Failure to meet margin calls will result in the liquidation of the customer's positions.

Liquidity Risk

The Group's operating units are subject to various statutory liquidity requirements as prescribed by the authorities. The Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the relevant Financial Resources Rules.

As a safeguard, the Group has maintained very substantial stand-by banking and other facilities to meet any contingency in its operations. Even in periods of high market volatility, the management believes the Group's working capital is adequate to meet its financial obligations.

Market Risk

If the stock prices of a margin customer's portfolio drop below the margin limit and the customer fails to meet margin calls, the Group will be exposed to the defaulter's liabilities. When stock prices come down, these may affect the value of the Group's proprietary trading portfolio. Any loss incurred will be charged direct to the Group's profit and loss account. The Group's exposure to underwriting commitments will also be affected if the prices of the underlying stocks come down.

The Group has adopted an investment policy to cap its proprietary trading and exposed underwriting commitments as follow:-

- For proprietary trading
 - total investment exposure of both short term and long term investments should not exceed 25% of the Group's NAV and the maximum exposure limit for short term investment is capped at HK\$100,000,000
- For exposed underwriting commitments
 - underwriting limit per issue should not exceed 25% of the Group's NAV

Such policy may be varied at the discretion of the Board.

Financial Review

Operational Risk

Systems are installed to monitor availability and performance of various IT systems and a vigilance team will act and report to senior management in accordance with laid-down procedures in the event of disruption, instability and other situations which may warrant to trigger contingency procedure to protect interests of clients.

Taking into account of the changing regulatory environment, the Group has maintained and constantly updated its operation manuals of its major operations. We have also put in place competent compliance, internal audit and quality assurance teams with their respective aims at detecting systemic risks and recommending policy changes; carrying out checks on statutory compliance and Company's rules and regulations; and implementing ongoing checks and verification of satisfaction rate of Company's prescribed service pledge and standards.

Insurable Risk

Other than the abovementioned stringent risk management policies and monitoring systems, the Group has taken up a wide variety of insurance policies to cover its insurable risks associated with its Hong Kong, Macau and PRC businesses.

財務回顧

財務業績

營業額

本集團截至二零零五年六月三十日止六個月營業額為18,260萬港元（二零零四年：18,960萬港元）。本集團各部業務營業額概列如下：

	截至六月三十日止六個月			
	二零零五年		二零零四年	
	千港元	%	千港元	%
證券買賣及經紀業務	67,438	36.9	90,119	47.5
期貨買賣及經紀業務	35,076	19.2	30,580	16.2
利息收入	29,151	16.0	37,149	19.6
企業融資及顧問業務	41,086	22.5	20,492	10.8
貴金屬合約買賣及經紀業務	336	0.2	549	0.3
提供代理人及保管				
服務收入	4,117	2.2	3,866	2.0
基金管理	—	0.0	3	0.0
自營買賣收入	3,106	1.7	4,578	2.4
槓桿外匯交易	696	0.4	193	0.1
銷售儲蓄計劃之佣金收入	1,638	0.9	2,047	1.1
	182,644	100.0	189,576	100.0

股東應佔純利／（淨虧損）

截至二零零五年六月三十日止六個月的股東應佔純利為3,030萬港元，而截至二零零四年六月三十日止六個月純利則為4,500萬港元。

財務政策

本集團的業務活動資金一般來自內部現金流量、銀行借貸及獨立第三者提供的無抵押有期貨款。本集團的銀行借貸大部分均為每年更新一次並為浮息貸款。

本集團的一貫政策是經常保持充足的流動資金，以在有需要時應付各種付款責任與承擔。本集團的財務風險管理策略包括取得充裕的銀行備用額、發掘多元化資金來源、分散貸款到期日以減少利率波動所帶來的風險、以及不時檢討資本充足率。

本集團的主要業務均以港元交易及記錄，相對於其總資產值或未償還債項而言，其非港元資產與負債的外匯風險僅屬微不足道，因此本集團認為，外匯浮動對本集團並不構成任何重大風險。

流動資金及財務資源

於回顧期間，本集團繼續保持穩健良好的財政狀況。於二零零五年六月三十日，本集團的現金結存總額達23,720萬港元，較期初的25,810萬港元略為減少。代客戶持有的現金維持於114,590萬港元，二零零四年十二月三十一日則為122,610萬港元。流動比率為1.43倍。

於二零零五年六月三十日，本集團的資本負債率（以總借貸佔總股東權益百分比為基準計算）為40%，較二零零四年十二月三十一日的20%有所上升。資本負債率上升乃由於借貸增加。所有借貸均為短期浮息借貸，主要用於孖展借貸業務。銀行及其他借貸總額為39,760萬港元（二零零四年十二月三十一日：19,420萬港元），孖展借貸總額則為93,650萬港元（二零零四年十二月三十一日：77,240萬港元）。利息收入與利息開支比率為5.44倍，去年同期則為10.45倍。造成此下跌乃主要由於利率及用於孖展借貸之銀行貸款上升。

來自經營業務的現金流量足以應付集團經常性的營運資金需求。此外，本集團未動用銀行融資額達10.1億港元，而資本承擔則微不足道。本集團的資產及負債絕大部分以港元為單位，故外匯風險亦微不足道。除為附屬公司取得一般銀行貸款而提供擔保外，本公司別無其他重大或然負債。

資本結構

期內，本公司於香港聯合交易所有限公司購回本公司股份合共1,480,000股，藉以提升本公司的資產淨值。於二零零五年六月三十日，本公司的已發行股本為583,773,699股，每股面值0.10港元，總值5,840萬港元。

重大收購及出售附屬公司及聯營公司

期內，本集團並無進行重大收購或出售附屬公司及聯營公司。

僱員

截至二零零五年六月三十日止六個月，本集團的總員工成本（不包括支付予佣金制員工的佣金）為5,790萬港元，較去年同期之5,300萬港元輕微上升9%。於二零零五年六月三十日，本集團共聘用419名（二零零四年十二月：417名）全職員工，其中108名（二零零四年十二月：108名）為佣金制員工。

風險管理

本集團亦採納非常嚴謹之風險管理政策及監察系統，以控制所有主要業務的信貨、流動資金、市場及資訊科技系統的相關風險。

信貸風險

信貸委員會委任若干獲授權人士，負責批核每位客戶之信貸限額。該委員會亦負責就指定比率孖展貸款批核可接納之股份。獲批准之股份名單每季更新一次，並於委員會認為有需要時作出修訂。委員會將不時訂定個別股份或個別客戶及其聯繫人士之貸款限額。

信貸控制部門負責向買賣超出限額之客戶發出孖展補倉通知。任何超出數額之證券均須於虧絀報告發出兩日內完成補倉，而期貨則須於下一日內完成，虧絀報告由本集團財務董事及負責人員每日監察。未能補倉之證券及期貨客戶將被斬倉。

財務回顧

流動資金風險

本集團之營業單位須符合監管機構所規定之各項法定流動現金規定。本集團已設立監管系統，以確保維持充裕之流動資金，支付其業務承諾所需，及遵守有關之財政資源規則。

為審慎起見，本集團備有充裕之備用銀行信貸及其他貸款設施，以應付營運上之任何緊急需要。管理層相信，即使市況極度波動，本集團之營運資金亦足以應付其財政承擔。

市場風險

倘孖展客戶投資組合之股份價格跌穿孖展限額，而該客戶又未能補倉，則本集團須承受違約者負債之風險。每當股份價格下跌，本集團之自營買賣組合之價值亦會受到影響，任何虧損將直接從本集團之損益賬扣除，而且股價下跌時，本集團於包銷承擔項目之風險亦會增加。

本集團已採納有關投資政策，為自營買賣組合及包銷承擔項目設定上限：—

- 自營買賣
 - 短期及長期投資金額不超過本集團資產淨值25%，短期投資最高限額為1億港元
- 包銷承擔
 - 每宗發行包銷限額不超過本集團資產淨值25%

此等政策可由董事會酌情修訂。

運作風險

本集團已安裝系統，用以監控各個資訊科技系統的可用性及運作，如有系統中斷、不穩定及可能需要啟動緊急程序的其他情況，監察隊伍即會依照既定程序採取行動，並向高級管理層匯報，以保障客戶利益。

為配合監管環境的轉變，本集團一直設置及定期更新主要業務的運作手冊。我們在監察、內部審計及質量保證方面亦由經驗豐富的專才負責，目的分別為偵察系統性風險及提呈政策轉變；對法規及公司內部規條的遵守作出評審；及不時就客戶對公司之服務承諾及水準的滿意程度，作出審查及核定。

可保風險

除上述嚴格的風險管理政策及監察系統外，本集團亦已購買不同類別的保險，為其於香港、澳門及中國的業務所涉及的可保風險，提供保障。

Condensed Consolidated Profit and Loss Account

簡明綜合損益表

		For the six months ended 30 June		
		截至六月三十日止六個月		
		2005	2004	
		二零零五年	二零零四年	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Notes 附註			
TURNOVER	營業額	2	182,644	189,576
Other revenue	其他收入		8,797	1,475
Unrealised losses on revaluation of financial assets at fair value through profit or loss, net	重估按公平值計入損益之金融資產之未兌現虧損淨額		(3,305)	(5,569)
Gain on disposal of a long term investment	出售長期投資之收益		-	3,150
Staff costs:	員工成本:			
Salaries and allowance, bonuses and pension scheme contributions	薪酬及佣金、花紅及退休金計劃供款		(57,886)	(52,963)
Commission to accounts executives	客戶主任佣金		(20,773)	(26,493)
Other commission expenses and exchange fees	其他佣金開支及交易所收費		(9,089)	(7,157)
Provision for doubtful debts	呆賬撥備		(5,138)	-
Interest expense for securities broking and margin financing operations	經營證券經紀及孖展借貸業務之利息開支		(5,599)	(3,624)
Depreciation	折舊		(9,002)	(9,032)
Other operating expenses	其他經營開支		(46,057)	(43,925)
Share of profits of jointly-controlled entities	應佔共同控制實體之溢利		492	165
PROFIT BEFORE TAX	除稅前溢利	3	35,084	45,603
Tax	稅項	4	(4,791)	(591)
PROFIT FOR THE PERIOD	期內溢利		30,293	45,012
ATTRIBUTABLE TO:	應佔:			
Equity holders of the parent	母公司股本持有人		30,293	45,012
EARNINGS PER SHARE	每股盈利	5		
- Basic	- 基本		HK5.18 cents港仙	HK8.39 cents港仙
- Diluted	- 攤薄		N/A不適用	HK8.28 cents港仙
DIVIDEND PER SHARE	每股股息	6	HK2 cents港仙	HK4 cents港仙

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	Notes 附註		
NON-CURRENT ASSETS	非流動資產		
Fixed assets	固定資產	38,676	37,520
Intangible assets	無形資產	4,202	4,609
Other assets	其他資產	11,904	10,801
Interests in jointly-controlled entities	於共同控制實體之權益	4,452	4,498
Available-for-sale investments/long term investments	可供出售投資／長期投資	78,228	88,357
Deferred tax assets	遞延稅項資產	2,606	3,099
Deposit for purchases of fixed assets	購置固定資產之按金	1,936	-
Total non-current assets	非流動資產總額	142,004	148,884
CURRENT ASSETS	流動資產		
Advances to customers	給予客戶之墊款	945,261	789,121
Accounts receivable	應收賬款	428,109	257,594
Other receivables	其他應收賬款	24,295	24,133
Due from related companies	應收關連公司款項	506	709
Tax recoverable	可收回稅項	1,082	17,644
Financial assets at fair value through profit or loss/short term investments	按公平值透過溢利或虧損之金融資產／短期投資	38,559	30,803
Cash held on behalf of customers	代客戶持有之現金	1,145,945	1,266,131
Cash and bank balances	現金及銀行結存	237,214	258,132
Total current assets	流動資產總值	2,820,971	2,644,267
CURRENT LIABILITIES	流動負債		
Accounts payable	應付賬款	1,527,537	1,517,396
Tax payable	應付稅項	9,746	1,407
Other payables and accruals	其他應付賬款及應計負債	33,955	35,798
Due to related companies	應付關連公司款項	298	56,876
Interest-bearing bank and other borrowings	計息銀行貸款及其他借款	397,635	194,262
Total current liabilities	流動負債總額	1,969,171	1,805,739
NET CURRENT ASSETS	流動資產淨額	851,800	838,528
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	993,804	987,412
NON-CURRENT LIABILITIES	非流動負債		
Deferred tax liabilities	遞延稅項負債	(469)	(455)
		993,335	986,957
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	58,377	58,525
Reserves	儲備	923,290	916,727
Dividend	股息		
Interim	中期	11,668	-
Proposed final	建議末期	-	11,705
		993,335	986,957

Lo Lin Shing, Simon
魯連城
Director
董事

Wong Shiu Hoi, Peter
黃紹開
Director
董事

Condensed Consolidated Statement of Changes in Equity

簡明綜合股本權益變動表

		Issued share capital 已發行 股本 (Unaudited) (未經審核) HK\$'000 千港元	Share premium account 溢價賬 (Unaudited) (未經審核) HK\$'000 千港元	Capital redemption reserve 贖回儲備 (Unaudited) (未經審核) HK\$'000 千港元	Contributed surplus 繳入盈餘 (Unaudited) (未經審核) HK\$'000 千港元	Capital reserve 資本儲備 (Unaudited) (未經審核) HK\$'000 千港元	Investment revaluation reserve 投資 重估儲備 (Unaudited) (未經審核) HK\$'000 千港元	Exchange fluctuation reserve 匯兌 波動儲備 (Unaudited) (未經審核) HK\$'000 千港元	Retained profits 保留溢利 (Unaudited) (未經審核) HK\$'000 千港元	Proposed dividend 擬派股息 (Unaudited) (未經審核) HK\$'000 千港元	Total 合計 (Unaudited) (未經審核) HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	47,240	406,368	2,130	2,993	45,501	(22,736)	(20)	329,637	11,339	822,452
Changes in equity for the six months ended 30 June 2004:	截至二零零四年六月三十日止六個月之股本變動:										
Change in fair value of available-for-sale investments	可供出售投資之公平價值變動	-	-	-	-	-	450	-	-	-	450
Transfer to profit and loss account on disposal	出售時轉往損益賬	-	-	-	-	-	(3,150)	-	-	-	(3,150)
Exchange realignment	匯兌調整	-	-	-	-	-	-	(13)	-	-	(13)
Net income recognised directly in equity	直接於股本確認之淨收入	-	-	-	-	-	(2,700)	(13)	-	-	(2,713)
Profit for the period	期內溢利	-	-	-	-	-	-	-	45,012	-	45,012
Total recognised income and expense for the period	期內已確認收入及開支總額	-	-	-	-	-	(2,700)	(13)	45,012	-	42,299
Final 2003 dividend declared	已宣派二零零三年末期股息	-	-	-	-	-	-	-	-	(11,339)	(11,339)
Issue of shares	發行股份	9,988	107,726	-	-	-	-	-	-	-	117,714
Share issue expenses	發行股份費用	-	(116)	-	-	-	-	-	-	-	(116)
Interim 2004 dividend	二零零四年中期股息	-	-	-	-	-	-	-	(22,843)	22,843	-
At 30 June 2004	於二零零四年六月三十日	57,228	513,978	2,130	2,993	45,501	(25,436)	(33)	351,806	22,843	971,010
At 1 January 2005	於二零零五年一月一日	58,525	523,682	2,670	2,453	45,501	(22,715)	(30)	365,166	11,705	986,957
Changes in equity for the six months ended 30 June 2005:	截至二零零五年六月三十日止六個月之股本變動:										
Change in fair value of available-for-sale investments	可供出售投資之公平價值變動	-	-	-	-	-	(10,671)	-	-	-	(10,671)
Exchange realignment	匯兌調整	-	-	-	-	-	-	1	-	-	1
Net income recognised directly in equity	直接於股本確認之淨收入	-	-	-	-	-	(10,671)	1	-	-	(10,670)
Profit for the period	期內溢利	-	-	-	-	-	-	-	30,293	-	30,293
Total recognised income and expense for the period	期內已確認收入及開支總額	-	-	-	-	-	(10,671)	1	30,293	-	19,623
Final 2004 dividend declared	已宣派二零零四年末期股息	-	-	-	-	-	-	-	-	(11,705)	(11,705)
Repurchase and cancellation of shares	購回及註銷股份	(148)	(1,392)	-	-	-	-	-	-	-	(1,540)
Transfer to capital redemption reserve of the nominal value of shares repurchased	所購回股份面值轉往資本贖回儲備	-	-	148	(148)	-	-	-	-	-	-
Interim 2005 dividend	二零零五年中期股息	-	-	-	-	-	-	-	(11,668)	11,668	-
At 30 June 2005	於二零零五年六月三十日	58,377	522,290	2,818	2,305	45,501	(33,386)	(29)	383,791	11,668	993,335

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

For the six months
ended 30 June
截至六月三十日止六個月

		2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元
NET CASH INFLOW/(OUTFLOW) FROM:	現金流入／(流出)淨額來自：		
OPERATING ACTIVITIES	經營活動	(61,515)	(63,295)
INVESTING ACTIVITIES	投資活動	(10,354)	(24,023)
FINANCING ACTIVITIES	融資活動	(1,540)	117,597
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之增加／(減少)	(73,409)	30,279
Cash and cash equivalents at beginning of period	期初現金及現金等值項目	238,300	119,198
Cash and cash equivalents at end of period	期末現金及現金等值項目	164,891	149,477
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結餘分析		
Cash and bank balances	現金及銀行結存	237,214	149,477
Bank overdrafts	銀行透支	(72,323)	-
		164,891	149,477

Notes to the Condensed Financial Statements

簡明財務報表附註

1. Accounting Policies

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. The accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2004, except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) that affect the Group and are adopted for the first time for the current period’s financial statements:

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 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
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 31	Interests in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 34	Interim Financial Reporting
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payment
HKFRS 3	Business Combinations

1. 會計政策

未經審核簡明綜合中期財務報表乃按照香港會計準則（「香港會計準則」）第34號「中期財務報告」而編製。除下列新頒佈及經修訂之香港財務報告準則（「香港財務報告準則」，當中亦包括香港會計準則及詮釋）影響本集團及於本期間財務報表首次採採用外，編製中期財務報表所採納之會計政策及編製基準與編製截至二零零四年十二月三十一日止年度全年財務報表所採納者相同：

香港會計準則第1號	財務報表呈報
香港會計準則第7號	現金流量表
香港會計準則第8號	會計政策、會計預計項目變動及錯誤更正
香港會計準則第10號	結算日後事項
香港會計準則第12號	所得稅
香港會計準則第14號	分類呈報
香港會計準則第16號	物業、廠房及設備
香港會計準則第17號	租賃
香港會計準則第18號	收入
香港會計準則第19號	僱員福利
香港會計準則第21號	外幣匯率變動之影響
香港會計準則第23號	借貸成本
香港會計準則第24號	關連人士之披露
香港會計準則第27號	綜合及獨立財務報表
香港會計準則第31號	於合營公司之權益
香港會計準則第32號	金融工具：披露及呈列
香港會計準則第33號	每股盈利
香港會計準則第34號	中期財務報告
香港會計準則第36號	資產減值
香港會計準則第37號	撥備、或然負債及或然資產
香港會計準則第38號	無形資產
香港會計準則第39號	金融工具：確認及計量
香港財務報告準則第2號	股份付款
香港財務報告準則第3號	業務合併

1. Accounting Policies (continued)

The adoption of HKASs 1, 7, 8, 10, 12, 14, 16, 17, 18, 19, 21, 23, 24, 27, 31, 33, 34, 37 and 38 has no material impact on the accounting policies of the Group and the methods of computation in the Group's condensed consolidated financial statements. The impact of adopting the other HKFRSs is summarised as follows:

(a) HKAS 32 and HKAS 39 – Financial Instruments

Equity securities

In prior periods, the Group classified its investments in equity securities as long term investments which were held for non-trading purposes and were stated at their fair values on the basis of their quoted market prices at the balance sheet date or at their estimated fair values.

Upon the adoption of HKASs 32 and 39, these securities are classified as available-for-sale investments. Available-for-sale investments are those non-derivative investments in listed and unlisted equity securities that are designated as available-for-sale or are not classified in any of the other categories of financial assets as defined in HKAS 39. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include reference to the current market value of another instrument which is substantially the same.

When the fair value of unlisted equity securities cannot be reliably measured because the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost.

The Group assesses at each balance sheet date whether there is any objective evidence that an available-for-sale investment is impaired as a result of one or more events that occurred after the initial recognition of the assets ("loss events"), and that the loss event has an impact on the estimated future cash flows that can be reliably estimated.

1. 會計政策 (續)

採納香港會計準則第1、7、8、10、12、14、16、17、18、19、21、23、24、27、31、33、34、37及38號對本集團之會計政策及本集團之簡明綜合財務報表之計算方法並無重大影響。採納其他香港財務報告準則之影響概述如下：

(a) 香港會計準則第32號及香港會計準則第39號—金融工具

股本證券

於過往期間，本集團將其股本證券投資分類為持作非買賣用途之長期投資，按其於結算日所報市價以公平值或其估計公平值列賬。

採納香港會計準則第32號及第39號後，上述證券分類為可供出售投資。可供出售投資指於指明為可供買賣用途或未歸類為香港會計準則第39號所界定金融資產任何其他類別之上市及非上市股本證券非衍生投資。經初步確認後，持作出售投資按公平值計量，收益或虧損確認為股本權益之獨立成分，直至該項投資被出售、收回或以其他方式處置為止，或直至該項投資被斷定已減值為止，屆時先前申報之累計收益或虧損將列入損益表內。

在有序金融市場中活躍交投之投資的公平值乃參照結算日營業時間結束時市場買入報價而釐定。至於並無活躍市場之投資，其公平值乃採用估值法釐定。該等方法包括參照其他大致相同之工具的現值市價。

倘非上市股本證券公平值因無法合理評定範圍內若干估算之或然機會率及用以估計公平值，則此等證券將按成本列帳。

本集團將於各結算日評估是否存在任何客觀證據，顯示可供出售投資因初步確認資產後發生之一次或多次事件而減值（「虧損事件」），而虧損事件對估計日後能可靠估計之現金流量影響。

1. Accounting Policies (continued)

(a) HKAS 32 and HKAS 39 – Financial Instruments (continued)

Equity securities (continued)

If there is objective evidence of impairment, the cumulative loss that had been recognised directly in equity shall be removed from equity and recognised in the profit and loss account. The amount of the loss recognised in the profit and loss account shall be the difference between the acquisition cost and current fair value, less any impairment loss on that available-for-sale investment previously recognised in the profit and loss account.

The adoption of HKASs 32 and 39 does not have any significant impact on the Group's condensed consolidated interim financial statements in respect of the recognition and measurement of these securities.

(b) HKFRS 2 – Share-based Payment

In prior periods, no recognition and measurement of share-based transactions in which employees (including directors) were granted share options over shares in the Company was required until such options were exercised by employees, at which time the share capital and share premium were credited with the proceeds received.

Upon the adoption of HKFRS 2, when employees (including directors) render services as consideration for equity instruments ("equity-settled transactions"), the cost of the equity-settled transactions with employees is measured by reference to the fair value at the date at which the instruments are granted. The fair value is determined by using an option pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit and loss account for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

1. 會計政策 (續)

(a) 香港會計準則第32號及香港會計準則第39號—金融工具 (續)

股本證券 (續)

倘存有減值之客觀證據，曾於股本中直接確認之累計虧損將自股本權益中除去，改於損益表中確認。在損益表中確認之虧損金額，相當於收購成本與現時公平值之差額減先前在損益表中確認之任何持作出售投資減值虧損。

採納香港會計準則第32號及第39號對本集團之簡明綜合中期財務報表內有關確認及計量該等證券並無重大影響。

(b) 香港財務報告準則第2號—股份付款

於過往期間，在僱員（包括董事）行使購股權前，僱員獲授之本公司購股權所涉及以股份為基準之交易不予確認及計量，而該等購股權在行使後所得款項將入作股本及股份溢價。

採納香港財務報告準則第2號後，當僱員（包括董事）提供服務作為股本工具之代價（「股本結算交易」），與僱員進行股本結算交易之成本乃參考授出金融工具當日之公平值計算。該公平值乃由購股權價格模式釐定。對股本結算交易進行估值時，並不會計及任何表現條件，惟與本公司股份價格相關之條件除外（如適用）。

股本結算交易之成本連同股本之相應升幅會於達致表現及／或服務條件之期間確認，直至相關僱員完全享有該報酬之日（「歸屬日」）為止。由各結算日直至歸屬日就股本結算交易確認之累積支出反映歸屬期屆滿時之支出，以及本集團最佳估計將最終歸屬之股本項目。期內於損益表扣除或計入之項目指於期初及期終確認之累計支出變動。

1. Accounting Policies (continued)

(b) HKFRS 2 – Share-based Payment (continued)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

The Group has applied the transitional provisions not to apply the accounting provisions of HKFRS 2 as the Group's share option scheme vested before HKFRS 2 became effective.

(c) HKFRS 3 – Business Combinations and HKAS 36 – Impairment of Assets

In prior periods, goodwill arising on acquisitions prior to 1 January 2001 was eliminated against consolidated capital reserve in the year of acquisition and was not recognised in the profit and loss account until disposal or impairment of the acquired business. Goodwill arising on acquisitions on or after 1 January 2001 is capitalised and amortised on the straight-line basis over its estimated useful life and is subject to impairment testing when there is any indication of impairment.

Upon the adoption of HKFRS 3 and HKAS 36, goodwill arising on acquisitions is no longer amortised but subject to an annual impairment review (or more frequently if events or changes in circumstances indicate that the carrying value may be impaired). Any impairment loss recognised for goodwill is not reversed in a subsequent period.

The transitional provisions of HKFRS 3 have required the goodwill previously eliminated against consolidated capital reserve remains eliminated against consolidated capital reserve and is not recognised in the profit and loss account when all or part of the business to which the goodwill relates is disposed of or when a cash-generating unit to which the goodwill relates becomes impaired.

The adoption of HKFRS 3 and HKAS 36 does not have any significant impact on the Group's condensed consolidated interim financial statements.

1. 會計政策 (續)

(b) 香港財務報告準則第2號—股份付款 (續)

尚未完全歸屬之報酬不會確認為支出，除非報酬須待某項市況達成後方可歸屬，則該情況下不論是否達到該市況均會視作歸屬處理，惟其他所有表現條件須已達成。

未行使購股權之攤薄影響將反映為計算每股盈利時之額外股份攤薄效應。

由於本集團之購股權計劃已於香港財務報告準則第2號生效前歸屬，故本集團採納過渡條文不應用香港財務報告準則第2號之會計規定。

(c) 香港財務報告準則第3號—業務合併及香港會計準則第36號—資產減值

在過往期間，於二零零一年一月一日前進行收購所產生商譽乃與收購年度綜合股本儲備對銷，且不會於損益表中確認，直至所收購業務被出售或減值為止。於二零零一年一月一日或以後所進行收購產生之商譽均撥作資產，並按其估計可使用年度以直線法攤銷，如出現任何減值跡象，須進行減值測試。

採納香港財務報告準則第3號及香港會計準則第36號後，收購所產生商譽將不會攤銷，惟須按年檢討減值（或倘有事件或情況變動顯示賬面值可能減損，則進行更頻密之檢討）。任何就商譽確認之減值虧損不會於其後期間撥回。

香港財務報告準則第3號之過渡條文規定，先前與綜合股本儲備對銷之商譽仍用作與綜合股本儲備對銷，倘與有關商譽相關之業務全部或其中部分被出售，或與有關商譽相關之現金產生單位出現減值，將不會於損益表確認該等商譽。

採納香港財務報告準則第3號及香港會計準則第36號不會對本集團之簡明綜合中期財務報表造成任何重大影響。

2. Segment Information

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the services they provide. Each of the Group's business segments represents a strategic business unit that offers services which are subject to risks and returns that are different from those of other business segments. Summary details of the business segments are as follows:

- (a) the broking segment engages in securities, futures, options, leveraged foreign exchange and bullion contracts broking and dealing;
- (b) the margin financing and money lending segment engages in the provision of margin financing to margin customers, and personal loans and commercial loans to individuals and corporate customers, respectively;
- (c) the corporate advisory, placing and underwriting segment engages in the provision of corporate advisory, placing and underwriting services;
- (d) the trading and investment segment engages in investment holding and proprietary trading of securities, futures, options, leveraged foreign exchange and gold bullion contracts; and
- (e) the other segment comprises fund management, the provision of custodian and handling services, and the sale of savings plans.

In determining the Group's geographical segments, revenues and results are attributed to the segments based on the location of the customers.

Intersegment transactions are conducted with reference to the prices charged to third parties.

2. 分部資料

本集團之經營業務乃根據其營運性質及所提供服務分開組織及管理。本集團旗下各業務分部均為提供服務之策略業務單位，其服務所承受風險及回報有別於其他業務分部。有關業務分部之詳情概述如下：

- (a) 經紀業務，乃從事證券、期貨、期權、槓桿外匯及貴金屬合約之經紀及買賣服務；
- (b) 孖展借貸及貸款業務，乃從事向孖展客戶提供孖展借貸及向個人及公司客戶提供私人及商業借貸；
- (c) 企業諮詢、配售及包銷業務，乃從事有關企業諮詢、配售及包銷服務；
- (d) 買賣及投資業務，乃從事投資控股以及證券、期貨、期權、槓桿外匯及貴金屬合約之自營買賣；及
- (e) 其他業務，包括基金管理、提供代理人及保管服務以及儲蓄計劃銷售業務。

在釐定本集團之地區分部時，收入及業績分別按客戶所在地分配於各分部。

各分部間之交易乃參照向第三方收取之價格而進行。

Notes to the Condensed Financial Statements
簡明財務報表附註

2. Segment Information (continued)

(a) Business segments

The following table presents revenue and profit/(loss) for the Group's business segments.

	Broking 經紀業務		Margin financing and money lending 孖展借貸 及貸款		Corporate advisory, placing and underwriting 企業諮詢、 配售及包銷		Trading and investment 買賣及投資		Others 其他		Eliminations 撇銷		Consolidated 綜合	
	For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月		For the six months ended 30 June 截至六月三十日止六個月	
	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元
Segment revenue: 分部收入:														
Sales to external customers 銷售予外來客戶	102,851	121,248	29,151	37,149	41,086	20,492	3,802	4,771	5,754	5,916	-	-	182,644	189,576
Intersegment sales 各分部間之銷售	97	354	3,105	2,618	-	-	-	-	-	-	(3,202)	(2,972)	-	-
Total 總計	102,948	121,602	32,256	39,767	41,086	20,492	3,802	4,771	5,754	5,916	(3,202)	(2,972)	182,644	189,576
Segment results 分部業績	15,693	23,834	14,671	18,725	12,621	7,023	(2,369)	1,999	(82)	557	-	-	40,534	52,138
Unallocated expenses 未分配開支													(5,942)	(6,700)
Share of profits of jointly-controlled entities 應佔共同控制實體之溢利													492	165
Profit before tax 除稅前溢利													35,084	45,603
Tax 稅項													(4,791)	(591)
Profit for the period 期內溢利													30,293	45,012

(b) Geographical segment

No geographical analysis is presented as over 90% of the Group's revenue and results are derived from activities in Hong Kong.

2. 分部資料 (續)

(a) 業務分部

下表載列本集團業務分部之收入及溢利／(虧損)。

(b) 地區分部

由於本集團逾90%之收入及業績皆源於香港業務，故並無呈列地區分析。

3. Profit Before Tax

Profit before tax is arrived at after charging/(crediting):

3. 除稅前溢利

除稅前溢利乃扣減／(計入)下列各項後得出：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2005	2004
		二零零五年	二零零四年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation	折舊	9,002	9,032
Amortisation of intangible assets	無形資產之攤銷	407	406
Staff costs (including directors' remuneration):	員工成本(包括董事酬金):		
Salaries and allowances	薪酬及佣金	51,484	47,228
Bonuses	花紅	2,797	3,155
Commission to accounts executives	客戶主任佣金	20,773	26,493
Net pension scheme contributions	退休金計劃供款淨額	3,605	2,580
		78,659	79,456
Profit on trading of securities	買賣證券之溢利	(1,361)	(1,648)
Loss/(profit) on trading of futures contracts	買賣期貨合約之虧損／(溢利)	(604)	602
Provision for doubtful debts	呆賬撥備	5,138	-
Interest expense for securities broking and margin financing operations:	經營證券經紀及孖展借貸業務之利息開支:		
On bank loans and overdrafts	銀行貸款及透支	4,940	3,266
On other loans	其他貸款	659	358

4. Tax

4. 稅項

		For the six months ended 30 June 截至六月三十日止六個月	
		2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元
Current – Hong Kong:	本期－香港：		
Charges for the period	期內稅項	5,606	1,279
Overprovision in prior years	過往年度超額撥備	(1,367)	–
Current – Mainland China	本期－中國大陸	45	20
Deferred	遞延	507	(708)
Total tax charge for the period	期內稅項支出總額	4,791	591

Hong Kong profits tax for the period has been provided at a rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

期內香港利得稅乃就期內在香港產生之估計應課稅溢利按稅率17.5%（二零零四年：17.5%）撥備。在其他地區之應課稅溢利乃根據本集團經營業務國家的現行法例、詮釋及慣例，按當地之現行稅率計算。

5. Earnings Per Share

The calculation of basic earnings per share is based on the unaudited profit attributable to equity holders of the parent of HK\$30,293,000 (six months ended 30 June 2004: HK\$45,012,000), and the weighted average of 584,772,086 (six months ended 30 June 2004: 536,250,106) ordinary shares in issue during the period.

5. 每股盈利

每股基本盈利乃根據期內未經審核母公司股本持有人應佔溢利30,293,000港元（截至二零零四年六月三十日止六個月：45,012,000港元）以及期內已發行普通股之加權平均數584,772,086股（截至二零零四年六月三十日止六個月：536,250,106股）計算。

Diluted earnings per share for the period has not been disclosed as the outstanding share options have no dilutive effects on the basic earnings per share for the period, as their exercise price was above the average market price of the Company's shares during the period.

鑑於尚未行使購股權因其行使價高於期內本公司股份之平均市價而對期內每股基本盈利並無攤薄影響，故該期間並無呈列每股攤薄盈利。

The calculation of diluted earnings per share for the prior period was based on the unaudited profit attributable to equity holders of the parent of HK\$45,012,000. The weighted average of ordinary shares used in the calculation was the 536,250,106 ordinary shares in issue during that period, as used in the basic earnings per share calculation, and the weighted average of 7,175,736 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding during that period.

過往期間的每股攤薄盈利，乃根據未經審核母公司股本持有人應佔溢利45,012,000港元計算。計算時所採納普通股加權平均數為536,250,106股（與計算每股基本盈利所採納者相同）及假設普通股加權平均數7,175,736股已於期內因全部尚未行使購股權被視為已行使按零代價發行。

6. Dividend

At a meeting of the board of directors held on 13 September 2005, the directors resolved to pay an interim dividend of HK2 cents (2004: HK4 cents) per ordinary share, to shareholders whose names appear on the register of members of the Company on Wednesday, 19 October 2005. The interim dividend will be paid on Friday, 28 October 2005.

7. Available-for-sale Investments/Long Term Investments

Listed equity investments
 in Hong Kong, at market value

Unlisted equity investments/
 investment funds, at fair value:
 Hong Kong
 Mainland China (Note)

香港之上市
 股份投資，按市值

非上市股份投資／投資基金，
 按公平值：
 香港
 中國大陸（附註）

30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
41,055	49,508
30,751	34,224
6,422	4,625
78,228	88,357

Note: The balance represented the promoter foreign shares of Changmao Biochemical Engineering Company Limited, a company listed on the Growth Enterprise Market Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), of HK\$5,875,000 (31 December 2004: HK\$4,625,000). Subject to certain restrictions on transfer and upon obtaining the requisite approvals from, among other bodies, the China Securities Regulatory Commission and the Stock Exchange, the promoter foreign shares may be convertible into listed H shares and shall thereafter carry the same rights and obligations of those listed H shares.

The investments of the Group are issued by corporate entities.

At the balance sheet date, certain of the listed investment were pledged to banks to secure certain bank facilities granted to the Group.

6. 股息

於二零零五年九月十三日舉行之董事會會議上，董事會議決向於二零零五年十月十九日（星期三）名列本公司股東名冊之股東派付中期股息每股普通股2港仙（二零零四年：4港仙）。中期股息將於二零零五年十月二十八日（星期五）派付。

7. 可供出售投資／長期投資

附註：該筆餘額代表常茂生物化學工程股份有限公司（一間於香港聯合交易所有限公司（「聯交所」）創業板上市的公司）之5,875,000港元（二零零四年十二月三十一日：4,625,000港元）發行人外資股。在遵守若干轉讓股份限制及取得（其中包括）中國證券監督管理委員會及聯交所的指定批准後，發行人外資股可轉換成上市H股，轉換後與上市H股享有同等權利及責任。

本集團之投資是由企業發行。

於結算日，部份上市股份投資已抵押予銀行，以取得授予本集團之若干銀行信貸。

8. Advances to Customers

8. 給予客戶之墊款

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Loans to margin clients	孖展客戶之貸款	984,015	816,382
Loans receivable	應收貸款	8,750	16,836
Accrued interest	應計利息	5,873	4,142
		998,638	837,360
Less: Provision for doubtful debts	減：呆賬撥備	(53,377)	(48,239)
		945,261	789,121

Loans to margin clients are secured by the underlying pledged securities. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of the business of securities margin financing.

The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 30 June 2005, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK\$4,789 million (31 December 2004: HK\$3,997 million).

The loans receivable are unsecured and repayable on demand or within one year.

給予孖展客戶之貸款由相關已抵押證券作抵押。由於董事認為賬齡分析對證券孖展借貸之業務性質並無意義，故並無披露賬齡分析。

授予孖展客戶之融資額度，乃根據本集團接納之抵押品之折讓市值而釐定。於二零零五年六月三十日，有關孖展客戶貸款以證券作抵押品之總市值為4,789,000,000港元（二零零四年十二月三十一日：3,997,000,000港元）。

應收貸款並無抵押，須於要求時或一年內償還。

9. Accounts Receivable

9. 應收賬款

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Accounts receivable arising from the ordinary course of business of dealing in:	在日常業務過程中買賣以下各項產生之應收賬款：		
Securities and equity options transactions:	證券及股票期權交易：		
Clearing houses, brokers and dealers	結算所、經紀及交易商	81,373	109,947
Cash clients	現金客戶	217,373	23,818
Futures and options contracts transactions:	期貨及期權合約交易：		
Clearing house, brokers and dealers	結算所、經紀及交易商	122,397	114,488
Bullion contracts transactions:	貴金屬合約交易：		
Brokers	經紀	473	1,418
Accounts receivable arising from the ordinary course of business of the provision of corporate advisory, placing and underwriting services	在日常業務過程中提供企業諮詢、配售及包銷服務產生之應收賬款	6,493	7,923
		428,109	257,594

The settlement terms of accounts receivable attributable to dealing in securities and equity options transactions are two days after the trade date, and those of accounts receivable attributable to dealing in futures, options and bullion contracts transactions are one day after the trade date. The above balances were all aged within 30 days.

證券買賣及股票期權交易應佔之應收賬款結算期限為交易日後兩天，而期貨、期權及貴金屬合約交易應佔之應收賬款結算期限則為交易日後一天。以上結餘之賬齡均為30天內。

9. Accounts Receivable (continued)

An aged analysis of accounts receivable attributable to the provision of corporate advisory, placing and underwriting services is as follows:

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within 3 months	三個月內	4,318	4,812
Between 4 and 6 months	四至六個月	263	125
Between 7 and 12 months	七至十二月個月	296	1,780
Over 1 year	超過一年	1,616	1,206
		6,493	7,923

The Group allows a credit period according to relevant business practice. Credit limits are set for customers. The Group seeks to maintain tight control over its outstanding receivables in order to minimise credit risk. Overdue balances are regularly reviewed by the management.

10. Financial Assets at Fair Value Through Profit or Loss/ Short Term Investments

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Listed equity investments, at market value:	上市股份投資·按市值:		
Hong Kong	香港	37,805	30,284
Elsewhere	其他地區	754	519
		38,559	30,803

9. 應收賬款 (續)

提供企業諮詢、配售及包銷服務應佔之應收賬款賬齡分析如下：

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within 3 months	三個月內	4,318	4,812
Between 4 and 6 months	四至六個月	263	125
Between 7 and 12 months	七至十二月個月	296	1,780
Over 1 year	超過一年	1,616	1,206
		6,493	7,923

本集團根據有關商業慣例給予客戶信貸期。客戶均設有信貸限額。本集團對未償還應收賬款維持嚴謹的控制以減低信貸風險。管理層會定期檢討過期款項。

10. 按公平價值於損益表計算之財務資產／短期投資

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Listed equity investments, at market value:	上市股份投資·按市值:		
Hong Kong	香港	37,805	30,284
Elsewhere	其他地區	754	519
		38,559	30,803

11. Accounts Payable

11. 應付賬款

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Accounts payable arising from the ordinary course of business of dealing in:	在日常業務過程中買賣以下各項產生之應付賬款：		
Securities and equity options transactions:	證券及股票期權交易：		
Clearing houses, brokers and dealers	結算所、經紀及交易商	131,312	492
Cash clients	現金客戶	708,079	775,219
Margin clients	孖展客戶	453,801	512,597
Futures and options contracts transactions:	期貨及期權合約交易：		
Clients	客戶	225,500	215,662
Bullion contracts transactions:	貴金屬合約交易：		
Clients	客戶	8,845	13,426
		1,527,537	1,517,396

The settlement terms of accounts payable attributable to dealing in securities and equity options transactions in respect of brokers and dealers and cash clients are two days after the trade date and the balances were aged within 30 days except as further described below.

Included in accounts payable to cash clients attributable to dealing in securities and equity options transactions is an amount of approximately HK\$610,207,000 (31 December 2004: HK\$703,970,000) representing these clients' undrawn monies/excess deposits placed with the Group. The balances are repayable on demand. No aged analysis is disclosed as, in the opinion of the directors, an aged analysis is not meaningful in view of the nature of such transactions.

Accounts payable to margin clients attributable to dealing in securities and equity options transactions are repayable on demand. Included in balance is an amount of HK\$6,000 (31 December 2004: HK\$16,124,000) due to a related company.

除下文進一步所述者外，就經紀、交易商及現金客戶證券買賣及股票期權交易應佔之應付賬款結算期限為交易日後兩天，結餘賬齡不超過30天。

證券買賣及股票期權交易應佔之應付現金客戶賬款，包括約為610,207,000港元（二零零四年十二月三十一日：703,970,000港元）存置於本集團之該等客戶未動用款項／超額按金。結餘須於要求時償還。由於董事認為賬齡分析對此類交易性質並無意義，故並無披露賬齡分析。

證券買賣及股票期權交易應佔之應付孖展客戶賬款須於要求時償還，結餘金額包括應付一關連公司款項6,000港元（二零零四年十二月三十一日：16,124,000港元）。

11. Accounts Payable (continued)

Accounts payable to clients attributable to dealing in futures, options and bullion contracts transactions are margin deposits received from clients for their trading of futures, options and bullion contracts, respectively. The excesses of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

No aged analysis is disclosed in respect of accounts payable to margin clients attributable to dealing in securities and equity options transactions as well as to clients attributable to dealing in futures, options and bullion transactions as, in the opinion of the directors, an aged analysis is not meaningful in view of the business nature.

12. Share Capital

11. 應付賬款 (續)

期貨、期權及貴金屬合約交易買賣應佔之應付客戶賬款為就客戶分別買賣期貨、期權及貴金屬合約收取客戶之孖展按金。超出規定孖展按金之多出金額可因應要求發還客戶。

由於董事認為賬齡分析對證券、股票期權、期貨、期權及貴金屬交易之業務性質並無意義，故並無披露證券買賣及股票期權交易以及買賣期貨、期權及貴金屬客戶應佔之應付孖展客戶賬款賬齡分析。

12. 股本

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Authorised:	法定股本：		
1,000,000,000 ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股 1,000,000,000股	100,000	100,000
Issued and fully paid:	已發行及繳足股本：		
583,773,699 (31 December 2004: 585,253,699) ordinary shares of HK\$0.10 each	每股面值0.10港元之普通股 583,773,699股 (二零零四年十二月三十一日： 585,253,699股)	58,377	58,525

12. Share Capital (continued)

During the period, the Company repurchased a total of 1,480,000 of its ordinary shares of HK\$0.10 each on the Stock Exchange.

A summary of the transactions during the period with reference to the above movements in the Company's issued share capital is as follows:

		Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK\$'000 千港元
As at 1 January 2005	於二零零五年一月一日	585,253,699	58,525
Repurchased and cancelled	已購回及註銷	(1,480,000)	(148)
As at 30 June 2005	於二零零五年六月三十日	583,773,699	58,377

13. Contingent Liabilities

At the balance sheet date, contingent liabilities not provided for in the financial statements were as follows:

- (i) The Company has provided corporate guarantees to the extent of HK\$2,050 million (31 December 2004: HK\$1,950 million) to secure the general bank facilities granted to subsidiaries. As at 30 June 2005, the amounts drawn against the bank facilities amounted to HK\$287,323,000 (31 December 2004: HK\$79,872,000);
- (ii) Corporate guarantees to the extent of US\$4 million (31 December 2004: US\$4 million) have been provided by the Company in respect of precious metals trading facilities granted to a subsidiary;
- (iii) Corporate guarantees to the extent of US\$9.8 million (31 December 2004: US\$8.8 million) have been provided by the Company in respect of foreign exchange trading granted to a subsidiary;

12. 股本 (續)

期內，本公司於聯交所購回合共1,480,000股每股面值0.10港元之普通股。

期內就上述有關本公司已發行股本之變動而進行之交易概述如下：

		Number of shares in issue 已發行股份數目	Issued share capital 已發行股本 HK\$'000 千港元
As at 1 January 2005	於二零零五年一月一日	585,253,699	58,525
Repurchased and cancelled	已購回及註銷	(1,480,000)	(148)
As at 30 June 2005	於二零零五年六月三十日	583,773,699	58,377

13. 或然負債

於結算日，財務報表中未撥備之或然負債如下：

- (i) 本公司就附屬公司取得一般銀行信貸而提供之公司擔保款額為205,000萬港元（二零零四年十二月三十一日：195,000萬港元）。於二零零五年六月三十日，該等銀行信貸支取之金額為287,323,000港元（二零零四年十二月三十一日：79,872,000港元）；
- (ii) 本公司就授予一間附屬公司有關貴金屬貿易信貸而提供之公司擔保款額為400萬美元（二零零四年十二月三十一日：400萬美元）；
- (iii) 本公司就授予一間附屬公司有關外匯買賣而提供之公司擔保款額為980萬美元（二零零四年十二月三十一日：880萬美元）；

13. Contingent Liabilities (continued)

- (iv) The Company has provided a corporate guarantee to the extent of HK\$8,056,000 (31 December 2004: HK\$10,000,000) in favour of the lessor in respect of an operating lease arrangement for the leasing of computer equipment by a subsidiary; and
- (v) The Group has a contingent liability in respect of possible future long service payments to employees under the Hong Kong Employment Ordinance, with a maximum possible amount of HK\$2,714,000 (31 December 2004: HK\$2,264,000) as at 30 June 2005. The contingent liability has arisen because, at the balance sheet date, a number of current employees have achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance if their employment is terminated under certain circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that the situation will result in a material future outflow of resources from the Group.

14. Operating Lease Arrangements

The Group leases certain of its office properties and computer equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years, and those for computer equipment for terms ranging from two to five years.

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

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Within one year	一年內	16,157	17,225
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	18,559	24,583
		34,716	41,808

13. 或然負債(續)

- (iv) 本公司為一間附屬公司對於經營租賃安排中承租電腦設備而向其出租人提供之公司擔保款額為8,056,000港元(二零零四年十二月三十一日:10,000,000港元);及
- (v) 本集團未來可能須遵照香港《僱傭條例》向僱員支付長期服務金,因此承擔或然負債,於二零零五年六月三十日可能須支付之最高金額為2,714,000港元(二零零四年十二月三十一日:2,264,000港元)。此或然負債出現之原因,是由於若干僱員已於結算日達到規定所須之服務年期,如在若干情況下終止受聘,可根據香港僱傭條例領取長期服務金。由於該等情況並不大可能致使本集團日後出現重大資源流出,故並未就該等可能出現之支付款項確認撥備。

14. 經營租賃安排

本集團以經營租賃方式租賃寫字樓物業和電腦設備。寫字樓物業租賃期由一至五年,而電腦設備租賃期則為兩至五年。

於二零零五年六月三十日,本集團透過不可撤銷之經營租賃在下述期限內屆滿未來需支付之最低租金如下:

15. Commitments

In addition to the operating lease commitments detailed in note 14 above, the Group had the following commitments at the balance sheet date:

(a) Capital commitments

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Contracted, but not provided for:	已訂約·但未撥備:		
Computer equipment	電腦設備	822	1,009

(b) Commitments under leveraged foreign exchange trading contracts

		30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Purchase foreign currencies	購買外匯	171,547	123,955
Sell foreign currencies	沽出外匯	171,235	122,031

Note: Total commitments to purchase or sell foreign currencies under leveraged foreign exchange contracts consist of a basket of currencies which cannot be offset against each other.

15. 承擔

除經營租賃承擔於上文附註14詳述外，本集團於結算日之承擔如下：

(a) 資本承擔

	30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Contracted, but not provided for:		
Computer equipment	822	1,009

(b) 槓桿外匯買賣合約的承擔

	30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Purchase foreign currencies	171,547	123,955
Sell foreign currencies	171,235	122,031

附註：根據槓桿外匯合約購買或沽售外匯合約的承擔總額，包括一籃子不能互相對銷的貨幣。

15. Commitments (continued)

(c) Commitments under currency futures contracts

Purchase foreign currencies	購買外匯
Sell foreign currencies	沽出外匯

15. 承擔 (續)

(c) 外匯期貨合約的承擔

	30 June 2005 二零零五年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2004 二零零四年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	4,715	0
	5,466	2,638

16. Related Party Transactions

In addition to the transactions and balances detailed elsewhere in these interim condensed consolidated financial statements, the Group had the following material transactions with related parties during the period:

- (a) During the period, the Group leased from New World Tower Company Limited, a company controlled by Chow Tai Fook Enterprises Limited ("CTF"), which is itself a company controlled by the family of Mr. Cheng Kar Shun, a director of the Company, certain office premises at New World Tower, 16-18 Queen's Road Central, Hong Kong, at a monthly rental, including rates, management and air-conditioning fees, of approximately HK\$764,000 (2004: HK\$1,057,000) for a term of two to three years. The Group paid total rentals of HK\$4,581,000 (2004: HK\$6,344,000) for the period. The rentals paid were calculated by reference to open market rentals as confirmed to the Group by an independent professional valuer.
- (b) During the period, the Group provided corporate advisory and placing services to International Entertainment Corporation, a company controlled by CTF, which is itself a company controlled by the family of Mr. Cheng Kar Shun. The corporate advisory fee and placing income from these transactions amounted to HK\$9,578,000 (2004: Nil) for the period and was charged in accordance with terms in the underlying agreements.

16. 關連人士交易

除已於本中期簡明綜合財務報表之其他部份內已披露有關之交易及結餘金額外，本集團於期內與關連人士之重要交易詳情概述如下：

- (a) 期內，本集團向新世界大廈有限公司租用香港皇后大道中16-18號新世界大廈若干辦公室單位，每月租金（包括差餉、管理費及冷氣費）約為764,000港元（二零零四年：1,057,000港元），租約年期二至三年，本集團在期內支付之租金總額為4,581,000港元（二零零四年：6,344,000港元）。新世界大廈有限公司乃一間由周大福企業有限公司（「周大福」）控制之公司，而周大福則為一間由本公司董事鄭家純先生家族控制之公司。所支付之租金乃參考經獨立專業估值師向本集團確認之公開市值租金計算。
- (b) 期內，本集團向國際娛樂有限公司提供企業顧問及配售服務，該公司為周大福控制之公司，而周大福則由鄭家純先生家族控制。上述交易期內所產生的企業顧問費和配售服務收入為9,578,000港元（二零零四年：無），已按照相關協議的條款予以徵收。

16. Related Party Transactions (continued)

- (c) During the period, the Group provided placing services to New World China Land Limited, a company controlled by New World Development Company Limited, which is itself a company controlled by the family of Mr. Cheng Kar Shun. The placing income from these transactions amounted to HK\$11,397,000 (2004: Nil) for the period and was charged in accordance with the terms of the underlying placing agreements.
- (d) CTF has provided guarantee in respect of a bank facility granted by BNP Paribas to a wholly-owned subsidiary of the Company. A guarantee fee is charged by CTF and is calculated at 2% per annum on the average daily amount outstanding under such facility during a financial year. Moreover, the guarantee fee of 2% per annum charged by CTF is subject to adjustment from time to time so that the effective annual cost of the bank facility shall not exceed Prime Rate minus 0.5%. As none of the bank facility has been utilised during the period, no guarantee fee has been charged by CTF for the period (2004: HK\$181,000).
- (e) Compensation of key management personnel of the Group

16. 關連人士交易 (續)

- (c) 期內，本集團向新世界中國地產有限公司提供配售服務。該公司為新世界發展有限公司控制的公司，而新世界發展有限公司由鄭家純先生家族控制。上述交易期內所產生的收入為11,397,000港元（二零零四年：無），已按照相關協議的條款予以徵收。
- (d) 周大福就法國巴黎銀行授予本公司一間全資附屬公司之銀行信貸提供擔保。周大福按照該項信貸於一個財政年度內之每日平均尚未償還金額收取每年2%之擔保費。此外，周大福所收取每年2%之擔保費仍可予調整，致使該筆銀行信貸之實際年度成本不得超出最優惠利率減0.5%。由於期內尚未運用銀行信貸，故此周大福於期內並無收取擔保費（二零零四年：181,000港元。）
- (e) 賠償予本集團主要管理人員

Short term employee benefits	短期僱員福利
Total compensation paid to key management personnel	支付予主要管理人員之賠償總額

**For the six months
ended 30 June**
截至六月三十日止六個月

2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元	2004 二零零四年 (Unaudited) (未經審核) HK\$'000 千港元
10,143	9,612
10,143	9,612

17. Approval of the Interim Financial Report

These interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 13 September 2005.

17. 中期財務報告之批核

董事會於二零零五年九月十三日批准本中期簡明綜合財務報表並授權刊發。

Independent Auditors' Review Report



To The Board of Directors

Tai Fook Securities Group Limited

(Incorporated in Bermuda with limited liability)

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 17 to 39.

Respective responsibilities of directors and auditors

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors. It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of Group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

Ernst & Young

Certified Public Accountants

Hong Kong, 13 September 2005

獨立核數師審閱報告書



致 大福證券集團有限公司
(於百慕達註冊成立之有限公司)
董事會

簡介

我們受貴公司委托審閱第17頁至39頁所載的中期財務報告。

董事及核數師各自的責任

香港聯合交易所有限公司證券上市規則規定，中期財務報告須按照香港會計師公會頒佈的會計實務準則第34號「中期財務報告」及其有關規定而編製。編製中期財務報告是董事的責任，並已由他們核准。我們的責任是根據我們審閱工作的結果，對中期財務報告提出獨立結論，並按照我們雙方所協定的應聘條款，只向作為法人團體的董事會報告，除此以外不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱工作

我們是按照香港會計師公會頒佈的核數準則第700號「審閱中期財務報告的委聘」而進行審閱。審閱範圍主要包括對集團管理層作出查詢及對中期財務報告進行分析，據此評估除已另作披露者外，所採用的會計政策及呈列方式是否一致及貫徹地運用。審閱工作並不包括核數程序（如測試內部監控系統和核實資產、負債及交易）。由於審閱的工作範圍遠較核數為小，因此，所給予的保證程度也較核數為低。因此，我們不會對中期財務報告發表核數意見。

審閱結論

根據我們審閱而非核數的結果，我們並未發現截至二零零五年六月三十日止六個月的中期財務報告有任何應作出重大修改之處。

安永會計師事務所
執業會計師

香港，二零零五年九月十三日

Additional Information

其他資料

Closure of Register of Members

The register of members of the Company will be closed from Thursday, 13 October 2005 to Wednesday, 19 October 2005, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars and Transfer Office in Hong Kong, Tricor Investor Services Limited, at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Wednesday, 12 October 2005.

Directors' Interests and Short Positions in Shares and Underlying Shares

At 30 June 2005, the interests and short positions of the directors in the shares and underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

(a) The Company

Name of directors 董事名稱	Number of shares held 所持股份數目			Number of underlying shares held under equity derivatives 根據股本衍生工具所持有的相關股份數目	Total 總數	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益			
Lo Lin Shing, Simon 魯連城	5,500,000 (Note 1) (附註1)	–	70,616,222 (Note 2) (附註2)	–	76,116,222	13.04
Doo Wai Hoi, William 杜惠愷	–	–	4,346,000 (Note 3) (附註3)	–	4,346,000	0.74
Wong Shiu Hoi, Peter 黃紹開	12,000,000 (Note 1) (附註1)	–	–	–	12,000,000	2.06
Chan Chi On, Derek 陳志安	562,000 (Note 1) (附註1)	–	–	–	562,000	0.10

暫停辦理股東登記手續

本公司將於二零零五年十月十三日(星期四)至二零零五年十月十九日(星期三)(包括首尾兩日)暫停辦理股東登記,期間將不會辦理股份過戶手續。為確保享有領取中期股息之資格,所有填妥之過戶表格連同有關股票,必須於二零零五年十月十二日(星期三)下午四時正前交回本公司於香港之股份過戶登記分處卓佳證券登記有限公司,地址為香港灣仔告士打道56號東亞銀行港灣中心地下,辦理登記手續。

董事於股份及相關股份之權益及淡倉

於二零零五年六月三十日,按本公司根據證券及期貨條例(「證券及期貨條例」)第352條規定須予存置之登記冊所載,或根據上市公司董事進行證券交易之標準守則(「標準守則」)向本公司及香港聯合交易所有限公司(「聯交所」)作出之其他呈報顯示,董事於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)之股份及相關股份中擁有之權益及淡倉如下:

(a) 本公司

Additional Information
其他資料

Directors' Interests and Short Positions in Shares and Underlying Shares (continued)

董事於股份及相關股份之權益及淡倉 (續)

(b) The associated corporation

(b) 相聯法團

Name of director 董事名稱	Name of associated corporation 相聯法團名稱	Class of shares 股份類別	Number of shares held (Corporate interests) 所持股份數目 (公司權益)	Number of underlying shares held under equity derivatives 根據股本衍生工具所持有的相關股份數目	Total 總數	Percentage of the associated corporation's issued share capital 佔相聯法團已發行股本之百分比
Lo Lin Shing, Simon 魯連城	Tai Fook Finance Company Limited (Note 4) 大福財務有限公司 (附註4)	Non-voting deferred shares 無投票權遞延股份	47,670,000 (Note 2) (附註2)	-	47,670,000	47.34

Notes:

- (1) These shares are held by the relevant director as beneficial owner.
- (2) These shares are held by Wellington Equities Inc., a company beneficially wholly-owned by Mr. Lo Lin Shing, Simon.
- (3) These shares are held by Grand Partners Group Limited, a company beneficially wholly-owned by Mr. Doo Wai Hoi, William.
- (4) Tai Fook Finance Company Limited is an indirect wholly-owned subsidiary of the Company.

附註:

- (1) 該等股份乃由有關董事以實益擁有人身份所持有。
- (2) 該等股份乃由魯連城先生實益全資擁有之公司Wellington Equities Inc.所持有。
- (3) 該等股份乃由杜惠愷先生實益全資擁有之公司Grand Partners Group Limited所持有。
- (4) 大福財務有限公司為本公司之間接全資附屬公司。

All the interests disclosed above represent long positions in the shares and underlying shares of the Company and its associated corporation.

以上披露之所有權益均代表本公司及其相聯法團之股份及相關股份之好倉。

In addition to the above, a director has a non-beneficial personal equity interest in a subsidiary held for the benefit of the Group solely for the purpose of complying with the minimum company membership requirements.

除上述者外，一名董事代本集團持有一間附屬公司之權益，並非個人實益擁有，乃為符合最少公司成員之要求而持有。

Save as disclosed above, none of the directors or their associates had registered any other interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文披露者外，按本公司根據證券及期貨條例第352條規定須予存置之登記冊所載，或根據標準守則向本公司及聯交所作出之其他呈報顯示，董事或彼等各自之聯繫人士概無在本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份或相關股份中擁有任何其他權益或淡倉。

Additional Information 其他資料

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the sections headed "Directors' interests and short positions in shares and underlying shares" above, at no time during the six months ended 30 June 2005 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

Share Option Scheme

At 30 June 2005, options to subscribe for a total of 16,300,000 shares were still outstanding under the 2002 Share Option Scheme which was adopted on 23 August 2002.

Movements of the share options under the 2002 Share Option Scheme during the period are listed below:

Name or category of participant	Number of share options 購股權數目					Date of grant of share options*	Exercise period of share options	Price of the Company's shares*** 本公司股價***		
	At 1 January 2005	Granted during the period	Exercised during the period	Lapsed during the period	At 30 June 2005			Exercise price of share options**	At immediately preceding the grant date of share options	At immediately preceding the exercise date of share options
參與者之名稱或類別	於二零零五年一月一日	於期內授出	於期內行使	於期內註銷	於二零零五年六月三十日	授出購股權日期*	購股權行使期限	購股權行使價**	緊接授出購股權日期前	緊接行使購股權日期前
								HK\$ 港元	HK\$ 港元	HK\$ 港元
Continuous contract employees 持續合約僱員										
In aggregate	16,300,000	-	-	-	16,300,000	5 September 2003	5 March 2004 - 4 March 2009	1.20	1.16	-
合計						二零零三年九月五日	二零零四年三月五日 至二零零九年三月四日			
	16,300,000	-	-	-	16,300,000					

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period. All share options referred to above are subject to a six-month vesting period.

** The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

*** The price of the Company's shares disclosed as immediately preceding the grant date of the share options is the Stock Exchange closing price on the trading day immediately prior to the date of the grant of the share options. The price of the Company's shares disclosed as immediately preceding the exercise date of the share options is the weighted average of the Stock Exchange closing prices over all the exercises of share options within the disclosure category.

董事購買股份或債券之權利

除於上文「董事於股份及相關股份之權益及淡倉」所披露者外，於截至二零零五年六月三十日止六個月內任何時間，概無任何董事或彼等各自之配偶或18歲以下之子女，獲授可藉購買本公司之股份或債券而獲得利益之權利；而彼等亦無行使任何該等權利；本公司或其任何附屬公司亦無訂立任何安排，致使董事可於任何其他法人團體中獲得該等權利。

購股權計劃

於二零零五年六月三十日，根據於二零零二年八月二十三日採納之二零零二年購股權計劃可認購合共16,300,000股股份之購股權仍未行使。

二零零二年購股權計劃下之購股權於期內之變動如下：

* 購股權的歸屬期由授出日期起計，至行使期限開始為止。上述所有購股權的歸屬期均為六個月。

** 若本公司股本因供股或發行紅股或類似事項而出現變動，購股權行使價可予調整。

*** 上表所披露於授出購股權日期的本公司股價，乃緊接授出購股權日期前一交易日的聯交所收市價格。上表披露於行使購股權日期的本公司股價，乃聯交所收市價相對於披露範圍內所有購股權行使的加權平均價。

Additional Information
其他資料

Substantial Shareholders

At 30 June 2005, the interests and short positions of those persons (other than the directors of the Company) in the shares and underlying shares of the Company, as required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO, were as follows:

主要股東

於二零零五年六月三十日，按本公司根據證券及期貨條例第336條規定須予存置之登記冊所載，該等人士（本公司董事除外）於本公司之股份及相關股份中之權益及淡倉如下：

Name of shareholders	Notes	Number of shares held and nature of interests		Number of underlying shares held under equity derivatives	Total	Percentage of the Company's issued share capital
		Direct	Deemed			
股東名稱	附註	持有股份數目及權益性質 直接權益	視作擁有權益	根據股本衍生工具所持有 相關股份數目	總數	佔本公司已發行股份之百分比
Chow Tai Fook Nominee Limited 周大福代理人有限公司	(1)	107,140,540	-	-	107,140,540	18.35
Chow Tai Fook Enterprises Limited 周大福企業有限公司	(2)	30,977,916	125,624,340	-	156,602,256	26.83
New World Development Company Limited ("NWD") 新世界發展有限公司（「新世界發展」）	(3)	-	125,624,340	-	125,624,340	21.52
NWS Holdings Limited ("NWS") 新創建集團有限公司（「新創建」）	(4)	-	125,624,340	-	125,624,340	21.52
NWS Service Management Limited (incorporated in the Cayman Islands) ("NWSSM (Cayman)") 新創建服務管理有限公司（於開曼群島註冊成立）（「NWSSM (Cayman)」）	(5)	-	125,624,340	-	125,624,340	21.52
NWS Service Management Limited (incorporated in the British Virgin Islands) ("NWSSM (BVI)") NWS Service Management Limited（於英屬處女群島註冊成立）（「NWSSM (BVI)」）	(6)	-	125,624,340	-	125,624,340	21.52
NWS Financial Management Services Limited		125,624,340	-	-	125,624,340	21.52
Wellington Equities Inc.	(7)	70,616,222	-	-	70,616,222	12.10
Ku Ming Mei, Rouisa 顧明美	(8)	-	76,116,222	-	76,116,222	13.04

Additional Information 其他資料

Substantial Shareholders (continued)

Notes:

- (1) Mr. Cheng Yu Tung beneficially owns all of the issued shares in Chow Tai Fook Nominee Limited.
- (2) Chow Tai Fook Enterprises Limited and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares in which NWD is deemed to be interested.
- (3) NWD has interests in more than one-third of the issued shares of NWS and is accordingly deemed to have an interest in the shares in which NWS is deemed to be interested.
- (4) NWSSM (Cayman) is a wholly-owned subsidiary of NWS and its interest in the Company is deemed to be held by NWS.
- (5) NWSSM (BVI) is a wholly-owned subsidiary of NWSSM (Cayman) and its interest in the Company is deemed to be held by NWSSM (Cayman).
- (6) NWS Financial Management Services Limited is a wholly-owned subsidiary of NWSSM (BVI) and its interest in the Company is deemed to be held by NWSSM (BVI).
- (7) These shares are held by Wellington Equities Inc., a company beneficially wholly-owned by Mr. Lo Lin Shing, Simon and have been shown in the corporate interests of Mr. Lo Lin Shing, Simon in the Company as set out in the section headed "Directors' interests and short positions in shares and underlying shares" above.
- (8) Ms. Ku Ming Mei, Rouisa, the spouse of Mr. Lo Lin Shing, Simon is deemed to be interested in these shares. They have been shown in the total interests of Mr. Lo Lin Shing, Simon in the Company as set out in the section headed "Directors' interests and short positions in shares and underlying shares" above.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed above, no person, other than the directors of the Company, whose interests are set out in the section headed "Directors' interests and short positions in shares and underlying shares" above, had registered an interest or short positions in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

主要股東 (續)

附註:

- (1) 鄭裕彤先生實益擁有周大福代理人有限公司之全部已發行股份。
- (2) 周大福企業有限公司及其附屬公司擁有三分之一以上新世界發展已發行股份，因而被視為於新世界發展被視為擁有之股份中擁有權益。
- (3) 新世界發展擁有三分之一以上新創建已發行股份，因而被視為於新創建被視為擁有之股份中擁有權益。
- (4) NWSSM (Cayman)為新創建之全資附屬公司，故其於本公司之權益被視為由新創建所持有。
- (5) NWSSM (BVI)為NWSSM (Cayman)之全資附屬公司，故其於本公司之權益被視為由NWSSM (Cayman)所持有。
- (6) NWS Financial Management Services Limited 為NWSSM (BVI)之全資附屬公司，故其於本公司之權益被視為由NWSSM (BVI)所持有。
- (7) 該等股份乃由魯連城先生實益全資擁有之公司 Wellington Equities Inc. 所持有，並已於上文「董事於股份及相關股份之權益及淡倉」一節詳列為魯連城先生於本公司之公司權益。
- (8) 魯連城先生之配偶顧明美女士被視為持有該等股份，並已於上文「董事於股份及相關股份之權益及淡倉」一節詳列為魯連城先生於本公司之總權益。

以上所披露之所有權益乃代表本公司之股份及相關股份之好倉。

除上文所披露者外，概無任何人士（本公司董事除外，其權益已載於上文「董事於股份及相關股份之權益及淡倉」一節）登記擁有根據證券及期貨條例第336條規定須予記錄之本公司股份或相關股份之權益或淡倉。

Additional Information
其他資料

Purchase, Sale or Redemption of the Company's Listed Securities

購買、出售或贖回本公司之上市證券

During the period, the Company repurchased a total of 1,480,000 of its listed shares on the Stock Exchange. Details of the repurchase are summarised as follows:

期內，本公司於聯交所購回其上市股份合共1,480,000股。購回之詳情摘要如下：

Month		Number of shares repurchased 已購回之股份數目	Purchase price per share 每股購買價格		Aggregate purchase price 總購買成本 HK\$ 港元
			Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
2005	二零零五年				
April	四月	1,062,000	1.08	1.02	1,111,920
May	五月	62,000	1.02	1.01	62,900
June	六月	356,000	1.02	0.99	359,120
		<u>1,480,000</u>			<u>1,533,940</u>
			Total expenses on shares repurchased	已購回股份之總支出	<u>5,708</u>
					<u>1,539,648</u>

The repurchased shares were cancelled during the period and the issued share capital of the Company was reduced by the par value thereof. The directors considered that the shares were repurchased for the purpose of enhancing the net asset value per share of the Company.

所購回股份已於期內被註銷，而本公司之已發行股本亦已按該等被註銷股份之面值減少。董事認為購回股份之目的在於提升本公司之每股資產淨值。

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the period other than as an agent for clients of the Company or its subsidiaries.

除上文披露者外，本公司或其任何附屬公司於期內概無購買、出售或贖回本公司任何上市證券，惟代表本公司或其附屬公司之客戶以代理人身份進行買賣者除外。

Corporate Governance

The Board and senior management of the Company are committed to maintaining a high standard of corporate governance. In the opinion of the directors, the Company has complied with the code provisions as set out in the Code on Corporate Governance Practice contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") throughout the accounting period covered by this report, except that the Chairman and Managing Director who are appointed for the respective term of 2 and 3 years, are not subject to rotation or taken into account in determining the number of directors to retire in each annual general meeting in accordance with the Bye-laws of the Company. Moreover, the Company has been taking action to amend its Bye-laws to comply with the code provision regarding retirement by rotation of every director, including those appointed for a specific term, at least once every three years at its next annual general meeting.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for securities transactions by the directors of the Company. Based on specific enquiry of the directors of the Company, all directors have complied with the required standard as set out in the Model Code throughout the accounting period covered by this report.

Throughout the accounting period covered by this report, the Company has complied with the minimum requirements of the Listing Rules relating to the appointment of at least 3 independent non-executive directors and one of which have appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee of the Company has met with the external auditors of the Group, Messrs. Ernst & Young, to review the accounting principles and practices adopted by the Group and the unaudited consolidated results of the Group for the six months ended 30 June 2005. The Audit Committee comprises 5 non-executive directors of the Company and 3 of whom, including the Chairman, are independent non-executive directors. A majority of the Committee members, including the Chairman, have the appropriate professional qualification and experience in financial matters.

企業管治

董事會及本公司高級管理層致力維持高水平之企業管治。董事認為，本公司於本報告所涵蓋會計期間一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治常規守則之守則條文，惟根據本公司之公司組織章程細則，獲委任年期分別為2及3年之主席及董事總經理毋須輪值告退，於釐定須於每屆股東週年大會退任之董事人數時亦不會計算在內。此外，本公司已採取行動，於下屆股東週年大會上修訂其公司組織章程細則，以符合守則條文內有關各董事（包括按特定任期獲委任者）須最少每三年輪值退任一次之規定。

本公司已採納上市規則附錄10所載上市公司董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之操守守則。經向本公司董事作出具體查詢後，全體董事於本報告所涵蓋會計期間一直遵守標準守則所規定之準則。

於本報告所涵蓋會計期間，本公司一直遵守上市規則有關委任最少三名獨立非執行董事，而其中一名須具備合適專業資格或會計或相關財務管理知識之最低規定。

本公司審核委員會與本集團外聘核數師安永會計師事務所已審閱本集團採納之會計準則及慣例，以及本集團截至二零零五年六月三十日止六個月之未經審核綜合業績。審核委員會由本公司五名非執行董事組成，當中三名（包括主席）為獨立非執行董事。大部分委員會成員（包括主席）均具備適當的財政事務專業資格及經驗。