

*Capital, people and intelligence move financial markets.
We bring people and markets closer together.*



We are innovators, endlessly striving for quality. Being a pioneer in the financial services sector, we are constantly on the look out for breakthroughs. In 2005, this spirit moved us to unveil a bold new corporate signature.

Two hands come together to receive an ancient Chinese coin. This symbolises how, with diligence and prudence, we bring people and organisations closer to opportunity.

We create wealth for our clients through an unwavering focus on their needs.

Being close to you is the Taifook way.

開拓創新，是推動我們不斷追求優質服務的動力。

作為金融業界先鋒，大福證券集團致力於尋求突破。

2005年，我們推出了全新的企業標誌，務求將追求卓越的精神全面發揮和體現。

大福證券集團嶄新的企業標誌是雙手迎接一枚象徵財富的中國古錢幣。

它代表我們的堅毅及誠信，為客戶掌握每刻的投資機遇。

我們針對每位個人及機構客戶的需要，為他們創造財富。

大福承諾與您在金融投資路上攜手邁向成功。

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Financial Calendar 財務日誌

14 September 2006 二零零六年九月十四日	Announcement of interim results (unaudited) 公佈中期業績 (未經審核)
13 October 2006 by 4:00 p.m.	Latest date for registration for entitlement to interim dividend
二零零六年十月十三日下午四時正前	登記享有中期股息之最遲日期
16 to 20 October 2006	Book close dates
二零零六年十月十六日至二十日	暫停辦理股東登記手續之日期
20 October 2006	Record date for interim dividend
二零零六年十月二十日	中期股息之記錄日期
27 October 2006	Despatch of interim dividend warrants
二零零六年十月二十七日	派發中期股息單

Corporate Information

公司資料

General Information

Executive Directors

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

Chairman
Deputy Chairman
Deputy Chairman
Managing Director

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

Company Secretary

LI Tung Wing, Mike

Qualified Accountant

LO Wai Ho, Kendy

Internal Auditor

LAU Chi Keung, Sammy

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>
Taifook Lexton: <http://www.taifooklexton.com>

一般資料

執行董事

鄭家純
魯連城
杜惠愷
黃紹開
李耀榮
陳志安

主席
副主席
副主席
董事總經理

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

文晷良
徐慶全
魏啟寬

董事會顧問

羅剛

公司秘書

李東榮

合資格會計師

盧偉浩

內部審計師

劉志強

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>
大福歷斯頓: <http://www.taifooklexton.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
26th Floor, Tesbury Centre
28 Queen's Road East, 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
LO Wai Ho, Kendy

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
灣仔皇后大道東28號
金鐘匯中心26樓

董事會委員會

審核委員會

文晷良
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
盧偉浩

薪酬委員會

徐慶全
文晷良
魏啟寬
黃國堅
林煒瀚

Financial Highlights

財務摘要

		For the six months ended		
		截至以下日期止六個月		
		30 June	30 June	Percentage change
		2006	2005	Increase/(Decrease)
		二零零六年	二零零五年	變動百分比
		六月三十日	六月三十日	增加/(減少)
For the six months ended	截至二零零六年六月三十日 /			
30 June 2006/30 June 2005	二零零五年六月三十日止六個月			
Revenue (HK\$'000)	收入 (千港元)	340,519	182,644	86
Net Profit (HK\$'000)	純利 (千港元)	82,312	30,293	172
Per share	每股			
Basic Earnings Per Share (HK Cents)	每股基本盈利 (港仙)	14.26	5.18	175
Diluted Earnings Per Share (HK Cents)	每股攤薄盈利 (港仙)	14.24	5.18	175
Dividend Per Share (HK Cents)	每股股息 (港仙)	7	2	250
NAV Per Share (HK\$)	每股資產淨值 (港元)	1.86	1.70	9
Share Price	股價			
— High (HK\$)	— 高 (港元)	2.00	1.30	54
— Low (HK\$)	— 低 (港元)	0.91	0.98	(7)
At the six months end	至六個月止			
Shareholders' Funds (HK\$'000)	股東資金 (千港元)	1,077,872	993,335	9
Total Assets (HK\$'000)	總資產 (千港元)	3,725,933	2,962,975	26
Number of Shares in Issue	已發行股份數目	578,669,699	583,773,699	(1)
Financial ratios	財務比率			
Gearing Ratio	資本負債率			
— Borrowing to Total Assets	— 借貸與總資產	0.17	0.13	31
— Borrowing to NAV	— 借貸與資產淨值	0.58	0.40	45
Return on Total Assets (%)	總資產回報 (%)	2.21	1.02	117
Return on Shareholders' Fund (%)	股東資金回報 (%)	7.64	3.05	150

Management Discussion and Analysis

Results and Overview

The Group achieved a substantial improvement in its profitability during the first half of 2006. During the period, the Group's attributable net profit rose 172% to HK\$82.3 million from HK\$30.3 million as reported for the corresponding period in 2005. Earnings per share increased in tandem to HK14.3 cents. In view of the satisfactory results, the Board has recommended an interim dividend of HK7 cents per share, representing an increase of 250% from the last corresponding period.

The strong earnings growth was propelled by an 86% increase in revenue to HK\$340.5 million, thanks to the sharp increases in brokerage commission income, trading income and interest income from margin financing and treasury operation. Despite the increases in staff expenses, our other operating expenses were held steady, so the increased revenues largely flowed through to the bottom line. As a result, our pre-tax margin expanded to 28% from 19% a year ago. Finally, shareholders' wealth has been enhanced as shareholders' funds grew 7% since the beginning of the period to HK\$1,077.9 million, representing HK\$1.86 per share.

The two major factors contributing to our satisfactory performance were a favorable external investment environment and a fruitful reward from our internal business strategy. For the first half of this year, activity in the local stock market soared with a 93% increase in average daily turnover to HK\$32.6 billion. Activity in the derivatives market was also robust. The stock market helped raise HK\$195.6 billion of funds for the local listed companies. Total market capitalisation also exceeded HK\$10,000 billion at some point during the period. The first six months saw a market uptrend in general despite the sharp volatility in May and a significant correction thereafter.

In the past several years, we have been focusing on expanding our product distribution capability and channels. Our products now encompass a wide range of investment and trading instruments in the equity,

derivatives, foreign exchange, bullion and other commodities markets. Our online platform has significantly expanded our customer reach and execution efficiency. Our professionalism and customer satisfaction are well recognised, keeping our status as a prestigious local financial services provider. Receiving the most public awards among our peers in the past several years, our Group was again voted the Best Equity House in Hong Kong by FinanceAsia and the Best Brokerage Company by Capital magazine in 2006.

Business Review

Agency Broking

Revenue from Broking jumped 62% to HK\$167.2 million and its contribution to operating profit surged 184% to HK\$44.6 million. The impressive results were achieved on the ground of both brisk activities across the financial markets and our successful diversification in these marketplaces. Our agency business in derivatives products was particularly vibrant. Although the revenue growth was largely driven by securities and futures trading, we witnessed a healthy growth in income from bullion and forex trading during the period. Our client base has expanded significantly by geographical region and by type. Online trading facilities are now available for virtually all of our financial products, supplementary to our expanding sales force. During the period, we operated 11 branches in Hong Kong and Macau, in addition to our central office that serves as the hub for all trading activities.

Corporate Finance

The division's contributions declined slightly during the period as fund-raising activities were dominated by the sizeable IPOs. Revenue and operating profit dipped 10% and 9% to HK\$36.8 million and HK\$11.5 million, respectively. However, we remained busy in corporate advisory and in preparation for our sponsored IPOs that will be launched in the latter half of 2006 or early 2007. During the period, the division provided sponsorship and/or underwriting services for 25 new listings and other fund-raising transactions and completed 24 corporate advisory assignments.

Management Discussion and Analysis

Margin and Other Financing

Coupled with higher interest rates, the stronger demand for margin financing and a growing pool of customer account balances and margin funds underpinned a 164% rise in revenue. Despite the corresponding increase in interest costs, operating profit from the division increased 164% to HK\$38.7 million. Advances to customers grew rapidly by 30% from the end of 2005 to a balance of HK\$1.2 billion as at the end of June 2006, or a year-on-year growth of 24%, far exceeding the overall loan growth in the local banking industry in the same periods. Loan quality is healthy as no significant provisions were required.

Other Investment Services and Activities

Positive trading results from the securities, bullion and foreign exchange markets contributed materially to the Group's profit growth. Trading and other investment activities generated a profit of HK\$8.2 million, reversing from a loss of HK\$2.4 million for the last corresponding period. Taking advantage of market opportunities, our trading activities were able to generate decent returns on a manageable risk profile. Our equity investments, which had a total market value of HK\$170.3 million as at the end of June 2006, were kept at around 16% of net assets. Other businesses including asset management, wealth management and various account services also contributed positively to our earnings during the period.

Prospects

Interest rate outlook will hopefully become clearer after the US Federal Reserve decided to keep its target short-term interest rates unchanged in August, halting its successive rate hikes for over two years. Barring an economic recession in the US and escalating inflation, or the so-called stagflation phenomenon, the global economic outlook is on balance positive. A moderate adjustment for China's overheated economy is desirable in order to ensure the sustainability of its economic development. We perceive the central government's austerity measures to offer good investment opportunities in quality China stocks. Hong Kong's economic prospects are also positive in view of the return of both investment and consumer

confidence. All the above should set a good backdrop for the local financial markets near term.

There is no doubt that we have positioned well in a changing financial world, after strengthening our presence in different market segments. Geographically, we will continue to explore opportunities in the Chinese mainland where the demand for quality financial services and corporate activity will remain brisk in the foreseeable future. Our strategic presence is now across the mainland, with established offices in major cities including Beijing, Chengdu, Guangzhou, Shanghai and Shenzhen. Our first direct business on the mainland will be in its domestic futures market, which is in the process of opening up. This should also serve as an important platform for extending our business on the mainland.

The Group's management and staff have at all times endeavoured to attain better results despite the increasing challenges in the highly competitive securities industry. We are confident in the Group's results for the second half of this year having seen the upward reversal in the local stock market and the intake of more valuable customers recently. The major risk to the Group's performance remains changing market conditions, which are predominately beyond our control. The hard work and dedication of our management and staff are indispensable for any outstanding performance of the Group. Their efforts as demonstrated in the period under review are highly appreciated.

By order of the Board

Wong Shiu Hoi, Peter

Managing Director

Hong Kong, 14 September 2006

管理層論述及分析

業績及概覽

本集團於二零零六年上半年的盈利能力顯著改善，應佔純利由二零零五年同期的3,030萬港元增至8,230萬港元，增幅為172%。每股盈利亦相應增至14.3港仙。鑒於業績理想，董事會擬派中期股息每股7港仙，較去年同期增加250%。

拜經紀佣金收入、交易收入、孖展借貸及財資業務利息收入廳升所賜，收入增長86%至34,050萬港元，帶動盈利強勁增長。儘管員工開支上升，但其他營運開支得以保持穩定，故收入增長大部分反映於純利之中。因此，本集團除稅前溢利率由去年的19%增至28%。最後，股東資金較期初增長7%至107,790萬港元，相當於每股股份1.86港元，為股東實現了財富增長。

業績表現理想實有兩大因素：一是外在投資環境利好，另外是本集團內部業務策略取得令人欣喜的成果。本年度上半年，本地股市交投活躍，日均成交額達326億元，上升93%。此外，衍生工具市場的交投亦不遑多讓。股市已為本地上市公司集資1,956億港元。期內，總市值更一度衝破100,000億港元。縱然股市在五月曾出現大幅的波動，但其後重拾升軌，故整體市場於上半年均呈上升之勢。

過去數年，本集團一直致力擴大產品分銷能力及分銷渠道。目前，本集團產品包括股份、衍生工具、外匯、貴金屬及其他商品市場中各式各類的投資及交易工具。本集團的網上平台大大擴闊客戶層面，執行客戶指示時的效率更顯著改善。本集團的專業水平及客戶滿意度獲得市場一致公認，使其穩佔具聲譽的

本地金融服務機構的地位。過去數年，本集團於業內屢獲不少公開獎項，於二零零六年，更再次獲《金融亞洲》雜誌選為「香港最佳證券商」，並獲《資本雜誌》選為「最佳證券商」。

業務回顧

經紀業務

經紀收入躍升62%至16,720萬港元，為經營溢利所作出的貢獻則攀升184%至4,460萬港元。取得如此輝煌的業績乃由於各金融市場皆興旺，再加上本集團成功分散於該等市場所致。而本集團衍生工具產品的代理業務尤其暢旺。縱然收入增長由證券及期貨交易所帶動，但期內貴金屬及外匯交易收入亦見穩步上揚。本集團客戶層地區來源以及類別均大幅增長。本集團的網上交易設施，可允許客戶進行本集團絕大部分的金融產品的交易，為本集團越見強大的銷售團隊提供支援。期內，本集團以總辦事處作為所有交易活動的樞紐，另外亦於香港及澳門經營11間分行。

企業融資

期內，集資活動以大規模首次公開發售為主，故此分部的貢獻輕微下滑。收入下降10%至3,680萬港元，而經營溢利則下跌9%至1,150萬港元。然而，本集團的企業顧問服務工作仍應接不暇，另外亦為二零零六年下半年或二零零七年年初由本集團保薦的首次公開發售作籌備工作。期內，此分部已為25項新上市及其他集資交易提供保薦及／或包銷服務，亦完成了24項企業顧問項目。

管理層論述及分析

孖展及其他借貸業務

隨著息口上調，孖展借貸的需求愈見殷切，加上客戶賬戶結存的資金不斷擴大，孖展資金的收入錄得164%的增長。儘管利息成本相應提升，但此分部的經營溢利增長164%至3,870萬港元。向客戶提供的墊款較二零零五年年底急增30%至二零零六年六月底的12億港元，按年增幅為24%，遠超同期本地銀行業整體貸款的增幅。由於本集團毋須作出巨額撥備，故貸款的質量相當穩健。

其他投資服務及業務活動

證券、貴金屬及外匯市場交易成績理想，為本集團帶來可觀的溢利增長。交易及其他投資業務已轉虧為盈，由去年同期240萬港元的虧損轉為820萬港元的溢利。本集團交易業務充分利用市場機遇，在可控制的風險水平下取得滿意的回報。證券投資方面，二零零六年六月底的總市值為17,030萬港元，約佔資產淨值16%。此外，資產管理、財富管理及各類賬戶服務等其他業務亦於期內為本集團帶來可觀的進賬。

前瞻

美國聯邦儲備局於八月決定維持短期利率目標不變，結束過去兩年加息周期，息口前景可望更加明朗。除非美國經濟停滯不前及通脹率遞增，或出現所謂滯脹，否則全球經濟前景應可看好。中國為保持國家經濟持續發展，對於經濟過熱的情況，實有必要作出適度調控。本集團認為，中央政府實現宏觀調控措施，不失為吸納中國優質股份的良機。另外，隨著投資及消費信心的復甦，香港經濟前景亦一片光明。上述種種的外部因素，短期會為本地金融市場奠下穩固的基礎。

經過集團鞏固其於各市場分部之據點後，本集團毫無疑問已於瞬息萬變的金融市場中穩佔優勢。從地域市場而論，中國內地之可見將來對優質金融服務及企業活動的需求仍舊殷切，故本集團將繼續於國內市場發掘商機。目前，本集團已於北京、成都、廣州、上海及深圳設立辦事處，策略性據點遍及全國。本集團國內首項直接業務將於逐步對外開放的國內期貨市場進行。此項業務亦為本集團向國內擴展業務奠下關鍵的基礎。

儘管證券業的競爭極為熾熱，挑戰有增無減，但本集團管理層及員工一直努力不懈地爭取佳績。鑒於本地股市的表現回升，加上近期新增不少重要客戶，我們對本集團下半年業績充滿信心。市況反覆依然是本集團表現的主要風險，亦非本集團所能控制。本集團能取得優異成績，實有賴管理層及員工之努力。本人謹此向他們於回顧期間付出的辛勞表示衷心謝意。

承董事會命

黃紹開

董事總經理

香港，二零零六年九月十四日

Financial Review

Financial Performance

Revenue

Revenue (also turnover) of the Group for the six months ended 30 June 2006 was HK\$340.5 million (2005: HK\$182.6 million). A summary of the revenue from different operations of the Group is set out below:

	For the six months ended 30 June			
	2006		2005	
	HK\$'000	%	HK\$'000	%
Securities dealing and broking	114,594	33.7	67,438	36.9
Futures dealing and broking	48,901	14.4	35,076	19.2
Interest income	78,880	23.2	29,151	16.0
Corporate finance and advisory	36,841	10.8	41,086	22.5
Bullion contracts dealing and broking	3,153	0.9	336	0.2
Income earned from the provision of nominee and custodian services	5,674	1.6	4,117	2.2
Fund management	1,417	0.4	—	0.0
Income from proprietary trading	24,427	7.2	3,106	1.7
Income from leveraged foreign exchange trading	8,818	2.6	696	0.4
Commission income from the provision of financial planning services	17,814	5.2	1,638	0.9
	340,519	100.0	182,644	100.0

Operating Expenses

Total Operating Expenses for the six months ended 30 June 2006 was HK\$274.2 million (2005: HK\$153.5 million). An analysis of these expenses is as follows:

	For the six months ended 30 June			
	2006		2005	
	HK\$'000	%	HK\$'000	%
Salaries and allowances, bonuses and pension scheme contributions	82,388	30.0	57,886	37.7
Commission to account executives	56,869	20.7	20,773	13.5
Other commission expenses and exchange fees	9,985	3.6	9,089	5.9
Impairment of loans to margin clients	2,110	0.8	5,138	3.3
Interest expenses for securities broking and margin financing operations	57,414	21.0	5,599	3.7
Depreciation	10,006	3.7	9,002	5.9
Other expenses	55,448	20.2	46,057	30.0
	274,220	100.0	153,544	100.0

Financial Review

Salaries and allowances increased by 42% during the period, mainly attributable to payment of performance-based bonuses, equity-settled share option granted as well as increase in number of staff to support the business expansion of the Group.

Commission to account executives increased significantly during the period, mainly due to the upsurge in business turnover.

Interest expenses for securities broking and margin financing operations increased due to rising interest rates, increase in IPO financing activities and increase in bank borrowings, which are mainly used for financing.

Depreciation increased by 11%. The higher depreciation charge was due to capitalisation of the development cost of the new front and back office system.

Other expenses rose 20% due to various reasons. Rental expenses increased due to additional office space leased to cope with business expansion. The other incidental costs such as electricity, equipment rental, telephone also increased in line with the expansion. Moreover, there was increase in subsidies on real-time quote charges to clients with high trading volume.

Net Profit Attributable to Shareholders

Net Profit attributable to shareholders for the six months ended 30 June 2006 was HK\$82.3 million, as compared to HK\$30.3 million for the same period last fiscal year.

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. On 29 June 2006, the Group signed an agreement with a group of 19 international and local banks in connection with a 5-year, HK\$500 Million Revolving Credit Facility (the "Facility"). The purpose of

the Facility is to provide the Group with financial flexibility to fund its fast growing brokerage, investment banking and asset management businesses.

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 long term and other 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. As at 30 June 2006, the Group's cash balance totalled HK\$334.7 million, compared with HK\$270.9 million at the beginning of the period. Cash held on behalf of customers stood at HK\$1,417.9 million, compared with HK\$1,401.4 million as at 31 December 2005. The current ratio of the Group was healthy at 1.35 times.

As at 30 June 2006, the Group's gearing ratio, measured on the basis of total borrowings as a percentage of total shareholders' equity, was 58%, up from 44% as at 31 December 2005. 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\$621.5 million (31 December 2005: HK\$444.4 million), against total margin loans of HK\$1,170.8 million (31 December 2005: HK\$897.6 million). The ratio of interest income to interest expense was 1.92 times, compared with 3.11 times for the year ended 31 December 2005. The decline was mainly due to

Financial Review

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\$1.38 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 1,270,000 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 2006, the total issued share capital of the Company stood at HK\$57.9 million, comprising 578,669,699 shares of HK\$0.10 each.

Material Acquisition and Disposal of Subsidiaries and Associated Companies

On 24 January 2006, the Group completed the acquisition of 60% of the issued share capital in each of Lexton Limited (renamed as Taifook Lexton Wealth Management Limited on 4 February 2006) and Lexton Pacific Consultants Limited (renamed as Taifook Lexton Consultants Limited on 4 February 2006) at an aggregate consideration of HK\$3.6 million.

Taifook Lexton Wealth Management Limited is a limited liability company incorporated in Hong Kong, which, together with its subsidiary, is engaged in the provision of (i) financial planning services assisting clients to select and arrange for insurance and financial products from insurance companies; and (ii) financial and insurance products brokerage in Hong Kong. It is also a member of The Hong Kong Confederation of Insurance Brokers.

Taifook Lexton Consultants Limited, a limited liability company incorporated in Hong Kong, is mainly engaged in the provision of financial advisory services in Hong

Kong assisting clients to select funds. It is also a corporation licensed to carry on type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Employees

The Group's total staff costs for the six months ended 30 June 2006, which excluded commissions paid to commission-based staff, amounted to HK\$82.4 million, representing a rise of 42% from HK\$57.9 million for last reference period. This is mainly due to payment of performance-based bonuses and increase in number of staff to support the business expansion of the Group. As at 30 June 2006, the Group employed a total of 697 (December 2005: 648) permanent staff of which 185 (December 2005: 193) were commission-based staff.

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 bimonthly, 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 any 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.

Financial Review

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 long term and other stand-by banking 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 advanceable value of a margin customer's portfolio drop below his margin loan 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.

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

收入

本集團截至二零零六年六月三十日止六個月之收入(亦為營業額)為34,050萬港元(二零零五年: 18,260萬港元)。本集團各部業務收入概列如下:

	截至六月三十日止六個月			
	二零零六年		二零零五年	
	千港元	%	千港元	%
證券買賣及經紀業務	114,594	33.7	67,438	36.9
期貨買賣及經紀業務	48,901	14.4	35,076	19.2
利息收入	78,880	23.2	29,151	16.0
企業融資及諮詢業務	36,841	10.8	41,086	22.5
貴金屬合約買賣及經紀業務	3,153	0.9	336	0.2
提供代理人及保管服務收入	5,674	1.6	4,117	2.2
基金管理	1,417	0.4	—	0.0
自營買賣收入	24,427	7.2	3,106	1.7
槓桿外匯交易收入	8,818	2.6	696	0.4
提供財務策劃服務之佣金收入	17,814	5.2	1,638	0.9
	340,519	100.0	182,644	100.0

經營開支

截至二零零六年六月三十日止六個月的經營開支總額為27,420萬港元(二零零五年: 15,350萬港元)。此等開支的分析如下:

	截至六月三十日止六個月			
	二零零六年		二零零五年	
	千港元	%	千港元	%
薪酬及佣金、花紅及退休金計劃供款	82,388	30.0	57,886	37.7
客戶主任佣金	56,869	20.7	20,773	13.5
其他佣金開支及交易所收費	9,985	3.6	9,089	5.9
給予孖展客戶之貸款減值	2,110	0.8	5,138	3.3
經營證券經紀及孖展借貸業務之利息開支	57,414	21.0	5,599	3.7
折舊	10,006	3.7	9,002	5.9
其他開支	55,448	20.2	46,057	30.0
	274,220	100.0	153,544	100.0

財務回顧

期內薪酬及佣金增加42%，主要因為支付業績花紅、授出以股權支付的購股權、以及增加員工人數以配合本集團的業務擴展。

期內客戶主任佣金大幅增加，主要因業務營業額大增所致。

經營證券經紀及孖展借貸業務之利息開支增加，主要因利率上升、首次公開發售的集資活動增加及主要用作孖展融資的銀行借貸增加所致。

折舊增加11%。折舊支出增加，是因為本集團將前端和後勤辦公室系統的發展成本資本化。

其他開支上升20%乃基於多方面的因素。本集團為擴充業務而租用新辦公室，租金開支因此增加。其他日常開支如電費、設備租賃費、電話費等，也因為業務擴充而增加。此外，本集團為高量買賣客戶提供的即時報價費補貼也有增加。

股東應佔純利

截至二零零六年六月三十日止六個月的股東應佔純利為8,230萬港元，對比上財政年度同期為3,030萬港元。

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貸款。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。二零零六年六月二十九日，本集團與19家國際和本地銀行組成的銀團簽訂一份為期5年的5億港元循環備用融資額（「該融資額」）協議，本集團簽訂該融資額

的主要目的，是為本集團提供靈活的資金周轉，以供發展迅速的經紀、投資銀行和資產管理業務所需。

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長期及其他銀行備用額、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，此外也會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，外滙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。於二零零六年六月三十日，本集團的現金結存總額達33,470萬港元，對比期初27,090萬港元。代客戶持有的現金維持於141,790萬港元，對比二零零五年十二月三十一日則為140,140萬港元。流動比率為1.35倍，亦屬穩健。

於二零零六年六月三十日，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58%，較二零零五年十二月三十一日的44%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款，主要用於孖展借貸業務。銀行及其他借貸總額為62,150萬港元（二零零五年十二月三十一日：44,440萬港元），孖展借貸總額則為117,080萬港元（二零零五年十二月三十一日：89,760萬港元）。利息收入與利息開支比率

財務回顧

為1.92倍，截至二零零五年十二月三十一日止年度則為3.11倍。下跌主要由於利率及用於孖展借貸之銀行貸款上升所致。

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13.8億港元，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1,270,000股，藉以提升本公司的資產淨值。於二零零六年六月三十日，本公司的已發行股本為578,669,699股，每股面值0.10港元，總值5,790萬港元。

重大收購及出售附屬公司及聯營公司

於二零零六年一月二十四日，本集團完成收購歷斯頓有限公司（於二零零六年二月四日易名為大福歷斯頓創富理財有限公司）及歷斯頓太平洋顧問有限公司（於二零零六年二月四日易名為大福歷斯頓顧問有限公司）已發行股本各60%權益，總代價為360萬港元。

大福歷斯頓創富理財有限公司為於香港註冊成立的有限公司，連同其附屬公司，於香港從事提供(i)財務策劃服務，協助客戶挑選及安排保險公司的保險及金融產品；及(ii)金融與保險產品經紀服務。該公司亦為香港保險顧問聯會會員。

大福歷斯頓顧問有限公司為於香港註冊成立的有限公司，主要於香港從事提供財務諮詢服務，協助客戶挑選基金。該公司亦

為可從事證券及期貨條例（香港法例第571章）項下第4類（就證券提供意見）及第9類（提供資產管理）受規管服務的持牌法團。

僱員

截至二零零六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8,240萬港元，較上一參考期間之5,790萬港元上升42%。總員工成本上升主要由於支付業績花紅及增加員工人數以配合本集團的業務擴展。於二零零六年六月三十日，本集團共聘用697名（二零零五年十二月：648名）全職員工，其中185名（二零零五年十二月：193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貸、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兩個月更新一次，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，本集團備有充裕之長期及其他備用銀行融資，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可墊支值跌至低於孖展欠款，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與運作，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其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就政策變更提出建議；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 Income Statement

簡明綜合收益表

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

			2006 二零零六年 (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
		Notes 附註		
REVENUE	收入	3	340,519	182,644
Other income	其他收入		32,613	8,797
Fair value losses on equity investments at fair value through profit or loss, net	按公平值計入損益之證券投資之公平值虧損淨額		(2,666)	(3,305)
Employee benefits expense:	僱員福利開支：			
Salaries and allowances, bonuses and pension scheme contributions	薪金及佣金、花紅及退休金計劃供款		(82,388)	(57,886)
Commission to account executives	客戶主任佣金		(56,869)	(20,773)
Other commission expenses and exchange fees	其他佣金開支及交易所收費		(9,985)	(9,089)
Impairment of loans to margin clients	給予孖展客戶之貸款減值		(2,110)	(5,138)
Interest expenses 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		(57,414)	(5,599)
Depreciation	折舊		(10,006)	(9,002)
Other expenses	其他開支		(55,448)	(46,057)
Share of profit of a jointly-controlled entity	應佔共同控制實體之溢利		252	492
PROFIT BEFORE TAX	除稅前溢利	4	96,498	35,084
Tax	稅項	5	(13,149)	(4,791)
PROFIT FOR THE PERIOD	期內溢利		83,349	30,293
Attributable to:	以下人士應佔溢利：			
Equity holders of the parent	母公司股本持有人		82,312	30,293
Minority interests	少數股東權益		1,037	—
			83,349	30,293
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股本持有人應佔每股盈利			
— Basic	— 基本	6	HK14.26 cents 港仙	HK5.18 cents 港仙
— Diluted	— 攤薄		HK14.24 cents 港仙	HK5.18 cents 港仙
DIVIDEND PER SHARE	每股股息	7	HK7 cents 港仙	HK2 cents 港仙

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

			30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 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			
Property, plant and equipment	物業、機器及設備		53,659	46,950
Goodwill	商譽		854	—
Other intangible assets	其他無形資產		4,609	4,609
Other assets	其他資產		17,977	11,347
Interest in a jointly-controlled entity	於共同控制實體之權益		3,047	2,795
Available-for-sale equity investments	可供出售證券投資	8	78,230	74,233
Deferred tax assets	遞延稅項資產		3,496	3,073
Total non-current assets	非流動資產總額		161,872	143,007
CURRENT ASSETS	流動資產			
Advances to customers	給予客戶之墊款	9	1,175,516	902,394
Accounts receivable	應收賬款	10	507,199	305,021
Prepayments, deposits and other receivables	預付款項、按金及其他 應收賬項		34,963	27,010
Due from related companies	應收關連公司款項		1,050	2,350
Tax recoverable	可收回稅項		736	6,374
Equity investments at fair value through profit or loss	按公平值計入損益之 證券投資	11	92,050	94,036
Cash held on behalf of customers	代客戶持有之現金	12	1,417,872	1,401,438
Cash and bank balances	現金及銀行結存		334,675	270,894
Total current assets	流動資產總額		3,564,061	3,009,517
CURRENT LIABILITIES	流動負債			
Accounts payable	應付賬款	13	1,938,563	1,639,994
Tax payable	應付稅項		11,134	2,726
Other payables and accruals	其他應付賬款及應計款項		47,029	33,707
Due to related companies	應付關連公司款項		26,940	27,238
Interest-bearing bank and other borrowings	計息銀行借款及 其他借款	14	621,527	444,373
Total current liabilities	流動負債總額		2,645,193	2,148,038
NET CURRENT ASSETS	流動資產淨額		918,868	861,479

Condensed Consolidated Balance Sheet

簡明綜合資產負債表

		Notes	30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
		附註		
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,080,740	1,004,486
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債		—	(455)
Total non-current liabilities	非流動負債總額		—	(455)
Net assets	淨資產		1,080,740	1,004,031
EQUITY	股權			
Equity attributable to equity holders of the parent	母公司股本持有人 應佔股權			
Issued capital	已發行股本	15	57,867	57,667
Reserves	儲備		979,378	929,064
Dividend	股息		40,627	17,300
			1,077,872	1,004,031
Minority interests	少數股東權益		2,868	—
Total equity	股權總額		1,080,740	1,004,031

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

Attributable to equity holders of the parent
母公司股本持有人應佔

		Issued share capital	Share premium account	Share option reserve	Share redemption reserve	Capital surplus	Contributed surplus	Investment revaluation reserve	Exchange fluctuation reserve	Retained profits	Proposed dividend	Total	Minority interests	Total equity
		已發行股本	溢價賬	購股權儲備	贖回儲備	撥入盈餘	資本儲備	重估儲備	波動儲備	保留溢利	擬派股息	合計	少數股東權益	總額
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2005	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	—	986,957
Change in fair value of available-for-sale equity investments	可供出售證券投資之公平值變動	—	—	—	—	—	—	(10,671)	—	—	—	(10,671)	—	(10,671)
Exchange realignment	匯兌調整	—	—	—	—	—	—	—	1	—	—	1	—	1
Total income and expense for the period recognised directly in equity	期內直接於股本中確認之總收入及總費用	—	—	—	—	—	—	(10,671)	1	—	—	(10,670)	—	(10,670)
Net profit for the period	期內純利	—	—	—	—	—	—	—	—	30,293	—	30,293	—	30,293
Total income and expense for the period	期內總收入及總費用	—	—	—	—	—	—	(10,671)	1	30,293	—	19,623	—	19,623
Final 2004 dividend declared	宣派二零零四年末期股息	—	—	—	—	—	—	—	—	(11,705)	(11,705)	—	—	(11,705)
Repurchase and cancellation of shares	購回及註銷股份	(148)	(1,392)	—	—	—	—	—	—	—	—	(1,540)	—	(1,540)
Transfer to capital redemption reserve of the nominal value of shares repurchased	轉往股本贖回儲備之購回股份之票面值	—	—	—	148	(148)	—	—	—	—	—	—	—	—
Interim 2005 dividend	二零零五年度中期股息	—	—	—	—	—	—	—	—	(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	—	993,335
At 1 January 2006	於二零零六年一月一日	57,667	516,153	—	3,528	1,595	45,501	(36,839)	(30)	399,156	17,300	1,004,031	—	1,004,031
Change in fair value of available-for-sale equity investments	可供出售證券投資之公平值變動	—	—	—	—	—	—	3,997	—	—	—	3,997	—	3,997
Exchange realignment	匯兌調整	—	—	—	—	—	—	—	24	—	—	24	—	24
Total income for the period recognised directly in equity	期內直接於股本中確認之總收入	—	—	—	—	—	—	3,997	24	—	—	4,021	—	4,021
Net profit for the period	期內純利	—	—	—	—	—	—	—	—	82,312	—	82,312	1,037	83,349
Total income for the period	期內總收入	—	—	—	—	—	—	3,997	24	82,312	—	86,333	1,037	87,370
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	—	—	—	1,831	1,831
Final 2005 dividend declared	宣派二零零五年末期股息	—	—	—	—	—	—	—	—	(17,300)	(17,300)	—	—	(17,300)
Issue of shares	發行股份	327	3,599	—	—	—	—	—	—	—	—	3,926	—	3,926
Equity-settled share option arrangements	以股權支付的購股權安排	—	—	2,397	—	—	—	—	—	—	—	2,397	—	2,397
Repurchase and cancellation of shares	購回及註銷股份	(127)	(1,388)	—	—	—	—	—	—	—	—	(1,515)	—	(1,515)
Transfer to capital redemption reserve of the nominal value of shares repurchased	轉往股本贖回儲備之購回股份之票面值	—	—	—	127	(127)	—	—	—	—	—	—	—	—
Interim 2006 dividend	二零零六年度中期股息	—	—	—	—	—	—	—	—	(40,627)	40,627	—	—	—
At 30 June 2006	於二零零六年六月三十日	57,867	518,364	2,397	3,655	1,468	45,501	(32,842)	(6)	440,841	40,627	1,077,872	2,868	1,080,740

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

		2006 二零零六年 (Unaudited) (未經審核) HKS'000 千港元	2005 二零零五年 (Unaudited) (未經審核) HK\$'000 千港元
NET CASH INFLOW/(OUTFLOW) FROM:	現金流入／(流出)淨額：		
OPERATING ACTIVITIES	經營業務	(4,138)	(61,515)
INVESTING ACTIVITIES	投資活動	(19,266)	(10,354)
FINANCING ACTIVITIES	融資活動	2,411	(1,540)
NET DECREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之減少淨額	(20,993)	(73,409)
Cash and cash equivalents at beginning of period	期初之現金及現金等值項目	245,690	238,300
Cash and cash equivalents at end of period	期終之現金及現金等值項目	224,697	164,891
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目結存之分析		
Cash and bank balances	現金及銀行結存	334,675	237,214
Bank overdrafts	銀行透支	(109,978)	(72,323)
		224,697	164,891

Notes to the Condensed Financial Statements

簡明財務報表附註

1. Corporate Information

Taifook Securities Group Limited (the "Company") is a limited liability company incorporated in Bermuda whose shares are publicly traded. The principal activities of the Company and its subsidiaries (the "Group") are described in note 3.

Pursuant to a special resolution passed at the annual general meeting of the Company held on 29 May 2006 and approved by the Registrars of Companies of Bermuda and Hong Kong, the name of the Company was changed from Tai Fook Securities Group Limited to Taifook Securities Group Limited.

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2006 were authorised for issue in accordance with a resolution of the directors on 14 September 2006.

2.1 Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2006 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2005.

2.2 Significant Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2005, except for the adoption of the following Hong Kong Financial Reporting Standards ("HKFRSs") mandatory for annual periods beginning on or after 1 January 2006:

1. 公司資料

大福證券集團有限公司(「本公司」)為一間於百慕達註冊成立之股份上市有限責任公司。本公司及其附屬公司(「本集團」)之主要業務詳述於附註3。

根據本公司二零零六年五月二十九日股東週年大會上通過之特別決議案，及經百慕達與香港公司註冊處批准，本公司之名稱已由「Tai Fook Securities Group Limited」更改為「Taifook Securities Group Limited」。

截至二零零六年六月三十日止六個月之中期簡明綜合財務報表按照二零零六年九月十四日之董事決議案授權刊發。

2.1 編製基準

截至二零零六年六月三十日止六個月之簡明綜合中期財務報表乃根據香港會計師公會頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

此簡明綜合中期財務報表不包括年度財務報表所須之所有資料及披露事項，並應與本集團截至二零零五年十二月三十一日止年度之年度財務報表一併閱讀。

2.2 重大會計政策

編製簡明綜合中期財務報表所採納的會計政策與編製本集團截至二零零五年十二月三十一日止年度全年財務報表相符，惟下列於二零零六年一月一日或之後開始年度期間強制採納之香港財務報告準則除外：

Notes to the Condensed Financial Statements

簡明財務報表附註

2.2 Significant Accounting Policies (continued)

HKAS 21 Amendment	Net Investment in a Foreign Operation
HKAS 39 Amendment	The Fair Value Option
HKAS 39 & HKFRS 4 Amendments	Financial Guarantee Contracts
HKFRS — Int 4	Determining whether an Arrangement contains a Lease

The adoption of the above HKFRS has had no material impact on the Group's results of operations for the current period or financial position at 30 June 2006.

3. Segment Information

Segment information is prepared by way of the Group's primary segment reporting basis by business segment. In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers. No further geographical segment information is presented as over 90% of the Group's revenue and results are derived from customers based in Hong Kong.

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 and bullion contracts broking and dealing;
- (b) the margin and other financing segment engages in the provision of margin financing to margin customers, and personal loans and commercial loans to individuals and corporate customers, respectively;

2.2 重大會計政策 (續)

香港會計準則第21號(修訂本)	境外業務投資淨額
香港會計準則第39號(修訂本)	選擇以公平值列賬
香港會計準則第39號及香港財務報告準則第4號(修訂本)	財務擔保合約
香港財務報告準則一 詮釋第4號	釐定一項安排是否包含租賃

採納上述香港財務報告準則對本集團本期間的經營業績或二零零六年六月三十日之財務狀況並無造成重大影響。

3. 分部資料

分部資料乃按本集團之主要分部呈報基準一業務分部編製。在釐定本集團之地區分部時，收入按客戶所在地分配於各分部中。由於本集團逾90%之收入及業績來自位於香港之客戶，故並無進一步呈列地區分部資料。

本集團之經營業務乃按其營運性質及所提供服務劃分進行構建及管理。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、期權及貴金屬合約之經紀及買賣服務；
- (b) 孖展及其他借貸業務，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；

Notes to the Condensed Financial Statements

簡明財務報表附註

3. Segment Information (continued)

- (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 and bullion contracts; and
- (e) the "other" segment comprises fund management, the provision of custodian and handling services, leveraged foreign exchange trading and the provision of financial planning services.

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

Business segments

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

3. 分部資料(續)

- (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、槓杆外匯買賣以及提供財務策劃服務。

各分部間之交易乃參照向第三方收取之價格而進行。

業務分部

下表載列本集團業務分部之收入及溢利／(虧損)。

	Broking 經紀		Margin and other financing 孖展及其他借貸		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	
	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元	2006 二零零六年 (Unaudited) HK\$'000 千港元	2005 二零零五年 (Unaudited) HK\$'000 千港元
Segment revenue: 分部收入:														
Sales to external customers 銷售予外來客戶	166,744	102,851	78,880	29,151	36,841	41,086	29,439	3,802	28,615	5,754	—	—	340,519	182,644
Intersegment sales 各分部間之銷售	486	97	6,172	3,105	—	—	—	—	—	—	(6,658)	(3,202)	—	—
Total 總計	167,230	102,948	85,052	32,256	36,841	41,086	29,439	3,802	28,615	5,754	(6,658)	(3,202)	340,519	182,644
Segment results 分部業績	44,578	15,693	38,732	14,671	11,453	12,621	8,169	(2,369)	2,175	(82)	—	—	105,107	40,534
Unallocated expenses 未分配開支													(8,861)	(5,942)
Share of profit of a jointly-controlled entity 應佔共同控制實體之溢利													252	492
Profit before tax 除稅前溢利													96,498	35,084
Tax 稅項													(13,149)	(4,791)
Profit for the period 期內溢利													83,349	30,293

Notes to the Condensed Financial Statements

簡明財務報表附註

4. Profit Before Tax

The Group's profit before tax is arrived at after charging/ (crediting):

4. 除稅前溢利

本集團除稅前溢利已扣減／(計入)下列各項：

		For the six months ended 30 June	
		截至六月三十日止六個月	
		2006	2005
		二零零六年	二零零五年
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Depreciation	折舊	10,006	9,002
Employee benefits expense (including directors' remuneration):	僱員福利開支 (包括董事酬金)：		
Salaries and allowances	薪酬及佣金	60,356	51,484
Bonuses	花紅	15,166	2,797
Commission to account executives	客戶主任佣金	56,869	20,773
Equity-settled share option expense	以股權支付之購股權開支	2,397	—
Net pension scheme contributions	退休金計劃供款淨額	4,469	3,605
		139,257	78,659
Profit on trading of securities	買賣證券之溢利	(10,400)	(1,361)
Profit on trading of futures contracts	買賣期貨合約之溢利	(705)	(604)
Profit on trading of bullion contracts	買賣貴金屬合約之溢利	(12,036)	(230)
Profit on trading of foreign exchange contracts	買賣外匯合約之溢利	(5,011)	(696)
Interest expenses 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	39,121	4,940
On other loans	其他貸款	18,293	659

Notes to the Condensed Financial Statements

簡明財務報表附註

5. Tax

Current — Hong Kong:	本期 — 香港：
Charges for the period	期內稅項
Overprovision in prior years	過往年度超額撥備
Current — Mainland China	本期 — 中國大陸
Deferred	遞延
Total tax charge for the period	期內稅項支出總額

Hong Kong profits tax for the period has been provided at a rate of 17.5% (2005: 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.

6. Earnings Per Ordinary Share Attributable to Equity Holders of the Parent

The calculation of basic earnings per share amounts is based on the unaudited profit for the period attributable to ordinary equity holders of the parent of HK\$82,312,000 (six months ended 30 June 2005: HK\$30,293,000), and the weighted average number of 577,336,384 (six months ended 30 June 2005: 584,772,086) ordinary shares in issue during the period.

5. 稅項

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

2006 二零零六年 (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
13,812	5,606
—	(1,367)
215	45
(878)	507
13,149	4,791

期內香港利得稅乃就期內香港產生之估計應課稅溢利按稅率17.5% (二零零五年：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所在國家的現行法例、詮釋及慣例，按當地之現行稅率計算。

6. 母公司普通股本持有人應佔每股盈利

每股基本盈利乃根據未經審核母公司普通股本持有人期內應佔溢利82,312,000港元 (截至二零零五年六月三十日止六個月：30,293,000港元)以及期內已發行普通股之加權平均數577,336,384股 (截至二零零五年六月三十日止六個月：584,772,086股)計算。

6. Earnings Per Ordinary Share Attributable to Equity Holders of the Parent (continued)

The calculation of diluted earnings per share amount for the period was based on the unaudited profit for the period attributable to ordinary equity holders of the parent of HK\$82,312,000. The weighted average number of 577,336,384 ordinary shares used in the calculation was the ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of 652,120 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options outstanding.

The calculation of diluted earnings per share amount for the prior period did not assume exercise of share options 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 that period.

7. Dividend

At a meeting of the board of directors held on 14 September 2006, the directors resolved to pay an interim dividend of HK7 cents (2005: HK2 cents) per ordinary share, to shareholders whose names appear on the register of members of the Company on Friday, 20 October 2006. The interim dividend will be paid on Friday, 27 October 2006.

6. 母公司普通股本持有人應佔每股盈利 (續)

本期間的每股攤薄盈利，乃根據未經審核母公司普通股本持有人期內應佔溢利82,312,000港元計算。計算時所採用普通股加權平均數為577,336,384股（與計算每股基本盈利所採納者相同）及假設已發行之普通股加權平均數652,120股已因全部尚未行使購股權被視為已行使按零代價發行。

鑒於期內尚未行使購股權的行使價高於本公司股份之平均市價，而此等購股權對期內每股基本盈利並無攤薄影響，故計算過往期間的每股攤薄盈利時並無假設已行使購股權。

7. 股息

於二零零六年九月十四日舉行之董事會會議上，董事會決議向於二零零六年十月二十日（星期五）名列本公司股東名冊之股東派付中期股息每股普通股7港仙（二零零五年：2港仙）。中期股息將於二零零六年十月二十七日（星期五）派付。

Notes to the Condensed Financial Statements

簡明財務報表附註

8. Available-for-sale Equity Investments

8. 可供出售證券投資

		30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Listed equity investments in Hong Kong, at market value	香港之上市證券 投資，按市值	28,658	35,822
Unlisted equity investments/ investment funds, at fair value:	非上市證券投資／投資基金， 按公平值：		
Hong Kong	香港	31,697	30,161
Mainland China (Note)	中國大陸 (附註)	17,875	8,250
		78,230	74,233

Note: The balance represented the promoter foreign shares of Changmao Biochemical Engineering Company Limited ("Changmao"), a company listed on the Growth Enterprise Market Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). 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.

During the period, the gross gain of the Group's available-for-sale equity investments recognised directly in equity amounted to HK\$3,997,000 (2005: gross loss of HK\$10,671,000).

The fair values of listed equity investments are based on quoted market prices. The fair values of unlisted equity investments, comprising the promoter foreign shares of Changmao and certain investment funds, are based on the quoted market prices of the listed H shares of Changmao and the quoted market prices of the respective investment funds, respectively.

At the balance sheet date, certain of the listed investments were pledged to banks to secure certain bank facilities granted to the Company's subsidiaries.

附註：該結餘代表常茂生物化學工程股份有限公司（「常茂」）（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）之發起人外資股。在遵守轉讓股份之限制的前提下，在取得包括中國證券監督管理委員會及聯交所內等機構的必要批准後，發起人外資股可轉換成上市H股，轉換後權利及責任與上市H股相同。

期內，本集團直接在股本確認可供出售證券投資之毛收益共計3,997,000港元（二零零五年：毛損失：10,671,000港元）。

上市證券投資之公平值乃以市場報價為準。非上市證券投資之公平值（由常茂發起人外資股及若干投資基金構成），乃分別以常茂上市H股之市場報價及各投資基金所報之市場價格為準。

於結算日，部份上市證券投資已抵押予銀行，以取得授予本公司附屬公司之若干銀行信貸。

Notes to the Condensed Financial Statements

簡明財務報表附註

9. Advances to Customers

		30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 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	1,181,510	951,380
Loans receivable	應收貸款	4,750	4,750
Accrued interest	應計利息	8,137	5,964
		1,194,397	962,094
Less: Impairment of loans to margin clients	減：給予孖展客戶之貸款減值	(18,881)	(59,700)
		1,175,516	902,394

Loans to margin clients are secured by the underlying pledged securities and are interest-bearing. 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 2006, the total market value of securities pledged as collateral in respect of the loans to margin clients was HK\$5,510 million (31 December 2005: HK\$3,773 million).

The loans receivable are unsecured, interest-bearing and repayable on demand.

9. 給予客戶之墊款

	30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Loans to margin clients	1,181,510	951,380
Loans receivable	4,750	4,750
Accrued interest	8,137	5,964
	1,194,397	962,094
Less: Impairment of loans to margin clients	(18,881)	(59,700)
	1,175,516	902,394

給予孖展客戶之貸款由相關已抵押證券作抵押並附帶利息。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。

授予孖展客戶之信貸融資額度，乃根據本集團接納之抵押品之折讓市值而釐定。於二零零六年六月三十日，有關給予孖展客戶之貸款以證券抵押作抵押品之總市值為5,510,000,000港元（二零零五年十二月三十一日：3,773,000,000港元）。

應收貸款屬無抵押、附息並須於要求時償還。

Notes to the Condensed Financial Statements

簡明財務報表附註

10. Accounts Receivable

10. 應收賬款

		30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 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	144,201	88,038
Cash clients	現金客戶	133,050	95,494
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	202,156	115,078
Bullion contracts transactions:	貴金屬合約交易：		
Brokers	經紀	8,069	1,373
Accounts receivable arising from new shares subscription on clients' behalf	代客戶認購新股產生之應收賬款	12,994	—
Accounts receivable arising from the ordinary course of business of the provision of:	在日常業務過程中提供下列服務產生之應收賬款：		
Corporate advisory, placing and underwriting services	企業諮詢、配售及包銷服務	3,804	5,038
Financial planning services	財務策劃服務	2,925	—
		507,199	305,021

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 accounts receivable attributable to new shares subscription on clients' behalf are settled within one week.

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。

代客戶認購新股之應收賬款將於一星期內結算。

Notes to the Condensed Financial Statements

簡明財務報表附註

10. Accounts Receivable (continued)

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

Within 3 months	三個月內
Between 4 and 6 months	四至六個月
Between 7 and 12 months	七至十二個月
Over 1 year	超過一年

Except as indicated above, all balances were aged within 30 days.

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 management. In view of the aforementioned and that the Group's accounts receivable relate to a large number of diversified customers, there is no significant concentration of credit risk.

Accounts receivable are non-interest-bearing.

10. 應收賬款 (續)

提供企業諮詢、配售及包銷以及財務策劃服務應佔之應收賬款賬齡分析如下：

30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
4,987	3,744
495	582
964	309
283	403
6,729	5,038

除上文另行註明外，所有結餘賬齡均為30天內。

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採取嚴謹監控措施，將信貸風險減至最低。管理層會定期檢討過期款項。鑒於上述情況以及本集團之應收賬款分散於為數眾多的客戶，因此信貸風險並無過份集中之情況。

應收賬款並不附帶任何利息。

Notes to the Condensed Financial Statements

簡明財務報表附註

11. Equity Investments at Fair Value through Profit or Loss

		30 June 2006	31 December 2005
		二零零六年 六月三十日	二零零五年 十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Listed equity investments, at market value:	上市證券投資， 按市值：		
Hong Kong	香港	91,284	93,293
Elsewhere	其他地區	766	743
		92,050	94,036

The above equity investments at 30 June 2006 were classified as held for trading.

12. Cash Held on behalf of Customers

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the balance sheet and recognised the corresponding accounts payable to respective clients on grounds that it is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

11. 按公平值計入損益之證券投資

		30 June 2006	31 December 2005
		二零零六年 六月三十日	二零零五年 十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	千港元
Listed equity investments, at market value:	上市證券投資， 按市值：		
Hong Kong	香港	91,284	93,293
Elsewhere	其他地區	766	743
		92,050	94,036

於二零零六年六月三十日，上述證券投資分類為持作買賣投資。

12. 代客戶持有之現金

本集團於持牌銀行開設獨立信託賬戶，以存放客戶因正常業務過程中所產生之款項。本集團將此等客戶款項分類為資產負債表之流動資產項下的代客持有之現金，並根據其須就客戶款項之任何損失或挪用負責任的基礎上而確認為應付予相關客戶。本集團不容許以客戶款項履行其本身之責任。

Notes to the Condensed Financial Statements

簡明財務報表附註

13. Accounts Payable

13. 應付賬款

		30 June 2006	31 December 2005
		二零零六年 六月三十日	二零零五年 十二月三十一日
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
		HK\$'000	HK\$'000
		千港元	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：		
Brokers and dealers	經紀及交易商	5,297	62,420
Cash clients	現金客戶	775,498	587,401
Margin clients	孖展客戶	737,131	692,475
Futures and options contracts transactions:	期貨及期權合約交易：		
Clients	客戶	367,625	242,402
Bullion contracts transactions:	貴金屬合約交易：		
Clients	客戶	32,062	21,735
Leveraged foreign exchange transactions:	槓桿式外匯交易：		
Clients	客戶	20,950	33,561
		1,938,563	1,639,994

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\$662,291,000 (31 December 2005: HK\$569,507,000) 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.

除下文進一步所述者外，就經紀、交易商及現金客戶進行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662,291,000港元(二零零五年十二月三十一日：569,507,000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。

Notes to the Condensed Financial Statements

簡明財務報表附註

13. Accounts Payable (continued)

Accounts payable to margin clients attributable to dealing in securities and equity options transactions are repayable on demand.

Accounts payable to clients attributable to dealing in futures, options, bullion and leverage foreign exchange contracts transactions are margin deposits received from clients for their trading of these transactions. 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 contracts transactions as, in the opinion of the directors, an aged analysis is not meaningful in view of the business nature.

Accounts payable are non-interest-bearing.

14. Interest-bearing Bank and Other Borrowings

13. 應付賬款 (續)

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。

期貨、期權及貴金屬及槓桿式外匯合約交易買賣應佔之應付客戶賬款為就客戶進行該等交易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、期權及貴金屬合約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、期權及貴金屬合約客戶應佔之應付孖展客戶賬款賬齡分析。

應付賬款並不附帶任何利息。

14. 計息銀行借款及其他借款

		30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Current	Effective interest rates (note a)		
即期	實際利率 (附註a)		
Bank overdrafts, secured	HIBOR* plus a spread per annum	109,978	25,204
銀行透支，有抵押	香港銀行同業拆息*加年利率差額		
Bank loans, secured	HIBOR* plus a spread per annum	405,104	305,072
銀行貸款，有抵押	香港銀行同業拆息*加年利率差額		
Other loans, unsecured	HIBOR* plus a spread per annum	106,445	114,097
其他貸款，無抵押	香港銀行同業拆息*加年利率差額		
		621,527	444,373

* Hong Kong Interbank Offered Rate

* 香港銀行同業拆息

Notes to the Condensed Financial Statements

簡明財務報表附註

14. Interest-bearing Bank and Other Borrowings (continued)

- (a) The spread ranged from 0.375% to 1.25% per annum.
- (b) The secured bank loans and overdrafts of the Group are secured by the listed shares held by the Group as security for advances to customers (with the customers' consent) and by the Group's listed shares of HK\$1,271,714,000 (2005: HK\$489,658,000).
- (c) The secured overdrafts are repayable on demand.
- (d) The secured bank loans and unsecured other loans are repayable within one year.

15. Share Capital

Authorised:	法定股本：
2,000,000,000	2,000,000,000股
(31 December 2005:	(二零零五年十二月三十一日：
1,000,000,000)	1,000,000,000股)
ordinary shares of	每股面值0.10港元之
HK\$0.10 each	普通股
Issued and fully paid:	已發行及繳足股本：
578,669,699	578,669,699股
(31 December 2005:	(二零零五年十二月三十一日：
576,667,699)	576,667,699股)
ordinary shares of	每股面值0.10港元之
HK\$0.10 each	普通股

14. 計息銀行借款及其他借款 (續)

- (a) 年利率差額介乎0.375厘至1.25厘。
- (b) 本集團之有抵押銀行貸款及透支乃以本集團持有作給予客戶之墊款之抵押(已獲客戶同意)之上市股份及本集團持有總值1,271,714,000港元(二零零五年：489,658,000港元)之上市股份作抵押。
- (c) 有抵押透支須按要求償還。
- (d) 有抵押銀行貸款及無抵押其他貸款須於一年內償還。

15. 股本

	30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Authorised:		
2,000,000,000		
(31 December 2005:		
1,000,000,000)		
ordinary shares of		
HK\$0.10 each	200,000	100,000
Issued and fully paid:		
578,669,699		
(31 December 2005:		
576,667,699)		
ordinary shares of		
HK\$0.10 each	57,867	57,667

Notes to the Condensed Financial Statements

簡明財務報表附註

15. Share Capital (continued)

During the period, the movements in share capital were as follows:

- (a) Pursuant to an ordinary resolution passed on 29 May 2006, the authorised share capital of the Company was increased from HK\$100,000,000 to HK\$200,000,000 by the creation of 1,000,000,000 additional shares of HK\$0.10 each, ranking pari passu in all respects with the existing share capital of the Company.
- (b) The subscription rights attaching to 3,272,000 share options were exercised at the subscription price of HK\$1.20 per share, resulting in the issue of 3,272,000 shares of HK\$0.10 each for a total consideration, before expenses, of HK\$3,926,400.
- (c) The repurchased shares were cancelled during the period and the issued share capital of the Company was reduced by the par value thereof. The premium paid on the repurchase of the shares, of HK\$1,388,000, has been charged to the share premium account. An amount equivalent to the par value of the shares cancelled has been transferred from the contributed surplus of the Group and of the Company to the capital redemption reserve as set out in the condensed consolidated statement of changes in equity.

The repurchases of the Company's shares during the period were effected by the directors, pursuant to the mandate from shareholders received at the last annual general meeting, with a view to benefiting shareholders as a whole by enhancing the net asset value per share of the Group.

15. 股本 (續)

期內，股本的變動如下：

- (a) 根據二零零六年五月二十九日通過之普通決議案，本公司透過增加1,000,000,000股每股面值0.10港元並在各方面均與本公司現有股本享同等權益之股份，將其法定股本由100,000,000港元增加至200,000,000港元。
- (b) 按認購價每股股份1.20港元行使3,272,000份購股權所附認購權，導致扣除開支前，以總代價3,926,400港元發行3,272,000股每股面值0.10港元之股份。
- (c) 期內購回之股份於購回後已予註銷，而本公司之已發行股本亦因應該等被註銷股份之面值而減少。於購回股份時所支付的1,388,000港元之溢價已於股份溢價賬扣除。如簡明綜合股本權益變動表載列，相等於已註銷股份之面值之數額已從本集團及本公司之繳入盈餘轉撥入資本贖回儲備。

期內購回本公司股份乃由董事根據股東於上一屆股東週年大會上授權而進行，目的是提升本集團每股資產淨值，藉以提高整體股東利益。

Notes to the Condensed Financial Statements

簡明財務報表附註

15. Share Capital (continued)

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	Issued share capital
		已發行 股份數目	已發行 股本 HK\$'000 千港元
As at 1 January 2006	於二零零六年一月一日	576,667,699	57,667
Share options exercised (b)	已行使之購股權(b)	3,272,000	327
Repurchased and cancelled (c)	已購回及註銷(c)	(1,270,000)	(127)
As at 30 June 2006	於二零零六年六月三十日	578,669,699	57,867

16. Business Combination

On 24 January 2006, the Group completed the acquisition of a 60% equity interest in each of Lexton Limited ("Lexton") and Lexton Pacific Consultants Limited ("Lexton Pacific") for a total cash consideration of HK\$3.6 million. Lexton is engaged in the provision of financial planning services and financial and insurance products brokerage in Hong Kong. Lexton Pacific is engaged in the provision of financial advisory services in Hong Kong. With effect from 4 February 2006, the names of the two companies were changed from Lexton to Taifook Lexton Wealth Management Limited and from Lexton Pacific to Taifook Lexton Consultants Limited.

15. 股本(續)

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：

16. 業務合併

於二零零六年一月二十四日，本集團以現金總代價3,600,000港元分別完成收購歷斯頓有限公司(「歷斯頓」)及歷斯頓太平洋顧問有限公司(「歷斯頓太平洋」)之60%股權。歷斯頓在香港從事提供財務策劃服務以及金融及保險產品經紀業務。歷斯頓太平洋在香港提供財務顧問服務。自二零零六年二月四日起，該兩間公司之名稱分別由歷斯頓更改為大福歷斯頓創富理財有限公司及由歷斯頓太平洋更改為大福歷斯頓顧問有限公司。

Notes to the Condensed Financial Statements

簡明財務報表附註

16. Business Combination (continued)

The aggregate carrying amounts of the identifiable assets and liabilities of Lexton and Lexton Pacific as at the date of acquisition, based on the unaudited management accounts, are as follows:

		Carrying amount (Unaudited)
		賬面值 (未經審核)
		HK\$'000
		千港元
Non-current assets	非流動資產	1,219
Current assets	流動資產	7,198
Current liabilities	流動負債	(3,840)
		<hr/>
		4,577

Had the acquisition been completed on 1 January 2006, total Group revenue for the period would have been HK\$341,878,000, and profit for the period would have been HK\$83,365,000.

17. 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\$1,920 million (31 December 2005: HK\$2,220 million) to secure the general bank facilities granted to subsidiaries. As at 30 June 2006, the amounts drawn against the bank facilities amounted to HK\$515 million (31 December 2005: HK\$330 million);
- (ii) corporate guarantees to the extent of US\$4 million (31 December 2005: US\$4 million) and HK\$2 million (31 December 2005: HK\$2 million) have been provided by the Company in respect of precious metals trading facilities granted to a subsidiary;

16. 業務合併 (續)

按未經審核管理賬目為基準，歷斯頓及歷斯頓太平洋於收購日期之可識別資產及負債總賬面值如下：

		Carrying amount (Unaudited)
		賬面值 (未經審核)
		HK\$'000
		千港元
Non-current assets	非流動資產	1,219
Current assets	流動資產	7,198
Current liabilities	流動負債	(3,840)
		<hr/>
		4,577

如二零零六年一月一日完成收購，本集團期內之總收入將為341,878,000港元，而期內溢利將為83,365,000港元。

17. 或然負債

於結算日，財務報表中未撥備之或然負債如下：

- (i) 本公司就授予附屬公司一般銀行信貸而提供之公司擔保款額為1,920,000,000港元(二零零五年十二月三十一日：2,220,000,000港元)。於二零零六年六月三十日，該等銀行信貸支取之金額為515,000,000港元(二零零五年十二月三十一日：330,000,000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4,000,000美元(二零零五年十二月三十一日：4,000,000美元)及2,000,000港元(二零零五年十二月三十一日：2,000,000港元)；

17. Contingent Liabilities (continued)

- (iii) corporate guarantees to the extent of US\$9.8 million (31 December 2005: US\$9.8 million) have been provided by the Company in respect of foreign exchange trading granted to a subsidiary;
- (iv) the Company has provided a corporate guarantee to the extent of HK\$10,000,000 (31 December 2005: 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\$2,188,000 (31 December 2005: HK\$2,081,000) as at 30 June 2006. 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.

18. 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.

17. 或然負債(續)

- (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9,800,000美元(二零零五年十二月三十一日: 9,800,000美元);
- (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10,000,000港元(二零零五年十二月三十一日: 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, 於二零零六年六月三十日可能須支付之最高金額為2,188,000港元(二零零五年十二月三十一日: 2,081,000港元)。此或然負債出現之原因, 是由於若干現聘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。由於該等情況並不太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。

18. 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。寫字樓物業租賃期介乎一至五年, 而電腦設備租賃期則介乎兩至五年。

Notes to the Condensed Financial Statements

簡明財務報表附註

18. Operating Lease Arrangements (continued)

At 30 June 2006, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year 一年內
In the second to fifth years, inclusive 第二至第五年(包括首尾兩年)

18. 經營租賃安排(續)

於二零零六年六月三十日，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：

	30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	22,985	19,633
	14,519	15,887
	37,504	35,520

19. Commitments

In addition to the operating lease commitments detailed in note 18 above, the Group had the following commitments at the balance sheet date:

(a) Capital commitments

Contracted, but not provided for:
Computer equipment

已訂約，但未撥備：
電腦設備

19. 承擔

除經營租賃承擔於上文附註18詳述外，本集團於結算日之承擔如下：

(a) 資本承擔

	30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
	1,773	1,511

Notes to the Condensed Financial Statements

簡明財務報表附註

19. Commitments (continued)

(b) Commitments under leveraged foreign exchange trading contracts

		30 June 2006 二零零六年 六月三十日 (Unaudited) (未經審核) HK\$'000 千港元	31 December 2005 二零零五年 十二月三十一日 (Audited) (經審核) HK\$'000 千港元
Purchase foreign currencies	購買外匯	141,802	607,894
Sell foreign currencies	沽出外匯	122,399	626,004

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.

19. 承擔 (續)

(b) 槓桿外匯買賣合約的承擔

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

20. Related Party Transactions

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties during the period:
- (i) 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 Dr. Cheng Kar Shun, Henry, 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\$961,000 (2005: HK\$764,000) for various terms between two to three years. The Group paid total rentals of HK\$5,767,000 (2005: HK\$4,581,000) for the period. The rentals paid were calculated by reference to open market rentals as confirmed to the Group by an independent professional valuer.

20. 關連人士交易

- (a) 除已於本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：
- (i) 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961,000港元(二零零五年：764,000港元)，租約年期由二至三年不等，本集團在期內支付之租金總額為5,767,000港元(二零零五年：4,581,000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鄭家純博士家族控制之公司。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。

Notes to the Condensed Financial Statements

簡明財務報表附註

20. Related Party Transactions (continued)

- (ii) During the period, the Group provided corporate advisory services to New World Mobile Holdings Limited, a company controlled by New World Development Company Limited (“NWD”), which is itself a company controlled by the family of Dr. Cheng Kar Shun, Henry. The income from these transactions amounted to HK\$585,000 (2005: Nil) for the period and was charged in accordance with the terms of the underlying agreements.
- (iii) During the period, the Group provided placing services to NWD, a company controlled by the family of Dr. Cheng Kar Shun, Henry. The placing income from these transactions amounted to HK\$15,381,000 (2005: Nil) for the period and was charged in accordance with the terms of the underlying placing agreements.
- (iv) During the period, the Group provided corporate advisory services to New World CyberBase Limited (“NWC”), a company of which Lo Lin Shing, Simon is a substantial shareholder and an executive director. To Hin Tsun, Gerald is also a non-executive director of NWC. The corporate advisory income from these transactions amounted to HK\$203,000 (2005: Nil) for the period and was charged in accordance with the terms of the underlying agreements.
- (v) During the period, the Group provided placing services to NWC, a company of which Lo Lin Shing, Simon is a substantial shareholder and an executive director. To Hin Tsun, Gerald is also a non-executive director of NWC. The placing income from these transactions amounted to HK\$1,350,000 (2005: Nil) for the period and was charged in accordance with the terms of the underlying placing agreements.

20. 關連人士交易 (續)

- (ii) 期內，本集團向新世界移動控股有限公司提供企業顧問服務。該公司為新世界發展有限公司(「新世界發展」)控制的公司，而新世界發展由鄭家純博士家族控制。上述交易於期內所產生的收入為585,000港元(二零零五年：無)，已按照相關協議的條款予以徵收。
- (iii) 期內，本集團向新世界發展提供配售服務。該公司由鄭家純博士家族控制。上述交易於期內所產生的配售服務收入為15,381,000港元(二零零五年：無)，已按照相關配售協議的條款予以徵收。
- (iv) 期內，本集團向新世界數碼基地有限公司(「新世界數碼基地」)提供企業顧問服務，魯連城為該公司的主要股東及執行董事，而杜顯俊則為新世界數碼基地的非執行董事。上述交易於期內所產生的企業顧問收入為203,000港元(二零零五年：無)，已按照相關協議的條款予以徵收。
- (v) 期內，本集團向新世界數碼基地提供配售服務，魯連城為該公司的主要股東及執行董事，而杜顯俊則為新世界數碼基地的非執行董事。上述交易於期內所產生的配售收入為1,350,000港元(二零零五年：無)，已按照相關配售協議的條款予以徵收。

20. Related Party Transactions (continued)

- (vi) During the prior period, the Group provided corporate advisory and placing services to International Entertainment Corporation (formerly known as Cyber On-Air Group Company Limited), a company controlled by CTF, which is itself a company controlled by the family of Dr. Cheng Kar Shun, Henry. The corporate advisory fee and placing income from these transactions amounted to HK\$9,578,000 for the prior period and was charged in accordance with the terms of the underlying agreements. No such corporate advisory fee and placing income were charged for the current period.
- (vii) During the prior period, the Group provided placing services to New World China Land Limited, a company controlled by NWD, which is itself a company controlled by the family of Dr. Cheng Kar Shun. The placing income from these transactions amounted to HK\$11,397,000 for the prior period and was charged in accordance with the terms of the underlying placing agreements. No such placing income was charged for the current period.
- (b) The balances with related companies are unsecured, interest-free and have no fixed terms of repayment.

20. 關連人士交易 (續)

- (vi) 前期內，本集團向國際娛樂有限公司(前稱創博數碼科技集團有限公司)提供企業顧問及配售服務，該公司為周大福控制的公司，而周大福則由鄭家純博士家族控制。上述交易於前期內所產生的企業顧問費和配售服務收入為9,578,000港元，已按照相關協議的條款予以徵收。本期內並無徵收該等企業顧問費和配售服務收入。
- (vii) 前期內，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控制的公司，而新世界發展由鄭家純博士家族控制。上述交易於前期內所產生的配售服務收入為11,397,000港元，已按照相關配售協議的條款予以徵收。本期內並無徵收該等配售服務收入。
- (b) 與關連公司結餘款項乃無抵押、免息及無固定還款期。

Notes to the Condensed Financial Statements

簡明財務報表附註

20. Related Party Transactions (continued)

- (c) Compensation of key management personnel of the Group:

		For the six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五 (Unaudited) (未經審核) HK\$'000 千港元
Short term employee benefits	短期僱員福利	9,849	9,508
Post-employment benefits	終止僱用後福利	674	635
Total compensation paid to key management personnel	支付予主要管理人員之 薪酬總額	10,523	10,143

21. Approval of the Interim Financial Report

These condensed consolidated interim financial statements were approved and authorised for issue by the board of directors on 14 September 2006.

20. 關連人士交易 (續)

- (c) 本集團主要管理人員之薪酬：

		For the six months ended 30 June 截至六月三十日止六個月	
		2006 二零零六 (Unaudited) (未經審核) HK\$'000 千港元	2005 二零零五 (Unaudited) (未經審核) HK\$'000 千港元
Short term employee benefits	短期僱員福利	9,849	9,508
Post-employment benefits	終止僱用後福利	674	635
Total compensation paid to key management personnel	支付予主要管理人員之 薪酬總額	10,523	10,143

21. 中期財務報告之批核

董事會於二零零六年九月十四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

Taifook 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 44.

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 2006.

Ernst & Young

Certified Public Accountants

Hong Kong, 14 September 2006

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44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，我們並未發現截至二零零六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，二零零六年九月十四日

Additional Information

其他資料

Closure of Register of Members

The register of members of the Company will be closed from Monday, 16 October 2006 to Friday, 20 October 2006, 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 Hong Kong Branch Share Registrars and Transfer Office, Tricor Investor Services Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 13 October 2006.

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

At 30 June 2006, the interests and short positions of the directors in the shares, underlying shares and debentures 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	Number of shares held			Number of underlying shares held under equity derivatives	Total	Percentage of the Company's issued share capital
	Personal interests	Family interests	Corporate interests			
董事名稱	個人權益	家族權益	公司權益	根據股本衍生工具所持有之相關股份數目	總數	佔本公司已發行股本之百分比
Lo Lin Shing, Simon ("Mr. Lo") 魯連城(「魯先生」)	5,500,000 (Note 1) (附註1)	–	70,616,222 (Note 2) (附註2)	4,000,000 (Note 3) (附註3)	80,116,222	13.84
Doo Wai Hoi, William ("Mr. Doo") 杜惠愷(「杜先生」)	–	–	4,346,000 (Note 4) (附註4)	–	4,346,000	0.75
Wong Shiu Hoi, Peter 黃紹開	12,000,000 (Note 1) (附註1)	–	–	4,000,000 (Note 3) (附註3)	16,000,000	2.76

暫停辦理股東登記手續

本公司將於二零零六年十月十六日(星期一)至二零零六年十月二十日(星期五)(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，必須於二零零六年十月十三日(星期五)下午四時正前交回本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓，辦理登記手續。

董事於股份、相關股份及債券之權益及淡倉

於二零零六年六月三十日，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的標準守則(「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、相關股份及債券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, Underlying Shares and Debentures (continued)

董事於股份、相關股份及債券之權益及淡倉 (續)

(a) The Company (continued)

(a) 本公司 (續)

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之相關股份數目	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			
Lee Yiu Wing, William 李耀榮	-	-	-	2,500,000 (Note 3) (附註3)	2,500,000	0.43
Chan Chi On, Derek 陳志安	562,000 (Note 1) (附註1)	-	-	2,250,000 (Note 3) (附註3)	2,812,000	0.49

(b) The associated corporation of the Company

(b) 本公司之相聯法團

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之相關股份數目	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
Mr. Lo 魯先生	Taifook Finance Company Limited (Note 5) 大福財務有限公司 (附註5)	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

Additional Information

其他資料

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

(b) The associated corporation of the Company (continued)

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.
- (3) This represents interests in the share options held by the relevant director as beneficial owner for subscribing the relevant underlying shares in respect of the share options granted by the Company under the 2002 Share Option Scheme, details of which are set out in the section headed "Share Option Scheme" below.
- (4) These shares are held by Grand Partners Group Limited, a company beneficially wholly-owned by Mr. Doo.
- (5) Taifook Finance Company Limited is an indirect wholly-owned subsidiary of the Company.

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

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.

Save as disclosed above, none of the directors or their associates had registered any other interests or short positions in the shares, underlying shares or debentures 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.

董事於股份、相關股份及債券之權益及淡倉 (續)

(b) 本公司之相聯法團 (續)

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) 該等股份乃由魯先生實益全資擁有之公司 Wellington Equities Inc. 所持有。
- (3) 這代表根據二零零二年購股權計劃，本公司授出可認購相關股份的購股權，乃由有關董事以實益擁有人的身份所持有的該等購股權權益，詳情載於下文「購股權計劃」一節。
- (4) 該等股份乃由杜先生實益全資擁有之公司 Grand Partners Group Limited 所持有。
- (5) 大福財務有限公司為本公司之間接全資附屬公司。

以上所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。

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。

除上文所披露者外，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、相關股份或債券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, Underlying Shares and Debentures" above and "Share Option Scheme" below, at no time during the six months ended 30 June 2006 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 2006, options to subscribe for a total of 40,978,000 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 參與者名稱或類別	Number of share options 購股權數目					Date of grant of share options* 授出日期*	Exercise period of share options 行使期限	Price of the Company's shares*** 本公司股價***			
	At 1 January 2006 於二零零六年一月一日	Granted during the period 於期內授出	Exercised during the period 於期內行使	Lapsed during the period 於期內失效	At 30 June 2006 於二零零六年六月三十日			Exercise price of share options** 行使價**	At immediately preceding the grant	At immediately preceding the exercise	
									of share options** 購股權	share options 緊接購股權	share options 緊接購股權
Directors 董事											
Mr. Lo 魯先生	-	4,000,000	-	-	4,000,000	10 February 2006 二零零六年二月十日	10 August 2006 – 9 August 2014 二零零六年八月十日至二零零四年八月九日	0.94	0.94	N/A 不適用	
Wong Shiu Hoi, Peter 黃紹開	-	4,000,000	-	-	4,000,000	10 February 2006 二零零六年二月十日	10 August 2006 – 9 August 2014 二零零六年八月十日至二零零四年八月九日	0.94	0.94	N/A 不適用	
Lee Yiu Wing, William 李耀榮	-	2,500,000	-	-	2,500,000	10 February 2006 二零零六年二月十日	10 August 2006 – 9 August 2014 二零零六年八月十日至二零零四年八月九日	0.94	0.94	N/A 不適用	
Chan Chi On, Derek 陳志安	-	2,250,000	-	-	2,250,000	10 February 2006 二零零六年二月十日	10 August 2006 – 9 August 2014 二零零六年八月十日至二零零四年八月九日	0.94	0.94	N/A 不適用	
	-	12,750,000	-	-	12,750,000						

董事購買股份或債券之權利

除於上文「董事於股份、相關股份及債券之權益及淡倉」項下及下文「購股權計劃」所披露者外，截至二零零六年六月三十日止六個月之任何時間，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

於二零零六年六月三十日，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40,978,000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：

Additional Information

其他資料

Share Option Scheme (continued)

購股權計劃 (續)

Name or category of participant	Number of share options 購股權數目					Date of grant of share options* 購股權 授出日期*	Exercise period of share options 購股權 行使期限	Price of the Company's shares*** 本公司股價***		
	At 1 January 2006 於二零零六年 一月一日	Granted during the period 於期內授出	Exercised during the period 於期內行使	Lapsed during the period 於期內失效	At 30 June 2006 於二零零六年 六月三十日			Exercise price of share options** 購股權 行使價** HK\$ 港元	At immediately preceding the grant date of share options 緊接購股權 授出日期前 HK\$ 港元	At immediately preceding the exercise date of share options 緊接購股權 行使日期前 HK\$ 港元
Continuous contract employees 持續合約僱員										
In aggregate 合計	14,800,000	-	(3,272,000)	(1,000,000)	10,528,000	5 September 2003 二零零三年九月五日	5 March 2004 – 4 March 2009 二零零四年三月五日至 二零零九年三月四日	1.20	1.16	1.60
In aggregate 合計	-	17,700,000	-	-	17,700,000	10 February 2006 二零零六年二月十日	10 August 2006 – 9 August 2014 二零零六年八月十日至 二零一四年八月九日	0.94	0.94	N/A 不適用
	14,800,000	17,700,000	(3,272,000)	(1,000,000)	28,228,000					

Note: These share options lapsed during the period as a results of staff resignation.

附註：此等購股權因員工辭職而於期內失效。

* 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.

* 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。

** 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.

** 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。

*** 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.

*** 上表所披露於緊接購股權授出日期前的本公司股價，乃緊接購股權授出日期前一個交易日的聯交所收市價。上表所披露於緊接購股權行使日期前的本公司股價，乃聯交所收市價相對於披露類別內所有購股權的行使加權平均價。

The fair market value of the 30,450,000 share options granted to directors and continuous contract employees during the period is HK\$3,075,450, which was calculated using the Black-Scholes option pricing model (the "Model") as at the date of the grant of the share options.

按柏力克—舒爾斯期權定價模式（「該模式」）計算，於期內授予董事及持續合約僱員的30,450,000份購股權於購股權授出日期之公平市價為3,075,450港元。

Additional Information

其他資料

Share Option Scheme (continued)

The Model is based on the assumption that it is possible to set up a perfectly hedged position consisting of owning the shares of stock and selling a call option on the stock. Any movement in the price of the underlying stock will be offset by an opposite movement in the option's value, resulting in no risk to the investor. This perfect hedge is riskless and, therefore, should yield the riskless rate of return.

The following are the inputs to the Model used for the six months ended 30 June 2006:

- Risk free interest rate: 4.107%, being the approximate yield of 3-year Hong Kong Exchange Fund Note traded on 10 February 2006
- Expected volatility: 18.67%, being the annualised historical volatility of the closing price of the Company's shares as of 10 February 2006
- Expected dividend yield: 5.21%, as of 10 February 2006
- Expected life of the share options: 3 years
- Share price: HK\$0.96, being the closing price of the Company's shares as of 10 February 2006

The fair market value of the share options was calculated by using the Model which was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

購股權計劃(續)

該模式乃假設能夠建立一個同時擁有股份及出售股份認購權的完全對沖的持倉量。相關股份的股價變動，將可藉著購股權價值的相反變動而抵銷，使到投資者最終無需承擔風險。這個完全對沖的持倉量不附帶任何風險，因此，所得回報率亦不附帶任何風險。

截至二零零六年六月三十日止六個月該模式的輸入資料載列如下：

- 無風險利率：4.107%，乃於二零零六年二月十日買賣之三年期香港外匯基金票據之大約回報率
- 預期波幅：18.67%，乃本公司股份於二零零六年二月十日之收市價之全年歷史波幅
- 預期股息率：5.21%，於二零零六年二月十日之股息率
- 預期購股權年期：3年
- 股價：0.96港元，乃本公司股份於二零零六年二月十日之收市價

按該模式計算的購股權的公平市值，乃根據公認的定價程序及慣例，這些定價程序及慣例依賴使用大量不容易量化或確定的假設及考慮大量的不確定因素。

Additional Information

其他資料

Substantial Shareholders

At 30 June 2006, 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

於二零零六年六月三十日，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 substantial shareholders 主要股東名稱	Notes 附註	Number of shares held and nature of interests 持有股份數目及權益性質		Number of underlying shares held under equity derivatives 根據股本衍生工具所持有之相關股份數目	Total 總數	Percentage of the Company's issued share capital 佔本公司已發行股本之百分比
		Direct 直接	Deemed 視作擁有			
Chow Tai Fook Nominee Limited ("CTFN") 周大福代理人有限公司(「周大福代理人」)	(1)	107,140,540	–	–	107,140,540	18.52
Cheng Yu Tung Family Holdings Limited ("CYTF")	(2)	–	159,550,256	–	159,550,256	27.57
Centennial Success Limited ("CSL")	(3)	–	159,550,256	–	159,550,256	27.57
Chow Tai Fook Enterprises Limited ("CTFE") 周大福企業有限公司(「周大福企業」)	(4)	30,977,916	128,572,340	–	159,550,256	27.57
New World Development Company Limited ("NWD") 新世界發展有限公司(「新世界發展」)	(5)	–	128,572,340	–	128,572,340	22.22
NWS Holdings Limited ("NWS") 新創建集團有限公司(「新創建」)	(6)	–	128,572,340	–	128,572,340	22.22
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)」)	(7)	–	128,572,340	–	128,572,340	22.22
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)」)	(8)	–	128,572,340	–	128,572,340	22.22
NWS Financial Management Services Limited ("NWSFM")	(9)	128,572,340	–	–	128,572,340	22.22
Wellington Equities Inc. ("WEI")	(10)	70,616,222	–	–	70,616,222	12.20
Ku Ming Mei, Rouisa 顧明美	(11)	–	76,116,222	4,000,000	80,116,222	13.84

Additional Information

其他資料

Substantial Shareholders (continued)

Notes:

- (1) Cheng Yu Tung beneficially owns all of the issued shares in CTFN. Cheng Kar Shun, Henry ("Dr. Cheng"), a director of the Company ("Director"), is also a director of CTFN.
- (2) CYTF has interests in more than one-third of the issued shares of CSL and is accordingly deemed to have an interest in the shares in which CSL is deemed to be interested. Dr. Cheng, a Director, is also a director of CYTF.
- (3) CTFE is a wholly-owned subsidiary of CSL and CTFE's interests in the Company are deemed to be held by CSL. Dr. Cheng, a Director, is also a director of CSL.
- (4) CTFE 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. Dr. Cheng, a Director, is also a director of CTFE.
- (5) 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. Dr. Cheng, a Director, is also a director of NWD.
- (6) NWSSM (Cayman) is a wholly-owned subsidiary of NWS and NWSSM (Cayman)'s interests in the Company are deemed to be held by NWS. Dr. Cheng, Mr. Doo, Wong Kwok Kin, Andrew ("Mr. Wong"), Lam Wai Hon, Patrick ("Mr. Lam") and To Hin Tsun, Gerald ("Mr. To"), all Directors, are also directors of NWS.
- (7) NWSSM (BVI) is a wholly-owned subsidiary of NWSSM (Cayman) and NWSSM (BVI)'s interests in the Company are deemed to be held by NWSSM (Cayman). Dr. Cheng, Mr. Doo, Mr. Wong and Mr. Lam, all Directors, are also directors of NWSSM (Cayman).
- (8) NWSFM is a wholly-owned subsidiary of NWSSM (BVI) and NWSFM's interests in the Company are deemed to be held by NWSSM (BVI). Dr. Cheng, Mr. Wong and Mr. Lam, all Directors, are also directors of NWSSM (BVI).
- (9) Mr. Wong and Mr. Lam, both Directors, are also directors of NWSFM.
- (10) These shares are held by WEI, a company beneficially wholly-owned by Mr. Lo and have been shown in the corporate interests of Mr. Lo in the Company as set out in the section headed "Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures" above. Mr. Lo and Mr. To, both Directors, are also directors of WEI.
- (11) Ku Ming Mei, Rouisa is the spouse of Mr. Lo and is thus taken to be interested in the same parcel of shares held by Mr. Lo.

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

主要股東(續)

附註:

- (1) 鄭裕彤實益擁有周大福代理人之全部已發行股份。鄭家純(「鄭博士」)為本公司董事(「董事」)，亦為周大福代理人之董事。
- (2) CYTF 擁有 CSL 已發行股份三分之一以上，因而被視為為於 CSL 被視為擁有之股份中擁有權益。鄭博士為董事，亦為 CYTF 之董事。
- (3) 周大福企業為 CSL 之全資附屬公司，故周大福企業於本公司之權益被視為由 CSL 所持有。鄭博士為董事，亦為 CSL 之董事。
- (4) 周大福企業及其附屬公司擁有新世界發展已發行股份三分之一以上，因而被視為為於新世界發展被視為擁有之股份中擁有權益。鄭博士為董事，亦為周大福企業之董事。
- (5) 新世界發展擁有新創建已發行股份三分之一以上，因而被視為為於新創建被視為擁有之股份中擁有權益。鄭博士為董事，亦為新世界發展之董事。
- (6) NWSSM (Cayman) 為新創建之全資附屬公司，故 NWSSM (Cayman) 於本公司之權益被視為由新創建所持有。鄭博士、杜先生、黃國堅(「黃先生」)、林煒瀚(「林先生」)及杜顯俊(「杜先生」)皆為董事，亦為新創建之董事。
- (7) NWSSM(BVI) 為 NWSSM (Cayman) 之全資附屬公司，故 NWSSM(BVI) 於本公司之權益被視為由 NWSSM (Cayman) 所持有。鄭博士、杜先生、黃先生及林先生皆為董事，亦為 NWSSM (Cayman) 之董事。
- (8) NWSFM 為 NWSSM(BVI) 之全資附屬公司，故 NWSFM 於本公司之權益被視為由 NWSSM(BVI) 所持有。鄭博士、黃先生及林先生皆為董事，亦為 NWSSM(BVI) 之董事。
- (9) 黃先生及林先生皆為董事，亦為 NWSFM 之董事。
- (10) 該等股份乃由魯先生實益全資擁有之公司 WEI 所持有，並已於上文「董事於股份、相關股份及債券之權益及淡倉」一節詳列為魯先生於本公司之公司權益。魯先生及杜先生皆為董事，亦為 WEI 之董事。
- (11) 顧明美為魯先生之配偶，因此被視為為魯先生所持有股份中擁有權益。

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。

Additional Information

其他資料

Substantial Shareholders (continued)

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, Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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

During the period, the Company repurchased a total of 1,270,000 of its listed shares on the Stock Exchange. Details of the repurchase are summarised as follows:

Month 月份	Number of shares repurchased 已購回股份之數目	Purchase price per share 每股購回價格		Aggregate purchase price 總購買價格 HK\$ 港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
2006	二零零六年			
April	四月	578,000	1.20	681,060
June	六月	692,000	1.20	828,620
		<u>1,270,000</u>		1,509,680
		Total expenses on shares repurchased	已購回股份之 總開支	<u>5,439</u>
				<u>1,515,119</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.

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.

主要股東 (續)

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、相關股份及債券之權益及淡倉」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。

購買、出售或贖回本公司之上市證券

期內，本公司於聯交所購回共1,270,000股上市股份。購回之詳情概述如下：

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而減少。董事認為購回股份的目的在於提升本集團每股資產淨值。

除上文所披露者外，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。

Additional Information

其他資料

Corporate Governance

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 (the “Listing Rules”) throughout the accounting period covered by this report.

The Company has adopted 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 2006. The Audit Committee is composed of 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

本公司於本報告所涵蓋的會計期間一直遵守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。

本公司已採納上市規則附錄10所載的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的會計期間一直遵守標準守則所規定之準則。

於本報告所涵蓋的會計期間，本公司均符合上市規則有關委任最少三位獨立非執行董事，且其中一位須具備合適的專業資格或會計或相關財務管理專才的最低要求。

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，以及本集團截至二零零六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，其中三名(包括主席)為獨立非執行董事。委員會大部分成員(包括主席)均擁有與財政事務相關的專業資格和經驗。

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