

### RESULTS

For the six months ended 30 June 2006, the Group recorded a profit before tax of HK\$207 million (2005: HK\$212.2 million restated). Profit attributable to equity holders of the Company amounted to HK\$178 million (2005: HK\$192.6 million restated). Earnings per share were HK14.3 cents (2005: HK15.5 cents restated).

It is important, however, to note that the profit from the normal course of businesses improved significantly. The said profit recorded was HK\$275 million (2005: HK\$130.4 million, an increase of 110.89%).

The decrease in profit attributable to equity holders of the Company was principally caused by two non recurring charges. The first was a deemed loss of approximately HK\$81 million arising from the requisite accounting treatment of the carrying value of the Company's investment in Tian An China Investments Company Limited ("Tian An") arising from the conversion by a Tian An's warrant holder of 78,800,000 warrants in Tian An at a price of HK\$2.75 each and a placement by Tian An of 175,000,000 shares at a price of HK\$5.1 per share. The Directors believe however that the consequent cash injection into Tian An has in fact strengthened its balance sheet and its capacity to pursue its development projects and thus enhanced the potential value of the Company's investment in Tian An. The other non recurring charge to the Company's results arises from an impairment provision of approximately HK\$58 million to the carrying value of its interest in the Kuala Lumpur hotel joint venture with New World Development Company Limited ("NWDC") pursuant to the final decision of the Hong Kong Court of Final Appeal. Further details of these provisions are contained in the notes 5 and 6 to the condensed consolidated financial statements.

The Board is pleased with the strength of the increase in the Group's profit from the normal course of businesses and also the business performance of its associated companies.

### 業績

截至2006年6月30日止六個月，集團錄得除稅前溢利207百萬港元（2005年：重列為212.2百萬港元）。股東應佔溢利則為178百萬港元（2005年：重列為192.6百萬港元）。每股盈利為14.3港仙（2005年：重列為15.5港仙）。

然而，值得注意的是集團來自其日常業務之溢利大幅增長，錄得275百萬港元（2005年：130.4百萬港元，增長達110.89%）。

本公司股東應佔溢利減少，主要是由於兩項非經常性支出所致。第一項為視作虧損約81百萬港元，是由於天安中國投資有限公司（「天安」）一認股權證持有人按每股2.75港元之價格轉換78,800,000份天安認股權證，以及天安按每股5.1港元之價格配售175,000,000股股份，導致本公司必須就其於天安之投資賬面值作出會計處理而產生之視作虧損。然而，董事認為天安在上述事項所取得之資金實際上有助鞏固其財政狀況及增強其項目發展能力，故亦提升了本公司於天安之投資之潛在價值。另一項本公司業績上之非經常性支出是本公司根據香港終審法院之最終裁決，就其於與新世界發展有限公司（「新世界發展」）合資經營之吉隆坡酒店權益之賬面值作出約58百萬港元之減值撥備。有關撥備之其他詳情載於簡明綜合財務報表附註5及6。

董事會對集團在日常業務上之溢利增長及其聯營公司之業績表現深感滿意。

### CORPORATE EXERCISES

During the period under review, the Group initiated the following corporate exercises which were concluded subsequent to the period under review:

- (a) an option agreement with CLSA Capital Limited to acquire an additional 34,156,666 option shares and option warrants leading to the subscription of 7,056,232 shares of Quality HealthCare Asia Limited (“Quality HealthCare”) for a consideration of approximately HK\$11,101,000. The taking of the option was considered to be a good opportunity for the Group to increase its investment in Quality HealthCare significantly within the coming one year. The exercise price is HK\$2.925 per option share. If the Group exercises the option, it is required to make a general offer for all the issued shares of Quality HealthCare not already owned by the Group;
- (b) top-up placing and subscription of 169,000,000 shares (1st placing and subscription) and 79,000,000 shares (2nd placing and subscription) of the Company by AP Emerald Limited (“AP Emerald”), a wholly-owned subsidiary of Allied Properties (H.K.) Limited (“Allied Properties”), at total net proceeds of approximately HK\$1,685,500,000. The subscription of 248,000,000 new shares at the subscription price of HK\$7.00 per share was conditional upon completion of the 1st placing and the 2nd placing. Net proceeds from the subscription were to be applied to fund the acquisition of the entire issued share capital of UAF Holdings Limited (“UAF Holdings”) as outlined below and for general working capital purposes; and
- (c) an agreement with Allied Group Limited (“Allied Group”) and AG Capital Holding Limited (a wholly-owned subsidiary of Allied Group) for the purchase of the entire issued share capital of UAF Holdings together with the assignment of the related shareholder’s loan for an aggregate consideration of

### 企業行動

於回顧期內，集團進行了下列之企業行動，該等行動亦已於回顧期後完成：

- (a) 與CLSA Capital Limited按代價約11,101,000港元就收購卓健亞洲有限公司(「卓健」)額外34,156,666股認購權股份及可供認購達7,056,232股卓健股份之認購權認股證而訂立一份認購權協議。接納認購權為集團提供良機，可於未來一年內大幅增加其於卓健之投資。認購權之行使價為每股認購權股份2.925港元。倘行使認購權，集團將須就該等並不由其持有之所有卓健已發行股份提出全面收購建議；
- (b) AP Emerald Limited(「AP Emerald」，聯合地產(香港)有限公司(「聯合地產」)之全資附屬公司)以先舊後新方式分別配售及認購本公司169,000,000股股份(第一次配售及認購事項)及79,000,000股股份(第二次配售及認購事項)，本公司就此所得之款項淨總額約為1,685,500,000港元。共248,000,000股新股份之認購(認購價為每股7.00港元)須在第一次配售及第二次配售事項完成後方落實進行。本公司於是項認購中所得之款項淨額用作收購UAF Holdings Limited(「UAF Holdings」)全部已發行股本(概述如下)之資金以及作一般營運資金用途；及
- (c) 與聯合集團有限公司(「聯合集團」)及AG Capital Holding Limited(聯合集團之全資附屬公司)訂立協議，以總代價4,328,000,000港元購入UAF Holdings之全部已發行股本，連同轉

HK\$4,328,000,000. The purchase would enable the Group to consolidate its loan and financial services businesses, thereby expanding its overall market share through the ability to provide a wide range of finance products and other related services.

讓相關之股東貸款。是項收購讓集團可鞏固其借款及金融服務業務，透過提供一系列之金融產品及其他相關服務擴大其整體市場佔有率。

## REVIEW OF OPERATIONS

### Wealth Management

#### *Securities Broking and Margin Financing*

Our broking divisions experienced substantial increases in turnover and commission earned in line with the buoyant market conditions. Fee income associated with underwriting and placement activities also improved for the period. The number of new accounts grew with the broad investor interest in initial public offerings (“IPOs”). The listing of Bank of China in June marked the largest ever IPO in the local market and raised HK\$86.7 billion. Sales of wealth management products such as unit-linked and mutual funds made solid progress while our income from providing third party execution for non-exchange participants grew significantly. Our margin lending revenue has remained relatively steady.

### 業務回顧

#### 財富管理

##### *證券經紀及放款*

由於市況表現理想，集團證券經紀部之營業額及佣金收入大幅增加。期內，在包銷及配售活動方面之收入亦見改善。隨著投資者對首次公開招股反應熱烈，新增賬戶數目有所上升。其中於6月上市之中國銀行成為本港有史以來最大型之首次公開招股活動，集資額達867億元。財富管理之產品(如投資相連及互惠基金)銷售額亦錄得實質增長，而來自為非交易所參與者提供第三方交易服務之收入亦顯著上升。集團之證券放款額則維持較穩定之水平。

#### *Leveraged Forex, Bullion, Commodities and Financial Futures*

In the first half of 2006, analysts and markets generally remained sensitive to indications or comments from the US Federal Reserve relating to the interest rate environment. The foreign exchange and commodities markets were relatively quiet and turnover in this area declined correspondingly. Precious metals, on the other hand, were extremely volatile and their income compensated for the decline in activity experienced by our leveraged forex and commodities business. Growth has been maintained in our Hang Seng Index futures and options business which generates a stable income stream.

#### *槓桿外匯、黃金、商品及金融期貨*

於2006年上半年，分析員及市場普遍對美國聯儲局就息口走勢之暗示及評論依然敏感。外匯及商品市場較為淡靜，成交額亦相應下跌。另一方面，貴金屬之價格卻異常波動，集團在此方面之收入彌補了其槓桿外匯及商品業務之下跌。恒生指數期貨及期權業務持續增長，為集團帶來穩定之收入來源。

#### *Online Trading*

Buoyed by positive market sentiment and an active IPO market, SHK Online began 2006 with strong momentum, registering two consecutive record monthly turnovers within the first quarter. New accounts, client assets under custody, and turnover as well as bottom-line profit all posted significant growth.

#### *網上交易*

受市場氣氛利好及首次公開招股之市場暢旺所帶動，鴻財網於踏入2006年初之增長動力強勁，第一季更創下連續兩個月刷新每月成交記錄。新增賬戶數目、所保管之客戶資產以及營業額及溢利均錄得顯著增長。

### *Branch Network*

In line with the positive market sentiment, the branch network achieved pleasing growth for the first six months of 2006. To cater for continuing expansion of the branch network and to better service our clients' needs, reinforcing of the sales force and the multiple product platform will be primary areas of focus for branch management in the near future.

### **Asset Management**

#### *Hedge Fund division*

The division launched its second hedge fund in June 2006. It is an Asia (excluding Japan) equity multi-strategy fund, with focus on the Greater China region. We continue to seek out experienced investment professionals to join our platform and launch further Asian hedge funds.

#### *Alternative Investments division*

The division launched its fourth alternative fund in January 2006. Also, a subsidiary was appointed as the replacement manager of an umbrella fund comprising two existing alternative funds in January 2006, increasing the division's fund offerings to six and total assets under management to US\$580 million as of 30 June.

### **Corporate Finance**

In the first half of 2006, the Corporate Finance division successfully launched and sponsored the IPOs of Modern Beauty Salon Holdings Limited and DBA Telecommunication (Asia) Holdings Limited on the main board, and Xinjiang Tianye Water Saving Irrigation System Company Limited on the GEM board of The Stock Exchange of Hong Kong Limited. In addition, the division was appointed as the independent financial adviser to Shanghai Zendai Property Limited (on its major and connected transaction) and A-Max Holdings Limited (on its major transaction). The division was also actively involved in a number of underwriting exercises for IPOs.

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

### *分行網絡*

由於市場氣氛利好，分行網絡於2006年首六個月之表現理想。為了繼續拓展集團之分行網絡及更能迎合客戶需求，分行管理短期內將著重於強大其銷售隊伍及提供多種產品之平台。

### **資產管理**

#### *對沖基金部*

該部門於2006年6月推出第二個對沖基金，此為著眼於大中華地區之亞洲（不包括日本）股本多策略基金。集團將繼續物色經驗豐富之投資專才加盟其服務平台及推出更多亞洲對沖基金。

#### *另類投資部*

該部門於2006年1月推出第四個另類基金。此外，一間附屬公司於2006年1月獲委任為一傘子基金（由兩個現有另類基金組成）之替任經理，令該部門提供之基金數目增至六個，管理資產總值達5.8億美元（截至6月30日）。

### **企業融資**

2006年上半年，企業融資部為數間公司之首次公開招股展開工作，成功保薦現代美容控股有限公司及DBA電訊（亞洲）控股有限公司於香港聯合交易所有限公司主板上市，及新疆天業節水灌溉股份有限公司於創業板上市。此外，該部門曾獲委任為上海証大房地產有限公司（就其重大及關連交易）及奧瑪仕控股有限公司（就其重大交易）之獨立財務顧問。該部門亦積極參與數宗首次公開招股之包銷安排。

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

### Other Financial Services

#### *Structured Finance*

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

#### *Insurance Broking*

2006 has so far been a difficult year for the Insurance Broking division with keen competition from banks for major clients and personnel with industry experience. Nevertheless, we are satisfied with the division's half-yearly performance and maintain a positive outlook for the period ahead.

#### *SHK Financial Data*

SHK Financial Data achieved strong growth in operating profit for the first half of 2006. We are pleased with the positive feedback that it has been receiving from business partners for newly developed products. We remain optimistic about SHK Financial Data's full year performance.

## HUMAN RESOURCES AND TRAINING

As of 30 June 2006, the total number of employees was 995. Staff costs (including Directors' emoluments) and contributions to retirement benefit schemes amounted to approximately HK\$124.3 million (2005: HK\$75.3 million).

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

### 其他金融服務

#### *結構性借款*

期內，集團之借款業務表現理想。此項業務持續為集團帶來令人滿意之盈利貢獻。

#### *保險經紀*

面對來自銀行在招攬主要客戶及資深保險從業員之激烈競爭，2006年為保險經紀部經營困難的一年。然而，我們對該部門之半年業績表現感到滿意，對其未來前景亦感樂觀。

#### *新鴻基財經資訊*

新鴻基財經資訊之經營溢利於2006年上半年大幅增長，商業夥伴就該部門新開發之產品反應良好。集團對新鴻基財經資訊之全年業績保持樂觀。

## 人力資源及培訓

截至2006年6月30日，集團僱員人數共有995名。僱員成本(包括董事酬金)及退休福利計劃供款合共約124.3百萬港元(2005年：75.3百萬港元)。

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

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

To maintain our position as a market leader in the financial sector, the Group will continue to recruit suitable candidates with proven experience in the provision of financial services.

We have also organized a total of 61 in-house Continuing Professional Training (CPT) programmes and Continuing Professional Development (CPD) programmes for our licensed and other relevant staff to ensure that they are updated with new product knowledge and the latest regulatory-related issues.

## INVESTMENTS IN PRINCIPAL ASSOCIATED COMPANIES

### Tian An

During the period under review, Tian An recorded sales of total gross floor area ("GFA") of approximately 32,800m<sup>2</sup> (2005: 56,000m<sup>2</sup>), whereas a total of 298,700m<sup>2</sup> GFA was under construction (2005: 309,300m<sup>2</sup>), and 40,300m<sup>2</sup> GFA of residential/commercial properties was completed (2005: 53,700m<sup>2</sup>).

The profit attributable to Tian An's equity holders was HK\$141 million, representing a 94% increase over the corresponding period last year. A 13% decrease in turnover to HK\$363.2 million was mainly due to a reduction in property sales and completed properties. Sales have declined primarily because Tian An has retained selected commercial and office properties for rental income. The increase in profit for the period was mainly the result of gains on disposal of a jointly controlled entity and the increase in rental income.

In view of the tough adjustment and control policies in the China property market, it is anticipated that the market will have some adjustment in the coming year to reflect the impacts of the relevant policies. Tian An will closely monitor the changes in policies in various cities and take appropriate actions to minimize adverse impacts. Meanwhile, Tian An will seek favourable development and acquisition opportunities to increase its land bank where considered appropriate.

集團現時並無適用於其高級職員或僱員之認購股權計劃。

為保持集團在金融業之市場領先地位，集團將繼續聘請於金融服務業具有實質經驗之合適人才。

集團亦為旗下之持牌及其他相關僱員舉辦了共61個內部持續專業培訓課程及持續專業培訓計劃，確保該等僱員掌握最新之產品知識及現行之監管事務資訊。

## 於主要聯營公司之投資

### 天安

於回顧期內，天安錄得售出之總樓面面積約為32,800平方米(2005年：56,000平方米)，在建工程總樓面面積為298,700平方米(2005年：309,300平方米)，而已竣工/住物業總樓面面積約為40,300平方米(2005年：53,700平方米)。

天安之股東應佔溢利為141百萬港元，較去年同期上升94%。營業額下降13%至363.2百萬港元，主要是物業銷售及竣工減少所致，而銷售減少主要是由於天安預留部份挑選之商業及寫字樓物業作出租用途。期內天安之溢利增加主要來自出售一間共同控制公司之收益及租金收入增加。

面對嚴厲之調控政策，預計未來一年國內房地產市場將發生相應調整，以反映相關政策之影響力。天安將密切注視不同城市之政策轉變，採取適當措施以減少不利影響。同時，天安會在其認為合適的情況下尋求有利之發展及收購商機，以增加土地儲備。

### Quality HealthCare

In the six month period ended 30 June 2006, Quality HealthCare reported a turnover of HK\$439.6 million, an increase of 9.1%, compared to HK\$403 million for the same period last year. Profit attributable to equity holders of Quality HealthCare was HK\$31.8 million, an increase of 37%, compared to HK\$23.2 million in the comparative period in the prior year. The results were driven by an increase in the number of corporate contracts and enrolment, increased insurance enrolment, and improved operational efficiencies.

The focus of Quality HealthCare for the first six months of 2006 has been the delivery of customer-centric services and to ensure that customers have a positive experience at its facilities. Internally, Quality HealthCare has worked intensively on the implementation of an objective approach to set measurable performance indicators and targets for improvement in productivity, process and skills.

Quality HealthCare continued to devote efforts towards the improvement of the facilities available at its medical centres as well as their ambience. To match clients' needs, Quality HealthCare relocated and expanded one of its medical centres in the New Territories in March 2006, and established a new medical centre in the Hong Kong East area in May 2006. In July 2006, Quality HealthCare completed a major relocation and renovation project of its prime medical centre in Admiralty expanding it to a General Practice centre, a Specialist centre, and a fully equipped Physical Check Up centre. Similar projects will be continued in the second half of 2006 with the focus on enhancing operational efficiency and patient care.

### 卓健

於截至2006年6月30日止六個月期間，卓健錄得營業額439.6百萬港元，較去年同期之403百萬港元上升9.1%。卓健之股東應佔溢利則為31.8百萬港元，較去年同期之23.2百萬港元上升37%。取得此業績乃由於卓健之公司合約及參加客戶上升、保險投保增加以及營運效率改善所致。

卓健於2006年首六個月著重提供以客戶為中心之服務，並確保顧客於各項設施均能享有愉快體驗。內部方面，卓健積極落實一套客觀標準，為改善生產力、工作流程及技術制訂可量度之表現指標和目標。

卓健繼續致力改善其醫療中心之設施及環境。為迎合客戶需求，卓健於2006年3月將位於新界之一間醫療中心遷移及擴建，另於2006年5月在港島東區開設一間新的醫療中心。於2006年7月，卓健完成一項規模龐大之搬遷及裝修工程，將位於金鐘之主要醫療中心擴展為一間全面之醫療中心，包括普通科、專科及設備齊全之身體檢查中心。類似工程將於2006年下半年繼續進行，目標是提升營運效率及病人護理服務。

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

The profit attributable to equity holders of Yu Ming for the first six months of 2006 decreased from HK\$188 million to HK\$21.5 million, mainly due to the absence of profit from property revaluations.

As at 30 June 2006, the major investments of Yu Ming were in AsiaWorld-Expo, Argyle Centre (retail shops in Mongkok), Timeplus (the new shopping mall in Causeway Bay), Ginza Plaza (retail shops in Mongkok), Grand China Air Co., Ltd. (“Grand China”, the investment holding company of CR Airways Limited (“CR Airways”) and Hainan Airlines), Oriental Cashmere Limited (“OCL”, a cashmere manufacturer in the PRC), high-yield bonds and equity securities.

AsiaWorld-Expo, a 66,000m<sup>2</sup> exhibition centre, had a number of full house exhibitions as well as concerts for top artists. Revenue exceeded original expectations. Yu Ming focuses its property investment on retail space on prime locations only. In 2005, two properties were added to its portfolio, with completion in November 2005 and February 2006. The two shopping malls in Mongkok recorded virtually full occupancy, while the one in Causeway Bay is scheduled to open in November 2006, with a satisfactory leasing rate.

Yu Ming swapped its entire interest in CR Airways for new shares in Grand China which has become a 45% shareholder of CR Airways. The introduction of Grand China as a strategic shareholder of CR Airways enables CR Airways to employ the resources and expertise of Hainan Airlines to expand its network and business and to build up cooperation with Hainan Airlines. Since the chaos resulting from the lifting of the textile quota system in 2005, profit of OCL fell significantly. The first half of 2006 remained competitive for OCL, which in any event was the low season for cashmere business. A small loss was reported in the first half of 2006.

### 禹銘投資有限公司（「禹銘」）

於2006年首六個月，禹銘之股東應佔溢利由188百萬港元下跌至21.5百萬港元，主要是由於缺乏物業重估而產生溢利。

於2006年6月30日，禹銘之主要投資項目為亞洲國際博覽館、旺角中心（位於旺角之零售商舖）、Timeplus（位於銅鑼灣之新購物中心）、銀城廣場（位於旺角之零售商舖）、新華航空控股有限公司（「新華航空」，為中富航空有限公司（「中富航空」）及海南航空之投資控股公司）、Oriental Cashmere Limited（「OCL」，位於中國之羊絨製造商）、高息債券及股本證券。

亞洲國際博覽館為面積達66,000平方米之展覽中心，全院可容納多個展覽會及知名藝人之演唱會舉行，收入已超出原先預期。禹銘之物業投資項目集中於黃金地段之零售商舖，於2005年其投資組合內新增之兩項物業收購亦已於2005年11月及2006年2月完成。兩個位於旺角之購物中心均錄得接近全面的佔用率，另一位於銅鑼灣計劃於2006年11月開業之購物中心亦有滿意的出租率。

在禹銘將其於中富航空之全部權益轉換至新華航空之新股份後，新華航空成為持有中富航空45%之股東。引入新華航空作為中富航空之策略股東，使中富航空得以使用海南航空之資源及專業技術以擴展其網絡及業務，並與海南航空建立合作關係。自2005年撤銷紡織品配額制度引起市場混亂以來，OCL之溢利顯著下降。OCL於2006年上半年依然面對挑戰，惟此期間乃羊絨業務之淡季。OCL在2006年上半年錄得輕微虧損。



### FINANCIAL RESOURCES AND GEARING RATIO

As at 30 June 2006, the equity attributable to equity holders of the Company amounted to HK\$6,310.4 million, representing an increase of HK\$469.5 million or approximately 8.04% from those of 31 December 2005. The Group's short-term bank deposits, bank balances, treasury bills and cash amounted to HK\$510.3 million (at 31 December 2005: HK\$423.4 million). The Group's total bank borrowings and loan notes (excluding advance from a minority equity holder of HK\$1 million (at 31 December 2005: HK\$1 million)) amounted to HK\$450.5 million (at 31 December 2005: HK\$449.5 million) with HK\$346.3 million (at 31 December 2005: HK\$342.5 million) repayable within one year (mainly utilized to support margin loan financing) and HK\$104.2 million (at 31 December 2005: HK\$107 million) repayable beyond one year.

The liquidity of the Group remained healthy as demonstrated by the current ratio (current assets/current liabilities) of 2.2 times as at 30 June 2006 (at 31 December 2005: 2.34 times).

The Group continued to maintain a low gearing ratio, calculated on the basis of the Group's total bank borrowings and loan notes over the equity attributable to equity holders of the Company, at 7.14% at the period end (at 31 December 2005: 7.7%).

### 財政資源及資本與負債比率

於2006年6月30日，本公司股東應佔權益為6,310.4百萬港元，較2005年12月31日之數額增長469.5百萬港元，或約8.04%。集團之短期銀行存款、銀行結存、國庫券及現金合共為510.3百萬港元（於2005年12月31日：423.4百萬港元）。集團之總銀行借款連同貸款票據（不包括少數股東貸款1百萬港元（於2005年12月31日：1百萬港元））合共為450.5百萬港元（於2005年12月31日：449.5百萬港元），須於一年內償還之款項為346.3百萬港元（於2005年12月31日：342.5百萬港元），（主要用作證券放款融資），而須於一年後償還之款項為104.2百萬港元（於2005年12月31日：107百萬港元）。

於2006年6月30日，集團之流動資產比率（流動資產相對流動負債）為2.2倍（於2005年12月31日：2.34倍），顯示集團之流動資金依然穩健。

集團繼續維持一個低的資本與負債比率，按集團之銀行總借款及貸款票據相對本公司股東應佔權益計算，該比率於本期結束日為7.14%（於2005年12月31日：7.7%）。

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

In June 2006, the Company issued 10,400 new shares upon the exercise of 10,400 warrants. No share repurchase was made during the period. Details regarding share capital are set out in note 18 to the condensed consolidated financial statements.

The issued share capital of the Company was increased to 1,493,724,356 shares on 10 August 2006 following the completion of the subscription of 248,000,000 new shares of the Company at the subscription price of HK\$7.00 per share by AP Emerald, a wholly-owned subsidiary of Allied Properties, pursuant to the joint announcements of Allied Group, Allied Properties and the Company of 17 and 18 May 2006.

Other than the mortgage loans as shown in note 22 to the condensed consolidated financial statements and the remaining balance of 4% loan notes as shown in note 21 to the condensed consolidated financial statements, the Group's bank borrowings were on a short-term basis and in HK dollars as at 30 June 2006. They were charged at floating interest rates. There are no known seasonal factors in our borrowing profiles.

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

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

There were no material acquisition and disposal of subsidiaries, associated companies and jointly controlled entities during the period.

### 資本結構、銀行貸款及匯兌率浮動風險

於2006年6月，由於認股權證之行使，本公司發行10,400股新股份。期內並無購回股份。有關股本之詳情請參閱簡明綜合財務報表附註18。

根據聯合集團、聯合地產及本公司於2006年5月17日及18日之聯合公布，AP Emerald（聯合地產之全資附屬公司）以每股認購價7.00港元認購本公司248,000,000股新股，於2006年8月10日完成此認購後，本公司之已發行股本增加至1,493,724,356股。

除了列於簡明綜合財務報表附註22之按揭貸款，及列於簡明綜合財務報表附註21之4%貸款票據餘額外，集團於2006年6月30日之銀行貸款為港元短期貸款，並根據浮動利率計算。集團之銀行借款並不受任何已知之季節性因素所影響。

匯率及市價之變動概不會令集團承擔重大風險，因其外匯風險水平相對來說不大。

### 附屬公司、聯營公司及共同控制公司之重大收購及出售

期內，並無任何附屬公司、聯營公司及共同控制公司之重大收購及出售。

Subsequent to the period under review and up to the date of this report, the Group concluded an option agreement with CLSA Capital Limited in relation to the option shares and option warrants of Quality HealthCare as defined in the option agreement and the supplemental letter governing the transaction at a consideration of approximately HK\$11,101,000 and completed an agreement with Allied Group and AG Capital Holding Limited (a wholly-owned subsidiary of Allied Group) for the purchase of the entire issued share capital of UAF Holdings together with the assignment of the related shareholder's loan at an aggregate consideration of HK\$4,328,000,000. Further details of the transactions are discussed in note 27 to the condensed consolidated financial statements.

### SEGMENT INFORMATION

Detailed segment information in respect of the Group's revenue and segment results are shown in note 4 to the condensed consolidated financial statements.

### CHARGES ON GROUP ASSETS

Listed shares with an aggregate value of HK\$164.7 million were pledged by subsidiaries for bank loans and overdrafts. Leasehold properties of the Group with a total book value of HK\$152.8 million were pledged by subsidiaries to banks for mortgage loans and overdrafts granted to them with a total outstanding balance of HK\$66.4 million as at 30 June 2006.

### CONTINGENT LIABILITIES

Details regarding the contingent liabilities are set out in note 24 to the condensed consolidated financial statements.

於回顧期後及直至本報告日，集團已完成與CLSA Capital Limited一份認購權協議，有關卓健之認購權股份及認購權認股證（於規限此交易之認購權協議及補充函件中定義），代價約為11,101,000港元，及已完成與聯合集團及AG Capital Holding Limited（聯合集團之全資附屬公司）一份協議，以4,328,000,000港元之總代價購入UAF Holdings之全部已發行股本，連同轉讓相關之股東貸款。交易之進一步詳情於簡明綜合財務報表附註27內論述。

### 分項資料

有關集團收益及分項業績之分項資料詳情，請參閱簡明綜合財務報表附註4。

### 集團資產押記

集團之附屬公司將其持有總值164.7百萬港元之上市公司股份抵押予銀行，以換取銀行貸款及透支。集團之附屬公司亦將其賬面總值152.8百萬港元之有租契物業抵押予銀行，作為給予按揭貸款及透支之抵押，該等貸款於2006年6月30日之未償還結餘為66.4百萬港元。

### 或然負債

或然負債詳情載於簡明綜合財務報表附註24。

### LITIGATION

(a) By the Judgment of Deputy High Court Judge To on 1 April 2004 (the “Judgment”) in HCA 3191/1999 between NWDC and Stapleton Developments Limited (“SDL”) against Sun Hung Kai Securities Limited (“SHKS”), a direct wholly-owned subsidiary of the Company, SHKS was ordered to pay NWDC the sum of HK\$105,534,018.22 together with interest on the principal sum of HK\$80,117,652.72 at judgment rate from 16 December 1998 until payment, pursuant to the terms of an oral agreement which His Lordship found (the “Oral Agreement”). As at 17 June 2004, the date when the Judgment sum was paid, the Judgment amounted to HK\$150,115,681.54 (being HK\$105,534,018.22 plus interest of HK\$44,581,663.32). SHKS has paid the Judgment amounts. SHKS filed an appeal against the Judgment both as to liability and quantum (the “Appeal”) to the Court of Appeal. That Court handed down its judgment (the “Court of Appeal Judgment”) in which the Court ordered a repayment to SHKS of part of the interest element for the period from 16 December 1998 to 31 March 2004 previously ordered against SHKS in the Court of First Instance but otherwise broadly confirmed the Judgment. The sum repayable amounted to HK\$14,783,090.86 and has been repaid. SHKS obtained leave to appeal the Court of Appeal Judgment to the Court of Final Appeal (the “Final Appeal”). The Final Appeal was heard on 19, 20 and 21 June 2006. On 10 July 2006, the Court of Final Appeal delivered its decision (the “Final Appeal Judgment”), dismissing the Final Appeal except to the extent that the principal sum awarded in favour of NWDC should be reduced by HK\$629,448.15. This amount together with interest thereon of HK\$647,991.43 totalling HK\$1,277,439.58 has now been paid to SHKS by NWDC. Pursuant to the Final Appeal Judgment, SHKS was ordered to pay costs of the appeal.

### 訴訟

(a) 根據高等法院暫委法官杜焯峯於2004年4月1日就新世界發展與Stapleton Developments Limited (「SDL」) 向本公司之直接全資附屬公司新鴻基證券有限公司 (「新鴻基證券」) 提出之法律訴訟 (高等法院民事訴訟1999年第3191宗) 作出之裁決 (「裁決」), 根據法官認定的口頭協議 (「口頭協議」) 內訂明之條款, 新鴻基證券被判令向新世界發展支付總額105,534,018.22港元, 連同本金金額80,117,652.72港元由1998年12月16日起至付款期間按判定利率計算之利息。於2004年6月17日 (即支付判定金額當日), 新鴻基證券已支付判定金額, 總額為150,115,681.54港元 (即105,534,018.22港元連同利息44,581,663.32港元)。新鴻基證券已向上訴法院申請就該項裁決之法律責任及索償金額提出上訴 (「上訴」)。上訴法院現已宣判裁決 (「上訴法院裁決」), 判令退還部份新鴻基證券按原訟法院判決所支付由1998年12月16日起計至2004年3月31日之利息, 惟確定大部份其他裁決。金額合共14,783,090.86港元之利息經已退還。新鴻基證券獲批准向終審法院就上訴法院裁決提出上訴 (「最終上訴」)。最終上訴已於2006年6月19日、20日及21日作出聆訊。於2006年7月10日, 終審法院頒佈裁決 (「最終上訴裁決」), 判令駁回最終上訴 (判令向新世界發展支付之本金金額減少629,448.15港元的部份除外)。新世界發展現已向新鴻基證券支付此筆金額連同利息647,991.43港元, 總額為1,277,439.58港元。根據最終上訴裁決, 新鴻基證券被判須支付上訴訟費。

SHKS is seeking legal advice as to the effect of the Final Appeal Judgment on new claims contained in (i) a writ containing an endorsement of claim issued by NWDC in April 2004 (“HCA 813/2004”) for the sums of HK\$27,237,489.51 and HK\$7,697,418.42 together with interest on such sums from 1 March 2000 and 2 January 2001 respectively at such rate as the Court considers appropriate, although as at the date of this report, the writ in HCA 813/2004 has not been served on SHKS; and (ii) a writ including a statement of claim issued by NWDC and SDL in February 2006 (“HCA 376/2006”) for what are asserted to be amounts advanced by NWDC on behalf of SHKS as pro-rata contributions to shareholders’ loans. The sum of HK\$37,498,011.41, being the aggregate of the contributions claimed from SHKS, together with interest thereon at such rate and for such period as the Court considers appropriate is claimed in HCA 376/2006, although as at the date of this report, that writ has not been served on SHKS. The Board has taken the view that it is prudent to now make a provision for payment of those not already provided for in previous years. Accordingly, further provisions of HK\$34,932,171.94 for principal and approximately HK\$9,294,000 for interest have been made and the principal amounts added to the loans already existing.

(b) On 4 February 2004, Sun Tai Cheung Credits Limited (“STCC”) and Sun Hung Kai Investment Services Limited (“SHKIS”), both indirect wholly-owned subsidiaries of the Company, were served with a writ including a statement of claim (“200/2004”) by Shanghai Finance Holdings Limited (“Shanghai Finance”), claiming, inter alia, an order that the sale of the shares in Shun Loong Holdings Limited (the “Shun Loong Shares”) by STCC as assignee to SHKIS (at a consideration of HK\$36,500,000 subject to additional amounts in a total sum not exceeding HK\$15,700,000 which might have been payable one year from the date of completion under certain conditions) pursuant to a sale and purchase agreement dated 25 June 2003 be set aside, or alternatively, as against

新鴻基証券現正就最終上訴裁決對下列各項所載之新索償之影響尋求法律意見：(i)由新世界發展於2004年4月發出載有申索註明之令狀(「HCA 813/2004」)，索償金額為27,237,489.51港元及7,697,418.42港元，連同該等金額分別由2000年3月1日及2001年1月2日起按法院認為合適之利率而釐定之利息。然而，於本報告日期，HCA 813/2004之令狀尚未送達新鴻基証券；及(ii)由新世界發展及SDL於2006年2月就新世界發展宣稱代表新鴻基証券按比例墊付股東貸款之金額發出載有申索陳述書之令狀(「HCA 376/2006」)，HCA 376/2006中索償之金額為37,498,011.41港元(即向新鴻基証券索償之出資額和按法院認為合適之利率及期間計算之利息的總額)。然而，於本報告日期，該令狀尚未送達新鴻基証券。董事會認為，現宜審慎就以往年度未曾作出撥備之付款作撥備。因此，集團已分別為本金額及利息進一步作出34,932,171.94港元及約9,294,000港元之撥備，而本金額已計入現存之貸款中。

(b) 於2004年2月4日，Shanghai Finance Holdings Limited (「Shanghai Finance」) 向同為本公司間接全資附屬公司新泰昌授信有限公司 (「新泰昌授信」) 及新鴻基投資服務有限公司 (「新鴻基投資」) 發出附有申索陳述書之令狀 (「200/2004」)，要求 (其中包括) 撤銷新泰昌授信 (作為受讓人) 根據日期為2003年6月25日之買賣協議就順隆集團有限公司之股份 (「順隆股份」) 向新鴻基投資所作之出售 (作價36,500,000港元，在若干條件下，將會於交易完成日期一年

STCC, damages and an account as to the money obtained by STCC in respect of the Shun Loong Shares. The writ is being vigorously defended. STCC and SHKIS were properly advised at all times during the transaction and believe that the claim is not soundly based. STCC and SHKIS have applied to have the claim struck out. The proceedings have now been stayed until further order of the court.

- (c) Shun Loong Finance Limited and Shun Loong Holdings Limited (together the “Petitioners”), both indirect wholly-owned subsidiaries of the Company, filed a winding-up petition on 19 February 2004 in the British Virgin Islands (“B.V.I.”) seeking an order that Shanghai Finance be wound up by reason of its failure to pay debts owing to the Petitioners. The B.V.I. proceedings were stayed by order of the B.V.I. court. The Petitioners have appealed that decision but have agreed not to pursue the appeal during the stay of 200/2004.
- (c) 順隆財務有限公司及順隆集團有限公司(統稱為「呈請人」)(同為本公司之間接全資附屬公司)在2004年2月19日於英屬處女群島提交一項清盤呈請，基於Shanghai Finance未能償還欠負呈請人之債務，故要求判令Shanghai Finance清盤。英屬處女群島法院判令暫停辦理英屬處女群島之司法程序。呈請人已就該決定提出上訴，但同意在法院暫停辦理200/2004案之司法程序期間不提出上訴。
- (d) The Company, STCC and SHKIS filed a writ on 7 February 2004 (230/2004) naming as defendants Shanghai Land Holdings Limited, Stephen Liu Yiu Keung, Yeo Boon Ann, The Standard Newspapers Publishing Limited and Hong Kong Economic Times Limited and claiming damages for libel, injunctive relief, interest and costs. The case remains at an early stage.
- (d) 本公司、新泰昌授信及新鴻基投資於2004年2月7日向上海地產控股有限公司、廖耀強、楊文安、英文虎報出版有限公司及香港經濟日報有限公司(同為被告)發出傳訊令狀(230/2004)，申索誹謗賠償、要求頒佈禁制令，以及索償涉及之利息及訟費。此訴訟仍處於初步階段。

- (e) In June 2006, the Company received notice of a 2001 order made by the Hubei Province Higher Peoples Court in China freezing US\$3 million of SHKS's funds (or assets of equivalent value) pursuant to which SHKS's shares in Chang Zhou Power Development Company Limited in China (the "Shares") (worth US\$3 million) were subsequently frozen. SHKS had sold the Shares in 1998. Pursuant to a further agreement in 2001, SHKS received indemnities and waivers as to any potential liability. The Company will further investigate the matter but at this stage it does not consider that it is appropriate to make any provision in the circumstances. It will make a final decision once its investigation has been completed.
- (e) 於2006年6月，本公司接獲中國湖北省高級人民法院就2001年判令發出之通知，判令凍結新鴻基証券達3百萬美元之資金（或等同值之資產），據此，新鴻基証券於中國長州電力發展有限公司之股份（「股份」）（價值3百萬美元）其後亦遭受凍結。新鴻基証券已於1998年出售該等股份。根據另一份2001年之協議，新鴻基証券就任何潛在責任已取得彌償和寬免。本公司將會作出進一步調查，但認為現階段並不適宜作出任何撥備，待調查完成後將作出最終決定。

## MANAGEMENT OF RISKS

### Policies and Procedures

The Group has established policies and procedures for risk management which are reviewed regularly by the management, the Risks Control department and the Credit & Risks Management Committee, which reports to the Executive Committee of the Board of Directors, to ensure the proper monitoring and control of all major risks arising from the Group's activities at all times. The Group's Internal Audit and Compliance department ("IAC") (which reports independently to the non-executive Chairman and the Audit Committee) also performs periodic reviews to supplement the various internal control measures adopted by the management and various divisions within the Group, to ensure compliance with policies and procedures.

### Financial Risks

The Group's financial risk management is discussed in note 26 to the condensed consolidated financial statements.

## 風險管理

### 政策及程序

集團已設立風險管理之政策及程序，並由管理層、風險管理部及須向董事會執行委員會匯報之信貸及風險管理委員會定期進行檢討，以確保於任何時候因集團業務而產生之所有主要風險得以受到監控。除管理層及個別部門採取各項內部監控措施外，集團之稽核及法規監核部（「稽核部」）（一個向非執行主席及審核委員會獨立匯報之部門）亦會定期審核，從而確保該等政策及程序得以遵守。

### 金融風險

集團之金融風險管理於簡明綜合財務報表附註26內論述。

### Operational Risk

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

The operational risk management process involves understanding organizational objectives, and identifying, assessing, mitigating, and continuously monitoring risk.

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

Line management is responsible for day-to-day risk management. Significant operational risks are reported to management. In addition, line management is required to declare and submit annually its “Responsibility Statement for Internal Control Procedures” for review by the Risks Control department. Senior management, the Risks Control department and IAC, through its regular audits, are involved in reviewing overall risk exposure to ensure the Group maintains an acceptable risk level.

### Reputational Risk

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

### 營運風險

營運風險指因內部程序、人為及制度不足或失當或外在事件導致產生損失之風險，包括法律及法規遵守之風險。

營運風險管理之程序包括瞭解各部門組織之目標，以及確認、評估、減輕並持續監控風險。

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

各部門之主管負責日常之風險管理，重大之營運風險會向管理層匯報。此外，各部門之主管須每年申報及提交一份「內部監控程序責任聲明」，供集團之風險管理部審閱。高級管理層、風險管理部以及稽核部透過其常規核查，均會參予集團整體風險之審閱工作，以確保集團保持合理之風險水平。

### 商譽風險

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