

中信國際金融 控股有限公司

中信國際金融控股有限公司（「中信國際金融」）是中國國際信托投資公司（「中信公司」）在中國境外的金融旗艦，其約百分之五十六權益由中信公司持有。中信國際金融為香港註冊持牌銀行中信嘉華銀行有限公司（「中信嘉華」）及中信國際資產管理有限公司（「中信國際資產管理」）之控股公司。中信國際資產管理乃專注於不良資產管理、直接投資及財務顧問服務的資產管理公司。中信國際金融並同時持有中信資本市場控股有限公司（「中信資本」）的百分之二十五權益。中信資本為一間主攻中國的投資銀行，經營投資銀行、基金管理及證券買賣金融服務。

中信國際金融於二零零二年十一月二十五日由中信嘉華重組而成。重組成控股公司，令集團的綜合競爭能力得以提升，不但為旗下的附屬及聯營公司帶來更大的策略優勢，並為與中信集團及其他有關機構的合作提供更高的靈活性。於二零零三年六月三十日，集團的總資產超過七百九十億港元。

CITIC International Financial Holdings Limited ("CIFH") is the financial flagship of China International Trust and Investment Corporation ("CITIC") outside Mainland China. CIFH is approximately 56% owned by CITIC and is the holding company of CITIC Ka Wah Bank Limited ("CKWB"), a locally incorporated licensed bank in Hong Kong, and CITIC International Assets Management Limited ("CIAM"), an asset management company which specializes in distressed assets management, direct investments and financial advisory services. CIFH also holds 25% of CITIC Capital Markets Holdings Limited ("CCMH"), a China-focused investment bank operating in three core businesses: investment banking, asset management and securities brokerage.

CIFH was formed on 25 November 2002 as the Group's holding company following the re-organization of CKWB. The re-organization into a holding company increases the Group's overall competitiveness and provides the subsidiaries and associated companies under CIFH greater strategic advantages and higher flexibility in collaborating with the CITIC Group and related entities. As of 30 June 2003, the Group's total assets exceeded HK\$79 billion.

CITIC
International
Financial
Holdings
Limited

中信國際金融控股有限公司(統稱「本公司」)董事會欣然宣佈，本公司及本集團附屬公司(統稱「本集團」)截至二零零三年六月三十日止六個月未經審核的中期綜合業績，本集團於該日的財政狀況及其比較數字：

The Board of Directors of CITIC International Financial Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2003 and the Group's state of affairs as at that date together with the comparative figures as follows:-

綜合收益表

未經審核

Consolidated Income Statement

Unaudited

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		附註 Note	二零零三年 未經審核 2003 Unaudited 港幣千元 HK\$'000	二零零二年 未經審核 重報 2002 Unaudited Restated 港幣千元 HK\$'000	變化 Variance %
利息收入	Interest income	3(a)	1,417,465	1,549,137	(8.50)
利息支出	Interest expense		(629,832)	(695,238)	(9.41)
淨利息收入	Net interest income		787,633	853,899	(7.76)
費用及佣金收入	Fees and commission income		172,713	215,451	(19.84)
費用及佣金支出	Fees and commission expense		(20,863)	(25,326)	(17.62)
其他經營收入	Other operating income	3(b)	67,630	61,331	10.27
非利息收入	Non-interest income		219,480	251,456	(12.72)
經營收入	Operating income	2	1,007,113	1,105,355	(8.89)
經營支出	Operating expenses	3(c)	(466,942)	(527,441)	(11.47)
未計準備前經營溢利	Operating profit before provisions		540,171	577,914	(6.53)
呆壞賬準備	Charge for bad and doubtful debts		(235,027)	(210,968)	11.40
經營溢利	Operating profit		305,144	366,946	(16.84)
出售有形固定資產淨溢利／(虧損)	Net profit/(loss) on disposal of tangible fixed assets		68	(151)	
出售附屬公司及聯營公司淨溢利	Net profit on disposal of subsidiaries and associates		-	27,303	
持有至到期證券及投資證券回撥／(準備)	Provision write back/(made) on held-to-maturity securities and investment securities		2,264	(2,073)	
所佔聯營公司溢利減虧損	Share of profits less losses of associates		63,268	7,995	
正常業務的除稅前溢利	Profit from ordinary activities before taxation	2	370,744	400,020	(7.32)
稅項	Taxation	4	(63,791)	(60,702)	5.09

綜合收益表

未經審核(續)

Consolidated Income Statement

Unaudited (cont'd)

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 未經審核 2003 Unaudited 港幣千元 HK\$'000	二零零二年 未經審核 重報 2002 Unaudited Restated 港幣千元 HK\$'000	變化 Variance %
	附註 Note			
正常業務之除稅後溢利	Profit from ordinary activities after taxation	306,953	339,318	(9.54)
少數股東權益	Minority interests	–	(1,403)	(100.00)
股東應佔溢利	Profit attributable to shareholders	306,953	337,915	(9.16)
宣派每股中期股息三仙 (二零零二年：三仙)	Interim dividends declared 3 cents (2002: 3 cents) per share	95,432	90,956	
每股盈利	Earnings per share			
– 基本	– Basic	10.00¢	11.20¢	
– 攤薄	– Diluted	10.00¢	11.19¢	

綜合資產負債表

未經審核

Consolidated Balance Sheet

Unaudited

		本集團 The Group	
		二零零三年 六月三十日 未經審核 As at 30 June 2003 Unaudited 港幣千元 HK\$'000	二零零二年 十二月三十一日 經審核 重報 As at 31 December 2002 Audited Restated 港幣千元 HK\$'000
		附註 Note	
資產	Assets		
現金及短期資金	Cash and short-term funds	7 & 13	5,488,324
一個月後到期的銀行及 其他金融機構存款	Placements with banks and other financial institutions maturing after one month	13	919,916
貿易票據減準備	Trade bills less provisions		477,230
存款證	Certificates of deposit	8 & 13	1,070,162
其他證券投資	Other investments in securities	9 & 13	4,178,568
客戶墊款及其他 賬項減準備	Advances to customers and other accounts less provisions	10 & 13	41,840,995
持有至到期證券及投資證券	Held-to-maturity securities and investment securities	11 & 13	22,058,814
遞延稅項資產	Deferred tax assets	18	65,464
聯營公司投資	Investments in associates		410,870
商譽	Goodwill		1,106,030
有形固定資產	Tangible fixed assets		1,636,775
總資產	Total assets		79,253,148
負債	Liabilities		
銀行及其他金融機構 存款及結存	Deposits and balances of banks and other financial institutions	13	2,715,740
客戶存款	Deposits from customers	12 & 13	58,485,464
已發行存款證	Certificates of deposit issued	13	5,069,630
遞延稅項負債	Deferred tax liabilities	18	18
其他賬項及準備	Other accounts and provisions		1,150,591
總負債	Total liabilities		67,421,443
資金來源	Capital resources		
股本	Share capital		3,181,081
儲備	Reserves	14	4,360,452
股東資金	Shareholders' funds		7,541,533
債務資本	Loan capital		4,290,172
資金來源總額	Total capital resources		11,831,705
負債及資金來源總額	Total liabilities and capital resources		79,253,148

綜合權益變動報表

未經審核

Consolidated Statement of Changes in Equity

Unaudited

本集團
The Group

		二零零三年 六月三十日 未經審核 As at 30 June 2003 Unaudited 港幣千元 HK\$'000	二零零二年 六月三十日 未經審核 重報 As at 30 June 2002 Unaudited Restated 港幣千元 HK\$'000
於一月一日的股東權益	Shareholders' equity at 1 January		
— 如前匯報	— As previously reported	7,426,293	6,253,677
— 前年度因遞延稅項 作出的調整	— Prior year adjustment in respect of deferred taxation	(53,066)	21,235
— 重報	— As restated	7,373,227	6,274,912
匯兌差額	Exchange differences	1	2
未在收益表內確認的 淨利潤	Net gain not recognised in the income statement	1	2
股東應佔溢利	Profit attributable to shareholders		
— 如前匯報	— As previously reported	306,953	375,908
— 前年度因遞延稅項 作出的調整	— Prior year adjustment in respect of deferred taxation	—	(37,993)
— 重報	— As restated	306,953	337,915
期間內已核准股息	Dividends approved during the period	(394,630)	(75,753)
股權變動：	Movements in share capital:		
按購股權計劃發行的新股	Shares issued under the Option Scheme	298	3,783
按以股代息計劃發行的新股	Shares issued under scrip dividends	145,470	—
按供股發行的股份	Shares issued under rights issue	—	432,585
已收股份溢價	Net share premium received	110,214	289,886
		255,982	726,254
於六月三十日的股東權益	Shareholders' equity at 30 June	7,541,533	7,263,330

簡明綜合現金流量表

未經審核

Condensed Consolidated Cash Flow Statement

Unaudited

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 未經審核 2003 Unaudited 港幣千元 HK\$'000	二零零二年 未經審核 2002 Unaudited 港幣千元 HK\$'000
來自／(用於)經營業務 產生的現金淨額	Net cash from/(used in) operating activities	830,957	(195,084)
用於投資業務的現金淨額	Net cash used in investing activities	(10,151)	(457,749)
(用於)／來自融資業務的 現金淨額	Net cash (used in)/from financing activities	(405,809)	2,302,961
現金及現金等值項目增加淨額	Net increase in cash and cash equivalents	414,997	1,650,128
於一月一日的現金及 現金等值項目	Cash and cash equivalents at 1 January	5,610,712	6,154,058
於六月三十日的現金及 現金等值項目	Cash and cash equivalents at 30 June	6,025,709	7,804,186

中期財務報告附註

未經審核

(1) 編製基礎

本中期財務報告乃根據香港聯合交易所有限公司(「聯交所」)主板上市規則的規定，並完全符合香港金融管理局(「金管局」)所發出之《本地註冊認可機構披露中期財務資料》指引及香港會計師公會《會計實務準則》第25號 — 「中期財務報告」編製而成。

本中期財務報告乃未經審核惟已由畢馬威會計師事務所根據香港會計師公會頒佈的《核數準則》第700號 — 「中期財務報告的審閱」進行審閱。而畢馬威會計師事務所致董事會的獨立審閱報告刊於第四十七至四十八頁。

本中期財務報告內所載截至二零零二年十二月三十一日止財政年度的財務資料並不構成本公司於該財政年度之法定賬項，但資料則來自該等賬項，截至二零零二年十二月三十一日止年度之法定賬項(核數師已於二零零三年三月十二日發出的報告內表示無保留之意見)可於本公司的註冊辦事處索取。

除以下所提及部份，本中期財務報告是本集團按照二零零二年度法定財務報告所採用的會計政策而編製：

過往年度，遞延稅項負債是根據可預見將來因收入及支出之會計與稅務處理的重大時差而產生的稅務影響，以負債法提撥。遞延稅項資產只會在合理及肯定可實現的情況下才會確認。本集團因應香港會計師公會所發出的於二零零三年一月一日生效的《會計實務準則》第12號(修訂)，採納關於遞延稅項的新會計政策。

Notes to the Interim Financial Report

Unaudited

(1) Basis of preparation

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("the Stock Exchange"), and complies fully with the recommendations in the Guideline on "Interim Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA") and Statement of Standard Accounting Practice ("SSAP") 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants ("HKSA").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 "Engagements to Review Interim Financial Reports", issued by the HKSA. KPMG's Independent Review Report to the Board of Directors is included on pages 47 to 48.

The financial information relating to the financial year ended 31 December 2002 included in the interim financial report does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2002 are available from the Company's registered office. The external auditors expressed an unqualified opinion on those financial statements in their report dated 12 March 2003.

The interim financial report is prepared on a basis consistent with the accounting policies adopted by the Group in the 2002 statutory financial statements excepted as mentioned below:

In prior years, deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonable probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt. With effect from 1 January 2003, in order to comply with SSAP 12 (revised) issued by the HKSA, the Group adopted a new policy for deferred tax.

中期財務報告附註

未經審核(續)

(1) 編製基礎(續)

因採納該會計政策後，本集團於期內溢利減少港幣9,173,000元(二零零二年六月三十日止六個月：減少港幣37,993,000元)，而於二零零三年六月三十日本集團資產及負債分別減少港幣62,221,000元及增加港幣18,000元(於二零零二年十二月三十一日：減少港幣53,046,000元及增加港幣20,000元)。新會計政策的採納是具有追溯力，保留溢利及儲備之期初數及其比較數字是按照以往期間的數額作調整，數額於綜合權益變動報表中披露。

在新會計政策之下，期內所得稅已包括當期及遞延稅項。遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的時間性差異而產生。遞延稅項資產也包括尚未使用的稅項虧損及稅項抵免。除了不影響會計及稅務溢利的初期確認資產及負債及不能作稅項扣減的商譽產生的時間性差異外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。

遞延稅項是以有關資產及負債的預期結算金額按結算日已頒佈或基本上已頒佈的稅率而提撥。遞延稅項資產及負債不作淨現值折扣。

於各結算日，本公司將重新審閱有關的遞延稅項資產，對不再有足夠的應課稅溢利以實現相關稅務利益的部份予以扣減。被扣減的遞延稅項資產若於將來出現足夠的應課稅溢利時，應予轉回。

Notes to the Interim Financial Report

Unaudited (cont'd)

(1) Basis of preparation (cont'd)

As a result of the adoption of this accounting policy, the profit for the period has decreased by HK\$9,173,000 (six months ended 30 June 2002: decreased by HK\$37,993,000) and the assets and liabilities as of 30 June 2003 have decreased by HK\$62,221,000 and increased by HK\$18,000 respectively (31 December 2002: decreased by HK\$53,046,000 and increased by HK\$20,000). The new accounting policy has been adopted retrospectively, with the opening balances of retained profits and reserves and comparative information adjusted for the amounts relating to prior periods as disclosed in the consolidated statement of changes in equity.

Under the new accounting policy, income tax for the period comprises current and deferred tax. Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised, except temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

中期財務報告附註

未經審核(續)

(2) 分部資料

(a) 按地區劃分

Notes to the Interim Financial Report

Unaudited (cont'd)

(2) Segmental information

(a) By geographical area

		本集團 The Group 截至六月三十日止六個月 Six months ended 30 June			
		二零零三年 * 溢利/(虧損) 2003 *Profit/(Loss) 港幣千元 HK\$'000	二零零二年 重報 * 溢利/(虧損) 2002 Restated *Profit/(Loss) 港幣千元 HK\$'000	二零零三年 經營收入 2003 Operating Income 港幣千元 HK\$'000	二零零二年 重報 經營收入 2002 Restated Operating Income 港幣千元 HK\$'000
香港	Hong Kong	366,415	395,789	985,599	1,082,257
中國	Mainland China	(1,727)	225	-	800
美國	USA	6,056	4,006	22,860	23,644
減：集團內部項目	Less: Inter-segment items	-	-	(1,346)	(1,346)
		370,744	400,020	1,007,113	1,105,355

* 這是指正常業務的除稅前溢利

* Profit from ordinary activities before taxation

來自香港的利潤包括了所佔聯營公司溢利港幣63,268,000元(二零零二年：港幣7,995,000元)。

Profit from Hong Kong included share of profits of associates amounting to HK\$63,268,000 (2002: HK\$7,995,000).

由於要更能反映分部資料按地區劃分之業績，故比較數字的分類需要重報，集團內部抵銷項目需由集團內部項目分類至其他地區。

The comparative figures of segmental information have been restated to reclassify group elimination to various geographical area segments, which was included in "Inter-segment items" previously to better reflect the geographical area segment results.

上述有關地區分析的資料已按附屬公司或聯營公司的主要營業地點劃分，或倘屬本公司，則以負責匯報業績或將資產記賬的分行地點劃分。

The above geographical analysis has been classified by the location of the principal operations of the subsidiaries or associates, in case of the Company itself, of the location of the branches responsible for reporting the results or booking the assets.

中期財務報告附註

未經審核(續)

(2) 分部資料(續)

(b) 按業務劃分

Notes to the Interim Financial Report

Unaudited (cont'd)

(2) Segmental information (cont'd)

(b) By class of business

		本集團 The Group 截至六月三十日止六個月 Six months ended 30 June			
		二零零三年 * 溢利/(虧損) 2003 *Profit/(Loss) 港幣千元 HK\$'000	二零零二年 重報 * 溢利/(虧損) 2002 Restated *Profit/(Loss) 港幣千元 HK\$'000	二零零三年 經營收入 2003 Operating Income 港幣千元 HK\$'000	二零零二年 重報 經營收入 2002 Restated Operating Income 港幣千元 HK\$'000
零售銀行	Retail banking	138,652	52,818	518,662	467,011
企業銀行	Wholesale banking	110,781	127,717	381,648	359,066
投資銀行	Investment banking	22,896	5,174	-	22,275
財資業務	Treasury	236,837	259,201	278,220	310,585
未分配	Unallocated	(138,422)	(44,890)	(169,891)	(52,074)
減：集團內部項目	Less: Inter-segment items	-	-	(1,526)	(1,508)
		370,744	400,020	1,007,113	1,105,355

* 這是指正常業務的除稅前溢利

來自投資銀行及未分配項目的利潤分別包括了所佔聯營公司溢利港幣22,900,000元及港幣40,368,000元(二零零二年：分別為港幣7,995,000元及無)。

由於要更能反映分部資料按業務劃分之業績，故比較數字的分類需要重報，集團內部抵銷項目需由集團內部項目分類至其他業務。

* Profit from ordinary activities before taxation

Profit from investment banking and unallocated included share of profits of associates amounting to HK\$22,900,000 and HK\$40,368,000 respectively (2002: HK\$7,995,000 and Nil).

The comparative figures of segmental information have been restated to reclassify group elimination to various business segments, which was included in "Inter-segment items" previously to better reflect the business segment results.

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(3) (a) 利息收入

(3) (a) Interest income

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
證券投資利息收入	Interest income from investments in securities	556,540	552,896
其他利息收入	Other interest income	860,925	996,241
		1,417,465	1,549,137

(b) 其他經營收入

(b) Other operating income

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 重報 2002 Restated 港幣千元 HK\$'000
其他收益	Other revenue		
股息收入	Dividend income		
非上市投資	Unlisted investments	5,256	3,381
租金收入減支出 港幣2,761,000元 (2002: 港幣2,216,000元)	Rental income less outgoings of HK\$2,761,000 (2002: HK\$2,216,000)	6,973	7,264
		12,229	10,645
其他淨收入	Other net income		
其他證券投資淨收益	Net gain on other investments in securities	32,629	27,894
外匯買賣淨收益	Net gain arising from dealing in foreign currencies	21,956	7,193
其他買賣業務淨虧損	Net loss arising from other dealing activities	(6,032)	(10,165)
其他	Others	6,848	25,764
		55,401	50,686
		67,630	61,331

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(3) (c) 經營支出

(3) (c) Operating expenses

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 重報 2002 Restated 港幣千元 HK\$'000
僱員成本	Staff costs		
薪金及其他僱員成本	Salaries and other staff costs	215,969	263,537
退休金成本	Retirement costs	18,113	20,726
樓宇及設備支出	Premises and equipment expenses		
樓宇租金	Rental of premises	24,367	26,033
折舊	Depreciation	59,419	51,862
其他	Others	38,911	39,995
廣告費	Advertising	16,329	32,489
商譽	Goodwill	29,893	29,893
通訊、印刷及文儀用品	Communication, printing and stationery	28,220	22,388
法律及專業費用	Legal and professional fee	8,133	12,275
核數師酬金	Auditors' remuneration	2,108	1,802
其他	Others	25,480	26,441
		466,942	527,441

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(4) 稅項

(4) Taxation

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
本期稅項 – 香港利得稅準備	Current tax – Provision for Hong Kong Profits Tax		
期內稅項	Tax for the period	45,928	16,902
過往年度稅項超額撥備	Over-provision in respect of prior years	(1,423)	–
		44,505	16,902
本期稅項 – 海外稅項	Current tax – Overseas		
期內稅項	Tax for the period	947	1,153
		947	1,153
遞延稅項	Deferred tax		
是期產生之暫時性差額及回轉	Origination and reversal of temporary differences	19,943	41,444
增加稅率對於一月一日的 遞延稅項之影響	Effect of increase in tax rate on deferred tax balances at 1 January	(7,319)	–
		12,624	41,444
所佔聯營公司稅項	Share of associates' taxation	5,715	1,203
稅項合計	Total income tax expense	63,791	60,702

於二零零三年三月，香港政府宣佈將適用於集團內香港業務的利得稅率由16%增加至17.5%。海外分行及附屬公司的稅款，則按照業務經營地區的現行稅率計算。

In March 2003, the Hong Kong Government announced an increase in the Profits Tax rate applicable to the Group's operations in Hong Kong from 16% to 17.5%. Taxation for branches and subsidiaries outside Hong Kong is similarly charged at the appropriate current rates of taxation ruling in the countries in which they operate.

中期財務報告附註

未經審核(續)

(5) 中期股息

於二零零三年六月三十日後，董事會宣佈派發以下中期股息，而並未在中期財務報告中作出準備。

Notes to the Interim Financial Report

Unaudited (cont'd)

(5) Interim dividends

The following dividends were declared by the Board of Directors after 30 June 2003 and have not been provided for in the interim financial report.

		本集團 The Group	
		截至六月三十日止六個月 Six months ended 30 June	
		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
宣派中期股息每股港幣三仙 (二零零二：港幣三仙)	Interim dividends declared of HK\$0.03 (2002: HK\$0.03) per share	95,432	90,956

(6) 基本及攤薄每股盈利

(a) 截至二零零三年六月三十日止六個月的每股基本盈利是按照股東應佔溢利港幣306,953,000元(二零零二年重報：港幣337,915,000元)及期內已發行普通股的加權平均數3,068,479,114股(二零零二年：3,017,076,639股)計算。

(b) 截至二零零三年六月三十日止六個月的每股攤薄盈利是按照股東應佔溢利港幣306,953,000元(二零零二年重報：港幣337,915,000元)及就所有潛在攤薄普通股的影响作出調整後的普通股加權平均數3,069,671,310股(二零零二年：3,020,368,832股)計算。

(6) Basic and diluted earnings per share

(a) The calculation of basic earnings per share for the six months ended 30 June 2003 is based on profit attributable to shareholders of HK\$306,953,000 (2002 restated: HK\$337,915,000) and on the weighted average of 3,068,479,114 (2002: 3,017,076,639) ordinary shares in issue during the period.

(b) The calculation of diluted earnings per share for the six months ended 30 June 2003 is based on profit attributable to shareholders of HK\$306,953,000 (2002 restated: HK\$337,915,000) and on the weighted average of 3,069,671,310 (2002: 3,020,368,832) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(7) 現金及短期資金

(7) Cash and short-term funds

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
現金及於銀行及 其他金融機構的存款	Cash and balances with banks and other financial institutions	765,690	499,915
即期及短期通知存款 (a)	Money at call and short notice (a)	4,714,836	5,058,548
國庫券(包括外匯基金票據) (b)	Treasury bills (including Exchange Fund Bills) (b)	7,798	388,198
		5,488,324	5,946,661

(a) 即期及短期通知存款是指一個月內到期的存款。

(a) Money at call and short notice represents deposits of up to a maximum of one month maturity.

(b) 國庫券(包括外匯基金票據)的分析如下：

(b) The analysis of treasury bills (including Exchange Fund Bills) is as follows:

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
持有至到期證券	Held-to-maturity securities	7,798	–
其他證券投資	Other investments in securities	–	388,198
		7,798	388,198
非上市及由中央政府及 中央銀行發行	Unlisted and issued by central governments and central banks	7,798	388,198

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(8) 存款證

(8) Certificates of deposit

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
持有至到期證券	Held-to-maturity securities		
非上市	Unlisted	1,040,192	937,340
上市	Listed	-	93,604
		1,040,192	1,030,944
其他證券投資	Other investment in securities		
非上市	Unlisted	29,970	-
		1,070,162	1,030,944
上市證券的市值：	Market value of listed securities:	-	97,496

(9) 其他證券投資

(9) Other investments in securities

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
債務證券	Debt securities		
於香港上市	Listed in Hong Kong	129,364	68,394
於香港以外地區上市	Listed outside Hong Kong	2,114,065	1,161,618
非上市	Unlisted	1,594,006	1,728,570
		3,837,435	2,958,582
股票	Equity securities		
於香港上市	Listed in Hong Kong	32,231	16,280
非上市	Unlisted	275,111	210,906
		307,342	227,186
投資基金	Investment fund		
非上市	Unlisted	33,791	33,791
		4,178,568	3,219,559

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(9) 其他證券投資(續)

(9) Other investments in securities (cont'd)

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
其他證券投資發行機構如下：	The issuers of other investments in securities are as follows:		
中央政府及中央銀行	Central governments and central banks	411,161	461,795
銀行及其他金融機構	Banks and other financial institutions	2,747,495	2,019,330
法人公司	Corporate entities	609,548	296,103
公營機構	Public sector entities	410,364	442,331
		4,178,568	3,219,559
上市證券的市值：	Market value of listed securities:		
債務證券	Debt securities	2,243,429	1,230,012
股票	Equity securities	32,231	16,280
		2,275,660	1,246,292

(10) 客戶墊款及其他賬項減準備

(10) Advances to customers and other accounts less provisions

(a) 客戶墊款及其他賬項減準備

(a) Advances to customers and other accounts less provisions

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
客戶墊款	Advances to customers	41,118,965	42,611,139
呆壞賬特別準備	Specific provisions for bad and doubtful debts	(672,945)	(614,506)
呆壞賬一般準備	General provisions for bad and doubtful debts	(460,201)	(494,985)
		39,985,819	41,501,648
銀行及其他金融機構墊款	Advances to banks and other financial institutions	63,212	79,872
應計利息及其他賬項減準備	Accrued interest and other accounts less provisions	1,791,964	1,949,985
		41,840,995	43,531,505

中期財務報告附註

未經審核(續)

(10) 客戶墊款及其他賬項減準備(續)

- (b) 不履約貸款是指利息已撥入暫記賬項或已停止計息的墊款如下：

Notes to the Interim Financial Report

Unaudited (cont'd)

(10) Advances to customers and other accounts less provisions (cont'd)

- (b) Non-performing loans are advances on which interest is being placed in suspense or on which interest accrual has ceased are as follows:

		本集團 The Group				
		利息懸賬 貸款總額		利息懸賬 貸款抵押 金額	利息懸賬 貸款提撥的 特別準備	暫記利息
		Total amount of loans on which interest is placed in suspense		Pledged amount for loans on which interest is placed in suspense	Specific provisions in respect of loans on which interest is placed in suspense	Amount of interest suspense
		港幣千元 HK\$'000	*%	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二零零三年 六月三十日	As at 30 June 2003	2,383,984	5.80	1,394,771	618,045	399,172
於二零零二年 十二月三十一日	As at 31 December 2002	2,369,005	5.56	1,443,100	574,349	370,032

* 佔客戶墊款總額計算

於二零零三年六月三十日及二零零二年十二月三十一日，集團內並無利息記入暫記賬項或已停止計息的銀行及其他金融機構墊款，亦沒有為以上兩種墊款在該兩天提撥特別準備。

經衡量該有關墊款的抵押品價值後，已提撥特別準備。

* Based on total advances to customers

There were no advances to banks and other financial institutions in the Group on which interest is being placed in suspense or on which interest accrual has ceased as at 30 June 2003 and 31 December 2002, nor were there any specific provisions made for them on these two days.

The specific provisions were made after taking into account the value of collateral in respect of such advances.

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(11) 持有至到期證券及投資證券

(11) Held-to-maturity securities and investment securities

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
持有至到期證券 – 債務證券	Held-to-maturity securities – debt securities		
於香港上市	Listed in Hong Kong	1,205,889	276,062
於香港以外地區上市	Listed outside Hong Kong	8,509,938	5,096,234
		9,715,827	5,372,296
非上市	Unlisted	12,356,636	13,265,061
		22,072,463	18,637,357
投資證券 – 債務證券	Investment securities – debt securities		
非上市	Unlisted	15,932	15,932
投資證券 – 股票	Investment securities – equity securities		
非上市	Unlisted	24,041	24,065
		22,112,436	18,677,354
減值準備	Provision for diminution in value		
持有至到期證券	Held-to-maturity securities	(53,622)	(55,886)
		22,058,814	18,621,468
債務證券及股票的 發行機構如下：	The issuers of debt securities and equity securities are as follows:		
中央政府及中央銀行	Central governments and central banks	1,183,806	1,011,640
銀行及其他金融機構	Banks and other financial institutions	11,029,918	7,866,612
法人公司	Corporate entities	9,607,003	9,506,110
公營機構	Public sector entities	279,777	281,060
其他	Others	11,932	11,932
		22,112,436	18,677,354
上市證券的市值	Market value of listed securities		
債務證券	Debt securities	10,773,168	5,709,174

中期財務報告附註

未經審核(續)

(12) 客戶存款

Notes to the Interim Financial Report

Unaudited (cont'd)

(12) Deposits from customers

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
活期及往來賬戶存款	Demand deposits and current deposits	7,385,182	1,283,195
儲蓄存款	Savings deposits	7,607,733	7,274,653
定期、即期及短期通知存款	Time, call and notice deposits	43,492,549	46,977,612
		58,485,464	55,535,460

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(13)到期日分析

(13)Maturity profile

		本集團 The Group					
		三個月內 但無須 即時償還 3 months or less but not repayable on demand 港幣千元 HK\$'000	三個月以上 至一年 1 year or less but over 3 months 港幣千元 HK\$'000	一年以上 至五年 5 years or less but over 1 year 港幣千元 HK\$'000	五年以上 After 5 years 港幣千元 HK\$'000	無註明 日期 Undated 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
二零零三年六月三十日 資產	As at 30 June 2003 Assets						
現金及短期資金	Cash and short-term funds	765,690	4,722,634	-	-	-	5,488,324
一個月後到期的銀行及 其他金融機構存款	Placements with banks and other financial institutions maturing after one month	-	919,916	-	-	-	919,916
存款證	Certificates of deposit	-	302,003	248,369	519,790	-	1,070,162
其他證券投資－債務證券	Other investments in securities – debt securities	-	702,617	309,987	2,066,948	753,802	3,837,435
客戶墊款	Advances to customers	2,186,433	3,162,797	6,017,453	14,698,918	13,177,966	41,118,965
銀行及其他金融機構墊款	Advances to banks and other financial institutions	-	-	3,212	60,000	-	63,212
持有至到期證券及投資證券 －債務證券	Held-to-maturity securities and investment securities – debt securities	-	2,197,780	1,648,485	11,430,223	6,711,371	22,088,395
		2,952,123	12,007,747	8,227,506	28,775,879	20,643,139	74,586,409
負債	Liabilities						
銀行及其他金融機構 存款及結存	Deposits and balances of banks and other financial institutions	183,254	2,527,486	5,000	-	-	2,715,740
客戶存款	Deposits from customers	15,021,611	41,178,156	2,105,055	180,642	-	58,485,464
已發行存款證	Certificates of deposit issued	-	266,985	1,962,029	2,840,616	-	5,069,630
		15,204,865	43,972,627	4,072,084	3,021,258	-	66,270,834

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(13)到期日分析(續)

(13)Maturity profile (cont'd)

		本集團 The Group						
		三個月內 但無須 即時償還 3 months or less but not repayable on demand	三個月以上 至一年 1 year or less but over 3 months	一年以上 至五年 5 years or less but over 1 year	五年以上 After 5 years	無註明 日期 Undated	總額 Total	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
二零零二年十二月三十一日	As at 31 December 2002							
資產	Assets							
現金及短期資金	Cash and short-term funds	499,915	5,058,548	388,198	-	-	5,946,661	
一個月後到期的銀行及 其他金融機構存款	Placements with banks and other financial institutions maturing after one month	-	221,006	-	-	-	221,006	
存款證	Certificates of deposit	-	16,069	458,366	556,509	-	1,030,944	
其他證券投資－債務證券	Other investments in securities – debt securities	-	-	861,769	1,516,962	575,770	2,958,582	
客戶墊款	Advances to customers	2,593,094	3,643,523	4,688,290	15,167,716	14,461,832	42,611,139	
銀行及其他金融機構墊款	Advances to banks and other financial institutions	-	-	19,872	60,000	-	79,872	
持有至到期證券及投資證券 －債務證券	Held-to-maturity securities and investment securities – debt securities	-	193,974	2,474,339	9,409,058	6,548,386	18,653,289	
		3,093,009	9,133,120	8,890,834	26,710,245	21,585,988	71,501,493	
負債	Liabilities							
銀行及其他金融機構 存款及結存	Deposits and balances of banks and other financial institutions	166,163	1,954,018	-	-	-	2,120,181	
客戶存款	Deposits from customers	9,041,737	43,254,336	3,232,652	6,735	-	55,535,460	
已發行存款證	Certificates of deposit issued	-	1,000,000	1,566,579	3,265,934	-	5,832,513	
		9,207,900	46,208,354	4,799,231	3,272,669	-	63,488,154	

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(14) 儲備

(14) Reserves

本集團

The Group

二零零三年六月三十日

As at 30 June 2003

		股份溢價	投資物業 重估儲備	其他物業 重估儲備	資本儲備	一般儲備	匯兌差額	保留溢利	總額
		Share premium	Investment property revaluation reserve	Other property revaluation reserve	Capital reserve	General reserve	Exchange differences	Retained profits	Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二零零三年一月一日	At 1 January 2003								
一如前匯報	– As previously reported	1,712,952	–	11,945	37,500	100,000	319	2,528,264	4,390,980
一前年度因遞延稅項 作出的調整	– Prior year adjustment in respect of deferred taxation	–	–	–	–	–	–	(53,066)	(53,066)
一重報	– As restated	1,712,952	–	11,945	37,500	100,000	319	2,475,198	4,337,914
期間內已發行股份 的溢價	Share premium on shares issued during the period	110,214	–	–	–	–	–	–	110,214
匯兌差額	Exchange differences	–	–	–	–	–	1	–	1
前一年度核准股息	Dividends approved in respect of the previous year	–	–	–	–	–	–	(394,630)	(394,630)
期間內溢利	Profit for the period	–	–	–	–	–	–	306,953	306,953
於二零零三年六月三十日	At 30 June 2003	1,823,166	–	11,945	37,500	100,000	320	2,387,521	4,360,452

中期財務報告附註

未經審核(續)

Notes to the Interim Financial Report

Unaudited (cont'd)

(14)儲備(續)

(14)Reserves (cont'd)

		本集團 The Group 二零零二年十二月三十一日(重報) As at 31 December 2002 (Restated)							
		股份溢價	投資物業 重估儲備 Investment property revaluation reserve	其他物業 重估儲備 Other property revaluation reserve	資本儲備 Capital reserve	一般儲備 General reserve	匯兌差額 Exchange differences	保留溢利 Retained profits	總額 Total
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於二零零二年一月一日	At 1 January 2002								
一如前匯報	- As previously reported	1,426,213	151	11,945	37,500	100,000	321	2,082,036	3,658,166
一前年度因遞延稅項 作出的調整	- Prior year adjustment in respect of deferred taxation	-	-	-	-	-	-	21,235	21,235
一重報	- As restated	1,426,213	151	11,945	37,500	100,000	321	2,103,271	3,679,401
本年度供股股份溢價	Share premium on rights issue	286,990	-	-	-	-	-	-	286,990
本年度已發行股份 的溢價	Share premium on shares issued during the year	5,749	-	-	-	-	-	-	5,749
出售附屬公司後扣除 投資物業重估淨虧損	Release on disposal of subsidiary Net deficit on revaluation of investment properties	(6,000)	-	-	-	-	-	-	(6,000)
匯兌差額	Exchange differences	-	(151)	-	-	-	-	-	(151)
前一年度核准股息	Dividends approved in respect of the previous year	-	-	-	-	-	(2)	-	(2)
本年度溢利	Profit for the year	-	-	-	-	-	-	(75,754)	(75,754)
一如前匯報	- As previously reported	-	-	-	-	-	-	612,944	612,944
一前年度因遞延稅項 作出的調整	- Prior year adjustment in respect of deferred taxation	-	-	-	-	-	-	(74,301)	(74,301)
一重報	- As restated	-	-	-	-	-	-	538,643	538,643
本年度宣派股息	Dividends declared for the year	-	-	-	-	-	-	(90,962)	(90,962)
於二零零二年十二月三十一日	At 31 December 2002	1,712,952	-	11,945	37,500	100,000	319	2,475,198	4,337,914

股份溢價賬的應用受香港《公司條例》第48B條所管轄。

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

中期財務報告附註

未經審核(續)

(15)資產負債表外風險

(a) 或有負債及承擔

以下是每類主要或有負債及承擔合約金額概要：

Notes to the Interim Financial Report

Unaudited (cont'd)

(15)Off-balance sheet exposures

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
直接信貸代替品	Direct credit substitutes	804,360	1,187,756
與交易有關的或有項目	Transaction-related contingencies	38,993	38,994
與貿易有關的或有項目	Trade-related contingencies	1,805,132	1,262,930
遠期有期存款	Forward forward deposits placed	75,000	–
其他承擔：	Other commitments:		
– 原到期日在一年以下 或可無條件撤銷	– with an original maturity of under 1 year or which are unconditionally cancellable	9,786,726	9,294,444
– 原到期日在一年及以上	– with an original maturity of 1 year and over	1,014,801	922,801
		13,525,012	12,706,925

或有負債及承擔是與信貸相關的工具，當中包括承兌票據、信用證、提供信貸的擔保及承擔。合約金額是指在合約全數提取後發生客戶拖欠而需承擔風險的金額。由於信貸額可能在到期時仍未動用，故合約金額並非預期未來現金流入。

Contingent liabilities and commitments are credit-related instruments which include acceptance, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

中期財務報告附註

未經審核(續)

(15)資產負債表外風險(續)

(b) 衍生工具

衍生工具是指根據一項或多項基本資產或指數的價值來釐定其價值的財務合約。

以下是本集團各種主要衍生工具的名義金額概要：

Notes to the Interim Financial Report

Unaudited (cont'd)

(15)Off-balance sheet exposures (cont'd)

(b) Derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

		本集團 The Group					
		二零零三年六月三十日 As at 30 June 2003			二零零二年十二月三十一日 As at 31 December 2002		
		交易 Trading 港幣千元 HK\$'000	對沖 Hedging 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	交易 Trading 港幣千元 HK\$'000	對沖 Hedging 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
匯率合約	Exchange rate contracts						
遠期交易	Forwards	967,010	–	967,010	1,095,192	–	1,095,192
掉期交易	Swaps	12,554,245	6,873,640	19,427,885	34,890,559	4,999,417	39,889,976
買入期權	Options purchased	366,272	–	366,272	66,884	–	66,884
賣出期權	Options written	328,028	–	328,028	40,490	–	40,490
利率合約	Interest rate contracts						
遠期交易及 期貨交易	Forwards and futures	17,327,000	–	17,327,000	2,262,090	–	2,262,090
掉期交易	Swaps	2,420,047	9,471,045	11,891,092	2,127,535	9,526,349	11,653,884
買入期權	Options purchased	931,162	–	931,162	931,162	–	931,162
賣出期權	Options written	1,028,666	178,003	1,206,669	931,162	–	931,162
股份合約	Equity contracts						
期貨交易	Futures	38,336	–	38,336	–	–	–
買入期權	Options purchased	–	23,732	23,732	–	18,372	18,372
賣出期權	Options written	–	23,732	23,732	–	18,371	18,371
		35,960,766	16,570,152	52,530,918	42,345,074	14,562,509	56,907,583

以上的交易由本集團在外匯、利率及證券市場進行。這些工具的名義金額是指仍未平倉的交易額，並非風險金額。

The above transactions are undertaken by the Group in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding and do not represent amounts at risk.

中期財務報告附註

未經審核(續)

(15)資產負債表外風險(續)

(c) 本集團資產負債表外風險的重置成本及信貸風險加權金額如下。這金額未計入雙邊淨額安排的影響，以下數據為毛額：

Notes to the Interim Financial Report

Unaudited (cont'd)

(15)Off-balance sheet exposures (cont'd)

(c) The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures of the Group are as follows. These amounts do not take into account the effects of bilateral netting arrangements and accordingly these amounts are shown on a gross basis:

		本集團 The Group			
		二零零三年 六月三十日 As at 30 June 2003		二零零二年 十二月三十一日 As at 31 December 2002	
		重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount	重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
或有負債及承擔	Contingent liabilities and commitments	不適用 N/A	1,318,328	不適用 N/A	1,332,425
匯率合約	Exchange rate contracts	128,828	75,922	135,779	118,904
利率合約	Interest rate contracts	682,516	187,633	601,457	171,752
股份合約	Equity contracts	146	1,497	104	792
		811,490	1,583,380	737,340	1,623,873

重置成本是指重置所有按市價計算具正數價值的合約成本，未計入雙邊淨額安排的影響。

信貸風險加權金額是指按照香港《銀行業條例》有關資本充足比率的附表三所計算金額，取決於合約另一方的財務狀況及到期的情況。或有負債及承擔的風險加權由0%至100%不等，而匯率、利率及其他衍生工具合約則由0%至50%不等。

Replacement cost represents the cost of replacing all contracts which have a positive value when marked to market and which have not been subject to any bilateral netting arrangement.

Credit risk-weighted amount refers to the amount as computed in accordance with the Third Schedule to the Hong Kong Banking Ordinance on capital adequacy and depend on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments, and from 0% to 50% for exchange rate, interest rate and other derivatives contracts.

中期財務報告附註

未經審核(續)

(16) 銷售及購回的資產

以下資產及負債將供銷售及購回：

Notes to the Interim Financial Report

Unaudited (cont'd)

(16) Assets subject to sale and repurchase transactions

The following assets and liabilities are subject to sale and repurchase transactions:

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
包括在持有至到期證券 及投資證券	Included in held-to-maturity securities and investment securities	1,629,155	1,633,873
包括在其他證券投資	Included in other investments in securities	391,161	–
		2,020,316	1,633,873
包括在銀行及其他金融 機構的存款及結存	Included in deposits and balances of banks and other financial institutions	2,235,600	1,681,482

(17) 重大關連人士交易

期間內，本集團在其日常業務過程中與其最終控股公司及最終控股公司的附屬公司進行了多項交易，其中特別包括借貸、接受及存放同業存款、參與銀團貸款、往來銀行交易和外匯交易。這些交易的合約定價是按照每次交易時的相關市場利率而定，並與提供給本集團其他交易方及客戶的條款相同。董事會認為，這些交易是按正常商業條款進行。

(17) Material related party transactions

During the period, the Group entered into a number of transactions with its ultimate holding company and the ultimate holding company's subsidiaries, in the ordinary course of its banking business including, inter alia, lending, the acceptance and placement of inter-bank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The contracts were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

中期財務報告附註

未經審核(續)

(17) 重大關連人士交易 (續)

期間內，關連人士交易的收支及於二零零三年六月三十日之結欠如下：

(a) 收入／(支出)

Notes to the Interim Financial Report

Unaudited (cont'd)

(17) Material related party transactions (cont'd)

Information relating to income and expense from related party transactions during the period and balances outstanding as at 30 June 2003 is set out below:

(a) Income/(expense)

本集團
The Group
截至六月三十日止六個月
Six months ended 30 June

		二零零三年 2003 港幣千元 HK\$'000	二零零二年 2002 港幣千元 HK\$'000
利息收入	Interest income	3,227	1,036
利息支出	Interest expenses	(17,188)	(7,681)
其他收入	Other income	3,170	–
其他支出	Other expenses	(500)	–
		(11,291)	(6,645)

(b) 最終控股公司

(b) Ultimate holding company

本集團
The Group

		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
客戶墊款及其他 賬項減準備	Advances to customers and other accounts less provisions	201,893	117,094
客戶存款	Deposits from customers	1,824,166	1,162,517
其他賬項及準備	Other accounts and provisions	4,805	2,366
		1,828,971	1,164,883

中期財務報告附註

未經審核(續)

(17)重大關連人士交易(續)

(c) 最終控股公司的附屬公司

Notes to the Interim Financial Report

Unaudited (cont'd)

(17)Material related party transactions (cont'd)

(c) Subsidiaries of the ultimate holding company

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
現金及短期資金	Cash and short-term funds	381,886	—
客戶墊款及其他 賬項減準備	Advances to customers and other accounts less provisions	1,505	—
		383,391	—
銀行及其他金融機構 存款及結存	Deposits and balances of banks and other financial institutions	126,049	97,316
客戶存款	Deposits from customers	842,811	1,647,519
其他賬項及準備	Other accounts and provisions	497	386
		969,357	1,745,221

中期財務報告附註

未經審核(續)

(18)遞延稅項

(a) 遞延稅項資產及負債確認

下列是已確認於綜合資產負債表的遞延稅項資產及負債和本期／年度之變動部份：

Notes to the Interim Financial Report

Unaudited (cont'd)

(18)Deferred taxation

(a) Deferred tax assets and liabilities recognised

The components of deferred tax assets and liabilities recognised in the consolidated balance sheet and the movements during the period/year are as follows:

遞延稅項源自：	Deferred tax arising from:	本集團 The Group					總額 Total
		折舊 免稅額超出 有關折舊 Depreciation allowances in excess of related depreciation 港幣千元 HK\$'000	準備 Provisions 港幣千元 HK\$'000	物業及資產 公平價值 之調整 Fair value adjustment on properties & assets 港幣千元 HK\$'000	虧損 Losses 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	
於二零零二年一月一日	At 1 January 2002	36,620	(54,332)	-	(3,523)	-	(21,235)
因購入附屬公司增加數額	Addition through acquisition of subsidiary	35,545	(21,539)	(45,918)	(95,550)	(10,576)	(138,038)
		72,165	(75,871)	(45,918)	(99,073)	(10,576)	(159,273)
支取／(貸進)於綜合 收益表內	Charged/(credited) to consolidated income statement	(13,542)	1,153	2,249	85,198	6,145	81,203
於二零零二年十二月三十一日	At 31 December 2002	58,623	(74,718)	(43,669)	(13,875)	(4,431)	(78,070)
於二零零三年一月一日	At 1 January 2003	58,623	(74,718)	(43,669)	(13,875)	(4,431)	(78,070)
支取／(貸進)於綜合 收益表內	Charged/(credited) to consolidated income statement	1,424	(46)	(3,669)	13,875	1,040	12,624
於二零零三年六月三十日	At 30 June 2003	60,047	(74,764)	(47,338)	-	(3,391)	(65,446)

本集團 The Group

		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
在綜合資產負債表確認的 淨遞延稅項資產	Net deferred tax asset recognised on the consolidated balance sheet	(65,464)	(78,090)
在綜合資產負債表確認 的淨遞延稅項負債	Net deferred tax liability recognised on the consolidated balance sheet	18	20
		(65,446)	(78,070)

中期財務報告附註

未經審核(續)

(18)遞延稅項(續)

(b) 未確認的遞延稅項資產

未被確認的遞延稅項資產如以下項目：

Notes to the Interim Financial Report

Unaudited (cont'd)

(18)Deferred taxation (cont'd)

(b) Deferred tax assets unrecognised

Deferred tax assets have not been recognised in respect of the following item:

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
稅項虧損	Tax losses	12,989	9,337

根據現行稅務條例，稅項虧損不會到期。

The tax losses do not expire under current tax legislation.

補充財務資料

未經審核

Supplementary Financial Information

Unaudited

(1) 財務狀況摘要

(1) Summary of financial position

		本集團 The Group		
		二零零三年 六月三十日	二零零二年 十二月三十一日 重報	變化
		As at 30 June 2003	As at 31 December 2002 Restated	Variance
		港幣千元 HK\$'000	港幣千元 HK\$'000	%
貸款和墊款	Loans and advances	41,599,347	42,989,233	(3.23)
貸款虧損準備	Loan loss provision	1,136,298	1,112,643	2.13
總資產	Total assets	79,253,148	76,194,293	4.01
總利息收益資產	Total interest earning assets	75,066,791	71,879,587	4.43
存款總額	Total deposits	63,555,094	61,367,973	3.56
股東資金	Shareholders' funds	7,541,533	7,373,227	2.28
<i>財務比率</i>		<i>Financial ratios</i>		
資本充足比率－未經調整*	Capital adequacy – unadjusted*	19.30%	19.07%	
資本充足比率－經調整**	Capital adequacy – adjusted**	18.62%	18.24%	
平均綜合流動資金比率***	Average consolidated liquidity***			
二零零二年一月一日至 十月三十一日	1/1/2002-31/10/2002	不適用 N/A	46.29%	
二零零二年一月一日至 六月三十日	1/1/2002-30/6/2002	不適用 N/A	45.86%	
平均獨立流動資金比率***	Average solo liquidity***			
二零零二年十一月一日至 十二月三十一日	1/11/2002-31/12/2002	不適用 N/A	547.32%	
二零零三年一月一日至 六月三十日	1/1/2003-30/6/2003	917.02%	不適用 N/A	
貸款對存款比率	Loans to deposits	65.45%	70.05%	
貸款對總資產比率	Loans to total assets	52.49%	56.42%	
一般準備覆蓋比率	General provision coverage	1.11%	1.16%	
物業貸款比率	Property lending	43.88%	44.88%	
成本對收入比率(減商譽前)	Cost to income (before goodwill)	43.40%	45.31%	
成本對收入比率(減商譽後)	Cost to income (after goodwill)	46.36%	48.05%	
資產回報率	Return on assets	0.79%	0.80%	
股東資金回報率	Return on shareholders' funds	8.23%	7.91%	

* 未經調整資本充足比率是根據金管局為監管目的所規定，按覆蓋本公司及其若干附屬公司的合併基準計算，並且符合香港《銀行業條例》第三附表的基準。

** 經調整資本充足比率已考慮結算日的市場風險，按金管局頒佈的《就市場風險維持足夠資本》指引及未經調整資本充足比率相同的合併基準計算。

* The unadjusted capital adequacy ratio is computed on the consolidated basis covering the Company and certain of its subsidiaries as required by the Hong Kong Monetary Authority ("HKMA") for its regulatory purposes, and is in accordance with the Third Schedule to the Hong Kong Banking Ordinance.

** The adjusted capital adequacy ratio which takes into account market risks as at the balance sheet date is computed in accordance with the Guideline "Maintenance of Adequate Capital Against Market Risks" issued by the HKMA and on the same consolidated basis as for unadjusted capital adequacy ratio.

補充財務資料

未經審核(續)

(1) 財務狀況摘要(續)

*** 平均綜合流動資金比率是根據金管局為監管目的所規定，按覆蓋本公司及其若干附屬公司由二零零二年一月至十月期間的合併基準計算。二零零二年十一月二十五日後，本公司只需要以獨立基礎計算平均流動資金比率。平均流動資金比率是根據《銀行業條例》第四附表的基準計算。

(2) 扣除減項後資本基礎

Supplementary Financial Information

Unaudited (cont'd)

(1) Summary of financial position (cont'd)

*** The average consolidated liquidity ratio is computed on the consolidated basis covering the Company and certain of its subsidiaries for the period from January 2002 to October 2002 as required by the HKMA. After 25 November 2002, the Company is only required to compute the average liquidity ratio on a solo basis. The average liquidity ratios are computed in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

(2) Capital base after deductions

		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 重報 As at 31 December 2002 Restated 港幣千元 HK\$'000
核心資本	Core capital		
實繳普通股本	Paid up ordinary share capital	3,181,081	3,035,313
股份溢價	Share premium	1,823,166	1,712,952
儲備	Reserves	2,135,352	1,977,537
減：商譽	Deduct: Goodwill	(1,106,030)	(1,135,923)
核心資本總額	Total core capital	6,033,569	5,589,879
合格補助資本	Eligible supplementary capital		
土地及土地權益重估儲備	Reserves on revaluation of land and interests in land	8,362	8,362
呆賬一般準備	General provisions for doubtful debts	463,353	498,137
永久後償債項	Perpetual subordinated debt	1,950,078	1,950,078
有期後償債項	Term subordinated debt	1,872,075	2,340,094
合格補助資本總額	Total eligible supplementary capital	4,293,868	4,796,671
扣除減項前總資本基礎	Total capital base before deductions	10,327,437	10,386,550
總資本基礎減項	Deductions from total capital base	(221,254)	(221,256)
扣除減項後總資本基礎	Total capital base after deductions	10,106,183	10,165,294

補充財務資料

未經審核(續)

(3) 分部資料

Supplementary Financial Information

Unaudited (cont'd)

(3) Segmental information

		本集團 The Group			本集團 The Group		
		二零零三年六月三十日 As at 30 June 2003			二零零二年十二月三十一日(重報) As at 31 December 2002 (Restated)		
		總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	或有負債 Contingent liabilities 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	或有負債 Contingent liabilities 港幣千元 HK\$'000
香港	Hong Kong	78,159,002	66,512,116	12,864,581	74,977,766	63,375,426	11,964,847
中國	Mainland China	387,976	212,645	-	6,301	6,985	-
美國	USA	2,011,641	1,961,875	660,431	2,935,886	2,878,169	742,078
其他	Others	511,268	511,268	-	508,788	508,788	-
減：集團內 部項目	Less: Inter-segment items	(1,816,739)	(1,776,461)	-	(2,234,448)	(2,238,474)	-
		79,253,148	67,421,443	13,525,012	76,194,293	64,530,894	12,706,925

由於要更能反映分部資料按地區劃分之資產及負債，故比較數字的分類需要重報，集團內部抵銷項目需由集團內部項目分類至其他地區。

上述有關地區分析的資料已按附屬公司或聯營公司的主要營業地點劃分或倘屬本公司，則以負責匯報業績或將資產記賬的分行地點劃分。

The comparative figures of segmental information have been restated to reclassify group elimination to various geographical area segments, which was included in "Inter-segment items" previously to better reflect the geographical area segment assets and liabilities.

The above geographical analysis has been classified by the location of the principal operations of the subsidiaries or associates, in case of the Company itself, of the location of the branches responsible for reporting the results or booking the assets.

		本集團 The Group			本集團 The Group		
		二零零三年六月三十日 As at 30 June 2003			二零零二年十二月三十一日 As at 31 December 2002		
		客戶墊款 Advances to customers 港幣千元 HK\$'000	逾期客戶墊款 Overdue advances to customers 港幣千元 HK\$'000	不履約貸款 Non- performing loans 港幣千元 HK\$'000	客戶墊款 Advances to customers 港幣千元 HK\$'000	逾期客戶墊款 Overdue advances to customers 港幣千元 HK\$'000	不履約貸款 Non- performing loans 港幣千元 HK\$'000
香港	Hong Kong	33,647,672	2,129,262	2,127,766	35,569,751	2,183,628	2,107,159
中國	Mainland China	4,679,395	169,284	169,284	4,484,754	165,676	170,408
美國	USA	539,618	59,602	59,602	763,757	60,650	79,143
其他	Others	2,252,280	26,835	27,332	1,792,877	12,295	12,295
		41,118,965	2,384,983	2,383,984	42,611,139	2,422,249	2,369,005

補充財務資料

未經審核(續)

(3) 分部資料(續)

上述有關地區分析的資料已按交易另一方所在地劃分。風險轉移已考慮在內。由與交易方不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。銀行或其他金融機構分行的債權風險則轉至其總部所在國家的賬項中。

客戶不履約墊款是指利息記入暫記賬項或已停止計息的墊款。

(4) 客戶墊款 – 按行業劃分

Supplementary Financial Information

Unaudited (cont'd)

(3) Segmental information (cont'd)

The above geographical analysis has been classified by the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated.

Non-performing advances to customers are those advances on which interest is being placed in suspense or on which interest accrual has ceased.

(4) Advances to customers – by industry sectors

		本集團 The Group				
		二零零三年六月三十日 As at 30 June 2003		二零零二年十二月三十一日 As at 31 December 2002		變化 Variance
		港幣千元 HK\$'000	%	港幣千元 HK\$'000	%	%
用於香港的貸款	Loans for use in Hong Kong					
工商及金融界	Industrial, commercial and financial					
– 物業發展	– property development	718,295	1.75	563,368	1.32	27.50
– 物業投資	– property investment	4,956,877	12.05	5,314,907	12.47	(6.74)
– 金融界	– financial concerns	1,969,430	4.79	1,669,606	3.92	17.96
– 股票經紀	– stockbrokers	33,549	0.08	27,590	0.06	21.60
– 批發及零售貿易	– wholesale and retail trade	2,483,217	6.04	2,643,303	6.20	(6.06)
– 製造業	– manufacturing	3,117,601	7.58	3,318,627	7.79	(6.06)
– 運輸及運輸設備	– transport and transport equipment	4,774,491	11.62	4,938,645	11.59	(3.32)
– 其他	– others	3,691,501	8.98	3,175,545	7.45	16.25
個人	Individuals					
– 購入「居者有其屋計劃」及「私人發展商參與興建居屋計劃」及「租者置其屋計劃」單位的貸款	– loans for the purchase of flats under the Home Ownership Scheme and Private Sector Participation Scheme and Tenants Purchase Scheme	24,616	0.06	30,990	0.07	(20.57)
– 購入其他住宅物業的貸款	– loans for the purchase of other residential properties	12,367,174	30.08	13,246,473	31.10	(6.64)
– 信用卡墊款	– credit card advances	334,280	0.81	335,647	0.79	(0.41)
– 其他	– others	1,025,822	2.49	1,342,079	3.15	(23.56)
貿易融資	Trade finance	2,120,898	5.16	2,170,421	5.09	(2.28)
用於香港以外地區的貸款	Loans for use outside Hong Kong	3,501,214	8.51	3,833,938	9.00	(8.68)
		41,118,965	100.00	42,611,139	100.00	(3.50)

補充財務資料

未經審核(續)

Supplementary Financial Information

Unaudited (cont'd)

(5) 逾期客戶墊款(扣除暫記利息)

扣除已資本化但記入暫記賬項內的應計利息的客戶墊款總額已逾期達：

(5) Overdue advances to customers (net of suspended interest)

The gross amount of advances, net of accrued interest that has been capitalised but accrued to a suspense account, which have been overdue for periods of:

		本集團 The Group			
		二零零三年六月三十日 As at 30 June 2003		二零零二年十二月三十一日 As at 31 December 2002	
		港幣千元 HK\$'000		港幣千元 HK\$'000	
			*%		*%
— 三個月至六個月	— 6 months or less but over 3 months	236,180	0.57	262,097	0.62
— 六個月至一年	— 1 year or less but over 6 months	330,318	0.80	169,495	0.40
— 一年以上	— over 1 year	1,818,485	4.42	1,990,657	4.67
總額	Total	2,384,983	5.79	2,422,249	5.69
有抵押逾期墊款	Secured overdue advances	1,435,301		1,517,331	
無抵押逾期墊款	Unsecured overdue advances	949,682		904,918	
		2,384,983		2,422,249	
持有有抵押逾期 墊款抵押品 的市值	Market value of collateral held against the secured overdue advances	1,726,037		2,197,901	
特別準備	Specific provisions made	566,859		496,969	

* 佔客戶墊款總額計算

* Based on total advances to customers

於二零零三年六月三十日及二零零二年十二月三十一日，本集團並無逾期超過三個月的銀行及其他金融機構墊款。

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 30 June 2003 and 31 December 2002.

補充財務資料

未經審核(續)

Supplementary Financial Information

Unaudited (cont'd)

(6) 逾期墊款及不履約貸款之對賬表

(6) Reconciliation between overdue loans and advances and non-performing loans

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
逾期超過三個月的客戶墊款	Advances to customers overdue for more than 3 months	2,384,983	2,422,249
減：逾期超過三個月而仍然計息的款項	Less: Amount overdue for more than 3 months and on which interest is still being accrued	(137,529)	(173,900)
加：未逾期或逾期三個月或以下而利息記入暫記賬項或已停止計息的款項	Add: Amount overdue for 3 months or less, or not yet overdue and on which interest is being placed in suspense or on which interest accrual has ceased	81,289	75,591
加：利息記入暫記賬項或已停止計息的重整墊款	Add: Rescheduled advances on which interest is being placed in suspense or on which interest accrual has ceased	55,241	45,065
利息記入暫記賬項或已停止計息的客戶墊款	Advances to customers on which interest is being placed in suspense or on which interest accrual has ceased	2,383,984	2,369,005

補充財務資料

未經審核(續)

(7) 其他逾期資產

Supplementary Financial Information

Unaudited (cont'd)

(7) Other overdue assets

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
貿易票據總額已逾期達：	The gross amount of trade bills which has been overdue for:		
— 三個月至六個月	— 6 months or less but over 3 months	1,911	282
— 一年以上	— over 1 year	—	12,864
		1,911	13,146
逾期一年以上的 其他證券投資	Other investments in securities which have been overdue for over 1 year	—	4,081
逾期一年以上的 持有至到期證券	Held-to-maturity securities which have been overdue for over 1 year	15,601	15,601

(8) 重整貸款

(8) Rescheduled loans

		本集團 The Group			
		二零零三年六月三十日 As at 30 June 2003 港幣千元 HK\$'000		二零零二年十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000	
			***		***
重整貸款	Rescheduled loans	973,326	2.37	80,520	0.19

* 佔客戶墊款總額計算

* Based on total advances to customers

於二零零三年六月三十日及二零零二年十二月三十一日，本集團並無重整的銀行及其他金融機構貸款。

There were no advances to banks and other financial institutions which were rescheduled as at 30 June 2003 and 31 December 2002.

補充財務資料

未經審核(續)

Supplementary Financial Information

Unaudited (cont'd)

(9) 取回資產

(9) Repossessed assets

		本集團 The Group	
		二零零三年 六月三十日 As at 30 June 2003 港幣千元 HK\$'000	二零零二年 十二月三十一日 As at 31 December 2002 港幣千元 HK\$'000
已計入客戶墊款及 其他賬項	Included in advances to customers and other accounts	522,610	488,792

(10) 匯率風險

(10) Currency risk

本集團來自買賣、非買賣及結構性外匯盤的匯率風險的資料披露如下。向金管局申報的期權倉淨額是按照該局的銀行持有外匯盤申報表(MA(BS)6)中所載的方式計算。

The information concerning the foreign currency exposures of the Group arising from trading, non-trading and structural positions is disclosed as follows. The net option position reported is calculated in accordance with the methods set out in the banking return "Foreign Currency Position" (MA(BS)6) submitted to the HKMA.

		二零零三年六月三十日 As at 30 June 2003			二零零二年十二月三十一日 As at 31 December 2002		
		美元 US dollars	人民幣 Renminbi	總額 Total	美元 US dollars	人民幣 Renminbi	總額 Total
相等於港幣千元	Equivalent in HK\$'000						
現貨資產	Spot assets	26,340,134	670,974	27,011,108	29,010,348	525,602	29,535,950
現貨負債	Spot liabilities	(25,593,521)	(81,318)	(25,674,839)	(26,322,455)	(80,389)	(26,402,844)
遠期買入	Forward purchases	11,760,615	-	11,760,615	20,917,099	-	20,917,099
遠期賣出	Forward sales	(8,721,953)	-	(8,721,953)	(19,641,958)	-	(19,641,958)
期權倉淨額	Net option position	32,431	-	32,431	3,959	-	3,959
長盤淨額	Net long position	3,817,706	589,656	4,407,362	3,966,993	445,213	4,412,206

期權倉淨額是按照最差情況方式計算。

The net option position is calculated using the worst case approach.

補充財務資料

未經審核(續)

(11) 跨境債權

跨境債權資料是資產負債表上呈示考慮了風險轉移後按交易另一方所在地計算的交易另一方風險。由與交易方不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。銀行或其他金融機構分行的債權風險則轉至其總部所在國家的賬項中。轉移風險後達總跨境債權10%或以上的個別國家或地區債權如下：

Supplementary Financial Information

Unaudited (cont'd)

(11) Cross-border claims

Cross border claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institutions, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10 per cent or more of the aggregate cross border claims are shown as follows:

		銀行及其他金融機構 Banks and other financial institutions 港幣千元 HK\$'000	公營機構 Public sector entities 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零三年六月三十日	As at 30 June 2003				
香港以外	Asia and Pacific excluding				
亞太區	Hong Kong	7,012,454	174,918	5,957,573	13,144,945
其中澳洲	of which Australia	3,432,220	–	68,204	3,500,424
其中中國	of which Mainland China	2,043,051	174,918	5,311,794	7,529,763
西歐	Western Europe	10,667,820	–	5,981,729	16,649,549
其中德國	of which Germany	2,713,951	–	1,429,584	4,143,535
其中英國	of which United Kingdom	2,531,544	–	1,423,971	3,955,515
於二零零二年十二月三十一日	As at 31 December 2002				
香港以外	Asia and Pacific excluding				
亞太區	Hong Kong	5,339,220	83,160	6,285,620	11,708,000
其中澳洲	of which Australia	3,073,500	–	8,550	3,082,050
其中中國	of which Mainland China	1,364,770	83,160	5,382,708	6,830,638
西歐	Western Europe	9,363,950	–	5,709,212	15,073,162
其中德國	of which Germany	3,546,310	–	1,219,750	4,766,060
其中英國	of which United Kingdom	2,226,590	–	1,153,503	3,380,093

補充財務資料

未經審核(續)

(12) 風險管理

本集團已對信貸風險、流動資金、資本及市場風險的控制與監察制定了政策和程序，並由董事會定期進行檢討。內部核數師亦會作出定期審計，評定出現主要風險的地方的控制措施是否充足及有效，而且確保本集團遵循內部的政策和程序。

為了對沖某些利率風險，本集團已使用多種主要利率衍生工具：在交易所買賣的工具(包括利率期貨及債券期貨)以及場外衍生工具(包括利率掉期)。外匯利率風險方面，本集團已採用外匯掉期、期貨及期權作對沖。本集團已採用外匯及利率衍生工具分別對沖銀行(應計)賬項及買賣(市值)賬項的風險。所有使用主要衍生工具的利率風險及外匯風險對沖策略已在實施前獲得資產及負債管理委員會核准。

(i) 信貸風險管理

出現信貸風險是由於交易另一方可能違反合約。本集團從事的借貸、貿易融資、庫務、衍生工具及其他業務均存在信貸風險。

本集團經董事會核准的信貸政策手冊界定了信貸核准結構及核准權限的授予、提供信貸的標準、信貸的核准及監察程序、內部信貸風險評級制度、貸款分類制度和提撥準備政策，也參考了香港《銀行業條例》的規定以及金管局不時頒佈的指引。

Supplementary Financial Information

Unaudited (cont'd)

(12) Risk management

The Group has established policies and procedures for the control and monitoring of credit risk, liquidity, capital and market risk, which are reviewed regularly by the Board. The internal auditors also perform regular audits to assess the adequacy and effectiveness of controls for major risk areas and to ensure compliance with the policies and procedures.

In order to hedge some of the interest rate risks, the Group has used major interest rate derivatives: exchange traded instruments include interest rate futures and bond futures, and over-the-counter derivatives included interest rate swaps. With regard to foreign exchange risk, the Group has used FX swaps, forwards and options for hedging. The Group has used both types of derivatives, i.e. foreign exchange and interest rate derivatives, to hedge the respective risks in both the banking (accrual) book and the trading (marking to market) book. All interest rate risk and foreign exchange risk hedging strategies using major derivatives have been approved by the ALCO prior to their implementation.

(i) Credit risk management

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from the lending, trade finance, treasury, derivatives and other activities undertaken by the Group.

The Group's credit policy manual, which was approved by the Board, defines the credit approval hierarchy and delegation of approval authority, the credit extension criteria, the credit approval and monitoring process, the internal credit risk rating system, the loan classification system and provisioning policy. It also takes into account the requirements of the Hong Kong Banking Ordinance and the guidelines issued by the HKMA from time to time.

補充財務資料

未經審核(續)

(12) 風險管理 (續)

(i) 信貸風險管理 (續)

某些信貸政策在附屬公司制定、實施及維持。在中信嘉華及其附屬公司層面，信貸風險管理工作由中信嘉華董事會委任的信貸及風險管理委員會集中處理及監察。該委員會制定核准權力及把核准權力下放予多個處理信貸相關工作的委員會，包括處理核准信貸申請、政策例外情況、貸款分類、特別準備、被評信貸管理及銀行間交易方風險控制的委員會。這些委員會的成員包括行政總裁、集團信貸主管及其他高級管理人員。

列賬於資產負債表上項目，其信貸風險為原有價值。而衍生工具的信貸風險是正重置成本。衍生工具的信貸風險於附註(15)內作出披露。

(ii) 流動資金管理

本集團管理流動資金以確保符合監管要求及法定的流動資金比率。更重要的是本集團為了確保無論在正常或緊急情況下，均具備足夠的資金應付客戶的承諾。除了定期發行遠期存款證外，本集團也作出購回協議安排，以增加流動資金。本集團採取了較積極的流動資金管理方式。

(iii) 資本管理

本集團的政策是維持一個雄厚的資本基礎以支持本集團的業務發展，並符合法定的資本充足比率。如上述附註(1)所披露，本集團於二零零三年六月三十日未經調整及經調整資本充足比率分別為19.30%及18.62%，遠高於法定最低比率。

本集團的資金是根據各營業部門所承擔的風險分配予各個不同的業務。根據金管局的規定，若干財務附屬公司須接受金管局資本要求規限方面的監管。

Supplementary Financial Information

Unaudited (cont'd)

(12) Risk management (cont'd)

(i) Credit risk management (cont'd)

Specific credit policies manuals are formulated, implemented and maintained at subsidiaries. At the level of CKWB and its subsidiaries, the credit risk management function is centralised and is overseen by the Credit and Risk Management Committee appointed by the Bank's Board of Directors. The Committee defines and delegates approval authorities to various credit-related functional committees in respect of the approval of credit applications, policy exceptions, loan classifications, specific provisions, management of criticised credits and the control of interbank counterparty risks. These committees comprise the Chief Executive Officer, Group Credit Head and other members of senior management.

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value, the credit risk for derivatives is the positive replacement cost. The credit risk exposure for derivative is disclosed in note (15) to the unaudited interim financial report.

(ii) Liquidity management

The Group manages its liquidity in order to meet all regulatory requirements and comply with the statutory liquidity ratio. More importantly, the Group must be able to meet all customer claims in both normal and emergency circumstances. Besides issuing long-dated certificates of deposits regularly, the Group has also arranged re-purchase agreement facilities in order to enhance its liquidity. The Group adopts a proactive approach towards managing liquidity.

(iii) Capital management

The Group's policy is to maintain a strong capital base to support the development of the Group's business and to meet the statutory capital adequacy ratio. As disclosed in note (1) above, the Group's unadjusted capital adequacy ratio and adjusted capital adequacy ratio of 19.30% and 18.62% respectively as at 30 June 2003 are well above the statutory minimum ratio.

Capital is allocated to the various activities of the Group depending on the risk taken by each business division. Certain financial subsidiaries, as specified by the HKMA, are subject to the HKMA's capital requirements for its regulatory supervision purposes.

補充財務資料

未經審核(續)

(12) 風險管理 (續)

(iv) 市場風險管理

本集團繼續透過稽核及風險管理部的市場風險管理組有效管理市場風險。市場風險管理組確保本集團只會在落實客戶指示、內部有買賣需要及對沖的情況下於外匯、利率、證券及股票等市場買賣盤。

本集團的最高市場風險由資產及負債管理委員會訂定。這些風險須定期受到監控，並向管理層匯報。

於二零零三年上半年的財資買賣盤業務產生的單日平均收入為港幣328,050元(二零零二年上半年：港幣103,529元)，標準偏差為港幣3,146,220元(二零零二年上半年：港幣2,237,146元)。

本集團的買賣盤收入分析如下：

Supplementary Financial Information

Unaudited (cont'd)

(12) Risk management (cont'd)

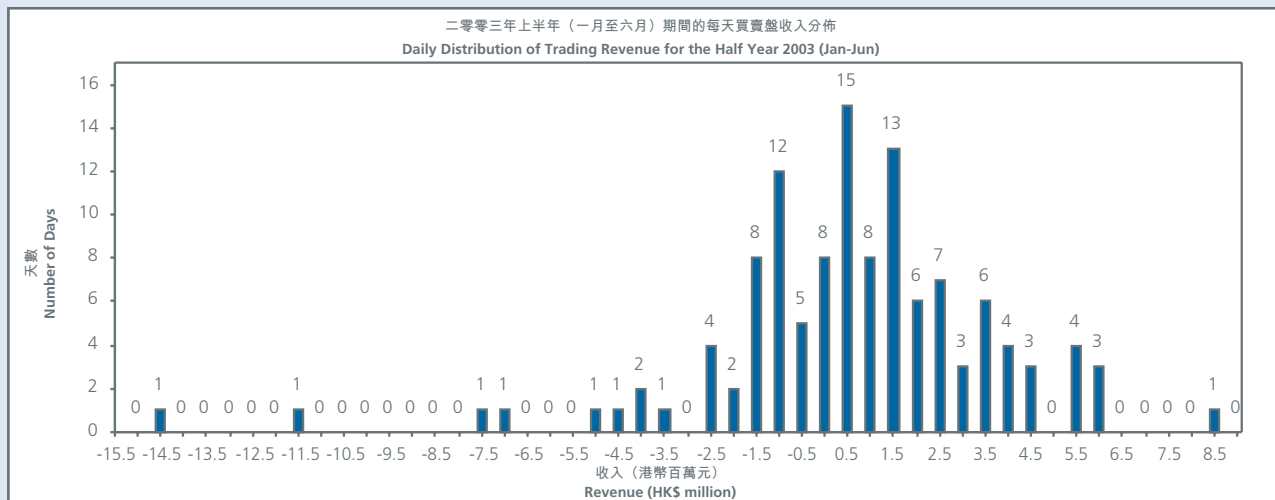
(iv) Market risk management

The Group continues to manage its market risk effectively via the Market Risk Management Unit (the "Unit") of the Audit & Risk Management Department of the Bank. The Unit ensures that once the Group takes positions in markets such as foreign exchange, interest rates, securities and equities, such positions are driven by execution of customer orders, proprietary trading and hedging.

The Group's maximum market risk exposures are established by the ALCO. Exposures are monitored and reported to management regularly.

The average daily revenue generated from the Treasury's trading activities during the first half of 2003 was HK\$328,050 (first half of 2002: HK\$103,529) and the standard deviation was HK\$3,146,220 (first half of 2002: HK\$2,237,146).

An analysis of the Group's trading revenue is shown below:



圖：截至二零零三年六月三十日上半年度止買賣盤收入單日分佈。

Figure: Daily distribution of trading revenue for the half-year ended 30 June 2003

從圖中所見，單日最高虧損為港幣14,506,882元，121天中有48天出現虧損。最常見的單日買賣盤收入為港幣0元至港幣500,000元，共出現15次。單日最高收入為港幣8,237,718元。

This shows a maximum daily loss of HK\$14,506,882 and 48 out of 121 days showing losses. The most frequent result was a daily revenue of HK\$0 to HK\$500,000 with 15 occurrences. The highest daily revenue was HK\$8,237,718.

補充財務資料

未經審核(續)

(12) 風險管理 (續)

(v) 外匯風險管理

本集團的外匯風險來自外匯盤買賣、商業交易、外匯證券投資及海外分行，所有外匯買賣盤均由財資部按額度管理，有關額度須獲資產及負債管理委員會核准。截至二零零三年六月三十日止上半年度單日平均外匯買賣收入為港幣68,767元。

(vi) 利率風險管理

本集團的銀行賬項及買賣盤賬項中存在利率風險。前者的風險每月由資產及負債管理委員會檢討，後者則每天按市價計值。截至二零零三年六月三十日止上半年度的買賣賬項中的單日平均收入為港幣149,409元。

(vii) 股票風險管理

本集團的買賣盤賬項中存在股票風險。風險每天按市價計值。截至二零零三年六月三十日止上半年度的買賣盤賬項中的單日平均收入為港幣142,955元。

Supplementary Financial Information

Unaudited (cont'd)

(12) Risk management (cont'd)

(v) Foreign exchange risk management

The Group's foreign exchange risk stems from foreign exchange position taking, commercial dealing, investment in foreign currency securities and overseas branches. All foreign exchange positions are managed by the Treasury Department within limits approved by the ALCO. The average daily foreign exchange trading result for the half-year ended 30 June 2003 was HK\$68,767.

(vi) Interest rate risk management

The Group's interest rate risk exists in both the banking book and the trading book. The risk entailed in the former is reviewed by the ALCO on a monthly basis and the latter is marked to market daily. The average daily revenue incurred in the trading book for the half-year ended 30 June 2003 was HK\$149,409.

(vii) Equity risk management

The Group's equity risk exists in the trading book. The risk entailed is marked to market daily. The average daily revenue incurred in the trading book for the half-year ended 30 June 2003 was HK\$142,955.

獨立審閱報告



致中信國際金融控股有限公司董事會

引言

本核數師(以下簡稱「我們」)已審閱貴集團刊載於第三頁至第三十三頁的中期財務報告。

董事及核數師各自的責任

根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須以符合上市規則中相關的規定及香港會計師公會所頒佈的《會計實務準則》第25號—「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

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，我們的報告書不可用作其他用途。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。

Independent Review Report

TO THE BOARD OF DIRECTORS OF CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED

INTRODUCTION

We have been instructed by the Group to review the interim financial report set out on pages 3 to 33.

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 the relevant provisions thereof and Statement of Standard Accounting Practice 25 “Interim financial reporting” issued by the Hong Kong Society of Accountants. 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.

獨立審閱報告

(續)

審閱工作

我們是按照香港會計師公會所頒佈的《核數準則》第700號—「中期財務報告的審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報告、評估財務報告中會計政策是否貫徹運用及賬項編列是否一致，惟賬項中另有說明的特別情況則除外。審閱工作並不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱的範圍遠較審核小，所給予的保證程度也較審核低，因此，我們不會對中期財務報告發表審核意見。

結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零三年六月三十日止六個月的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港，二零零三年八月二十八日

Independent Review Report

(cont'd)

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 Society of Accountants. A review consists principally of making enquiries of 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 2003.

KPMG

Certified Public Accountants

Hong Kong, 28 August 2003

管理層討論及分析

一. 經營情況

二零零三年上半年本港的銀行業持續面對挑戰。不但失業率及破產個案居高不下，於第二季更爆發非典型肺炎，令本地經濟雪上加霜。在如此嚴峻的經濟環境下，中信國際金融控股有限公司（「本集團」）維持穩健的經營策略，專注維護資產素質，同時本集團亦大幅削減營運開支，提高營運效率。

二. 業績

本集團截至二零零三年六月三十日止六個月，未計準備前經營溢利為五億四千萬元，較去年同期下降6.5%。由於實際稅率上升，使股東應佔溢利下降9.2%至三億零七百萬元。

(1) 淨利息收入

本集團於二零零三年上半年的淨利息收入為七億八千八百萬元，較去年同期下降了7.8%，主要是因為貸款額較去年年底下降3.2%至四百一十六億元，同時淨息差較去年同期收窄23點子至2.16%所致。

(2) 非利息收入

本集團的非利息收入較去年同期下降12.7%至二億一千九百萬萬元。主要是由於在二零零二年五月將嘉華金融（現稱「中信資本市場」）及嘉佳證券（現稱「中信資本證券」）的持股比例由五成一減至二成半，影響會計賬目的處理，令非利息收入減少。同時個人貸款業務受到疲弱的本地經濟及審慎信貸政策的影響而減少，亦導致貸款費用收入下降。

(3) 經營支出

二零零三年上半年的經營支出下降了11.5%至四億六千七百萬元。主要是由於僱員成本、租金、廣告費及法律費用的減少所致。成本對收入比率由去年同期的47.7%改善至46.4%。

Management Discussion and Analysis

1. Review of operations

The Hong Kong banking industry continued to experience difficulties in the first half of 2003. Battered by high unemployment and bankruptcies, the weak local economy is further exacerbated by the Severe Acute Respiratory Syndrome ("SARS") outbreak during the second quarter of the year. Operating under such challenging conditions, CITIC International Financial Holdings Limited (the "Group") focused on asset quality and remained conservative in its business practices. The Group also effectively reduced overhead expenses and improved operating efficiency.

2. Business performance

The Group's operating profit before provisions for the six months ended 30 June 2003 was HK\$540 million, representing a fall of 6.5% from the same period last year. Profit attributable to shareholders fell 9.2% to HK\$307 million partly as a result of a higher effective tax rate.

(1) Net interest income

In the first half of 2003, the net interest income of the Group dropped 7.8% to HK\$788 million over the corresponding period of 2002 owing to a 3.2% fall in total loans outstanding to HK\$41.6 billion versus 2002 year-end and a 23 basis point contraction in net interest margin to 2.16%, when compared to the same period of last year.

(2) Non-interest income

The Group's non-interest income fell by 12.7% to HK\$219 million against the same period of last year. This was mainly due to the reduction of interests in Ka Wah Capital (currently known as "CITIC Capital Markets") and Cargary Securities (currently known as "CITIC Capital Securities") from 51% to 25% in May 2002, resulting in their contribution no longer being consolidated at the subsidiary level this year. The reduction in new personal loans as a result of prudent credit policies amid a weak local economy also resulted in lower loan fees.

(3) Operating expenses

In the first half of 2003, operating expenses fell 11.5% to HK\$467 million. The fall in operating expenses was attributable to a reduction in staff costs, rental expenses, advertising and legal expenses. The cost to income ratio improved to 46.4% from 47.7% in the same period last year.

管理層討論及分析

(續)

二. 業績 (續)

(4) 呆壞賬撥備

由於未來經濟前景仍受制於多項不明朗因素，故本集團採取了審慎的撥備政策，將呆壞賬準備增加11.4%至二億三千五百萬港元。

三. 資產素質

(1) 資產、貸款及存款規模

於二零零三年六月三十日，本集團的總資產達七百九十三億港元，較二零零二年十二月底的七百六十二億港元增加約三十一億港元或4%。總貸款及總存款則為四百一十六億港元及六百三十六億港元，分別較二零零二年底下跌3.2%及上升3.6%。內地放款佔總貸款比例則由二零零二年底的10.5%微升至11.4%。

(2) 問題貸款

本集團於二零零三年上半年解決問題貸款七億二千七百萬港元。不良貸款金額為二十三億八千四百萬港元。不良貸款比率從二零零二年底的5.6%微升至二零零三年六月底的5.8%，覆蓋率為89.9%。

(3) 財務狀況

於二零零三年六月底，本集團的未經調整資本充足比率為19.3%；貸存比率為65.5%；貸款對資產總值比率為52.5%。

資產素質指標

Asset Quality Indicators

		二零零三年六月底 本集團指標 Group indicators as at the end of June 2003	二零零二年底 本集團指標 Group indicators as at the end of 2002
不良貸款比率	NPL	5.8%	5.6%
覆蓋率	Coverage	89.9%	91.0%
貸款虧損覆蓋率	Loan Loss Coverage	47.5%	46.8%
未經調整資本充足比率	Unadjusted Capital Adequacy	19.3%	19.1%
貸存比率	Loans to Deposits	65.5%	70.1%
貸款對資產總值比率	Loans to Total Assets	52.5%	56.4%

Management Discussion and Analysis

(cont'd)

2. Business performance (cont'd)

(4) Charge for bad and doubtful debts

In view of the continued economic uncertainties, the Group adopted a prudent provisioning policy and increased the charge for bad and doubtful debts by 11.4% to HK\$235 million.

3. Asset quality

(1) Loans, deposits and asset size

As at 30 June 2003, the Group's total assets reached HK\$79.3 billion, representing an increase of HK\$3.1 billion, or 4%, compared with HK\$76.2 billion at the end of 2002. Total loans and total deposits were HK\$41.6 billion and HK\$63.6 billion respectively, representing a 3.2% decrease and a 3.6% increase respectively from 2002 year-end. The Mainland loans to total loans ratio rose slightly from 10.5% as at the end of 2002 to 11.4%.

(2) Problem loans

The Group resolved HK\$727 million problem loans in the first half of this year. Non-performing loan was HK\$2,384 million as the NPL ratio rose slightly from 5.6% as of 2002 year-end to 5.8% at the end of June 2003. Coverage ratio was 89.9%.

(3) Financial position

As at the end of June 2003, the Group's unadjusted capital adequacy ratio was 19.3%; the loans to deposits ratio was 65.5%; and the loans to total assets ratio was 52.5%.

管理層討論及分析

(續)

四. 主要業務發展

(1) 商業銀行

i. 業績

a. 盈利

截至二零零三年六月三十日止六個月，中信嘉華銀行有限公司(「中信嘉華」)未計準備前經營溢利為五億五千九百萬港元。香港華人銀行有限公司(「華銀」)過去年度的稅務虧損已全數抵銷，公司利得稅稅率上調至17.5%及會計實務準則第十二號「遞延稅項」之影響，令實際稅率上升，加上物業價值下跌之影響，股東應佔溢利為三億一千七百萬港元。

二零零三年上半年，整合帶來的協同效益達一億零三百萬港元，67.8%來自成本減省，32.2%為收益的增加。中信嘉華透過優化分行網絡，令分行的效益不斷提高，分行數目由收購華銀後的五十間減至二零零三年六月底的三十六間，員工數目亦由約一千六百人減至約一千三百人。至於收益方面，隨著各業務範疇全面整合，業務轉介及交叉銷售產品所帶來的效益亦得到最佳的發揮。

b. 淨利息收入

二零零三年上半年中信嘉華淨利息收入達七億八千萬港元，主要是貸款及財資部投資優質定息證券所產生的利息收入。淨息差為2.19%。

c. 非利息收入

二零零三年上半年的非利息收入為二億零六百萬港元。雖然上半年本港受非典型肺炎影響，但中信嘉華在投資理財產品的銷售成績表現仍然理想，其中以基金銷售的表現尤為突出，有關的費用收入較去年同期大增51%至三千三百萬港元，連帶零售銀行其他的費用及佣金收入，來自零售銀行的非利息收入合共八千三百萬港元，佔非利息收入總額40.3%；期內，企業貸款及貿易票據所帶來的費用收入，共達七千五百萬港元，佔非利息收入約36.4%。

Management Discussion and Analysis

(cont'd)

4. Core business development

(1) Commercial banking

i. Business performance

a. Earnings

For the six months ended 30 June 2003, CITIC Ka Wah Bank Limited ("CKWB") recorded an operating profit before provisions of HK\$559 million. The exhaustion of tax losses from The Hongkong Chinese Bank, Limited ("HKCB"), the change of corporate tax rate to 17.5% and deferred tax impact as per Statement of Standard Accounting Practice 12 have led to a higher effective tax rate. This, coupled with the impact of declining value of properties, resulted in a profit attributable to shareholders of HK\$317 million.

In the first half of 2003, CKWB recorded synergies of HK\$103 million from the integration, 67.8% of which came from cost savings and 32.2% from increased revenues. Through the rationalization of branch network, CKWB has enhanced its branch operating efficiency. The number of retail branches was reduced from 50 after the acquisition of HKCB to 36 by the end of June 2003. The number of staff was also reduced from approximately 1,600 to approximately 1,300. Following the integration, better performance was recorded from business referrals and cross-selling of products.

b. Net interest income

CKWB's net interest income for the first half of 2003 reached HK\$780 million, mainly due to the interest income derived from loans and high quality fixed income securities invested by the Treasury Department. Net interest margin was 2.19%.

c. Non-interest income

Non-interest income for the first half of 2003 reached HK\$206 million. Despite the impact of SARS during the period, CKWB still registered satisfactory sales of wealth management products. Unit trust sales were the most outstanding among such products, with the relevant fee income surging 51% from the same period last year to HK\$33 million. Adding onto other retail banking-related fees and commissions, the total non-interest income from retail banking reached HK\$83 million, accounting for 40.3% of total non-interest income. During the period, fee income from corporate loans and trade bills totaled HK\$75 million, accounting for approximately 36.4% of total non-interest income.

管理層討論及分析

(續)

四. 主要業務發展 (續)

(1) 商業銀行 (續)

i. 業績 (續)

d. 經營支出

在切實執行二零零二年成立之「成本控制委員會」所制訂的多項控制經營成本守則下，加上與華銀整合所帶來的成本效益，中信嘉華在成本控制上取得不俗的成效。二零零三年上半年的經營支出為四億二千八百萬港元，成本對收入比率亦由二零零二年底的46.7%進一步改善至43.4%。

e. 呆壞賬準備

鑑於失業率上升及物業價值持續下滑，中信嘉華採取了審慎的撥備政策，在二零零三年上半年作出了二億二千三百萬港元的呆壞賬準備，當中包括因抵押及收回物業減值而作出的三千三百萬港元準備，以及二千九百萬港元為抵押品價值作進一步折讓的準備。另外，一般準備覆蓋率維持於1.13%。

ii. 資產素質

a. 資產、貸款及存款規模

於二零零三年六月底，中信嘉華的總資產約為七百六十七億港元，較二零零二年底增加5.2%。總貸款達四百零九億港元，較二零零二年底下跌3.3%，主要是物業投資、樓宇按揭及消費貸款下降所致。貸款總額下跌反映整體信貸需求疲弱，以及中信嘉華因應市場息差收窄、個人破產及失業率高企而收緊信貸審批所致。總存款則較二零零二年底上升4.8%至六百三十六億港元，增長主要來自二零零三年二月推出的綜合儲蓄及往來戶口——「劃時理財戶口」所吸納的存款。

中信嘉華在二零零三年上半年發行存款證的總額達十億三千八百萬港元，不但有效地降低整體資金成本，並將負債到期日分散及延長，達致更理想的負債結構。期內已到期的存款證總額共十八億港元。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(1) Commercial banking (cont'd)

i. Business performance (cont'd)

d. Operating expenses

CKWB successfully reined in operating expenses during the first half of 2003 as a result of strict observance of the guidelines issued by the "Expense Control Committee" on the control of operating costs and benefiting from the cost synergies from the integration with HKCB. CKWB's operating expenses was HK\$428 million, with a further improved cost to income ratio of 43.4% versus 46.7% at the end of 2002.

e. Charge for bad and doubtful debts

In view of rising unemployment and falling property prices, CKWB adopted a prudent provisioning policy by making a HK\$223 million charge for bad and doubtful debts in the first half of 2003. This included HK\$33 million in provisions against the decline in value of collateral and repossessed properties and HK\$29 million for further discount on collateral values. In addition, the general provision coverage was maintained at 1.13%.

ii. Asset quality

a. Loans, deposits and asset size

At the end of June 2003, total assets of CKWB reached HK\$76.7 billion, an increase of 5.2% versus 2002 year-end. Total loans and advances amounted to HK\$40.9 billion, a drop of 3.3% compared to 2002 year-end. The decline was mainly due to the contraction in property investment, mortgage and consumer lending. The decrease in total loans reflected the overall sluggish loan demand, as well as CKWB's stringent credit approval policy in view of tighter spreads in the market, rising personal bankruptcies and high unemployment. Total deposits increased by 4.8% to HK\$63.6 billion compared to 2002 year-end. The increase primarily came from NOW Account, an integrated savings and checking account launched in February 2003.

In the first half of 2003, CKWB issued HK\$1,038 million worth of certificates of deposit, which effectively lowered the overall cost of funds, and spreaded out the maturity profile in the longer term to attain a better liability structure. During the period, matured certificates of deposit totaled HK\$1,800 million.

管理層討論及分析

(續)

四. 主要業務發展 (續)

(1) 商業銀行 (續)

ii. 資產素質 (續)

b. 資產素質指標

二零零三年上半年中信嘉華繼續致力提升整體資產素質，期內共解決問題貸款六億七千七百萬港元。不良貸款比率較二零零二年年底的4.1%微升至4.3%，二零零三年六月底之覆蓋率為89.5%。

c. 財務狀況

於二零零三年六月底，中信嘉華的未經調整資本充足比率為17.2%，貸存比率為64.3%，貸款對資產總值比率為53.3%，平均流動資金比率為48.3%。

資產素質指標

Asset Quality Indicators

二零零三年六月底
中信嘉華指標
CKWB indicators
as at the end
of June 2003

不良貸款比率	NPL	4.3%
覆蓋率	Coverage	89.5%
貸款虧損覆蓋率	Loan Loss Coverage	54.7%
內地放款佔總貸款比例	Mainland Loans to Total Loans	11.2%
未經調整資本充足比率	Unadjusted Capital Adequacy	17.2%
貸存比率	Loans to Deposits	64.3%
貸款對資產總值比率	Loans to Total Assets	53.3%
平均流動資金比率	Average Liquidity	48.3%

iii. 業務持續擴展

二零零三年上半年中信嘉華平均每月推出兩項嶄新產品和服務，包括零售銀行部推出的「劃時理財戶口」、「CITIC Ka Wah SEED 信用咭」及提升「140%負資產轉按」計劃，以及企業銀行部所推出的「DocPrep」準備出口文件電腦系統服務及派發股息服務。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(1) Commercial banking (cont'd)

ii. Asset quality (cont'd)

b. Asset quality indicators

In the first half of 2003, CKWB continued to enhance its overall asset quality. During the period, CKWB resolved HK\$677 million of problem loans. The non-performing loan ratio increased slightly to 4.3% from 4.1% at the end of 2002. Coverage ratio stood at 89.5% at the end of June 2003.

c. Financial position

At the end of June 2003, CKWB's unadjusted capital adequacy ratio was 17.2%. The loans to deposits ratio was 64.3%. The loans to total assets ratio was 53.3%. The average liquidity ratio was 48.3%.

iii. Continued business development

During the first half of 2003, CKWB launched on average two new products and services every month. New products from the Retail Banking Group include "NOW Account", "CITIC Ka Wah SEED Credit Card" and the enhanced "140% Mortgage Refinancing Service", while the Wholesale Banking Group offered "DocPrep" export document preparation system service and "Dividend Payment Service".

管理層討論及分析

(續)

四. 主要業務發展 (續)

(1) 商業銀行 (續)

iii. 業務持續擴展 (續)

二零零三年上半年推出的
新產品及服務

月份
Month

一月
January

二月
February

三月
March

四月
April

五月
May

六月
June

新產品及服務

New Products and Services

- 「DocPrep」準備出口文件電腦系統服務
“DocPrep” Export Document Preparation System Service
- 派發股息服務
“Dividend Payment Service”
- 「劃時理財戶口」
“NOW Account”
- 信用咭「幾時都分期」2%現金回贈
Credit Card “Interest Free Flexi Installment Plan” – 2% Cash Rebate Promotion
- 「非凡利息保證基金」
“FUTURITY Guaranteed Interest Fund”
- 中小企業信貸保證計劃 — 「營運設備及器材貸款」和「聯繫式營運資金貸款」
SME Loan Guarantee Scheme – “Business Installations and Equipment Loans” and “Associated Working Capital Loans”
- 參與「電影貸款保證基金」計劃
Participated in “Film Guarantee Fund”
- CITIC Ka Wah SEED 信用咭
CITIC Ka Wah SEED Credit Card
- 參與政府為受嚴重急性呼吸系統綜合症影響行業而設的三十五億港元貸款擔保計劃
Participated in Government’s HK\$3.5 Billion Loan Guarantee Scheme for Severe Acute Respiratory Syndrome Impacted Industries
- 提升「140%負資產轉按」計劃
Enhanced “140% Mortgage Refinancing Service”
- 「精彩100退休計劃」
“ANNUITY 100 Retirement Plan”
- 中小企業信貸保證計劃 — 「應收賬融資貸款」
SME Loan Guarantee Scheme – “Accounts Receivable Loans”

Management Discussion and Analysis

(cont’d)

4. Core business development (cont’d)

(1) Commercial banking (cont’d)

iii. Continued business development (cont’d)

New Products and Services Launched
During the First Half of 2003

New Products and Services

New Products and Services

- 「DocPrep」準備出口文件電腦系統服務
“DocPrep” Export Document Preparation System Service
- 派發股息服務
“Dividend Payment Service”
- 「劃時理財戶口」
“NOW Account”
- 信用咭「幾時都分期」2%現金回贈
Credit Card “Interest Free Flexi Installment Plan” – 2% Cash Rebate Promotion
- 「非凡利息保證基金」
“FUTURITY Guaranteed Interest Fund”
- 中小企業信貸保證計劃 — 「營運設備及器材貸款」和「聯繫式營運資金貸款」
SME Loan Guarantee Scheme – “Business Installations and Equipment Loans” and “Associated Working Capital Loans”
- 參與「電影貸款保證基金」計劃
Participated in “Film Guarantee Fund”
- CITIC Ka Wah SEED 信用咭
CITIC Ka Wah SEED Credit Card
- 參與政府為受嚴重急性呼吸系統綜合症影響行業而設的三十五億港元貸款擔保計劃
Participated in Government’s HK\$3.5 Billion Loan Guarantee Scheme for Severe Acute Respiratory Syndrome Impacted Industries
- 提升「140%負資產轉按」計劃
Enhanced “140% Mortgage Refinancing Service”
- 「精彩100退休計劃」
“ANNUITY 100 Retirement Plan”
- 中小企業信貸保證計劃 — 「應收賬融資貸款」
SME Loan Guarantee Scheme – “Accounts Receivable Loans”

管理層討論及分析

(續)

四. 主要業務發展 (續)

(1) 商業銀行 (續)

iii. 業務持續擴展 (續)

值得一提的是，年息率達1%的綜合儲蓄及往來戶口—「劃時理財戶口」，由於能滿足客戶在低息環境中爭取更高回報的需求，加上提供全港首創失業或罹患末期疾病免費保障，市場反應熱烈。截至六月底止，該計劃共吸引逾一萬五千個新戶口，吸納共六十億港元存款，其中五成來自新客戶，平均存款額約為三十八萬港元，為中信嘉華提供大量交叉銷售投資理財產品的機會。

iv. 中國業務

為了掌握中國內地經濟騰飛帶來的各種機遇，中信嘉華繼續投放資源發展內地業務，並與中信實業銀行緊密合作，在多項銀行服務領域內取得實質的進展。在信用咭業務方面，中信嘉華與中信實業銀行共同發展的內地信用咭業務，預期可於今年第四季推出人民幣信用咭、人民幣／港幣及人民幣／美元雙幣信用咭，首年發咭目標為三十萬張。現時信用咭中心已於深圳成立，員工人數約六十人，料年底時員工數目會增至二百人。

企業銀行業務方面，中信嘉華與中信實業銀行繼續深化企業貸款的業務合作。上半年，雙方共同參與的俱樂部貸款及銀團貸款達八宗，並為中信嘉華帶來約九百萬港元的非利息收入。此外，中信嘉華自二零零零年初起為企業客戶安排人民幣借貸，主要是透過轉介方式，由中信實業銀行提供借貸和產品服務，有關服務亦繼續為中信嘉華帶來非利息收入。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(1) Commercial banking (cont'd)

iii. Continued business development (cont'd)

It is worth mentioning that the NOW Account, an integrated savings and checking account offering a savings rate of 1% p.a., received favourable responses in the market as it satisfies customers' need of higher return in a low interest rate environment, and offers free premium protection for redundancy and terminal illness coverage that is unique in the market. As at the end of June, more than 15,000 new accounts were opened under the programme. The new product also attracted HK\$6 billion of deposits, of which 50% were from new customers. The average deposit size was approximately HK\$380,000. The product created enormous cross-selling opportunities of wealth management products for CKWB.

iv. China banking

To capitalize on the vast business opportunities arising from China's fast growing economy, CKWB continued to commit resources for the development of its China business, and has made solid progress in a number of business areas through close collaboration with CITIC Industrial Bank. In respect of the credit card business jointly developed by CKWB and CITIC Industrial Bank, a RMB card as well as RMB/HKD and RMB/USD dual-currency cards are expected to be launched in the fourth quarter this year, with an issue target of 300,000 cards during the first year of launch. The credit card centre has been established in Shenzhen, with an approximate headcount of 60, which is expected to increase to 200 by the end of this year.

On wholesale banking, CKWB and CITIC Industrial Bank continued to strengthen their co-operation in the corporate loan business. During the first half of the year, the two parties jointly participated in 8 club deals and syndicated loan facilities, contributing approximately HK\$9 million of non-interest income for CKWB. In addition, CKWB has been offering corporate customers with RMB loans through CITIC Industrial Bank since the beginning of 2000. Such business continued to generate non-interest income for CKWB.

管理層討論及分析

(續)

四. 主要業務發展 (續)

(1) 商業銀行 (續)

iv. 中國業務 (續)

在中信國際金融與四間台資銀行在二零零二年年底所簽署諒解備忘錄的基礎上，中信嘉華積極與有關台資銀行合作，希望能直接或透過中信實業銀行，為內地的台資機構提供全面性的金融服務。中信嘉華預期首項為內地台商而設的金融產品將於二零零三年下半年出台。

v. 未來發展

展望未來，中信嘉華一方面會繼續擴展香港業務，另一方面會掌握中、港於六月簽訂之「內地與香港關於建立更緊密經貿關係的安排」(「更緊密安排」)所帶來的各種機遇，大力發展大中華區業務。同時，中信嘉華亦會致力推行優質商業管理，以建立超卓的領導模式及國際水平的業務管理系統。

a. 業務發展

香港市場發展

面對通縮及失業率高企的問題，二零零三年下半年香港的經營環境仍未許樂觀。中信嘉華將繼續審慎地推行其增長策略，並以開拓創新的精神，積極尋求業務上的突破及開發新收入來源，同時考慮收購和兼併活動，使其規模能達致更高的台階。

內地市場發展

中信嘉華深信內地經濟在未來數年仍會維持強勁增長，而香港銀行的長遠發展，亦不能脫離內地市場。隨著「更緊密安排」之落實，中信嘉華計劃以本身品牌進入內地市場，並以珠江三角洲為基地，開設新網點，加強服務當地之商業客戶。中信嘉華會積極部署，抓緊內地與香港經濟逐漸融合所帶來的無限商機。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(1) Commercial banking (cont'd)

iv. China banking (cont'd)

Building on the foundation of the separate memorandum of understanding signed between CIFH and four Taiwanese banks at the end of 2002, CKWB continued to co-operate with these Taiwanese banks, with a view to providing a comprehensive range of banking services for Taiwanese companies operating in the Mainland, either directly or in collaboration with CITIC Industrial Bank. CKWB expects the first financial product targeting this market segment to be launched in the second half of 2003.

v. Future development

Going forward, CKWB will continue to develop its business in Hong Kong, and strive to capitalize on the opportunities brought about by the Closer Economic Partnership Arrangement ("CEPA") entered into between Hong Kong and China in June, and actively expand its Greater China business. At the same time, CKWB will adopt a Business Excellence Model with a view to building sustainable leadership and a world-class business management system.

a. Business development

Hong Kong market development

The operating environment for the second half of 2003 is expected to remain challenging amid persistent deflation and high unemployment. CKWB will remain prudent when implementing its business growth strategies, while at the same time adhere to the spirit of innovation, and strive to achieve business breakthroughs and develop new revenue generators. CKWB will also consider merger and acquisition opportunities with a view to further expanding business scale.

Mainland market development

CKWB firmly believes that the Mainland economy will continue to grow vigorously over the next few years, and the Mainland market is crucial for the long-term development of Hong Kong's banking industry. Following the implementation of CEPA, CKWB plans to enter the Mainland market under its own brand, and will use the Pearl River Delta as a base to expand its distribution network to better serve its corporate customers operating in the region. CKWB will actively position itself to capitalize on the vast business opportunities arising from the gradual integration of the Mainland and Hong Kong economies.

管理層討論及分析

(續)

四. 主要業務發展 (續)

(1) 商業銀行 (續)

v. 未來發展 (續)

b. 提升管理效益

中信嘉華於二零零二年成功取得「香港零售管理協會優質顧客服務獎」，引證其積極提倡的一套全面品質管理計劃，並正將該計劃推廣至全行各部門。計劃包括七個範疇，分別為領導才能、策略性計劃、客戶服務、資訊分析、人力資源、程序管理及業務成績。隨着計劃的落實，將能推動中信嘉華的管理系統達至更專業化及國際水平。

(2) 資產管理

自二零零二年年底以獨立形式運作以來，中信國際資產管理有限公司(「中信國際資產管理」)的業務取得了滿意的進展。憑着公司專業隊伍在中國市場的豐富經驗，加上中信集團的鼎力支持，中信國際資產管理在開拓嶄新的業務範圍方面取得穩步進展，目標是為本集團帶來另一高素質的盈利來源。

i. 問題貸款

中信國際資產管理在追收歷史遺留下來的問題貸款的同時，亦利用本身的優勢及經驗，把業務範圍擴展至相關的事業。期間不良貸款的水平持續下降，預期到了二零零三年年底，全年將可收回一億五千萬元至二億多港元的問題貸款。憑着中信集團的龐大網絡，加上豐富的內地市場經驗，中信國際資產管理將致力在中國內地龐大的不良資產市場中發掘商機。中信國際資產管理現正與不同的中外金融機構洽商，以便引入外資，並以委託形式為有關機構管理不良資產。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(1) Commercial banking (cont'd)

v. Future development (cont'd)

b. Enhancing management effectiveness

CKWB's winning of "The Hong Kong Retail Management Association Customer Service Award" in 2002 marks the success of its Business Excellence Model under implementation. To further strengthen its business management, CKWB has been extending this model throughout the organization. The model emphasizes 7 arenas including leadership, strategic planning, customer service, information analysis, HR focus, process management and business results. Its implementation is expected to upgrade CKWB's business management system to world class standard.

(2) Asset management

Established in late 2002 as a separate entity from CKWB, CITIC International Assets Management Limited ("CIAM") has completed its first half-year of operation with satisfactory results. Thanks to the strong China capabilities of the team and firm backing from CITIC Group, CIAM has been making steady progress to cultivate new lines of business with the goal of developing alternative sources of quality earnings for the Group.

i. Non-performing loans ("NPL")

CIAM boosts recovery efforts for the historical NPL on the one hand and capitalizes its expertise and experiences to expand the business scope in related areas on the other. NPL has been on the track of running down, about HK\$150 million to HK\$200 million of which is expected to be resolved by the end of 2003. Utilizing the vast CITIC network and strong China capability, CIAM has positioned itself to tap the tremendous business opportunities from the huge distressed assets market on the Mainland. CIAM is in the process of negotiations with various Mainland and overseas financial institutions with the aim of drawing in outside investors and managing NPL portfolios for these institutions in the future.

管理層討論及分析

(續)

四. 主要業務發展 (續)

(2) 資產管理 (續)

ii. 直接投資項目

期間，中信國際資產管理對拓展私人股本業務亦不遺餘力，目的是要建立一個以中短期項目為主體的多元化投資組合。按計劃完成的直接投資金額已達一億港元，其中一些後階段的投資項目更可望於短期內帶來收益。由於中信國際資產管理已接近完成多個項目的可行性研究，投資金額可望於年底前再增加五千萬至一億港元。中信國際資產管理與深圳國成創業投資公司合資的企業「深圳國成世紀創業投資有限公司」，在年初正式獲深圳市政府審批成立，此乃第一所根據深圳經濟特區創業投資條例下成立的合資公司，亦為中信國際資產管理發展的一個里程碑。自開業以來，該合資企業運作暢順，並正計劃投資二千萬至三千萬港元於兩至三個項目。此外，中信國際資產管理正主動與多個有潛力的合作夥伴洽商，成立另一合資基金。

iii. 展望

中信國際資產管理已為來年的業務發展奠定了穩固的基礎，並將繼續與中信集團旗下機構保持緊密合作，以及與其他機構研究建立業務關係，以求建立一所專注中國業務及有創意的資產管理公司，長遠為客戶及股東增值。

(3) 投資銀行業務

在疲弱的經營環境下，中信資本市場控股有限公司（「中信資本」）在二零零三年上半年仍然表現突出，並錄得七千七百七十多萬港元的綜合除稅後盈利。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(2) Asset management (cont'd)

ii. Direct investment activities

CIAM has also been active in nurturing its private equity business during this period. It has been the company's target to build a diversified portfolio composing of short term and medium term investments. As planned, CIAM has made direct investments reaching HK\$100 million, a few of which are selected later stage investments and may begin to bear fruit in the near future. There are a few more projects in the final stage of feasibility study and another HK\$50 million to HK\$100 million investments may add to the portfolio by the turn of this year. The official approval granted earlier this year by Shenzhen Municipal Government for the incorporation of Shenzhen Guocheng Century Venture Capital Co Ltd ("Shenzhen Guocheng") marked the milestone for CIAM. Shenzhen Guocheng has been operating smoothly since its inception and is planning to invest in 2 to 3 projects with a total sum of HK\$20 million to HK\$30 million. Shenzhen Guocheng, a co-investment entered between CIAM and Shenzhen Guocheng Venture Capital Co Ltd, is the first of its kind approved under the hi-tech venture capital fund regulations in Shenzhen. Besides, CIAM is proactively negotiating with a number of potential partners to set up a second joint venture fund in areas under consideration.

iii. Outlook

Having laid a solid foundation for future business development, CIAM will continue to co-operate closely with various units within the CITIC Group whilst exploring business partnerships with outside parties. The company is on track in establishing itself as a specialized China-focused investment boutique that will enhance value for its shareholders and clients in the long run.

(3) Investment banking

CITIC Capital Markets Holdings Limited ("CCMH") performed spectacularly amid a challenging economic environment, reporting HK\$77.7 million in consolidated profit after tax for the first half of 2003.

管理層討論及分析

(續)

四. 主要業務發展 (續)

(3) 投資銀行業務 (續)

i. 企業融資

中信資本在二零零三年的首六個月內成功為客戶籌集了超過七億美元的資金。當中的融資項目包括了為中國的主要互聯網站 — 新浪網，發行了一億美元的零息次級可換股債券。中信資本亦同時參與了多項企業融資項目，包括中外運、聯華超市、味丹國際及寶業集團等的首次公開招股活動。

ii. 基金管理

中信資本將於下半年發行及推廣一系列以公司品牌命名的零售及機構性投資基金。合資發行的私人資本基金項目已成功獲得一些國際金融機構如日本住友信託銀行等參與投資。此外，中信資本市場的一系列新的對沖基金產品，在推出前的六個月試驗營運期已錄得雙位數字的回報，有關產品亦計劃於數月內推出市場。這些基金產品將可為中信資本帶來長遠及穩定的收入來源。

iii. 證券經紀

由於二零零三年上半年中信資本證券的客戶基礎有着顯著的增長，因此，中信資本的證券業務在香港交易所所佔的交易份額亦得以持續擴大。繼推出期貨買賣服務後，更將產品類別擴充至本港以外的泰國股票及中國B股買賣，與此同時，亦會於短期內推出美國股票交易服務。中信資本的最終目標是能夠在競爭日益劇烈的市場環境下，提供一站式的多元化金融服務，以滿足客戶的不同需要。

Management Discussion and Analysis

(cont'd)

4. Core business development (cont'd)

(3) Investment banking (cont'd)

i. Corporate finance

In the first six months of 2003, CCMH successfully raised over US\$700 million for clients. This included US\$100 million in zero coupon subordinated convertible notes for Sina Corporation, one of the leading internet portals in China. CCMH also participated in a number of corporate finance transactions such as the IPOs of Sinotrans, Lianhua Supermarket, Vedan International and Baoye Group.

ii. Asset management

CCMH will launch and market a number of retail and institutional investment funds in the second half of the year under the CITIC Capital brand. Our private equity joint venture has secured new investments from major international financial institutions such as Sumitomo Trust Bank. Having achieved double-digit returns during a pre-launch trial run period for six months, our new hedge fund products will be ready for marketing in the coming months. This expanding range of fund products is expected to generate a steady stream of quality revenue for CCMH in the long term.

iii. Securities brokerage

CCMH's market share of brokerage transactions on the Stock Exchange of Hong Kong continued to increase in the first half of 2003 as CITIC Capital Securities expanded its clientele. Following the introduction of futures trading, our product range has further expanded to cover non-Hong Kong instruments such as Thai and China B shares. The company will begin to offer U.S. share brokerage services in the near future. The ultimate goal of CCMH is to provide a one-stop shop offering a wide range of products that cater for its clients' diverse needs in this increasingly competitive market.

管理層討論及分析

(續)

五. 未來發展 (續)

經過大幅擴充產品系列及減省支出，中信國際金融將能更有效地受惠於二零零三年下半年所預期出現的經濟復甦。本集團於控制成本及改善資產素質的前題下，將致力發展本身的業務，並積極地從兩岸經濟活動及中港「更緊密安排」下發掘新的商機。

作為中信公司在中國境外的金融旗艦，中信國際金融將積極作多方面考慮，包括注入中信集團旗下金融業務及增持中信資本的權益。憑着中信集團的龐大資源，中信國際金融將貫徹發展大中華市場的策略，長遠而言為股東增值。

Management Discussion and Analysis

(cont'd)

5. Future development (cont'd)

With an expanded product range and a much-reduced cost base, CIFH is in a unique position to capitalize on an expected recovery in the regional economy during the second half of 2003. The Group will continue to develop its core businesses with an eye on cost control and asset quality while actively exploring new opportunities in the region brought about by increased crossed-strait economic activities as well as the CEPA between Mainland China and Hong Kong.

As the financial flagship of CITIC outside the Mainland, CIFH will actively consider other initiatives for future expansion including the injection of CITIC's financial businesses and increasing its interests in CCMH. Leveraging on the vast resources of the CITIC Group, CIFH is dedicated to a strategy of developing the Greater China market in ways that will enhance value for its shareholders in the long term.

補充資料

中期股息

董事會欣然宣佈派發中期股息每股港幣三仙(二零零二年：港幣三仙)。中期股息將於二零零三年九月二十四日(星期三)派發予於二零零三年九月十九日(星期五)在本公司股東名冊上已登記之股東。

暫停股份過戶登記

由二零零三年九月十六日(星期二)至二零零三年九月十九日(星期五)，首尾兩天在內，本公司將暫停辦理股份過戶登記手續。如欲獲發上述中期股息者，必須於二零零三年九月十五日(星期一)下午四時正前，將股份過戶文件連同有關的股票送達本公司的股份登記處「香港中央證券登記有限公司」，地址為香港皇后大道東一八三號合和中心十七樓一七一二至一七一六室，以便辦理股份過戶登記手續。

董事及行政總裁權益

於二零零三年六月三十日，根據香港聯合交易所有限公司證券上市規則(「上市規則」)而披露的本公司董事及行政總裁在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中的權益及淡倉的詳情如下：

1. 本公司股份權益的好倉：

董事姓名 Name of Director	身份 Capacity	持有股份數目 No. of shares	佔已發行股本 百分率 % of issued share capital
趙盛彪 Zhao Shengbiao	實益擁有人 Beneficial owner	1,698,000	0.053

Supplementary Information

Interim dividend

The Board are pleased to declare an interim dividend of HK\$0.03 (2002: HK\$0.03) per share. The interim dividend will be paid on Wednesday, 24 September 2003 to all shareholders whose names are on the Register of Members of the Company on Friday, 19 September 2003.

Closure of Register of Members

The Register of Members of the Company will be closed from Tuesday, 16 September 2003 to Friday, 19 September 2003, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on Monday, 15 September 2003.

Directors' and Chief Executive's interests

As at 30 June 2003, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:—

1. Long positions in shares of the Company:

補充資料

(續)

董事及行政總裁權益 (續)

2. 本公司相關股份(就股本衍生工具而言)的好倉：

根據高級行政人員購股權計劃，董事陳許多琳、江紹智、盧永逸及趙盛彪獲授購股權，以認購本公司股份。該等購股權屬非上市以實物交收的期權。有關該等購股權於截至二零零三年六月三十日止六個月期間的資料，見於下列「購股權計劃」項下。

3. 本公司股份及(就股本衍生工具而言)相關股份的淡倉：

無。

4. 本公司相關法團的股份及(就股本衍生工具而言)相關股份的好倉及淡倉：

無。

5. 本公司債權證權益：

無。

6. 本公司相關法團債權證權益：

Supplementary Information

(cont'd)

Directors' and Chief Executive's interests (cont'd)

2. Long positions in (in respect of equity derivatives) underlying shares of the Company:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the shares of the Company were granted to Chan Hui Dor Lam Doreen, Kong Siu Chee Kenneth, Lo Wing Yat Kelvin and Zhao Shengbiao, all Directors of the Company, pursuant to the Senior Executive Share Option Scheme. Information in relation to these share options during the six months period ended 30 June 2003 was shown in the following section under the heading of "Share option scheme".

3. Short positions in shares and (in respect of equity derivatives) underlying shares of the Company:

None.

4. Long and short positions in shares and (in respect of equity derivatives) underlying shares of associated corporations of the Company:

None.

5. Interests in debentures of the Company:

None.

6. Interests in debentures of the associated corporation of the Company:

董事姓名 Name of Director	發行人 Issuer	身份 Capacity	債權證數額 Amount of debentures
陳許多琳 Chan Hui Dor Lam Doreen	CKWB (Cayman Islands) Limited	實益擁有人 Beneficial owner	300,000美元 USD300,000
盧永逸 Lo Wing Yat Kelvin	CKWB (Cayman Islands) Limited	實益擁有人 Beneficial owner	80,000美元 USD80,000

補充資料

(續)

董事及行政總裁權益 (續)

除上文所披露者外，於二零零三年六月三十日，本公司各董事或行政總裁概無根據證券及期貨條例第XV部第7分部及第8分部於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有或根據證券及期貨條例的有關規定被認為或被視作擁有任何權益或淡倉，或任何必須列入本公司根據證券及期貨條例第352條予以存置的登記冊內的權益。

購股權計劃

1. 中信國際金融控股有限公司購股權計劃

本公司於二零零三年五月十六日舉行的第七十八屆股東週年大會上，採納了中信國際金融控股有限公司購股權計劃(「新購股權計劃」)，並同時終止本公司於一九九五年三月三十日採納的高級行政人員購股權計劃。根據新購股權計劃，購股權將由董事會授予各合資格人仕，以不低於下列各項中的較高者：(i) 根據聯交所每日報價表所載，本公司股份於要約日期在聯交所的收市價；(ii) 根據聯交所每日報價表所載，本公司股份在緊接要約日期前五個交易日在聯交所的平均收市價；及 (iii) 港幣一元(即本公司股份之面值)為行使價以認購本公司股份。截至二零零三年六月三十日止，本公司並未有按新購股權計劃授出任何購股權。

Supplementary Information

(cont'd)

Directors' and Chief Executive's interests (cont'd)

Save as disclosed above, as at 30 June 2003, none of the Directors or the Chief Executive of the Company had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any 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) or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO.

Share option scheme

1. The CITIC International Financial Holdings Limited Share Option Scheme

At the 78th Ordinary Yearly Meeting of the Company held on 16 May 2003, the Company adopted The CITIC International Financial Holdings Limited Share Option Scheme (the "New Option Scheme") and, at the same time, terminated the Senior Executive Share Option Scheme adopted by the Company on 30 March 1995. Under the New Option Scheme, options will be granted by the Board to the eligible persons to subscribe for shares of the Company at an exercise price which shall not be less than the higher of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of offer; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer; and (iii) HK\$1.00, representing the nominal value of the share of the Company. As at 30 June 2003, there was no option granted by the Company under the New Option Scheme.

補充資料

(續)

購股權計劃 (續)

2. 高級行政人員購股權計劃

於一九九五年三月三十日，本公司採納高級行政人員購股權計劃（「購股權計劃」），據此，本公司董事及合資格的高級行政人員均獲授予購股權，以認購本公司股份。購股權持有人可就每個購股權認購一股本公司股份。購股權的行使價由董事會釐定，並以下列較高者為準：(i) 港幣一元（即本公司股份之面值）；及(ii) 本公司股份於截至授予日期前五個交易日在聯交所錄得的平均收市價的百分之八十。購股權計劃已於二零零三年五月十六日經本公司股東批准下終止，但該計劃內的條文仍繼續具有十足效力及作用，惟以行使終止購股權計劃前已授出之購股權為限。截至二零零三年六月三十日止六個月期間，本公司並未有按購股權計劃授出任何購股權。

Supplementary Information

(cont'd)

Share option scheme (cont'd)

2. Senior Executive Share Option Scheme

On 30 March 1995, the Company adopted a Senior Executive Share Option Scheme (the "Option Scheme") under which the Directors and the eligible senior executives of the Company were granted share options for subscription of shares of the Company. Each option gives the holder the right to subscribe for one share of the Company. The exercise price of options was determined by the Board and was the higher of (i) HK\$1.00, representing the nominal value of the share of the Company; and (ii) 80% of the average of the closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant. The Option Scheme had been terminated on 16 May 2003 upon the approval from the shareholders of the Company. However, the provisions of the Option Scheme remain in full force and effect to the extent necessary to give effect to the exercise of all options granted prior to the termination of the Option Scheme. For the six months period ended 30 June 2003, there was no option granted by the Company under the Option Scheme.

補充資料

(續)

購股權計劃 (續)

2. 高級行政人員購股權計劃 (續)

於二零零三年六月三十日，本公司董事及合資格的高級行政人員根據本公司的購股權計劃獲授予下列購股權，以認購本公司股份(於二零零三年六月三十日的每股收市價為港幣2.175元)：

	於2003年 1月1日 尚未行使的 購股權數目	於2003年 6月30日 尚未行使的 購股權數目	授予日期	可行使 購股權期間	於期間內 已行使的 購股權數目	於期間內 已失效的 購股權數目 (附註1)	購股權每股 行使價 (港幣(元))	加權平均 收市價 (附註2) (港幣(元))
	No. of options outstanding as at 01/01/2003	No. of options outstanding as at 30/06/2003						
陳許多琳 Chan Hui Dor Lam Doreen	2,000,000	2,000,000	17/08/1999	20/04/2000 – 29/03/2005	/	/	2.217	/
	74,689	74,689	28/02/2002	28/02/2002 – 29/03/2005	/	/	2.217	/
江紹智 Kong Siu Chee Kenneth	2,000,000	2,000,000	17/08/1999	18/05/2001 – 29/03/2005	/	/	2.217	/
	74,689	74,689	28/02/2002	28/02/2002 – 29/03/2005	/	/	2.217	/
盧永逸 Lo Wing Yat Kelvin	2,000,000	2,000,000	17/08/1999	31/10/1999 – 29/03/2005	/	/	2.217	/
	74,689	74,689	28/02/2002	28/02/2002 – 29/03/2005	/	/	2.217	/
趙盛彪 Zhao Shengbiao	87,000	/	10/04/1996	11/04/1996 – 29/03/2005	87,000	/	1.000	2.150
	210,875	/	08/05/1997	09/05/1997 – 29/03/2005	210,875	/	1.000	2.150
	316,239	316,114	06/05/1998	07/05/1998 – 29/03/2005	125	/	1.000	2.150
高級行政人員總計 Aggregate total of the senior executives	200,000	200,000	30/03/1995	30/03/1995 – 29/03/2005	/	/	1.000	/
	37,000	37,000	10/04/1996	11/04/1996 – 29/03/2005	/	/	1.000	/
	42,125	42,125	08/05/1997	09/05/1997 – 29/03/2005	/	/	1.000	/
	73,689	73,689	06/05/1998	07/05/1998 – 29/03/2005	/	/	1.000	/
	450,000	450,000	16/04/1999	06/08/1999 – 29/03/2005	/	/	1.620	/
	22,406	22,406	28/02/2002	28/02/2002 – 29/03/2005	/	/	1.620	/
	4,000,000	4,000,000	17/08/1999	01/04/2000 – 29/03/2005	/	/	2.217	/

Supplementary Information

(cont'd)

Share option scheme (cont'd)

2. Senior Executive Share Option Scheme (cont'd)

At 30 June 2003, the Directors and the eligible senior executives of the Company had the following interests in options to subscribe for shares of the Company (market value per share at 30 June 2003 was HK\$2.175) granted pursuant to the Option Scheme of the Company:

補充資料

(續)

購股權計劃 (續)

2. 高級行政人員購股權計劃 (續)

	於2003年 1月1日 尚未行使的 購股權數目	於2003年 6月30日 尚未行使的 購股權數目	授予日期	可行使 購股權期間	於期間內 已行使的 購股權數目	於期間內 已失效的 購股權數目 (附註1)	購股權每股 行使價 (港幣(元))	加權平均 收市價 (附註2) (港幣(元))
	No. of options outstanding as at 01/01/2003	No. of options outstanding as at 30/06/2003	Date granted	Period during which options exercisable	No. of options exercised during the period	No. of options lapsed during the period (Note 1)	Price per share on exercise of options (HK\$)	Weighted average closing price (Note 2) (HK\$)
高級行政人員總計 (續)	149,377	149,377	28/02/2002	28/02/2002 – 29/03/2005	/	/	2.217	/
Aggregate total of the senior executives (cont'd)	700,000	700,000	16/03/2000	16/03/2001 – 29/03/2005	/	/	1.828	/
	37,344	37,344	28/02/2002	01/03/2002 – 29/03/2005	/	/	1.828	/
	1,700,000	1,700,000	28/03/2000	31/03/2000 – 29/03/2005	/	/	1.758	/
	63,485	63,485	28/02/2002	28/02/2002 – 29/03/2005	/	/	1.758	/
	1,000,000	1,000,000	27/06/2000	05/06/2002 – 29/03/2005	/	/	1.681	/
	37,344	37,344	28/02/2002	05/06/2002 – 29/03/2005	/	/	1.681	/
	500,000	500,000	10/08/2000	11/08/2001 – 29/03/2005	/	/	2.198	/
	18,672	18,672	28/02/2002	28/02/2002 – 29/03/2005	/	/	2.198	/
	200,000	200,000	23/08/2000	24/08/2001 – 29/03/2005	/	/	2.213	/
	7,469	7,469	28/02/2002	28/02/2002 – 29/03/2005	/	/	2.213	/
	1,300,000	1,300,000	05/12/2000	22/10/2001 – 29/03/2005	/	/	1.747	/
	48,547	48,547	28/02/2002	28/02/2002 – 29/03/2005	/	/	1.747	/
	300,000	/	26/03/2001	27/03/2002 – 29/03/2003	/	300,000	1.758	/
	11,203	/	28/02/2002	27/03/2002 – 29/03/2003	/	11,203	1.758	/
	17,736,842	17,127,639			298,000	311,203		

Supplementary Information

(cont'd)

Share option scheme (cont'd)

2. Senior Executive Share Option Scheme (cont'd)

補充資料

(續)

購股權計劃 (續)

2. 高級行政人員購股權計劃 (續)

附註：

1. 所有於到期前已失效的購股權，其可認購的股份數目將重新被納入按購股權計劃可發行的股份數目內。
2. 為本公司股份於緊接購股權行使日期前的加權平均收市價。

除上文所披露者外，於二零零三年六月三十日，本公司的董事或行政總裁或其配偶或十八歲以下子女概無獲授予或行使任何權利，以認購本公司或其任何相關法團的股本或債務證券。

主要股東權益

就董事所知，按本公司根據證券及期貨條例第336條而存置的登記冊所記錄，本公司董事或行政總裁以外的人仕於二零零三年六月三十日在本公司股份及相關股份中擁有如下權益及淡倉：

股東名稱 Name of shareholders	佔已發行股本	
	持有股份數目 No. of shares	百分率 % of issued share capital
中國國際信托投資公司(「中信」)(附註) China International Trust and Investment Corporation ("CITIC") (Note)	1,812,910,526	56.99%
中國建設銀行 China Construction Bank	156,987,995	5.17%

附註：

中信為本公司股份1,791,198,220股的實益擁有人。由於它擁有中信資本市場控股有限公司超過三分之一實益投票權，因而被視為擁有該公司持有之21,712,306股本公司股份。

除上文所披露者外，董事並不知悉有任何人仕於二零零三年六月三十日在本公司的股份及相關股份中，擁有根據證券及期貨條例第XV部第2分部及第3分部之規定必須向本公司披露的權益或淡倉。

Supplementary Information

(cont'd)

Share option scheme (cont'd)

2. Senior Executive Share Option Scheme (cont'd)

Notes:

1. All the options lapsed before expiry of the options will be added back to the number of shares available to be issued under the Option Scheme.
2. This represents the weighted average closing price of the shares of the Company immediately before the date on which the options were exercised.

Save as disclosed above, as at 30 June 2003, none of the Directors or Chief Executive of the Company or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Company or any of its associated corporations.

Substantial shareholders' interests

So far as the Directors are aware, the interests and short positions of every person, other than a Director or Chief Executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 30 June 2003 were as follows:

股東名稱 Name of shareholders	佔已發行股本	
	持有股份數目 No. of shares	百分率 % of issued share capital
中國國際信托投資公司(「中信」)(附註) China International Trust and Investment Corporation ("CITIC") (Note)	1,812,910,526	56.99%
中國建設銀行 China Construction Bank	156,987,995	5.17%

Note:

CITIC was the beneficial owner of 1,791,198,220 shares of the Company and it was deemed to be interested in 21,712,306 shares of the Company which were held through CITIC Capital Markets Holdings Limited, a company in which it has an effective holding of over one-third of the voting power.

Save as disclosed above, there is no person known to the Directors who, as at 30 June 2003, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

補充資料

(續)

購回、出售或贖回本公司的上市證券

本公司於此半年期間並無贖回其任何上市證券。本公司及其任何附屬公司於此半年期間亦無購回或出售任何本公司的上市證券。

遵從「最佳應用守則」

除未有訂明獨立非執行董事的任期外，本公司於此半年期間已遵從上市規則內的「最佳應用守則」。

承董事會命

中信國際金融控股有限公司

常振明

董事兼行政總裁

香港，二零零三年八月二十八日

Supplementary Information

(cont'd)

Purchase, sale or redemption of the Company's listed securities

The Company had not redeemed any of its listed securities during this interim period. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during this interim period.

Compliance with the Code of Best Practice

The Company had complied throughout this interim period with the Code of Best Practice as set out in the Listing Rules, except that there is no specific term for the appointment of independent non-executive directors.

By Order of the Board

CITIC International Financial Holdings Limited

Chang Zhenming

Director and Chief Executive Officer

Hong Kong, 28 August 2003