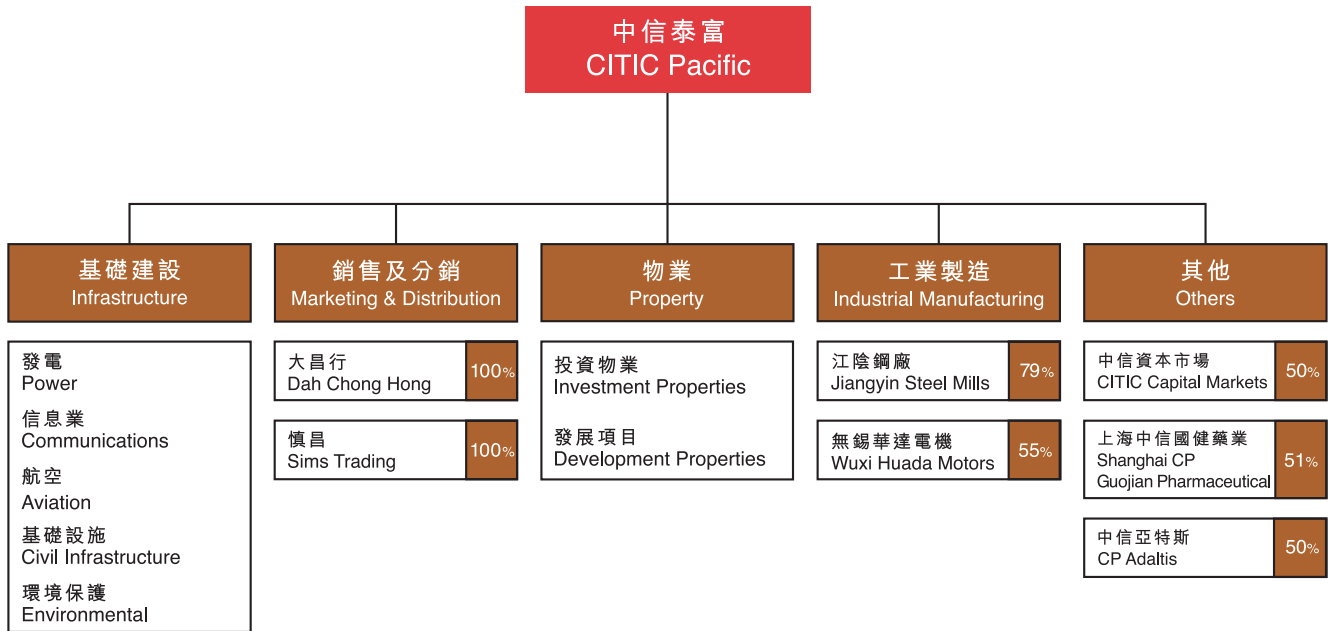




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公司架構 Corporate Structure



基礎建設 Infrastructure

發電

Power

以港幣百萬元計算	in HK\$ million	2003	2002
溢利貢獻	Contribution	229	245
佔總溢利貢獻比例	Proportion of total contribution	9%	5%
淨資產	Net assets	1,508	1,449
資本開支	Capital expenditure	144	120

發電廠中國分佈圖 Power Stations in mainland China



中信泰富的電力專業隊伍積極參與電廠建設的各方面工作，從尋找投資機會到督導電廠的興建工程及實際經營管理電廠。

由於電力需求的增長及新增機組的投產，集團二零零三年發電量比前一年增長20%，達168.47億千瓦時。利潤較二零零二年有

CITIC Pacific's team of power professionals are actively involved in every aspect of power stations, from identifying new investment opportunities, supervising the construction to actively managing the operation of the plants.

In 2003, increased demand for electricity and the operation of newly completed units contributed to an increase of 20% in total electricity

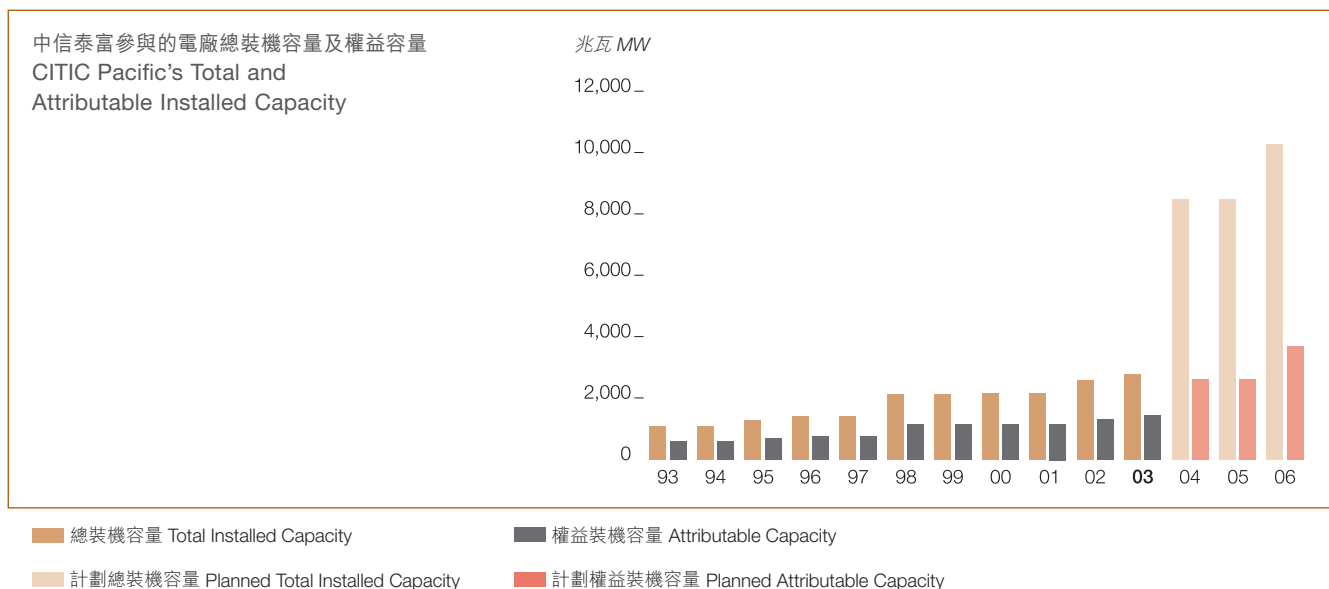
所下降，主要是因為吉林熱電廠零三年剛投產，電價不到位而出現虧損。另外，有些電廠特別是利港電廠，利潤入賬的時間差也是原因之一。

generated, which reached 16,847 million kwh. However, profits were lower than that of 2002 primarily because during its first year of operation, the tariff at Jilin plant was low, resulting in a loss. The timing of dividend payments from some plants, in particular Ligang, is also a factor.

各電廠的發電和供熱情況 Electricity and heat generated by all power plants

電廠形式 Type	裝機容量 (兆瓦) Installed Capacity (MW)	發電量 Electricity Generated			供熱量 Heat Generated			
		2003 (M Kwh)	2002 (M Kwh)	變化 change %	2003 (KGJ)	2002 (KGJ)	變化 change %	
利港 Ligang	燃煤機組 Coal fired	1,400	8,944	8,505	5	-	-	-
開封 Kaifeng	燃煤機組 Coal fired	125	696	679	3	-	-	-
鄭州 Zhengzhou	熱電聯產 Co-generation	600	3,232	3,085	5	5,944	5,380	10
內蒙豐泰 Hohhot	熱電聯產 Co-generation	400	2,638	1,492	77	883	*	*
吉林 Jilin	熱電聯產 Co-generation	200	965	*	*	243	*	*
威海 Weihai	熱電聯產 Co-generation	36	174	85	105	2,575	2,380	8
壽光 Shouguang	熱電聯產 Co-generation	24	201	200	0.5	1.4百萬噸 1.4m tonnes	1.2百萬噸 1.2m tonnes	17

* 未投產 not in operation



中信泰富始終認為發電是集團業務發展的重點，這有賴於我們對中國發電業多年的經驗、技術及知識積累。隨著中國經濟的發展和人民生活水平的提高，電力的需求和消費將持續增長。目前中國是世界上經濟增長率最高的國家之一，但其人均裝機容量和人均耗電量還比較低。中國正在進行的電力行業改革，給像中信泰富這樣的獨立發電公司提供了許多機會。集團在拓展電力業務方面取得了顯著的進展。

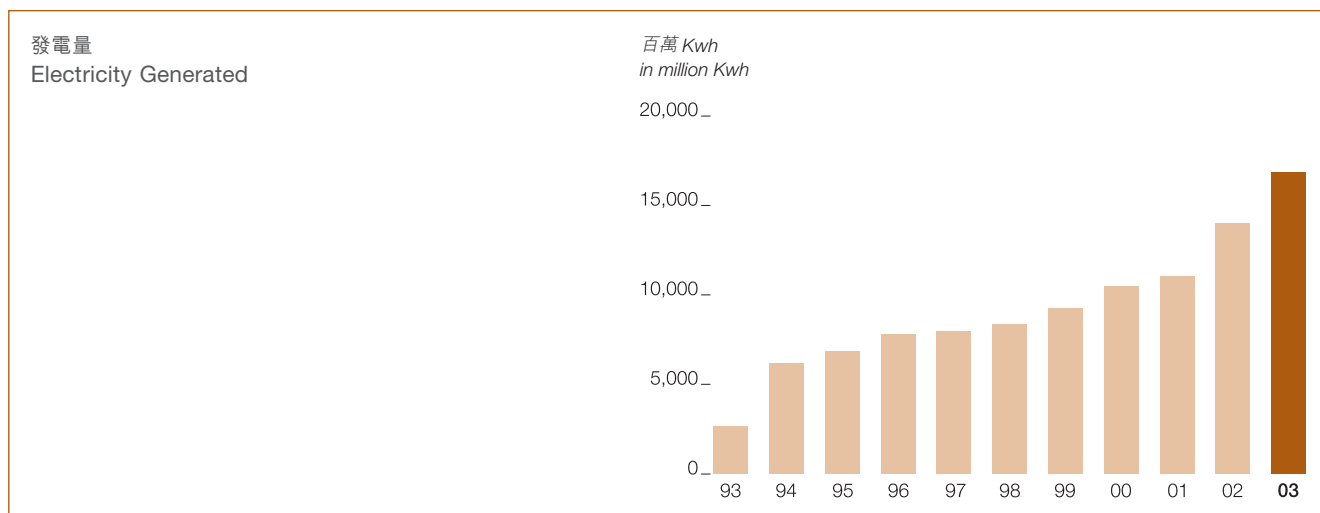
二零零三年五月，國務院批准了利港電廠三期工程項目。利港位於江蘇省，是目前中國效益最好的電廠之一。江蘇省是國內發展最快的省份之一，其二零零三年的用電量較二零零二年增長了21%。利港電廠三期工程兩台60萬千瓦機組的基建已開始，預計將於二零零六年投入商業運行。此項目取得了人民幣38億元期限為二十年的項目融資，佔總投資的75%。第四期兩台60萬千瓦機組預定於二零零七年投產。這兩期之設備訂貨已獲落實。於十月，中信泰富與北京的中國中信集團公司達成利港電廠9%的股權轉讓協定，使中信泰富在利港一、二期的股權增加至65%，而三、四期則為73%。

鄭州電廠三期40萬千瓦(2x20萬千瓦)的擴建也在二零零三年獲得政府批准，目前基建正在進行中，預計於二零零六年投產。

Power generation is an important area of expansion for CITIC Pacific, based on years of experience, expertise and knowledge of the Chinese power industry. As the Chinese economy develops and peoples' standard of living rises, electricity demand and consumption will continue to grow. Currently, mainland China's economic growth rate is among one of the highest in the world, yet its per capita installed capacity and electricity consumption per capita is low. The ongoing reform in the power industry in mainland China has presented many attractive opportunities for independent power producers such as CITIC Pacific and significant progress has been made in expanding our power portfolio.

In May 2003, the State Council approved the 3rd phase of the Ligang power station, now one of the most efficient in China. Ligang is located in Jiangsu Province, one of the fastest growing provinces in mainland China where consumption of electricity grew by 21% compared with 2002. Construction of **Ligang 3rd phase**, which consists of two 600MW units, is currently underway, and commercial operation is expected in 2006. An RMB3.8 billion 20-year project finance loan has been arranged for this 3rd phase, which represents 75% of the total investment. Phase 4 of another two 600MW units is scheduled for completion in 2007. Equipment has been ordered for both phases. In October, CITIC Pacific reached an agreement with the CITIC Group in Beijing to acquire an additional 9% stake in Ligang Power Station, increasing its holding in Ligang Phase I and II to 65% and 73% in Phase III and IV.

The expansion of the **Zhengzhou plant**, a 3rd phase 400MW (2x200MW), was also approved in 2003. Construction is progressing as planned and commissioning is expected in 2006.



二零零四年一月，中信泰富與內蒙古電力投資集團、中國華能集團、神華集團下屬的北京國華電力一起組建了北方聯合電力公司，共同開發內蒙古的發電市場。合資公司旨在利用內蒙古自治區豐富的煤炭資源將北方聯合電力公司建設成國內高效、一流的發電公司之一。今後將通過電網向內蒙古、北京、華北及東北地區輸送電力。北方聯合電力公司目前在運行的電廠之權益裝機容量為431萬千瓦，另有92萬千瓦有望在二零零四年投產。公司還計劃在內蒙古擴大其電力生產。北方聯合電力公司的註冊資本為人民幣100億元，作為擁有20%權益之股東，中信泰富以現金及內蒙豐泰電廠20%的股權注資。北方聯合電力公司已於二零零四年一月開始運營。

於二零零三年十一月，中信泰富與無錫市地方電力公司組建了合資公司，共同建設位於江蘇省無錫市一70萬千瓦之馬山抽水蓄能電站，此項目正在審批中。目前，江蘇省電量的峰谷差很大，由於抽水蓄能電站用低谷電量來填補高峰之高用電量，非常適合補償峰谷差。馬山緊鄰太湖，太湖可以給電站提供所需水源。

由於集團所有的電廠都是燃煤機組，保證煤炭的充足供應、控制煤炭成本以及確保煤炭運輸的順暢都至關重要。集團的電力專業人員及各電廠的管理層都非常注重做好煤炭採購及運輸工作。中信泰富正積極探討在擁有豐富煤炭資源的省份建造緊鄰大型煤礦的電廠之可行性。

In January 2004, CITIC Pacific, together with Inner Mongolia Power Investment Corporation, China Huaneng Group and Beijing Guohua Power of the Shenhua Group, formed **North United Power Corporation**, to jointly develop the power generation business in Inner Mongolia. The joint venture aims to utilise the abundance of coal in this autonomous region to build North United Power into one of the most efficient and first rate power companies in mainland China, and to supply electricity to Inner Mongolia and through the grid to Beijing, North and Northeast China. North United Power's operating power plants currently have attributable installed capacity of 4,310MW. An additional attributable capacity of 920MW is expected to become operational in 2004. The Company has plans to expand its power production in Inner Mongolia in the future. The joint venture's registered capital is RMB10 billion. CITIC Pacific, a 20% partner in North United Power, will contribute cash and a 20% holding in Hohhot power plant. North United Power officially began operation in January 2004.

In November 2003, CITIC Pacific entered into a joint venture agreement with Wuxi Power to build a 700MW **pumped storage hydraulic power plant in Ma Shan**, Wuxi City in Jiangsu Province. Application for this project is being reviewed by the relevant authorities. Currently there exists a huge difference between electricity demand for the peak and non-peak time in Jiangsu Province. A pumped storage power station will capture this demand difference as it uses off-peak electricity to provide peak power. Ma Shan is next to Tai Lake, which will provide the water supply necessary for such a power plant.

As all of our power plants are coal fired, ensuring sufficient supply of coal, managing coal costs and transporting coal efficiently is of great importance and our power team is skilled at this task. CITIC Pacific is actively studying the possibility of building power stations next to existing large coalmines in provinces with abundant coal supplies.

信息業

Communications

		地點	Location	擁有權 Ownership
中信電訊1616	CITIC Telecom 1616	香港	Hong Kong	100%
CPCNet	CPCNet	香港	Hong Kong	100%
中信國安	CITIC Guoan	北京	Beijing	50%
澳門電訊	CTM (Macau Telecom)	澳門	Macau	20%

以港幣百萬元計算	in HK\$ million	2003	2002
營業額	Turnover	1,590	2,887
溢利貢獻	Contribution	234	553
佔總溢利貢獻比例	Proportion of total contribution	9%	12%
淨資產	Net assets	2,384	2,260
資本開支	Capital expenditure	185	216

電子商貿

中信泰富之信息業務重點放在提供增值服務上。通過商業夥伴及集團公司內部資源，中信泰富開發並推廣了多個電子商務項目。於二零零三年十一月，中信泰富與「中華全國體育總會」及「中國奧委會」建立了為期二十年之獨家聯盟，合作推廣與體育及其相關的商務，特別是二零零八年的奧林匹克運動會。在「中國數位體育互動平台」上，通過先進的IT技術，設立了三個旗艦網站——*Olympic.cn*，*Sport.org.cn*及*Sports.cn*。現時獲得中華全國體育總會官方確認的體育專案達九十九個之多，在全國各地廣受歡迎。因此，中信泰富在此領域將育有無限商機。

中信泰富亦操作中國最大的遊戲寄存平台之一，目前盈利良好的互連網遊戲「傳奇」在全國推廣後已吸引了超過一千萬人數，同一時間上網之人數大約有二十萬人。中信泰富計劃與世界各地之遊戲開發商密切合作，繼續收集適合中國市場的遊戲。

E-Commerce

The focus of CITIC Pacific's communications business is on providing value-added services. Working through partners and group entities, a number of e-commerce initiatives and products were launched. In November 2003, CITIC Pacific, together with the All-China Sports Federation and the Chinese Olympic Committee, formed a 20-year exclusive alliance to promote sports and sports related commerce, in particular the 2008 Olympics. On the related 'China Interactive Sports' platform, leveraging on advanced, integrated IT technologies, three flagship websites – *Olympic.cn*, *Sport.org.cn* and *Sports.cn* – were built. The All-China Sports Federation lists 99 official sports and there is intense interest in them throughout mainland China, which presents tremendous opportunities for CITIC Pacific.

CITIC Pacific is also running one of the largest game hosting platforms in China. Currently, a profitable internet game 'Legend of Mir 3' has been marketed throughout mainland China that attracted over 10 million subscribers with an average of approximately 200,000 concurrent users. CITIC Pacific plans to work closely with game developers throughout the world to continue to source games that can be catered to the Chinese market.

中信電訊1616

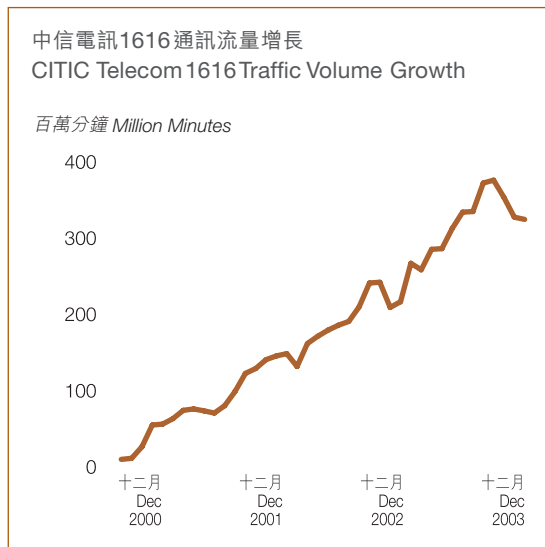
中信電訊1616 (www.citic1616.com)在亞洲長途電話批發市場佔領先地位。現為80多個國家超過150個國際電訊及移動電話運營商提供服務。目前大約55%的香港長途電話流量是經由1616處理，而當中大約50%是中國大陸的流量。1616在中國大陸之主要客戶為中國聯通和中國移動。

與二零零二年相比，二零零三年之總通訊量增加了64%。然而由於邊際利潤受壓，其某種程度上受非典型肺炎之影響，邊際利潤低的固網通話量代替了邊際利潤高的移動通話量，所以導至溢利減少。1616正尋求渠道開發高利潤率地區的客户群。

CITIC Telecom 1616

CITIC Telecom 1616 (www.citic1616.com) is a leader in Asia's IDD wholesale market, serving more than 150 international telecom and mobile carriers in over 80 countries. Approximately 55% of Hong Kong's total monthly IDD traffic is now handled by 1616, and about 50% of the calls are mainland China traffic where 1616's primary customers are China Unicom and China Mobile.

In 2003, total traffic volume grew 64% from 2002. However, margins were lower, partially affected by SARS as higher margin mobile traffic was substituted by lower margin fixed line calls, which resulted in decreased profitability. 1616 is seeking ways to continue to expand its customer base particularly serving destinations where margins are better.



CPCNet

CPCNet (www.cpcnet-hk.com)於2003年透過香港電訊管理局發出之『固網服務牌照』，從一家互聯網通訊服務商晉升為電訊網路商。

通過充分改善的網路和日益增強的與戰略夥伴之關係，CPCNet現可為跨國及區域的中小型客戶提供一系列電訊服務業務。服務範圍由傳統的互聯網連線以至最先進的國際專線網路。

憑著TrueConnect™—大中華首個建立於多協定標籤交換式的IP—虛擬專網路和優質的專業客戶服務，CPCNet已成為大中華及亞洲地區最有代表性的新一代電訊網路商。二零零三年，TrueConnect™之客戶群增加了一倍，建立了超過700個連接點。CPCNet現擁有13個網路出口點(POPs)，將世界之跨國企業連繫到大中華地區超過40個城市。

中信國安

中信國安之主營業務是持有深圳證券交易所上市公司國安信息產業股份有限公司(「國安信息」)的62%股權。國安信息之主要業務是在中國大陸經營有線電視網絡，至二零零三年底，國安信息在中國17個城市為約四百萬用戶提供服務。除有線電視網絡外，國安信息亦投資於系統集成、軟件開發、酒店管理及地產開發。中信國安亦擁有位於北京的「國際大廈」。其二零零三年底出租率為95%。

澳門電訊

中信泰富由一九九一年起擁有澳門電訊20%的權益(www.ctm.net)，該公司為澳門特別行政區之首選電訊供應商，為其市民提供固網、移動電話和互聯網接入等服務。二零零三年澳門電訊之溢利增長10%，達港幣四億一千萬元。由於競爭激烈，移動客戶群下跌2%，但互聯網客戶群卻增長27%。

CPCNet

With the granting of a Fixed Carrier License by the Hong Kong telecommunications authority in 2003, CPCNet Hong Kong (www.cpcnet-hk.com) has transformed from an Internet services provider to a telecommunications carrier.

Through a significantly strengthened network and enhanced alliances and partnerships, CPCNet is able to offer world-class communications services, from traditional Internet connectivity to private networks based on the latest technologies, to regional small and medium enterprises and global multinational corporations.

With 'TrueConnect', the first Multiprotocol Label Switching based Internet Protocol Virtual Private Network built in Greater China coupled with customer service excellence, CPCNet has established itself firmly as a key new generation carrier in Greater China and Asia. In 2003, the customer base of 'TrueConnect' increased by more than 100% to over 700 connections. It has 13 self-owned Point of Presence (POPs) connecting to over 40 cities in Greater China with service coverage spanning Asia, USA and Europe.

CITIC Guoan

CITIC Guoan's primary business is its 62% interest in CITIC Guoan Information Industry Co., Ltd. ('Guoan Information'), a Shenzhen Stock Exchange listed company whose primary business is operating cable TV networks in mainland China. At the end of 2003, Guoan Information had approximately 4 million subscribers in 17 cities in mainland China. In addition to its CATV networks, Guoan Information has interests in system integration, software development, hotel management and property development. CITIC Guoan also owns the CITIC Building in Beijing, which had 95% occupancy at the end of 2003.

CTM

20% owned by CITIC Pacific since 1991, Companhia de Telecomunicacoes de Macau S.A.R.L. ('CTM') (www.ctm.net) is the provider of choice of fixed line, mobile telephone and internet access services to the people of Macau SAR. In 2003, CTM's profit rose 10% to HK\$410 million. The customer base for mobile decreased 2% due to competition, and internet customer base increased 27%.

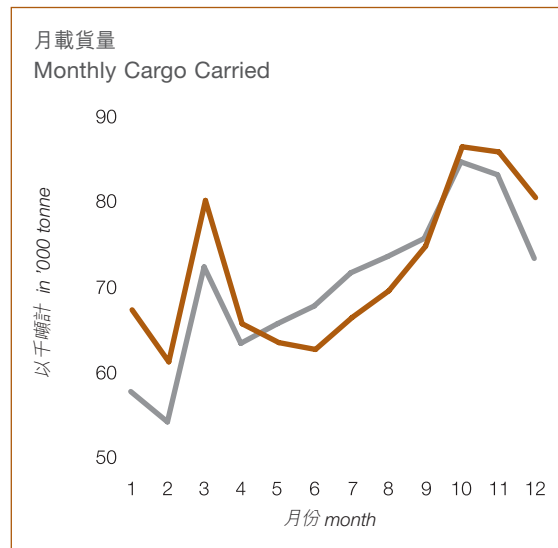
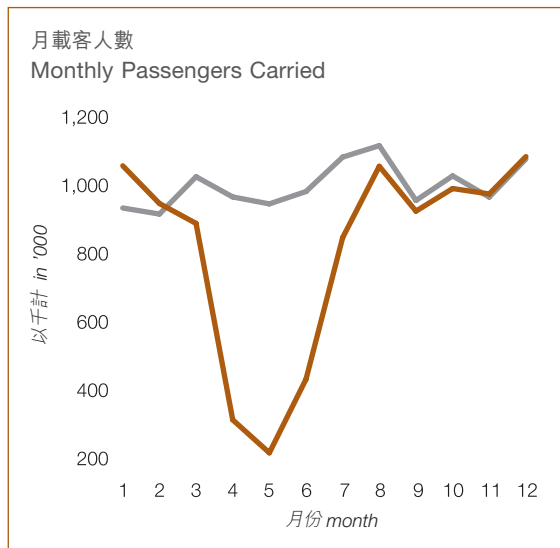
航空

Aviation

	地點		Headquarters	擁有權 Ownership
國泰航空	香港	Cathay Pacific	Hong Kong	25.7%
港龍航空	香港	Dragonair	Hong Kong	28.5%
香港空運貨站	香港	HK Air Cargo Terminals	Hong Kong	10%
中國國際貨運	北京	Air China Cargo	Beijing	25%

以港幣百萬元計算	in HK\$ million	2003	2002
國泰航空	Cathay Pacific	330	1,023
港龍航空	Dragonair	20	154
香港空運貨站	HACTL	71	86
中國國際貨運	Air China Cargo		二零零四年一月開始運營 operation began in January 2004
溢利貢獻	Contribution	421	1,263
佔總溢利貢獻比例	Proportion of total contribution	16%	26%
淨資產	Net assets	12,880	13,305

國泰航空 Cathay Pacific



■ 2003
■ 2002

■ 2003
■ 2002

國泰航空(www.cathaypacific.com)是一間立基於香港的國際客運及貨運航空公司，航線遍佈全球87個目的地。中信泰富從1991年成為國泰航空之第二大股東以來，透過在該公司董事局、管理及其他委員會委派代表積極參與國泰航空的各項管理工作。

二零零三年國泰航空受到非典型肺炎的影響，二季度乘客人數大大下降，導致營業額較二零零二年降低11%，溢利下降67%至港幣十三億元。全年總載客人數為一千萬人次，下降18%。乘客運載率亦下跌六個百分點至72%，收益率則下降5%。空運貨量創新高達874,724噸，較二零零二年上升3%，但貨運收益率則有輕微下降。非典得以控制後，二零零三年下半年情況大有改善，並於二零零四年一月創每天載客人數新高。

於十二月，國泰航空在13年後又重新飛往北京，目前一星期飛三班。國泰航空已申請一天兩班往返北京，並亦申請飛往上海及廈門。國泰航空將於二零零四年七月一日開通香港至紐約的直飛航班。

港龍航空(www.dragonair.com)經營往返亞洲二十八個目的地的航班服務，其中二十個目的地是在中國大陸城市。於去年十一月起，港龍開始飛往曼谷，而飛往東京的航班則預期為二零零四年四月開通，同時該公司亦經營往來上海、廈門、經中東至歐洲及大阪之貨運服務。二零零三年港龍營業額淨額較二零零二年下降1.3%至港幣五十八億六千八百萬元，溢利亦下降87%至港幣七千一百萬元。於二零零三年二季度，由於大中華地區受到非典型肺炎嚴重的影響，從而使港龍受挫，載客量上半年下跌32%。旅遊業的復甦，特別是來自中國大陸旅客對此業的刺激，使港龍之載客量有明顯的上升。二零零三年全年總載客人數為三百萬人次，下降11%，同時乘客收益率亦下跌8.6%。

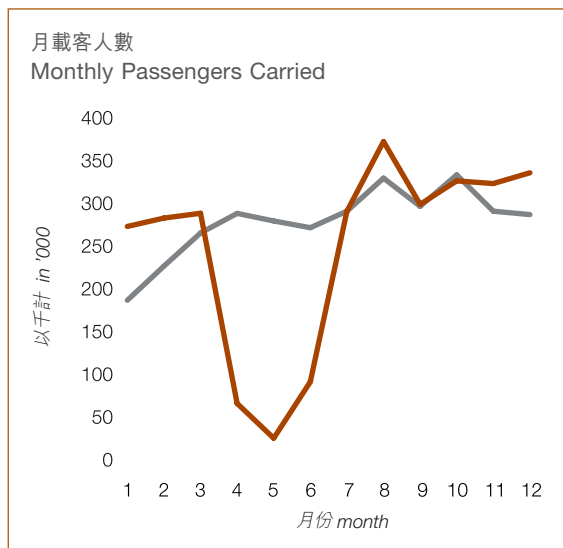
Cathay Pacific (www.cathaypacific.com) is an international passenger and freight carrier based in Hong Kong serving 87 destinations around the world. CITIC Pacific is the second largest shareholder and, through participation on the board, the executive and other committees, has been actively involved in its management since it first became a shareholder in 1991.

In 2003, Cathay Pacific's revenue was severely affected by the outbreak of SARS, which reduced passenger numbers dramatically in the second quarter. 2003 revenue declined 11% compared with 2002. Profits fell 67% to HK\$1.3 billion. Total revenue passenger carried decreased by 18% to 10 million. Passenger load factor decreased 6% points to 72%. Yield fell by 5%. Cargo tonnage carried set a record of 874,724 tonnes, 3% higher than that of 2002, but yield fell marginally. A rapid improvement in the second half of 2003 occurred after the SARS outbreak was contained, and in January 2004 a record number of passengers per day were carried.

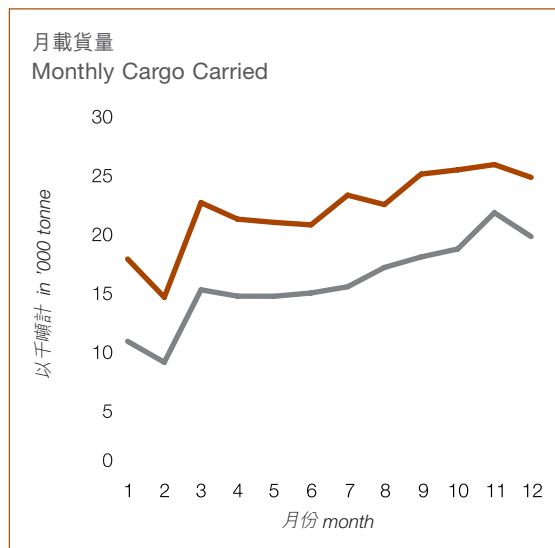
In December, Cathay Pacific renewed its service to Beijing after a 13-year absence, with three roundtrips a week. It has applied to increase its frequency to Beijing to twice daily, and to fly to Shanghai and Xiamen. On 1 July 2004 Cathay Pacific will begin a non-stop flight between Hong Kong and New York.

Dragonair (www.dragonair.com) operates passenger services to 28 destinations in Asia, of which 20 are to mainland Chinese cities. It began its service to Bangkok in November 2003, and flights to Tokyo are also expected in April 2004. Freighter services are offered to Shanghai, Xiamen, Europe via the Middle East, and Osaka. In 2003, Dragonair saw net revenue decrease 1.3% to HK\$5,868 million and profit also decreased 87% to HK\$71 million. In the 2nd quarter of 2003, SARS had a heavy effect on Dragonair as Greater China was most affected by the virus. Revenue passengers carried were down 32% in the 1st half of 2003. Since then, due to the recovery in travel and tourism stimulated in particular by tourists from mainland China, Dragonair's passenger numbers came back strongly. In 2003, a total of 3 million revenue passengers were carried – a drop of 11%, while passenger yield decreased 8.6%.

港龍航空 Dragonair



■ 2003
■ 2002



■ 2003
■ 2002

貨運方面表現良好，總貨運量達269,980噸，上升40%，這主要是由於強勁的出口需求及二零零二年底新增一架貨機所致。

香港空運貨站(www.hactl.com)經營全球最大的航空貨運中心。在強勁的出口需求(尤其向歐美市場)的帶動下，經該公司處理的總貨物量於二零零三年首次達到二百萬噸，較二零零二年增長5.6%。超級一號貨站有潛力每年可處理超過三百五十萬噸的貨運，將有充分的容量來支持香港和中國大陸未來空運貨量的高度增長。

中國國際貨運航空有限公司於二零零四年一月開始正式運作，中信泰富佔合資公司25%之權益。其主要業務為中國國際航空的貨運及其相關的地勤業務。此公司擁有5架貨機，並同時用中國國際航空的123架客機之貨倉來運輸貨物。目前飛往266個國內及56個國際目的地。

Cargo performed strongly with 269,980 tonnes of freight carried in 2003, an increase of 40%, due to strong demand and an additional freighter, which entered into service at the end of 2002.

HACTL (www.hactl.com) is the operator of the largest air cargo terminal in the world. Total tonnage handled exceeded 2 million tonnes for the first time in 2003, an increase of 5.6% compared with 2002 – a result of strong growth in exports, in particular to Europe. SuperTerminal 1 has a potential capacity of 3.5 million tonnes per annum, providing adequate capacity to support a robust growth of air cargo in Hong Kong and mainland China into the future.

Air China Cargo, a joint venture in which CITIC Pacific has a 25% interest, began operation in January 2004. It handles all of Air China's international and domestic cargo and related ground service businesses. The company has 5 freighter planes and the belly space in Air China's 123 passenger planes, to carry cargo. Currently it flies to 266 domestic and 56 international destinations.

基礎設施

Civil Infrastructure

	地點		Location	擁有權 Ownership
東區海底隧道	香港	Eastern Harbour Tunnel	Hong Kong	
– 公路		– Road		71%
– 鐵路		– Rail		50%
西區海底隧道	香港	Western Harbour Tunnel	Hong Kong	35%
四個環境保護項目	香港	Four waste treatment facilities	Hong Kong	20% – 50%
老港填埋場四期	上海	Laogang Phase 4 Landfill	Shanghai	30%

以港幣百萬元計算	in HK\$ million	2003	2002
溢利貢獻	Contribution	635	1,238
佔總溢利貢獻比例	Proportion of total contribution	24%	25%
淨資產	Net assets	2,113	7,923
資本開支	Capital expenditure	5	156

香港的隧道 Tunnels in Hong Kong



東區海底隧道「東隧」

(www.easternharbourtunnel.com.hk) 二零零三年每日平均交通流量下降3%至71,284架次，其在非典型肺炎最嚴重的第二季度期間，交通流量下跌，其後情況有所好轉。中信泰富是此隧道公路部份的控股股東，佔71%權益；在鐵路部份的權益則為50%。根據

Average daily traffic at Eastern Harbour Tunnel ('EHT')

(www.easternharbourtunnel.com.hk) decreased 3% in 2003 to 71,284 vehicles due primarily to a drop in traffic in the second quarter when SARS was at its peak, after which traffic has recovered. CITIC Pacific is a controlling shareholder in the road with a 71% interest. Our shareholding in the rail tunnel is 50%. EHT is entitled to a toll increase according to the principles established by an independent arbitrator

一九九七年三月獨立仲裁人設立的原則，東隧可以調高隧道收費。但在二零零四年一月調高收費申請被香港政府否決後，又一仲裁將在今年九月進行。

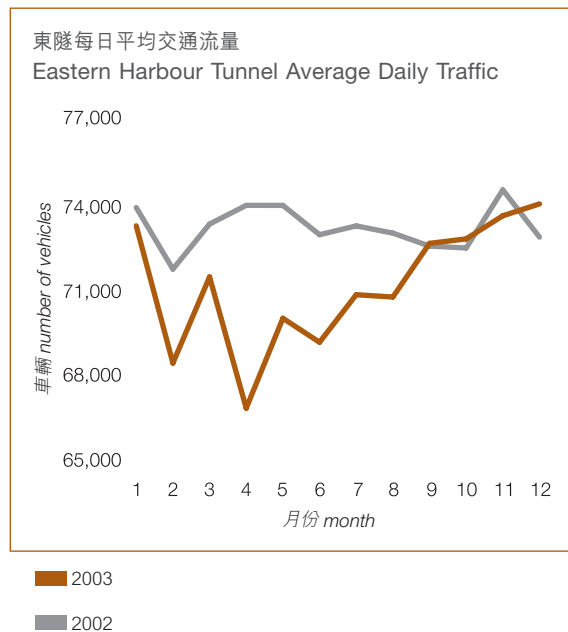
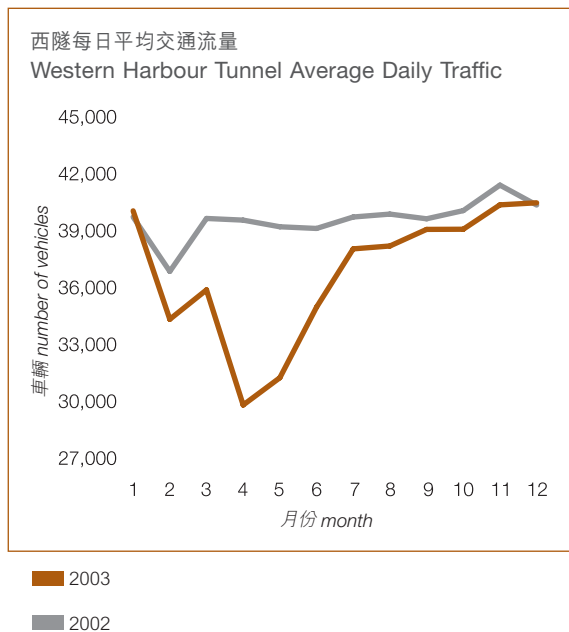
中信泰富擁有西區海底隧道「西隧」(www.westernharbourtunnel.com)三十年專營權35%的權益。西隧是連接港島、中國大陸及赤鱘角機場的三號幹線的主要路段。由於非典型肺炎所造成的負面影響，二零零三年該隧道每日平均交通流量較二零零二年下降7%至37,261架次。另外，西隧的交通增長受限也在於接駁道路網絡遲遲未能完成，特別是中環——灣仔繞道，加以香港政府所擁有之紅磡海底隧道之收費水平過低所造成的競爭。

中信泰富持有管理紅磡海底隧道之35%股權，其管理合同已被延期至二零零六年。

in March 1997, but as an application for increase from 1 January 2004 was rejected by the Hong Kong Government, another arbitration has been set for September 2004.

CITIC Pacific has a 35% interest in a 30-year franchise that operates the **Western Harbour Tunnel** ('WHT') (www.westernharbourtunnel.com), a key section of the Route 3 highway which links Hong Kong Island, mainland China and Chek Lap Kok Airport. Daily average traffic for 2003 dropped by 7% compared with 2002 to 37,261 vehicles due to the effect of SARS. WHT's traffic growth is limited by the delay in the completion of access roads, particularly the Central-Wanchai bypass and competition from the low tolls at the government-owned Cross Harbour Tunnel.

CITIC Pacific also has a 35% interest in the company that manages the **Cross Harbour Tunnel**. The management contract has been extended through 2006.



環境保護

中信泰富在香港擁有權益的四個環境保護項目：包括一個化學廢料處理中心、二個總設計容量為每日四千噸的廢物轉運站，另外還包括一個設計容積達四千三百萬立方米之堆填區。於二零零三年，上述設施處理廢料總量共四百萬噸。環境保護項目盈利為港幣二億七千八百萬元。

於二零零三年十二月，中信泰富與Onyx亞洲及上海城投環境投資有限公司組成之合資公司被授予「上海市老港生活垃圾衛生填埋場」四期工程之合約。該公司這二十年之合約包括設計、建設及運營有關堆填區第四期工程。此項目總投資約為九億元人民幣。中信泰富與威立雅環境之全資附屬公司Onyx公司是長期合作夥伴，在香港共事環保項目已超過十年之久。

Environmental

CITIC Pacific has interests in four waste treatment facilities in Hong Kong, including a chemical waste treatment plant and two refuse transfer stations, with a total of 4,000 tonnes of daily waste processing capacity, and we also operate a landfill site with a 43 million cubic metre capacity. In 2003, a total of 4 million tonnes of waste was processed. Profits generated from these businesses totalled HK\$278 million.

In December 2003, a joint venture formed by CITIC Pacific, Onyx Asia and Shanghai Chengtou Environment Industry Development Co., Ltd. was awarded a contract for **Phase 4 of Laogang Municipal Waste Landfill** in Shanghai. The JV will be responsible for the design, construction and operation of this Phase 4 landfill for a 20-year period. Total investment of the project is approximately RMB900 million. CITIC Pacific is a long-term partner of Onyx, a wholly owned subsidiary of Veolia Environment, having worked on Hong Kong environmental projects for over 10 years.

銷售及分銷 Marketing and Distribution

	地點		Location	擁有權 Ownership
大昌行	香港	Dah Chong Hong	Hong Kong	100%
慎昌	香港	Sims Trading	Hong Kong	100%

以港幣百萬元計算	in HK\$ million	2003	2002
營業額	Turnover	12,136	11,212
溢利貢獻	Contribution	264	227
佔總溢利貢獻比例	Proportion of total contribution	10%	5%
淨資產	Net assets	3,234	2,871
資本開支	Capital expenditure	211	272

大昌行(www.dch.com.hk)以分銷汽車、消費品及糧油食品為主。其主要業務分佈於香港及中國大陸，同時也在日本、新加坡及加拿大發展業務。

Dah Chong Hong (www.dch.com.hk) is a major distributor of motor vehicles and consumer and food commodity products with substantial operations in Hong Kong and mainland China, and businesses in Japan, Singapore and Canada.

大昌行汽車

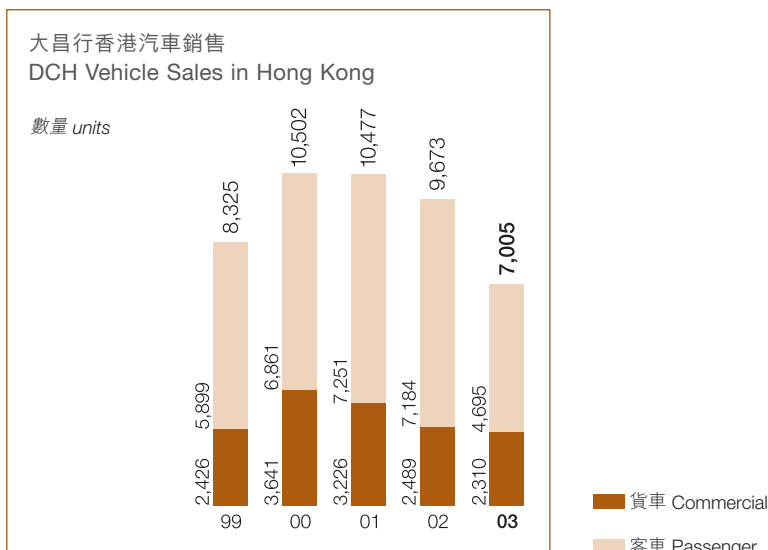
DCH Motor

以港幣百萬元計算	in HK\$ million	2003	2002
營業額	Turnover	7,083	6,219
溢利貢獻	Contribution	188	196

大昌行是香港最大的汽車分銷商之一。其二零零三年在香港市場佔有率為26%。大昌行所代理的汽車品牌為：

In Hong Kong, DCH Motor is one of the largest distributors of motor vehicles with a 26% market share in 2003. It distributes a wide range of vehicles:

汽車類別	品牌	Type	Brands	售出數量 Units sold	2003	2002
私家車	極品、奧迪、賓利、本田、日產、福士	Passenger cars	Acura, Audi, Bentley, Honda, Nissan, Volkswagen		4,695	7,184
貨車	大富、五十鈴、猛獅、UD大實力	Commercial vehicles	DAF, Isuzu, MAN, UD Nissan Diesel		2,310	2,489



二零零三年，受到汽車首次登記稅增加的影響，加上非典型肺炎爆發及美元對日元和歐元弱勢，香港的汽車銷售數量下跌了24%。大昌行在香港的汽車銷售數量較去年下跌28%，主要原因是大昌行的大眾化車型（中小型私家車及多用途車）之市場皆收縮超過30%。不過，大昌行繼續擴展並佔據貨車及旅遊巴士的市場領導地位，市場佔有率達58%。大昌行同時亦提供許多與汽車相關服務，如售後維修及檢測，零件銷售及分銷，汽車租賃及車隊管理，以及機場地勤支援服務。而位於九龍灣的大昌行汽車服務中心更是香港業內規模最大的汽車服務中心。

In 2003, vehicles sales in the territory dropped 24%, negatively impacted by the increase in Vehicle First Registration Tax (FRT), the outbreak of SARS, and the weakening of US dollar against the Yen and Euro. Total vehicles sold by DCH in Hong Kong decreased 28% compared with 2002 of which its mass volume passenger cars (small-to-medium size and MPV models) had a bigger drop, as those market segments shrunk over 30%. However, DCH expanded its market share of truck and coach sales to 58%, maintaining its leading position in that market. DCH also provides an extensive range of motor related services such as after sales service and inspection, parts retail and distribution, leasing and fleet management, and aviation ground supporting services. DCH Motor Service Centre in Kowloon Bay is the largest one in Hong Kong.

大昌行中國分佈圖 Dah Chong Hong in China



在中國其他城市，大昌行透過其內地合作夥伴分銷進口及國產汽車。與香港有別的是，中國的汽車代理商沒有獨家專營權。於二零零三年，大昌行銷往中國的汽車數量達9,689輛。此外，內地合作夥伴亦同時銷售了4,414輛。由於對建築方面使用之貨車需求激增，大昌行的貨車銷售成績尤其理想。銷售量較二零零二年上升87%。相對而言，因市民的喜好轉移至高級進口車以及國產大眾化車型的供應不斷增加，大昌行進口轎車的銷售率較去年下跌了59%。

In other cities in mainland China, DCH distributes both imported and domestically manufactured vehicles through local partners where, unlike Hong Kong, distributorships are not exclusive. In 2003, DCH supplied a total of 9,689 vehicles to mainland China while its local partners distributed an additional 4,414 units. DCH's commercial vehicle sales were a particular feature with an increase of 87% from 2002 due to robust demand for construction vehicles. DCH's passenger car sales, however, declined 59% primarily due to shifting of interest to high-end imports and increasing domestic supplies of mass-market models.

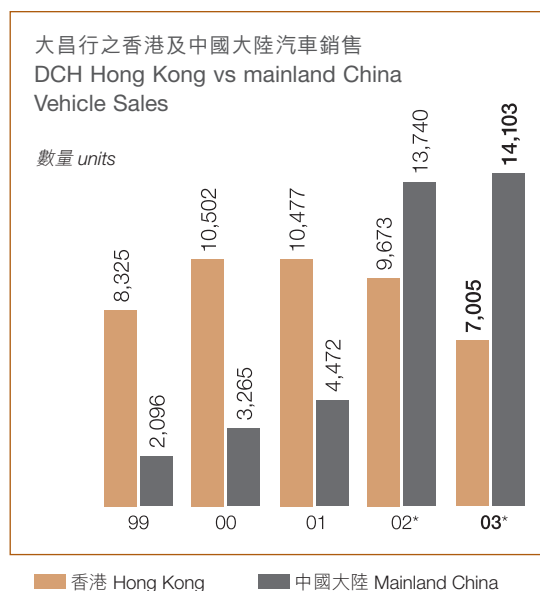
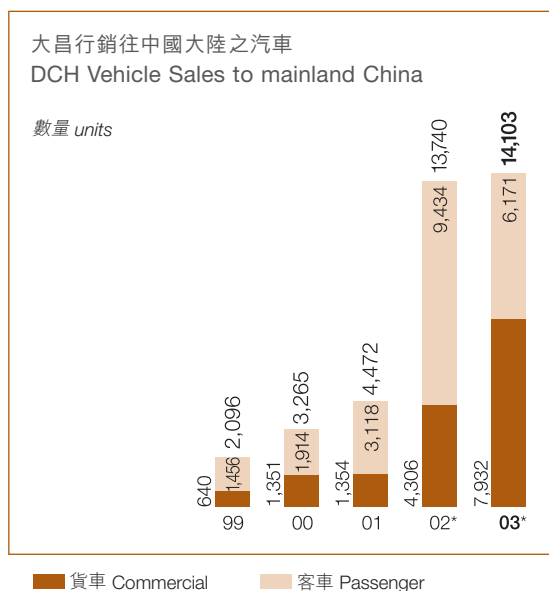
汽車類別	品牌 (大昌行與合作夥伴)	Type	Brands (DCH & partners)	售出數量 Units sold	
				2003	2002
私家車	入口：奧迪、賓利、通用、本田、日產、雷諾、大眾	Passenger cars	Imports: Audi, Bentley, GM, Honda, Nissan, Renault, Volkswagen	2,983	7,919
	本地生產：廣州本田、海南馬自達、東風日產		Domestic: Guangzhou Honda, Hainan Mazda, Dongfeng Nissan	3,188	1,515
貨車	入口：五十鈴、UD大實力	Commercial vehicles	Imports: Isuzu, UD Nissan Diesel	6,586	3,556
	本地生產：慶鈴、東風日產柴		Domestic: Qingling, DND	1,346	750

通過與內地夥伴緊密協作，大昌行在中國的十四個銷售及服務網點已覆蓋超過十三個城市，當中包括銷售、售後服務及零部件支援於一身的專賣店，地區性的零部件分銷中心及傳統的汽車維修中心。

二零零三年，中國汽車市場擴展總銷量達四百六十萬輛車，較去年增長了34%，其中國產車佔96%。據業內估計，二零零四年，中國汽車市場的銷量有望達到五百萬輛，其中轎車市場的增幅預計為20%。這對於像大昌行這樣熟識中國市場及經驗豐富的分銷商提供了很大的發展機會。大昌行將會繼續有系統地開發中國市場，發展一個有進口與國產車品牌之平衡組合。相對其他外資競爭對手，中國與香港之「更緊密經貿關係的安排」將更有利大昌行加快擴展其在中國大陸的銷售網絡，亦有助於其對業務的直接管理。

Working with local partners, DCH now has over 14 outlets including integrated sales, service and spare parts centres, regional parts distribution centres, and traditional service centres covering more than 13 cities.

In 2003, the Chinese auto market expanded and 4.6 million units were sold, a growth of 34% from 2002, and out of which 96% was domestically manufactured. According to industry estimates, the sales volume of PRC motor market for 2004 could approach 5 million units, in particular the passenger car market is projected to grow further by 20%. This presents tremendous opportunities for distributors such as DCH, which has the industry and local knowledge as well as the experience and expertise in distributing motor vehicles. DCH will continue to systematically develop the mainland China market with the aim to build up a balanced portfolio of both imported and domestic brands. The Closer Economic Partnership Arrangement ('CEPA') between Hong Kong and the Central Government will enable DCH to expand the mainland China network quicker than foreign competitors, and to establish greater direct control over its operations.



* 包括大昌行與合作夥伴 Including DCH & partners

汽車以外之貿易

以港幣百萬元計算	in HK\$ million
營業額	Turnover
溢利貢獻	Contribution

大昌行貿易：大昌行的消費品及糧油食品分銷業務包括各類糧食、大米及穀物、食油、中國食品及肉類、化妝品、建築材料及家用電器等，並涉及機電工程及維修服務。大昌行擁有龐大的全球採購網絡。通過高效率的物流支援以及遍布全國的分銷網絡，大昌行能為顧客提供多元化的產品及服務。雖然受到非典型肺炎的影響，大昌行之銷售額及盈利仍然能夠保持穩定，全賴有靈活變通的貨品配置（例如提供更多及價格不同的主要食品）以及利用多元化的銷售途徑（例如在非典期間，充份發揮專門提供冷凍食品的連鎖式大昌食品市場的優勢去迎合市民在家用膳的趨向，因而達到理想成績）。中國業務方面，全國分銷網絡已覆蓋四十多個主要城市。大昌行計劃加強其現有的採購網絡，繼續擴展產品類別以滿足不同的市場需求。並同時力求由一個中間商的角色轉變為一個全面及綜合性的一條龍連鎖式的供應商，並以中國作為業務發展重心。

慎昌有限公司(www.simshk.com)在香港、澳門及中國大陸為零售及餐飲市場分銷品牌食品、飲料、家居用品及保健產品。在香港的主要品牌有寶礦力、阿華田、萬字醬油、漢斯、百得阿姨、保利牛奶、亨氏和樂家杏仁糖；而在中國則分銷費列羅、馬爹利、金寶湯、美贊臣及阿華田等品牌。慎昌亦致力為其客戶提供倉儲物流服務，客戶包括喜力、吉列、必勝客及安舍等。

Non-Motor Trading

	2003	2002
	5,053	4,993
	76	31

DCH Trading: DCH distributes consumer and commodity food products including provisions, rice and cereal, edible oils, Chinese foodstuffs and meat, cosmetics, building materials, and home electric appliances, etc., and is involved in E&M engineering projects and maintenance services. DCH has an extensive global sourcing network, and through its efficient logistics support and nationwide distribution network, enables it to cater a variety of products to its customers. Despite SARS, DCH was able to sustain its sales and profit through a better mix of products (e.g. basic food necessity with widened product variety and price range) and diversified sales channels (e.g. the self-managed FoodMarts frozen food specialty chain leveraged on people's dine-in tendency during SARS period and attained satisfactory results). In mainland China, the nationwide distribution network covers over 40 major cities. DCH's trading business plan is to enhance its existing sourcing network, continue to extend product variety to suit the needs of different market segments, and to transform itself from the role of middleman to a fully integrated, one-stop supply chain service provider with primary development focus on mainland China.

Sims Trading: Sims Trading (www.simshk.com) specialises in the distribution of branded food, beverage, household and healthcare products in Hong Kong, Macau, and mainland China for the retail and catering markets. The company's brands include Pocari Sweat, Ovaltine, Kikkoman, Hunt, Barilla, Paul's, Heinz and Almond Roca for the Hong Kong Market, and Ferrero, Martell, Campbell's, MeadJohnson and Ovaltine for the mainland China market. Sims is extensively involved in providing third party logistics services to major companies such as Heineken, Gillette, Pizza Hut and Unza Cathay.

物業 Property

類別	Type	Ownership	概約樓面面積 (千平方呎) Approximate GFA (*000 sq. ft.)		
香港物業					
投資物業					
中信大廈	商業	CITIC Tower	Commercial	40%	562
又一城	商業	Festival Walk	Commercial	50%	1,200
大昌行商業中心	商業	DCH Commercial Centre	Commercial	100%	389
偉倫中心	工業	Wylar Centre	Industrial	100%	393
百匯中心	工業	Broadway Centre	Industrial	100%	342
裕林工業中心	工業	Yee Lim Industrial Centre	Industrial	100%	320
其他	各類	Others	Various	100%	549
發展項目					
愉景灣	住宅區	Discovery Bay	Residential township	50%	3,000
其他	住宅	Others	Residential	100%	1,100
上海物業					
投資物業					
中信泰富廣場	商業	CITIC Square	Commercial	80%	1,137
華山公寓	住宅	Royal Pavilion	Residential	100%	374
發展項目					
老西門新苑	住宅	New Westgate Garden	Residential	100%	3,000
浦東機場鎮	物流配套發展	Near Pudong Airport	Logistic Development	100%	4,740

(地塊面積 site area)

以港幣百萬元計算	in HK\$ million	2003	2002
營業額	Turnover	401	460
溢利貢獻	Contribution	508	894
佔總溢利貢獻比例	Proportion of total contribution	19%	19%
淨資產	Net assets	18,986	18,708
資本開支	Capital expenditure	104	2,893

中信泰富的主要物業投資分佈在香港及上海，其中包括大型住宅及商用投資物業及發展項目。本公司擁有一支經驗豐富的專業隊伍參與物業項目發展，由物色投資機會到建築工程管理以至建成後的物業管理的每個環節。

CITIC Pacific's major property investments are located in Hong Kong and Shanghai. They consist of large-scale residential and commercial investment properties and development projects. The Company's experienced property team is actively involved in every aspect of a project, from identifying investment opportunities and managing the construction of the property to managing the completed development.

在香港，中信泰富擁有約四百一十萬平方呎樓面面積的土地儲備可供未來物業發展，其中約三百萬平方呎位於愉景灣。

中信泰富擁有愉景灣項目50%之權益。此項目是中信泰富聯同香港興業國際集團有限公司合作發展的一個大型住宅項目。自一九七三年項目開始至今，愉景灣已由一休閒渡假點發展成為一個完善、自給自足、華洋集處的住宅社區。其規劃建基於發展成一無私家車的綠色社區，並配套教育及各式設施，以滿足愉景灣居民的需要。愉景灣位於大嶼山的東北海岸，擁有偌大的空間，康樂及消閒設施包括私人沙灘、中央公園、觀景漫步區、哥爾夫球場及游艇會。

位於愉景灣北部的二白灣發展樓面總面積達二百三十四萬平方呎，其中約九十八萬平方呎已發展成海澄湖畔一期（第十一期）及海澄湖畔二期（第十二期）。樓面面積為三十四萬平方呎之海澄湖畔一期已全部售出。樓面面積為六十四萬平方呎之海澄湖畔二期，截至二零零三年底已售出約52%。第十三期的可建樓面面積達五十三萬平方呎，其上蓋建築工程將於二零零四年第二季展開。

另外，愉景灣內尚有一百六十七萬平方呎的樓面面積可作住宅發展。

中信泰富擁有40%股權的中信大廈，為本公司之總部所在，是香港中區海濱標誌建築之一，提供樓面面積五十六萬二千平方呎的寫字樓、商舖及餐廳，並設有行人天橋連接金鐘地鐵站。中信大廈目前的租用率達94%。由於寫字樓供應過盛，導致二零零三年租金偏軟。

中信泰富擁有50%股權的「又一城」是聯同太古集團合作發展的項目。該項目位於九廣鐵路與九龍塘地鐵站交匯處，樓面面積達一百二十萬平方呎，包括購物商場及寫字樓。又一城於一九九八年建成，現為香港的成功購物商場之一，其空置率極低，並提供穩定的租金收入。

In Hong Kong, CITIC Pacific has a land bank of about 4.1 million sq. ft. gross floor area available for development, of which about 3 million sq. ft. is in Discovery Bay.

Discovery Bay, 50% owned by CITIC Pacific, is a large residential development jointly developed with HKR International Ltd. Since its commencement in 1973, Discovery Bay has grown from a holiday resort to a fully integrated, self-contained suburban multinational residential community of both locals and expatriates. Its planning is based on the concept of a private car free, green town development with a comprehensive range of educational, community and social facilities to serve the Discovery Bay population. Situated on the Northeastern shore of Lantau Island, Discovery Bay is endowed with ample open space, recreational and leisure facilities including a private beach, a central park, scenic promenade, golf courses and a marina.

The current Yi Pak Bay development is located in the northern part of Discovery Bay with a total gross floor area of approximately 2.34 million sq. ft., of which 0.98 million sq. ft. has been developed as Siena One (Phase 11) and Siena Two (Phase 12). Siena One, with a gross floor area of 0.34 million sq. ft., has all been sold. Siena Two, with a gross floor area of 0.64 million sq. ft., was about 52% sold at the end of 2003. The superstructure works for Phase 13, which has a gross floor area of 0.53 million sq. ft., will commence in the second quarter of 2004.

In addition, another 1.67 million sq. ft. gross floor area is available for further residential development at Discovery Bay.

CITIC Tower, 40% owned by CITIC Pacific, is our headquarters and a landmark on the Hong Kong waterfront comprising 562,000 sq. ft. of offices, retail shops and restaurants, and linked to the Admiralty MTR station with a footbridge. The building is currently 94% occupied. Due to over supply of office space, rentals were soft in 2003.

Festival Walk, a 1.2 million sq. ft. of shopping and office complex, is 50% owned by CITIC Pacific. Jointly developed with Swire Group, it is located at the interchange of the Kowloon Canton Railway and Mass Transit Railway in Kowloon Tong. Completed in 1998, Festival Walk is one of the most successful shopping centres in Hong Kong where vacancies are rare and rentals are firm.

在上海，中信泰富積極購入土地。老西門新苑住宅項目的第一期工程進展良好，並擬於二零零四年下半年開始預售。該項目位於黃浦區，毗鄰西藏南路及建國東路，徒步可達日後將落成的上海地鐵八號線復興路車站。此項目包括多座住宅大樓、多層商場、商舖及停車場，建成後可提供約三百萬平方呎的樓面面積。

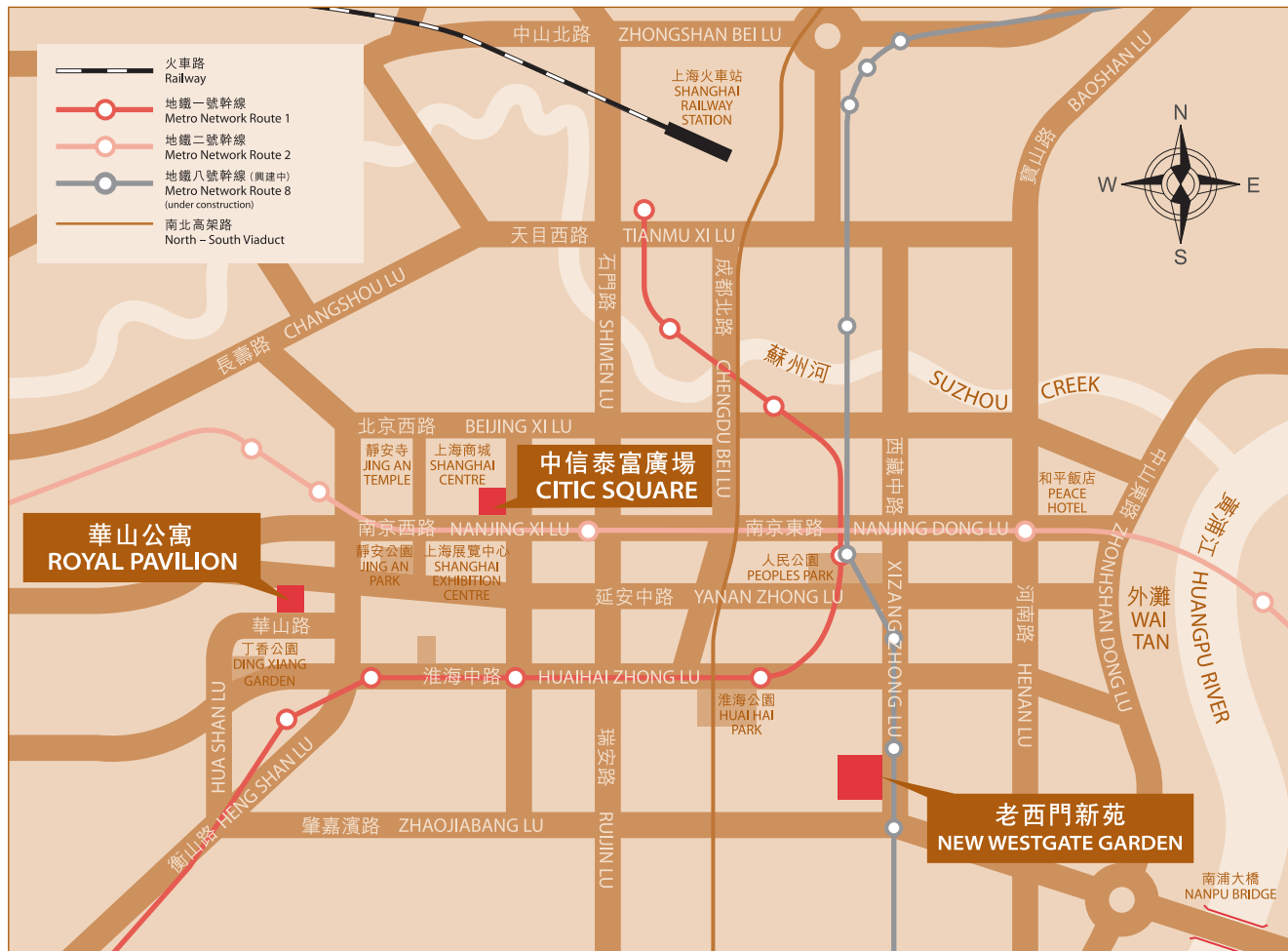
中信泰富擁有80%股權的中信泰富廣場，乃位於上海南京西路的甲級寫字樓，目前租用率達99%，租金持續造好。中信泰富全資擁有的華山公寓，乃一位於靜安區的高級服務式住宅，租用率達87%，租金收入穩定。

此外，中信泰富於上海浦東機場鎮亦擁有一約四百七十四萬平方呎之地塊作為將來物流配套發展用途。

In Shanghai, CITIC Pacific has been active in acquiring land. Phase I of New Westgate Garden residential project is progressing well and pre-sale is scheduled for the second half of 2004. This development, located in Huangpu District, is adjacent to Xizang Nanlu and Jianguo Donglu, within walking distance from a future subway station of the new Metro Line 8. New Westgate Garden will comprise residential towers, a multi-storey commercial complex with retail shops and a basement carpark, with a gross floor area of approximately 3 million sq. ft.

CITIC Square, 80% owned by CITIC Pacific, is a Grade A office tower in Nanjing Xi Lu, Shanghai. Its rental continues to do well with occupancy of 99%. Royal Pavilion, 100% owned by CITIC Pacific, is a luxury service apartment, with occupancy of 87%, and its rental income is stable.

CITIC Pacific also owns a site of about 4.74 million sq. ft. near Shanghai Pudong Airport for accommodating future logistic development.



工業製造

Industrial Manufacturing

以港幣百萬元計算	in HK\$ million	2003	2002
營業額	Turnover	4,842	3,581
溢利貢獻	Contribution	178	126
佔總溢利貢獻比例	Proportion of total contribution	7%	3%
淨資產	Net assets	1,494	1,212
資本開支	Capital expenditure	545	280

於二零零四年一月，中信泰富簽定協議通過收購合資夥伴24%之權益，將在江陰特鋼的權益增加。交易完成後，中信泰富於江陰特鋼的權益將增至79%。江陰特鋼引用高質量的生產線來生產軸承鋼、齒輪鋼等特殊鋼。二零零三年產量較零二年增長11%至一百七十萬噸，其中約9%出口到南韓及東南亞國家。

於二零零四年二月，中信泰富簽定了一份收購位於湖北省黃石市大冶特鋼95%權益之協定。大冶特鋼的主要產品為軸承鋼、齒輪鋼及鋼管。其二零零三年鋼產量為一百三十萬噸。此收購將使中信泰富成為中國特鋼生產領域佔領先地位。

無錫華達電機為國內及歐洲市場生產低噪音、低振動及高扭力的電機。二零零三年總產量為二百一十萬千瓦，同二零零二年相比增長38%。

In January 2004, CITIC Pacific entered into agreements to increase its shareholding in Jiangyin Special Steel by purchasing an additional 24% from its joint venture partner. Subject to completion, CITIC Pacific's shareholding in Jiangyin Special Steel will be increased to 79%. Jiangyin Special Steel produces high-grade steel used in bearings and gears using high quality production lines. In 2003, total production was 1.7 million tonnes, an 11% increase from 2002. Approximately 9% of the output was exported to South Korea and Southeast Asian countries.

In February 2004, CITIC Pacific entered into an agreement to purchase a 95% interest in Daye Steel, which is located in Huangshi, Hubei Province, which in 2003 produced 1.3 million tonnes of specialty steel for uses such as bearings, gears and steel pipes. The acquisition will make CITIC Pacific one of the market leaders in specialty steel production in mainland China.

Wuxi Huada Motors Company produces low noise, low vibration and high torque electrical motors for the domestic and European markets. In 2003, production was 2.1 million KW, an increase of 38% from 2002.

其他業務

Other Businesses

以港幣百萬元計算	in HK\$ million	2003	2002
營業額	Turnover	227	2,439
溢利貢獻	Contribution	208	236
佔總溢利貢獻比例	Proportion of total contribution	6%	5%
淨資產	Net assets	1,161	951
資本開支	Capital expenditure	187	704

其他業務續

Other Businesses *continued*

中信資本市場

中信泰富為中信資本市場控股有限公司 (www.citiccapital.com) 之主要大股東，擁有其50%的股權。中信資本乃一所專注於與中國相關聯的跨境投資銀行服務公司，主要業務包括企業融資及顧問、債務融資、資產管理及證券買賣服務等。在二零零三年度，公司無論在表現或盈利方面都獲得卓越的成績。

於二零零三年，中信資本在企業融資業務上成功完成多個項目，其成就亦同時獲得市場的一致認同。其中尤以中信國際金融控股有限公司一億八千萬美元可換股債券項目及太平協和集團有限公司九億八百萬港元私有化交易項目最為矚目。在資產管理業務上，公司於二零零三年推出了四隻基金，並提供授權式帳戶服務，亦取得驕人的成績；當中兩隻旗艦基金（全球宏觀基金及中國增值基金）的表現更錄得可觀的利潤回報。此外，公司的證券業務亦隨著香港下半年度較好的投資環境，持續擴展企業及零售客戶的覆蓋面。在年間，盈利增長良好，而市場佔有率及排名亦顯著提升。

發展中的業務

中信泰富於二零零三年一月與加拿大的亞特斯公司組成50/50合資公司共同研究和生產多種例如測試非典型肺炎、愛滋病及肝炎等體外試劑。公司正在上海建造一生產廠，預計二零零四年底完工。

合資公司上海中信國健藥業繼續進行多種藥物的研究，包括目前已進入臨床實驗的新藥。一製藥廠正在興建，預計於二零零四年三季度完工。

中信泰富與復旦大學之合資公司繼續在中國大陸開發遠程教育課程。到二零零三年底為止，約有5,800名學生註冊於21個課程。另外，該合資公司亦為各大公司提供培訓。

CITIC Capital Markets

50% owned by CITIC Pacific, CITIC Capital Markets Holdings (www.citiccapital.com) focuses on cross-border China-related investment banking services, including corporate finance and advisory, debt capital markets, asset management and brokerage. In 2003, the first full year of its official operation, CCMH achieved excellent results in terms of both performance and profitability.

CCMH's investment banking business gained market recognition through some well structured and executed deals in 2003 such as the US\$180 million convertible bond offering for CITIC International Financial Holdings and the HK\$908 million privatisation of Pacific Concord Holdings. The asset management business launched four new funds in the past year and also provided discretionary investment services, all of which achieved satisfactory performance. In particular the two flagship funds (Global Macro Fund and China Plus Fund) have recorded excellent investment returns. On the brokerage front, significant inroads have been made during the year in expanding coverage both for institutional and retail clients, capitalising upon the investment sentiment especially in the second half. Additional market share, enhanced industry ranking and improved profitability have been achieved as a result.

Developing Businesses

In January 2003, CITIC Pacific formed a 50/50 joint venture with Adaltis-Picchio of Canada to engage in research and manufacture of various diagnostic test kits such as those for SARS, Aids and Hepatitis among others. A manufacturing plant is being built in Shanghai and completion is expected in late 2004.

The joint venture Shanghai CP Guojian Pharmaceutical continues its research into various medicines including the current clinical trial of new drugs. A manufacturing plant is being constructed with completion in the third quarter of 2004.

CITIC Pacific's joint venture with Fudan University continues to develop distance learning in mainland China. At the end of 2003, approximately 5,800 students were enrolled studying about 21 courses. In addition, training programs to corporations are also offered.