



進取 Progressiveness

我們積極進取，放眼未來。即使在極富挑戰性的市場環境下，仍然以開放的態度竭力抓緊每一個商機。

We are progressive, forward-thinking and enterprising. We take an open-minded approach and spare no effort to maximise opportunities in even the most challenging markets.

行政總裁報告

Report of the Chief Executive Officer

管理層討論及分析

Management Discussion and Analysis

1.0 經營情況

二零零四年香港經濟出現改善，在樓市上升、內部消費增長及來港旅客的刺激下，困擾香港多時的通縮壓力得以緩解，失業及破產情況有好轉，加上外貿持續強勁增長及企業對前景信心有所提升，為整體金融業提供了較佳的經營環境，但貸款需求仍然疲弱，淨息差亦因同業

1.0 Review of Operations

The Hong Kong economy saw improvement in 2004. Boosted by a rebounding property market, growth in domestic consumption and an influx of tourists, longstanding deflationary pressures finally eased. Meanwhile, improvements in unemployment and bankruptcies, coupled with sustained robust growth in external trade and strengthening corporate confidence in business outlook, all contributed towards the



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Mr. Dou Jianzhong

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之間的激烈競爭而繼續受壓，經營成本承受上調壓力。

本集團針對不斷變化的經濟形勢，積極準備認真佈署，較好地把握二零零四年經濟復甦和CEPA帶來的機遇，各子公司成功取得較理想的業績增長，令集團盈利開創歷史紀錄。

2.0 業績表現

2.1 盈利

本集團截至二零零四年十二月底止全年，未計準備前經營溢利為十億三千九百萬港元，較二零零三年上升3.3%。盈利增長主要來自非利息收入，較二零零三年大幅上升48.7%至六億八千三百萬港元。由於資產素質改善及準備撥回，呆壞賬準備大幅下降84.8%，帶動準備後經營溢利上升95.5%至九億六千一百萬港元。二零零三年本集團因出售持有至到期證券錄得一億二千五百萬港元溢利，

improvement in the operating environment for the financial industry. However, this was offset by lingering sluggish credit demand and narrowing net interest margins caused by intense competition among banks. This in turn led to upward pressures on operating costs.

Faced with the vagaries in the economic environment, the Group was rigorous in its determination to identify and capture opportunities brought about by both the economic recovery in 2004 and CEPA. As a result, the Group is pleased to report record profits on the back of favourable performance by all of its subsidiaries.

2.0 Business Performance

2.1 Profit

The Group's operating profit before provisions for the year ended 31 December 2004 was HK\$1,039 million, representing a rise of 3.3% over 2003. The growth in profit was attributed mainly to the substantial growth in non-interest income to HK\$683 million, or an increase of 48.7% over 2003. An improvement in asset quality and write-backs of provisions led to a sharp fall in charges for bad and doubtful debts by 84.8%, which resulted in a 95.5% increase in operating profit after provision to HK\$961 million. Unlike 2003 when the disposal of held-to-maturity securities realised a profit of HK\$125 million, no similar activity took place during 2004.

而二零零四年未有任何有關行動。此外，本集團在中信資本控股的權益由25%增至50%，令所佔聯營公司淨溢利的比例有所提升，但由於中信資本伙伴投資基金有限公司受國企及紅籌股份表現未如理想所影響，抵銷部份中信資本控股的貢獻，令所佔聯營公司淨溢利下跌56.5%至七千六百萬港元。計及出售有形固定資產淨溢利、重估投資物業淨盈餘、持有至到期證券撥回、稅項及少數股東權益後，股東應佔溢利較二零零三年仍錄得37.3%的可觀升幅，達至九億零一百萬港元，創下歷史性的最高水平。

2.2 淨利息收入

同業競爭激烈導致貸款息率受壓，本集團二零零四年利息收入亦受到影響而下降11.2%，但由於香港銀行同業拆息處於非常低的水平，令本集團利息支出大幅下降20.1%，因此淨利息收入較二零零三年只輕微下跌5.6%，錄得十四億七千三百萬港元。同時，由於本集團提升資產負債管理，加上資金組合有所改善，淨息差微跌三點子至2.1%。

2.3 非利息收入

二零零四年非利息收入表現卓越，較二零零三年上升48.7%至六億八千三百萬港元，主要收入來源為零售銀行（包括

Share of profits and losses of associates was amplified this year with the Group's increased stake in CCMH from 25% to 50%; however, CCMH's core contribution was offset by the underperformance of the H-share and red chip portfolio of CITIC Capital Active Partner Fund Limited, resulting in a fall in net profit arising from associates by 56.5% to HK\$76 million in 2004. However, after taking into account net profits arising from the disposal of tangible fixed assets, revaluation surplus on investment properties, provision written back on held-to-maturity securities, taxation and minority interests, the Group reported a record strong performance, with net profit attributable to shareholders rising a significant 37.3% to HK\$901 million for the year.

2.2 Net interest income

As a result of pressures on loan yields arising from intense industry competition, the Group's interest income for 2004 suffered and dropped by 11.2%. Nevertheless, helped by the persistent low level of the Hong Kong Interbank Offered Rate ("HIBOR"), the Group was able to enjoy a substantial reduction in interest expenses of 20.1%. As a result, net interest income registered only a slight decrease, down by 5.6% over 2003 to HK\$1,473 million. Add to that the enhancement in the Group's asset and liability management as well as improvements in funding mix, net interest margin contracted slightly by 3 basis points to 2.1%.

2.3 Non-interest income

The Group's non-interest income grew substantially by 48.7% over 2003 to HK\$683 million. This was derived mainly from retail banking fees and commissions (including wealth

投資理財服務)費用及佣金收入、企業貸款費用收入、投資收入、外匯買賣淨溢利及貿易票據佣金。非利息收入佔經營收入的比例，已由二零零三年的22.7%大幅提升至31.7%。

2.4 經營支出

二零零四年經營支出較二零零三年增加10.0%至十一億一千七百萬港元，主要是因為僱員成本增加19.4%，及會計上對電腦軟件及設備的估計有所改變，加速折舊而錄得四千七百萬港元的一次過支出。僱員成本的上升來自新增子公司、改變員工職位組合及推行銷售和表現獎勵計劃。但本集團致力控制成本，多個項目支出均告下跌，尤其是樓宇及設備支出，未計折舊前較二零零三年節省22.0%。減商譽後成本對收入比率為51.8%。

2.5 呆壞賬準備

本集團一向審慎借貸，致力維持資產素質。隨著經濟好轉及地產市道顯著回升，零售貸款及企業貸款的淨特殊準備分別較二零零三年大幅下降84.6%及67.5%，特殊準備總額減少三億六千三百萬港元，加上一般準備淨撥回二千五百萬港元，二零零四年的呆壞賬準備大幅下降84.8%至七千八百萬港元。一般準備覆蓋率則為1.22%。

management services), fee income from corporate loans, income from investments, profits from foreign currency dealings, and commissions from trade bills. The proportion of non-interest income to operating income rose to 31.7%, up from 22.7% in 2003.

2.4 Operating expenses

Operating expenses in 2004 reached HK\$1,117 million, a 10.0% increase over 2003, due mainly to a 19.4% increase in staff costs and a one-time HK\$47 million accelerated depreciation charge due to a change in accounting estimates on computer software and equipment. The sharp rise in staff costs was due to newly acquired subsidiary, changes in staff mix and sales and performance incentive plans. It should be noted, however, that with rigorous cost control measures by the Group, savings were achieved in numerous expense items; premises and equipment expenses before depreciation, in particular, fell 22.0% compared to 2003. Overall, the cost to income ratio (after goodwill) stood at 51.8%.

2.5 Charge for bad and doubtful debts

The Group lent conservatively and strived to maintain its asset quality. With the rebound in both the Hong Kong economy and property market, net specific provisions for retail and corporate loans registered a sharp decline of 84.6% and 67.5%, respectively, over 2003. Total specific provisions were reduced by over HK\$363 million in 2004. Coupled with a HK\$25 million net release in general provisions, the charge for bad and doubtful debts saw a sharp decline of 84.8% to HK\$78 million in 2004. The year's general provision coverage was 1.22%.

2.6 末期股息

董事會建議派發末期股息每股七點五港仙，連同已派發每股六點六港仙的中期股息，二零零四年度每股將合共派發股息十四點一港仙，全年派息比率為50.0%。

3.0 資產素質

3.1 資產、貸款及存款規模

於二零零四年十二月底，總資產較二零零三年底上升4.6%至八百三十六億港元；總貸款較二零零三年底增加5.6%至四百二十九億港元，貸款金額的增長主要來自用於香港以外貸款、運輸及運輸設備貸款及貿易融資；總存款則為六百二十四億港元，較二零零三年底上升1.4%，其中客戶存款下跌2.5%至五百五十五億港元。

3.2 資產素質指標

年內，本集團的資產素質指標大幅改善。本集團於二零零四年解決問題貸款十億七千八百萬港元。於二零零四年十二月底，不良貸款較二零零三年底減少七億三千二百萬港元；不良貸款比率自二零零三年底的6.5%下降至4.4%；貸款虧損覆蓋率則由47.1%提升至56.1%；覆蓋率為91.6%。

2.6 Final dividend

The Board of Directors proposed a final dividend of HK\$0.075 per share. Together with an interim dividend of HK\$0.066 per share, the total dividend for 2004 reached HK\$0.141 per share. The year's total dividend pay-out ratio was 50.0%.

3.0 Asset Quality

3.1 Asset, loan, and deposit sizes

At the end of December 2004, the Group's total assets reached HK\$83.6 billion, representing an increase of 4.6% from 2003 year-end. Total loans rose 5.6% from the end of 2003 to HK\$42.9 billion, due mainly to a rise in loans for use outside Hong Kong, transport and transport equipment, and trade finance. Total deposits grew by 1.4% from 2003 year-end to HK\$62.4 billion, of which HK\$55.5 billion were customer deposits, representing a 2.5% decline from the end of 2003.

3.2 Asset quality indicators

During the year, the Group has substantially improved its asset quality indicators, resolving HK\$1,078 million in problem loans. As at the end of 2004, non-performing loans dropped by HK\$732 million compared to the corresponding period last year. The non-performing loan ("NPL") ratio fell to 4.4% from 6.5% at the end of 2003. The loan loss coverage ratio improved from 47.1% at 2003 year-end to 56.1%, while the coverage ratio was 91.6%.

3.3 財務狀況

於二零零四年底，本集團的未經調整資本充足比率為15.2%，貸存比率為68.8%，貸款對資產總值比率為51.4%。

3.3 Financial position

At the end of December 2004, the Group's unadjusted capital adequacy ratio was 15.2%. The loans to deposits ratio was 68.8%, and the loans to total assets ratio was 51.4%.

中信國際金融資產素質指標

CITIC International Financial Holdings' Asset Quality Indicators

		二零零四年十二月三十一日 31 December 2004	二零零三年十二月三十一日 31 December 2003
未經調整資本充足比率	Unadjusted capital adequacy	15.2%	18.4%
貸存比率	Loans to deposits	68.8%	66.0%
貸款對資產總值比率	Loans to total assets	51.4%	50.9%
覆蓋率	Coverage	91.6%	94.1%
貸款虧損覆蓋率	Loan loss coverage	56.1%	47.1%
一般準備覆蓋率	General provision coverage	1.22%	1.34%
不良貸款比率	NPL	4.4%	6.5%

4.0 主要業務發展

4.1 商業銀行業務－中信嘉華銀行有限公司

4.11 經營環境

香港經濟在自由行及CEPA的帶動下持續好轉，鑑於失業及破產問題隨著經濟復甦而改善，物業市場亦顯著回升，中信嘉華在第二季起重投零售貸款市場，推出一系列按揭、個人及中小企貸款產品，再度積極發展零售貸款業務，開拓收入來源。同時，為掌握內地市場日漸開放帶來的龐大商機，中信嘉華繼二零零三年透過收購中國國際財務進入珠三

4.0 Core Business Development

4.1 Commercial banking business - CITIC Ka Wah Bank Limited

4.11 Operating environment

Boosted by the individual travel scheme and CEPA, the Hong Kong economy continued to improve. To take advantage of the improving trends in unemployment and bankruptcies, and the rebound in the property market, CKWB embarked on an aggressive growth strategy to expand its retail banking revenue streams, and re-entered the retail lending market in the second quarter of 2004 by launching a comprehensive range of mortgage plans, personal loans and loan products for small- and medium-sized enterprises ("SMEs"). At the same time, CKWB continued to pursue its strategy to capture

角後，二零零四年十二月更進一步於上海成立內地首間分行，作為發展長三角業務的平台，為中信嘉華發展大中華區業務揭開新的一頁。

4.12 業績

4.121 盈利

截至二零零四年十二月三十一日止全年，中信嘉華未計準備前經營溢利為十億四千五百萬港元，較二零零三年上升1.6%，年內非利息收入顯著增加50.4%至六億零一百萬港元。由於資產素質改善及準備撥回，呆壞賬準備大幅下降78.8%，帶動準備後經營溢利上升70.1%至九億四千五百萬港元。雖然中信嘉華於二零零三年出售持有至到期證券錄得一億二千四百萬港元溢利，但二零零四年未有任何有關行動，加上持有的中信資本伙伴投資基金有限公司受國企及紅籌股份表現未如理想所影響，所佔聯營公司錄得淨虧損六百多萬港元，但計及出售有形固定資產淨溢利、重估投資物業淨盈餘、持有至到期證券撥回及稅項後，股東應佔溢利仍大幅上升24.9%至八億一千六百萬港元。

the tremendous business opportunities afforded by the gradual opening of the Mainland market. Following its entry into the market in the Pearl River Delta region through the acquisition of CIFIC in 2003, CKWB began another chapter in its Greater China business development plan with the opening of its first Mainland branch in Shanghai in December 2004, which will serve as its platform for developing business in the Yangtze River Delta.

4.12 Business performance

4.121 Earnings

For the year ended 31 December 2004, CKWB's operating profit before provisions was HK\$1,045 million, representing a 1.6% increase over 2003. During the year, non-interest income recorded a substantial rise of 50.4% to HK\$601 million. Due to improvement in asset quality and write-backs in provisions, charges for bad and doubtful debts dropped substantially by 78.8%, leading to a 70.1% surge in operating profit after provision to HK\$945 million. Unlike 2003, when the disposal of held-to-maturity securities realised a profit of HK\$124 million, no similar activity took place during 2004; coupled with the fact that the performance of CITIC Capital Active Partner Fund Limited was affected by the less than satisfactory performance of H-shares and red chip stocks, net loss arising from associates exceeded HK\$6 million. However, after taking into account net profits arising from the disposal of tangible fixed assets, revaluation surplus on its investment properties, provision written back on held-to-maturity securities and taxation, CKWB reported a strong growth in net profit attributable to shareholders of 24.9% over 2003 to HK\$816 million for the year.

4.122 淨利息收入

同業競爭激烈導致貸款息率受壓，二零零四年利息收入因而下跌11.2%，但由於中信嘉華提升資產負債管理，並推出革新的「劃時理財戶口」，有效地降低資金成本，令利息支出較二零零三年大幅減少19.7%，故全年淨利息收入只微降5.9%至十四億五千六百萬港元。淨息差則較二零零三年收窄四點子至2.09%。

4.123 非利息收入

年內非利息收入錄得理想表現，較二零零三年上升50.4%至六億零一百萬港元，佔經營收入比例由二零零三年的20.5%大幅提升至接近三成水平。零售銀行在二零零四年的費用及佣金收入強勁增長34.3%，連同投資理財業務為零售銀行合共帶來二億三千二百萬港元費用及佣金收入，佔整體非利息收入總額38.5%；企業銀行在二零零四年參與了二十一宗銀團貸款，並在其中八宗擔任獨家安排行，令企業貸款的費用收入較二零零三年增加5.6%至一億三千八百萬港元，連同貿易票據共帶來一億八千萬港元的費用收入，佔非利息收入總額30.0%。

4.122 Net interest income

As a result of pressures on loan yields arising from intense industry competition, CKWB's interest income for 2004 suffered and dropped by 11.2%. Nevertheless, given the enhancement in its asset and liability management, and the relaunch of the "NOW Account", which effectively lowered its funding costs, CKWB was able to achieve a reduction in interest expenses of 19.7% compared to 2003. The year's net interest income registered a small decrease of 5.9% to HK\$1,456 million. Net interest margin narrowed 4 basis points to 2.09% from 2003.

4.123 Non-interest income

During the year, CKWB recorded a strong performance in its non-interest income which rose 50.4% over 2003 to HK\$601 million. The proportion of non-interest income in operating profit rose substantially to nearly 30% in 2004, compared to 20.5% in 2003. Its Retail Banking Group registered a sharp rise of 34.3% in fees and commission income in 2004. Add to that the contribution from wealth management services, retail banking fees and commission income amounted to HK\$232 million, accounting for 38.5% of total non-interest income. Its Wholesale Banking Group successfully completed 21 syndicated loan facilities in 2004, for eight of which it acted as sole arranger. As a result, fee income from corporate loans rose 5.6% over 2003 to HK\$138 million. Add to that the contribution from trade bills, wholesale banking fee income amounted to HK\$180 million, representing 30.0% of total non-interest income.

4.124 經營支出

二零零四年經營支出較二零零三年上升10.3%至十億一千二百萬港元，主要是因為僱員成本增加17.6%，及會計上對電腦軟件及設備的估計有所改變，加速折舊而錄得四千七百萬港元的一次過支出。僱員成本的上升則來自新增一間子公司、改變員工職位組合及推行銷售和表現獎勵計劃。但中信嘉華嚴格控制成本，令二零零四年多個項目的支出下降，尤其是樓宇及設備支出，未計折舊前較二零零三年下降了22.3%。減商譽後成本對收入比率為49.2%。

4.125 呆壞賬準備

受惠於香港經濟復甦，零售貸款及企業貸款的淨特殊準備分別較二零零三年大幅下降84.6%及57.2%，特殊準備總額減少三億港元，加上一般準備淨撥回二千五百萬港元，中信嘉華二零零四年的呆壞賬準備大幅下跌78.8%至一億零一百萬港元。一般準備覆蓋率則為1.23%。

4.13 資產素質

4.131 資產、貸款及存款規模

於二零零四年十二月底，中信嘉華總資產約為八百零三億港元，較二零零三年底增加3.7%；總貸款增加5.6%至四百二十三億港元，貸款金額的增長主要來自用於香港以外貸款、運輸及運輸設備貸款及貿易融資；總存款則較二零零三年

4.124 Operating expenses

Operating expenses rose 10.3% during the period to HK\$1,012 million, due mainly to a 17.6% increase in staff costs and a one-time HK\$47 million write-off in accelerated depreciation charge due to a change in accounting estimates on computer software and equipment. The sharp rise in staff costs was due to a newly acquired subsidiary, and a change in staff mix and sales and performance incentive plans. However, the rigorous efforts to control costs helped to achieve savings in numerous expense items; premises and equipment expenses before depreciation, in particular, fell 22.3% compared to 2003. The year's cost to income ratio (after goodwill) stood at 49.2%.

4.125 Charge for bad and doubtful debts

Benefiting from Hong Kong's economic recovery, net specific provisions for retail and corporate loans fell sharply by 84.6% and 57.2%, respectively. Total specific provisions were reduced by HK\$300 million in 2004. Coupled with a HK\$25 million net release in general provisions, CKWB's charge for bad and doubtful debts declined sharply by 78.8% to HK\$101 million in 2004. The general provision coverage was 1.23%.

4.13 Asset quality

4.131 Asset, loan, and deposit sizes

At the end of December 2004, total assets of CKWB reached HK\$80.3 billion, an increase of 3.7% over 2003 year-end figures. Total loans rose 5.6% to HK\$42.3 billion, due mainly to a rise in loans for use outside Hong Kong, transport and transport equipment, and trade finance. Total deposits dropped slightly by 0.8% from 2003 year-end to

底微跌0.8%至六百二十六億港元，其中客戶存款下跌4.7%至五百五十六億港元。

中信嘉華在二零零四年發行存款證的總額達三十九億五千二百萬港元，年內已到期的存款證總額共十七億一千三百萬港元，於二零零四年十二月底的存款證總額為六十九億六千萬港元。

二零零四年十一月，中信嘉華成功發行三億美元五年期高級定息債券，定價相等於同年期美國國庫券息率加八十二點子，鎖定了相對便宜的長期資金。有關款項將作為一般企業用途。中信嘉華其後更將該債券的票面息率掉期為浮息，以配合本身資產的利率年期分佈情況，令信貸息差達至倫敦銀行同業拆息加三十八點子。

4.132 資產素質指標

中信嘉華在二零零四年再聘請三位專責信貸及市場風險管理的高層人員，令資產素質進一步提升。於二零零四年底，中信嘉華信用咭撇賬率為3.1%，按揭拖欠比率則為0.35%。二零零四年解決了問題貸款十億五千五百萬港元。不良貸款較二零零三年底減少了七億零九百萬港元；不良貸款比率從二零零三年底的5.3%大幅下降至3.3%；貸款虧損覆蓋率則從50.5%提升至65.2%；覆蓋率為88.9%。

HK\$62.6 billion, of which customer deposits fell 4.7% to HK\$55.6 billion.

In 2004, CKWB issued HK\$3,952 million worth of certificates of deposit ("CDs"). During the year, matured CDs totalled HK\$1,713 million. At the end of December 2004, issued CDs totalled HK\$6,960 million.

In November 2004, CKWB successfully issued a US\$300 million five-year senior fixed-rate Eurobond. The offering was priced at a spread of 82 basis points over US Treasuries of a similar maturity. Through the offering, CKWB secured relatively inexpensive long-term funding for general corporate uses. In order to match the interest rate tenor of CKWB's asset, the fixed rate coupon was swapped to floating rate through an interest rate swap and achieved a credit spread of 38 basis points over London Interbank Offered Rate ("LIBOR").

4.132 Asset quality indicators

During the year, CKWB employed three additional senior executives on its credit and risk management team, which helped to enhance its efforts to improve asset quality. As at the end of 2004, CKWB's credit card charge-off ratio was 3.1%, while its mortgage delinquency ratio was 0.35%. During the year, CKWB resolved HK\$1,055 million in problem loans. NPLs dropped by HK\$709 million compared to 2003 year-end. The NPL ratio fell significantly to 3.3% from 5.3% at 2003 year-end. The loan loss coverage ratio improved from 50.5% to 65.2%, while the coverage ratio was 88.9%.

4.133 財務狀況

於二零零四年十二月底，中信嘉華的未經調整資本充足比率為16.5%，貸存比率為67.6%，貸款對資產總值比率為52.7%，平均流動資金比率為47.9%。

4.133 Financial position

At the end of December 2004, CKWB's unadjusted capital adequacy ratio was 16.5%. The loans to deposits ratio was 67.6%. The loans to total assets ratio was 52.7%. The average liquidity ratio was 47.9%.

中信嘉華銀行資產素質指標

CITIC Ka Wah Bank's Asset Quality Indicators

		二零零四年十二月三十一日 31 December 2004	二零零三年十二月三十一日 31 December 2003
未經調整資本充足比率	Unadjusted capital adequacy	16.5%	16.3%
貸存比率	Loans to deposits	67.6%	63.5%
貸款對資產總值比率	Loans to total assets	52.7%	51.8%
平均流動資金比率	Average liquidity	47.9%	49.2%
覆蓋率	Coverage	88.9%	92.9%
貸款虧損覆蓋率	Loan loss coverage	65.2%	50.5%
一般準備覆蓋率	General provision coverage	1.23%	1.36%
不良貸款比率	NPL	3.3%	5.3%
內地放款佔總客戶貸款比例	Mainland loans to total customer advances	13.6%	11.8%

4.14 業務擴展

為幫助客戶抓緊CEPA商機，中信嘉華在二零零四年首季推出「RMB+ 中港一線通服務」。另外，鑑於失業及破產情況隨著經濟好轉而改善，中信嘉華在第二季起重投零售貸款市場，推出嶄新Dollar\$mart系列私人貸款及循環貸款、全面按揭貸款計劃及商業樓宇按揭等。同時並因應客戶需求的轉變，革新「劃時理財戶口」及推出多項高息存款產品。

4.14 Business development

To assist customers in capturing the tremendous business opportunities arising from CEPA, CKWB launched China-related services, "RMB+ China Linked Services", in the first quarter of 2004. Additionally, in light of improving trends in unemployment and bankruptcies as a result of Hong Kong's economic recovery, CKWB re-entered the retail lending market in the second quarter of 2004. CKWB launched a brand new Dollar\$mart personal instalment loan and cash card revolving loan, a comprehensive range of mortgage plans, and commercial property mortgage plans. The enhanced "NOW Account" and several high-yield deposit products were also launched in order to meet the changing needs of its customers.

二零零四年推出的新產品及服務

New Products and Services Launched in 2004

	新產品及服務	New Products and Services
一月 January	<ul style="list-style-type: none"> • 「展望成才」壽險計劃 • 信用咭迎新推廣優惠 	<ul style="list-style-type: none"> • "HOPE Educator" life insurance plan • Credit Card acquisition campaign
二月 February	<ul style="list-style-type: none"> • 「RMB+ 中港一線通服務」 • 「CEPA 諮詢專櫃」 • 提升高息貨幣聯繫存款計劃 • 信用咭高達五倍「樣樣都後數」積分獎賞計劃 	<ul style="list-style-type: none"> • "RMB+ China Linked Services" • "CEPA Desk" • Enhanced currency-linked deposit • Credit Card - up to five times "Gen-X" bonus points programme
三月 March	<ul style="list-style-type: none"> • 保本貨幣聯繫存款 • 信用咭迎新推廣優惠 • 信用咭分期換購禮品優惠 	<ul style="list-style-type: none"> • Principal-protected currency-linked deposit • Credit Card acquisition campaign • Credit Card spending promotion to redeem fabulous gifts at discounted instalment price
四月 April	<ul style="list-style-type: none"> • 配售香港五隧一橋有限公司零售債券 • 附加年金選項之「暖意」退休計劃 • 信用咭「月結單都分期」計劃 	<ul style="list-style-type: none"> • Acted as placing bank for Hong Kong Link 2004 Limited retail bond • "WARMTH" retirement plan with annuity option • Credit Card "Statement Balance IFFI" programme
五月 May	<ul style="list-style-type: none"> • Dollar\$mart 私人貸款 • 定息按揭貸款 • 信用咭「任何賬單都分期」計劃 • 信用咭五月簽賬優惠 • 「親密薦友」按揭推薦計劃 	<ul style="list-style-type: none"> • Dollar\$mart personal instalment loan • Fixed-rate mortgage loan • Credit Card "Non-Conventional IFFI" programme • Credit Card May spending promotion • "Customer Member-Get-Member" mortgage loan referral programme
六月 June	<ul style="list-style-type: none"> • 全面按揭貸款計劃 • 革新「劃時理財戶口」 • 配售香港按揭證券有限公司零售債券 • 中國國際財務推出有出口保險機構承保之出口應收賬貼現 	<ul style="list-style-type: none"> • Comprehensive range of mortgage plans • Relaunch of "NOW Account" • Acted as placing bank for the Hong Kong Mortgage Corporation Limited retail bond • CIFIC launched export account receivable discounting with recourse to export insurance agency
七月 July	<ul style="list-style-type: none"> • 可贖回利率遞增型港元存款證 • 按揭貸款推廣(超級禮品計劃) • 配售香港特區政府零售債券 • 信用咭七月簽賬優惠 	<ul style="list-style-type: none"> • HKD callable step-up CDs • Mortgage loan promotion (super gift plan) • Acted as placing bank for the HKSAR Government retail bond • Credit Card July spending promotion

	新產品及服務	New Products and Services
八月 August	<ul style="list-style-type: none"> • 九成半按揭保險計劃 • 旅遊保險計劃 	<ul style="list-style-type: none"> • 95% Mortgage insurance programme • Travel insurance plan
九月 September	<ul style="list-style-type: none"> • 可贖回利率遞增型美元存款證 • 商業樓宇按揭推廣 • 境內外聯動式貿易結算融資服務 • 「明智萬用」壽險計劃 • 信用咭九月簽賬優惠 	<ul style="list-style-type: none"> • USD callable step-up CDs • Commercial property mortgage promotion • Cross-border interacting trade settlement and financing • “BRIGHT” life insurance plan • Credit Card September spending promotion
十月 October	<ul style="list-style-type: none"> • 遞增型利率定期存款 • 「BUSINESS NOW」商貿理財服務及商務咭 • Dollar\$mart Cash Card循環貸款 • 信用咭澳門旅遊優惠及「八達通」自動增值服務登記獎賞 	<ul style="list-style-type: none"> • Step-up time deposit • “BUSINESS NOW” and Business Credit Card • Dollar\$mart Cash Card revolving loan • Credit Card Macau travel programme and “Octopus” automatic add-value service enrolment reward programme
十一月 November	<ul style="list-style-type: none"> • Dollar\$mart稅務貸款 • 信用咭「幾時都分期」交稅計劃 • 信用咭聖誕及新年簽賬推廣優惠 	<ul style="list-style-type: none"> • Dollar\$mart tax loan • Credit Card tax instalment plan • Credit Card Christmas and New Year offers
十二月 December	<ul style="list-style-type: none"> • 定價股票掛鈎投資 • 「領匯」退票存款／投資優惠 • 「御峰」按揭貸款計劃 • 信用咭「2倍積分」交稅優惠 	<ul style="list-style-type: none"> • Fixed price equity-linked investment offers • The “Link REIT” refund cheque deposit / investment offer • “Grand Pacifica” preferential mortgage plan • Credit Card “Double Bonus Point” tax payment offers

中信嘉華信用咭在過去一年積極推出多項迎新及簽賬推廣優惠，有關業務成績甚為理想。截至二零零四年十二月底信用咭發咭量為十六萬張，達到全年的目標，而應收賬則錄得五億三千八百萬港元，較二零零三年上升26.2%。

During the year, CKWB actively launched several credit card acquisition campaigns and card spending promotions. As a result, the credit card business showed encouraging results. As at the end of 2004, the number of CKWB credit cards in issuance met the annual target of 160,000 cards, and card receivables rose by 26.2% from 2003 to HK\$538 million.

企業貸款方面，企業銀行部在二零零四年成功參與多達二十一宗銀團貸款的籌組，出任獨家安排行的交易達八宗，包括香港中國保險(集團)有限公司十二億港元貸款、路勁基建有限公司一億二千萬美元貸款、廣州市越堡水泥有限公司八億港元貸款、堅柱有限公司五億八千萬港元貸款、江蘇舒康包裝材料有限公司／江蘇恒創包裝材料有限公司三千六百萬美元貸款、聯洲珠寶有限公司一億二千萬港元貸款、上海聯合水泥股份有限公司一億零五百萬港元貸款及至卓國際(控股)有限公司一億港元貸款。在路勁基建的銀團貸款籌組上，中信嘉華首度與中信資本(中信資本控股及其附屬公司)合作，其後並參與由中信資本任安排行的東莞觀瀾湖高爾夫球會有限公司二億四千萬人民幣及四千萬港元銀團貸款。

4.15 中國業務

二零零四年十二月，中信嘉華於上海開設首間內地分行，專注建立長三角的企業及個人客戶層，為中信嘉華開拓內地市場邁出了標誌性的重要一步。經中國銀監會批准，中信嘉華上海分行可以在全國範圍內經營對各類客戶的外幣業務，它將成為中信嘉華推進內地市場業務的主要平台及動力。上海分行於二零零四年已取得盈利，預期最快可在二零零六年申請經營人民幣業務牌照。

With respect to corporate lending, CKWB's Wholesale Banking Group successfully completed 21 syndicated loan facilities in 2004, for eight of which it acted as sole arranger. These included a HK\$1.2 billion loan for China Insurance H.K. (Holdings) Company Limited, a US\$120 million loan for Road King Infrastructure Limited, a HK\$800 million loan for Guangzhou Heidelberg Yuexiu Cement Company Limited, a HK\$580 million loan for Stone Pole Limited, a US\$36 million loan for Jiangxu Shukang Packing Materials / Jiangsu Hengchuang Packing Materials, a HK\$120 million loan for Egana Jewellery & Pearls Limited, a HK\$105 million loan for Shanghai Allied Cement Holdings, and a HK\$100 million loan for Topsearch International Holdings. The loan facility for Road King Infrastructure Limited also marked the first time that CKWB had worked jointly with CITIC Capital (CCMH and its subsidiaries). Subsequently, during the same year, CKWB also participated in a loan facility of RMB240 million and HK\$40 million, arranged by CITIC Capital for Dongguan Mission Hills Golf Club.

4.15 China banking

In December 2004, CKWB opened its first Mainland branch in Shanghai, focusing on establishing a corporate and retail client base in the Yangtze River Delta. The opening of the Shanghai branch marked an important milestone in CKWB's Mainland market development. With the approval from the China Banking Regulatory Commission, the Shanghai branch is permitted to offer foreign currency banking services to various types of customers in Mainland China. Serving as an important platform and engine for CKWB's business expansion in Mainland China, the Shanghai branch had already turned a profit in 2004 and is expected to be able to apply for a Renminbi licence in 2006 at the earliest.

中國國際財務於二零零四年繼續錄得盈利，符合須有兩年盈利的要求，現已申請經營人民幣業務牌照。中信嘉華並已申請在澳門開設分行，目前正待有關當局審批。

此外，中信嘉華亦繼續深化與中信實業銀行的業務合作，二零零四年中信嘉華與中信實業銀行共同參與的銀團貸款及俱樂部貸款共五宗。另外，自二零零零年初起，中信嘉華已開始為企業客戶安排人民幣借貸，主要是透過轉介方式，最終由中信實業銀行提供借貸和產品服務。

4.16 再獲殊榮

中信嘉華獲香港管理專業協會頒贈二零零四年度優質管理優異獎，為該年度唯一獲得優質管理獎的銀行，肯定了中信嘉華在優質企業管理上的卓越成就。公益服務方面，中信嘉華則再度獲香港社會服務聯會頒贈「商界展關懷」標誌，表揚其積極投入關心社群。

CIFC continued to be profitable in 2004. Having fulfilled the requirement for two consecutive years of profitable operation, CIFC has already filed an application for a Renminbi licence. Meanwhile, CKWB has also filed an application to set up a branch in Macau, and is currently waiting for regulatory approval.

Separately, CKWB continued its efforts to deepen collaboration with CIB. In 2004, CKWB and CIB furthered the relationship by participating jointly in a total of five syndicated loans and club deals. Since early 2000, with the help of CIB in providing lending and product services, CKWB has been able to arrange Renminbi loans for its corporate clients, mainly through referrals to CIB.

4.16 Awards

CKWB was awarded a Certificate of Merit in the 2004 HKMA Quality Award organised by The Hong Kong Management Association. CKWB was the only bank that received the Quality Award in 2004, in recognition of its achievement in implementing quality management. In community services, CKWB was again awarded the "Caring Company Logo" by the Hong Kong Council of Social Service for its enduring efforts in caring for the community.

4.2 資產管理業務 — 中信國際資產管理有限公司

4.21 業績

中信國際資產管理自二零零二年底獨立運作，並成功於翌年錄得盈利後，繼續努力挑選及採取靈活適時手法處理有關資產組合，並加強收費業務，令二零零四年年度錄得經營溢利達五千七百多萬港元，較二零零三年增長19.8%。同時，由於是年度整體撥備不增反跌，淨回撥達二千二百多萬港元，以致全年稅前溢利錄得超過七千九百多萬港元，較二零零三年大幅增長705.6%。

4.22 問題貸款／資產

於二零零四年中信國際資產管理成功回收二千二百八十六萬港元之問題貸款，以致賬上不良貸款總額下降至五億零三百多萬港元。另具效益地處置部分置換資產，帶來二千五百多萬港元之盈利。經過兩年來不斷努力，上述不良貸款不僅較二零零二年底下降近24.8%，同時因期間通過靈活創新及時創利，不斷增加壯實不良貸款及資產之撥備，為未來創造了資產創利及開拓新業務的空間，以利用過往經驗及現有條件，進一步發展不良資產及直接投資管理業務。

4.2 Asset management business - CITIC International Assets Management Limited

4.21 Business performance

CIAM began independent operation in late 2002 and was able to deliver a profit the following year. Since then, CIAM has continued its diligence in selecting investments, managing its asset portfolio with flexibility and timeliness, and strengthening its fee income business. In 2004, it recorded an operating profit of over HK\$57 million, a 19.8% increase over 2003. Together with a decline in overall provisions for the year, which led to a net write-back of over HK\$22 million, CIAM's profit before tax for the full year surged 705.6% to over HK\$79 million compared to 2003.

4.22 Problem loans / assets

During 2004, CIAM successfully recovered HK\$22.86 million worth of problem loans, resulting in a reduction in the book value of aggregate NPLs to just over HK\$503 million. Additionally, it realised a gain of HK\$25 million from the disposal of a portion of its swapped assets. Thanks to its continuous efforts over the past two years, CIAM was able to reduce the aggregate NPL amount by 24.8% compared to 2002 year-end. Its flexible, innovative and entrepreneurial approach helped it strengthen its provisions for non-performing loans and assets, paving the way for further asset and revenue generation, as well as for new business development in the future, so that it may leverage on its track record and critical strengths to grow its business in the management of distressed assets and direct investments.

4.23 直接投資／結構性貸款

自二零零三年開始，中信國際資產管理不斷結合市場機會、集團優勢及員工專長，靈活多元化地開拓業務，綜合提供融資、投資及顧問服務以賺取日常收益外，還於二零零四年度繼續積極在中港地區投放二億港元在多個項目上，建立一個總數二億七千多萬港元之一籃子直接投資／結構性貸款組合，為未來發展奠下基礎。其中個別項目已帶來不俗的回報，其餘則預期於二零零五年相繼踏入收成期，冀可帶來中長期之回報。

4.24 同業合作

於二零零四年度，中信國際資產管理共同參股經營的深圳火炬創業投資管理有限公司及深圳國成世紀創業投資有限公司已陸續注資，開始積極運作，審慎挑選項目，共投資一千七百多萬人民幣予三個企業，並預期於二零零五年再投資三至四個項目，增加投入二至三千萬人民幣。與此同時，中信國際資產管理亦與多個海外投資者密切磋商探討，準備合組基金，爭取擴闊投資、合作及服務對象。

4.3 投資銀行業務 — 中信資本市場控股有限公司

4.31 業績

本集團在二零零四年四月舉行的股東特別大會已通過增持中信資本控股25%股權，

4.23 Direct investments / Structured loans

Since 2003, CIAM has been continuously leveraging on its competitive edge and the skill sets of its professional staff to seize market opportunities and progressively diversify its business. Apart from offering corporate finance, investment and advisory services for ordinary profits, it also actively funded HK\$200 million in various projects in Hong Kong and China. Having built a basket of direct investments / structured loans portfolio with a total value of HK\$270 million, CIAM can now rely on a solid foundation for future growth. Certain individual projects have already attained fairly good returns, while the remaining projects will start to mature in 2005, with prospects to generate medium-to-long-term returns.

4.24 Cooperation with other investment institutions

CIAM's co-invested companies with other investment institutions, Shenzhen Torch Venture Capital Management Company Limited and Shenzhen Guocheng Century Venture Capital Company Limited, were successively funded during 2004, and began to operate actively to seek prudent investment opportunities. Investments were made in three corporations which totalled RMB17 million; a further three to four projects have been earmarked for investment in 2005, requiring RMB20 million to RMB30 million. Meanwhile, CIAM is in active discussions with a number of overseas investors to jointly set up investment vehicles in order to broaden its investment portfolio, as well as its target partners and customers.

4.3 Investment banking business - CITIC Capital Markets Holdings Limited

4.31 Business performance

At the Extraordinary General Meeting held in April 2004, a resolution was passed to allow the Group to increase its stake

自四月二十九日起，本集團持有中信資本控股50%權益。此外，中信投資研究有限公司（「中信投資研究」）在二零零四年六月十七日成為中信資本控股的全資附屬公司，令中信資本控股的服務範圍更廣泛，以為客戶提供更全面的服務。

二零零四年中信資本控股除稅後溢利為一億八千三百萬港元，平均股本回報率達11.4%的健康水平，兩者均符合公司訂下的盈利及回報目標。相對於二零零三年錄得的除稅後利潤二億六千九百萬港元，這是由於該年相當部份收益主要來自異常理想的交易溢利及投資收益所致。

年內中信資本控股擴闊其收入來源，並成功改善其盈利素質，其收入按年增長5.2%，費用及佣金收入取代主導二零零三年收入的交易溢利及投資收益，為中信資本控股提供重大貢獻。

因應核心業務及產品開拓持續發展需要，並為提高經營效率，中信資本控股重整企業架構及調配人力資源，配合公司進一步發展，這些努力的效益在二零零四年下半年逐漸顯現。整體支出則隨著這些投資而按年上升42.4%。展望未來，將整體經營支出調控在與業務增長需求相符的適當水平，將是未來的工作重點。

in CCMH from 25% to 50% with effect from 29 April 2004. Subsequently, on 17 June 2004, CITIC Frontier China Research Limited ("CFCR") became a wholly-owned subsidiary of CCMH, which enlarged the scope of services provided by CCMH to its customers.

CCMH reported a net profit after tax of HK\$183 million in 2004, representing a healthy 11.4% return on average equity employed, both of which were in line with its profit and return objectives for the year. This compared to its net profit after tax of HK\$269 million in 2003, the results of which were dominated by significant extraordinary trading profits and investment gains recorded for that year.

During the year, CCMH diversified its sources of income and successfully improved the quality of its earnings. Its revenues registered a 5.2% year-on-year growth, with fee and commission income as the significant contributor in place of trading profits and investment gains which characterised its 2003 revenues.

To support the continued expansion of its core businesses and products and to improve operational efficiency, CCMH realigned its organisational structure and headcount to strengthen its platform to support future growth. The impact of these efforts started to take shape in the second half of 2004. In line with these investments, total expenses increased 42.4% year-on-year. Going forward, focus will be placed on managing total operating expenses at levels that will commensurate with the requirements of business growth.

4.32 投資銀行

在企業融資及股票融資方面，中信資本於二零零四年三月份擔任了濰柴動力股份有限公司十三億港元招股上市之保薦人兼建檔人。該股不單在招股時獲得大幅超額認購，上市後的股價表現同樣強勁。二零零四年十二月份中信資本擔任北青傳媒有限公司在香港上市的聯席保薦人兼聯席牽頭經辦人，為公司集資十億港元。這些成功例子為中信資本力爭在香港首次公開招股市場取得超卓表現奠下穩固的基礎，並會繼續與其他業務如二級市場配股、融資、收購／兼併等顧問服務的發展相互配合。二零零四年也是中信資本控股債務融資業務豐收的一年，透過多種創新及富彈性的融資方式，債務融資部為客戶籌集近七十億港元貸款。

4.33 資產管理

中信資本控股資產管理部所管理的資產總值於二零零四年持續增長，至年底的資產總值接近五億美元。年間推出了多支新基金，包括一支一籃子主要投資於拉丁美洲、東歐及亞洲地區等新興市場的基金、針對南韓投資者的大中華市場股票基金和專門投資於有意把生產基地遷移至中國較低成本地區以期增加收益而受惠的日資公司之私募基金。所有由中信資本管理的基金均能於年內達致滿意的投資表現，並優於同類基金指標。

4.32 Investment banking

On the corporate finance and equity capital markets fronts, CITIC Capital acted as the sole sponsor and bookrunner for the HK\$1.3 billion listing of Weichai Power Company Limited in March 2004. The issue was well-received by the market, with overwhelming over-subscriptions and a strong post-listing share price performance. In December, CITIC Capital acted as the joint sponsor and joint lead manager for the HK\$1 billion listing of Beijing Media Corporation Limited. These successful deals helped to lay a solid foundation for CITIC Capital to excel in the Hong Kong initial public offering arena, and will continue to complement the development of its other services in secondary market placements, corporate finance, and mergers and acquisitions advisory. The year 2004 was also a fruitful one for CCMH's debt capital market business, in which it successfully deployed various innovative and flexible structures to arrange total loans for its clients of close to HK\$7 billion.

4.33 Asset management

CCMH's asset management business grew steadily in 2004, with total assets under management reaching close to US\$500 million at the end of the year. Several new funds were launched during the year, including a fund of funds focusing on global emerging markets in Latin America, Eastern Europe and Asia; an equity fund focusing on Greater China stock markets and targeting Korea investors; and a private equity fund aimed at extracting values from investing in Japanese manufacturing companies with prospective benefits from the relocation of their manufacturing bases to lower-cost sites in China. All of CITIC Capital's funds achieved satisfactory investment returns and outperformed industry benchmarks during the year.

4.34 證券業務

證券業務方面，中信資本控股會繼續致力於擴大客源。中信投資研究高素質及富洞察力之股票市場研究報告，成功於二零零四年吸引了多家知名機構投資者成為客戶。除此，中信資本在年間分行數目遞增，大大提升了服務零售客戶的能力。中信資本在香港聯合交易所按成交量計算之市場佔有率亦因此而持續攀升。

5.0 人力資源發展

於二零零四年底，本集團員工人數為一千六百五十七人。管理層相信，是「人」的因素令一間機構能與別不同，創造佳績。為吸納人才和保留表現優秀的員工，本集團一直致力確保薪酬架構在同業中具有相當的競爭力。本集團旗下所有公司亦設有自主的花紅制度，目的是為員工制定共同目標，藉此推動個人表現和本集團業績。在所有的有關制度下，員工所獲發的花紅均與本集團的盈利能力、部門表現及員工個人貢獻息息相關。

二零零三年五月十六日，本集團的股東通過實行一項全新的購股權計劃，並同時終止於一九九五年實行的高級行政人員購股權計劃。有關購股權計劃的詳細資料已於董事會報告書中提及。

4.34 Securities brokerage

Significant inroads were made in the further expansion of CCMH's brokerage clientele. CFCR's quality and insightful stock market research products helped secure a number of reputable institutional clients during 2004. It also enhanced its capability to serve retail clients, with the opening of additional retail brokerage outlets during the year. As a result, CITIC Capital continued to grow its market share on the turnover of The Stock Exchange of Hong Kong.

5.0 Human Resources Development

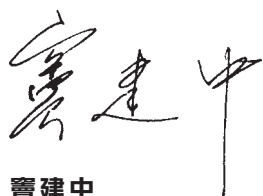
As at the end of 2004, the Group had 1,657 staff in its employment. Management firmly believes that "people" are the critical factor that distinguishes an organisation and makes it successful. In order to attract talent and retain strong performers, it has been making continuous efforts to benchmark its remuneration structure in order to ensure its competitiveness compared to industry peers. All companies under the Group offer discretionary bonus schemes aimed at cultivating common goals among employees, driving individual performance, and generating results for the Group. All bonus schemes are in direct correlation to the Group's profitability, unit performance and individual contributions.

At a shareholder meeting held on 16 May 2003, the Group received approval to implement a new share option scheme and to simultaneously terminate the Senior Executive Share Option Scheme adopted in 1995. Details of the share option schemes are given in the Directors' Report.

本集團亦十分重視員工的培訓和發展。於二零零四年，每位員工平均接受四點八日培訓，而全年內舉辦的課程共一萬二千零三十四節。課程的主題廣泛，包括產品和電腦知識、管理、監管條例、市場推廣及服務技巧等。

6.0 未來發展

本集團作為母公司中信公司境外的上市金融旗艦，未來將繼續憑藉中信公司的支持及本身對香港和中國市場的深入認識，全力發展中國業務，包括提升和擴大在中國的基礎，並進一步加強與中信公司系內其他金融機構的協同合作，同時持續強化信貸及風險管理，提升資產素質，不斷開拓創新，與時並進，以充份掌握中國加入世貿帶來的無限商機。

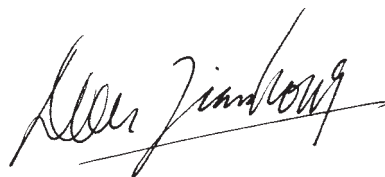


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The Group places a high priority on ongoing staff training and people development. During 2004, the average training per employee was 4.8 days. A total of 12,034 classes were conducted during the year, with curriculums covering a wide range of subjects, from product and computer knowledge to management, regulatory, marketing and servicing skills.

6.0 Future Development

As the financial flagship of the CITIC Group outside Mainland China, the Group will continue to leverage on the support of our parent, and its deep understanding of both the Hong Kong and China markets in order to further its business expansion on the Mainland. The Group is committed to enhancing and expanding its foothold on the Mainland, and to further strengthening its synergistic collaboration with other CITIC Group's financial institutions. Meanwhile, it will continue to strengthen its credit and risk management with a view to further enhancing its asset quality. To keep pace with market opportunities, it will continuously strive for innovation so as to fully capitalise on the tremendous business opportunities arising from China's accession to the World Trade Organisation.



Dou Jianzhong
Chief Executive Officer