



前排
Front row

陳許多琳

董事總經理兼
替任行政總裁

Mrs. Doreen Chan

Managing Director &
Alternate Chief Executive Officer

竇建中

行政總裁

Mr. Dou Jianzhong

Chief Executive Officer

後排
Back row

盧永逸

董事總經理兼
替任行政總裁

Mr. Kelvin Lo

Managing Director &
Alternate Chief Executive Officer

施柏雅

執行董事

Mr. Roger Clark Spyer

Executive Director

張懿宸

董事總經理

Mr. Zhang Yichen

Managing Director

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

二零零五年本港經濟表現理想，失業率下降及工資上揚，帶動內部消費持續蓬勃；旅遊業及本地出口保持不俗增長，令長期表現呆滯的本地貸款亦初現復甦勢頭。但年內息口自歷史低位急速回升，令不少銀行存款由活期轉向定期，大幅推高銀行的資金成本，而按揭貸款的復甦力度亦因連番加息而受壓；雖然最優惠利率與香港銀行同業拆息（「同業拆息」）之間的息差在下半年趨於正常化，但息口前景仍未明朗，市場仍然維持激烈競爭，加上經營成本趨升，均對本地金融業的發展帶來挑戰。

中信國際金融控股有限公司（「本集團」）已採納於二零零五年一月一日生效之新頒佈及經修訂之香港財務報告準則及香港會計準則（「新會計準則」），因此需對若干會計政策作出更改，詳情列於財務報告附註三。由於會計處理方法及各項收益表及資產負債表項目之表列方式改變，或會令若干數字未能作直接之比較。

1.0 Review of Operations

The Hong Kong economy enjoyed a year of good performance in 2005. As domestic consumption continued to be buoyed by declining unemployment and rising wages, and tourism and exports continued to show stable growth, domestic loan demand started to show signs of recovery after a prolonged period of sluggishness. However, with the sharp increase in interest rates from their historical lows during the course of the year, local banks saw their funding costs soar as depositors switched their funds from savings accounts to time deposits. The recovery momentum of mortgage lending was also affected by repeated interest rate hikes. Although the spread between the Prime Lending Rate ("Prime") and the Hong Kong Interbank Offer Rate ("HIBOR") began to normalise in the latter half of the year, the local financial industry continued to be tested by uncertainties in the outlook of interest rates, continued intense market competition and rising operating costs.

CITIC International Financial Holdings Limited (the "Group") has adopted the new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("the new accounting standards") that came into effect on 1 January 2005. Details of the required adjustments in its accounting policies are outlined in Note 3 in the accounts section. Due to the changes in accounting treatment and in the presentation of various profit and loss and balance sheet items, direct comparisons of certain figures may not be possible.

2.0 業績表現

2.1 盈利

本集團截至二零零五年十二月底止，未計減值撥備前經營溢利為八億七千六百萬港元，較二零零四年下跌15.6%，主要是因為淨利息收入下跌25.4%。但值得注意的是期內非利息收入持續表現良好，增長達27.9%；經營支出亦因控制得宜而下降2.0%，減輕淨利息收入下跌的影響；另一方面，由於資產素質改善及綜合減值撥備回撥，減值撥備出現五千八百萬港元淨回撥。期內，出售有形固定資產錄得二億四千萬港元淨溢利，當中包括出售嘉華銀行中心的二億二千七百萬港元收益；所佔聯營公司溢利亦錄得四千六百萬港元；計及其他項目後，二零零五年股東應佔溢利較二零零四年上升22.1%，達至十一億零三百萬港元。

2.2 淨利息收入

二零零五年本集團淨利息收入減少25.4%至十億九千九百萬港元。在新會計準則下，並經調整基金投資的資金成本後，本集團二零零五年的淨息差為1.80%，而按相同基準計算的二零零四年底重報數字為2.00%。

2.0 Business Performance

2.1 Earnings

For the year ended 31 December 2005, the Group reported operating profit before impairment allowances of HK\$876 million, representing a fall of 15.6% over 2004 which was mainly attributed to a 25.4% decline in net interest income. On a brighter note, however, the Group continued to post strong non-interest income growth at 27.9% over 2004, while prudent cost management saw operating expenses decreased by 2.0%. These accomplishments have helped to mitigate the impact of the decline in net interest income. Meanwhile, an improvement in asset quality and a reversal in collective assessment allowances led to a HK\$58 million release in impairment allowances. The disposal of tangible assets during the year realised a net profit of HK\$240 million, which included the HK\$227 million gain from the sale of Ka Wah Bank Centre. The Group's share of profits from associates, amounted to HK\$46 million. After taking into account other items, the Group's profit attributable to shareholders for the year rose 22.1% over 2004 to HK\$1,103 million.

2.2 Net Interest Income

The Group's net interest income for 2005 fell 25.4% to HK\$1,099 million. Under the new accounting standards and after adjusting for funding cost on fund investments, the Group's net interest margin stood at 1.80% at 2005 year-end, compared to 2.00% restated on same basis at 2004 year-end.

由於基金投資的總收益乃以非利息收入入賬，為了更準確地反映本集團的利息收入情況，在計算淨息差時其資金成本由淨利息收入項目內撇除。

淨利息收入減少及淨息差收窄可以大致歸因於年內利率上升帶來的負面影響，包括最優惠利率與同業拆息的差距持續收窄，儲蓄及活期存款轉移至定期存款令資金成本大幅攀升，以及本集團定息組合表現受壓所致。

與此同時，因應會計處理方式的改變，資金掉期及交易組合的利息收入改以非利息收入入賬，租購業務的經紀佣金支出改以抵銷利息收入，以及已發行可換股債券應用實際息率計算而增加了利息支出，均進一步對淨利息收入及淨息差造成負面影響。

2.3 非利息收入

二零零五年本集團非利息收入表現卓越，較二零零四年上升27.9%至八億七千一百萬港元，主要增長來自中信嘉華銀行有限公司（「中信嘉華」）的零售銀行及基金投資業務。非利息收入佔經營收入的比例，由二零零四年的31.6%大幅提升至44.2%。

As the gross income for the fund investments was recognised as non-interest income, its funding cost was excluded from the net interest income for the purpose of calculating the net interest margin in order to provide an accurate reflection of the Group's interest earning capability.

The decline in net interest income and net interest margin was attributed mainly to the adverse impact stemming from rising interest rates throughout the year. These included the sustained narrowing of the Prime-HIBOR gap during the year, a surge in funding costs resulting from the swing of core deposits to time deposits and from the pressure on the performance of the Group's fixed income portfolio.

The adoption of the new accounting standards generated further negative impact, namely, interest income from funding swaps and trading portfolios was treated as non-interest income; dealer commission expenses incurred in the hire purchase business was offset against interest income, and incremental interest expense was incurred from the treatment of effective interest rate of convertible bonds.

2.3 Non-Interest Income

The Group's non-interest income grew substantially by 27.9% over 2004 to HK\$871 million. The growth was derived mainly from CITIC Ka Wah Bank Limited's ("CKWB") retail banking business and its fund investments. The proportion of non-interest income to operating income rose significantly to 44.2% in 2005, up from 31.6% in 2004.

2.4 經營支出

本集團審慎地控制成本，加上在新會計準則下不需作商譽攤銷，二零零五年經營支出較二零零四年減少2.0%至十億九千五百萬港元。惟因經營收入受壓，成本對收入比率由二零零四年的49.1%上升至55.6%。

2.5 減值撥備

本集團一向審慎借貸，並致力不斷提升資產素質。隨著香港經濟好轉及地產市道回升，壞賬回收情況理想，以及部分受惠於香港會計準則第三十九號下所作的綜合減值回撥，本集團二零零五年錄得五千八百萬港元減值撥備淨回撥，而二零零四年則有七千八百萬港元淨撥備。年內，作個別評估貸款之新增淨撥備為八千五百萬港元，至於作綜合評估貸款之淨回撥則為四千四百萬港元。

2.6 末期股息

董事會建議派發末期股息每股六港仙，連同已派發每股十一點三港仙的中期股息，二零零五年度每股將合共派發股息十七點三港仙，全年派息比率為50%。

2.4 Operating Expenses

The Group's prudent cost control measures, coupled with the exclusion of goodwill amortisation under the new accounting standards, led to a decline of 2.0% in operating expenses to HK\$1,095 million for 2005. Nevertheless, given the pressures on operating income, the Group's cost to income ratio rose to 55.6% in 2005 from 49.1% in 2004.

2.5 Impairment Allowances

The Group lent conservatively and strived to continually improve its asset quality. With the improvements in both the Hong Kong economy and property market, strong recoveries in bad debts and the partial benefit of a reversal in collective assessment allowances after the adoption of Hong Kong Accounting Standard 39, the Group recorded a HK\$58 million release in impairment allowances in 2005, as compared to a charge of HK\$78 million in 2004. Net additional provisions for individually assessed loans during the year amounted to HK\$85 million, while net releases in provisions for collectively assessed loans totalled HK\$44 million.

2.6 Final Dividend

The Board of Directors proposed a final dividend of HK\$0.06 per share. Together with an interim dividend of HK\$0.113 per share, the total dividend for 2005 will amount to HK\$0.173 per share, representing a total dividend pay-out ratio of 50% for the year.

3.0 資產素質

3.1 資產、貸款及存款規模

於二零零五年十二月底，本集團總資產為八百五十億港元，較二零零四年底增加1.7%；總貸款較二零零四年底上升1.0%至四百三十四億港元，主要貸款金額的增長來自住宅按揭貸款、物業投資、用於香港以外貸款及貿易融資；總存款則為六百一十九億港元，大致保持在二零零四年底水平。

3.2 資產素質指標

期內，多項資產素質指標均有所提升。於二零零五年十二月底，特定分類貸款比率由二零零四年底的5.4%減至2.7%。在新會計準則下，本集團二零零五年底錄得的減值貸款比率為2.7%，較二零零五年一月一日的5.4%改善；按新會計準則計算的特定分類貸款虧損覆蓋率則由今年一月一日的89.6%擴大至92.7%。

3.3 財務狀況

於二零零五年十二月底，本集團之未經調整資本充足比率為16.0%，貸存比率為70.1%，貸款對資產總值比率為51.0%。

3.0 Asset Quality

3.1 Asset, Loan, and Deposit Sizes

As at 31 December 2005, the Group's total assets were HK\$85.0 billion, representing a 1.7% increase from 2004 year-end. Total loans rose 1.0% from the end of 2004 to HK\$43.4 billion, driven mainly by a rise in residential mortgages, property investment lending, loans for use outside Hong Kong and trade finance. Total deposits were HK\$61.9 billion, similar to the level at 2004 year-end.

3.2 Asset Quality Indicators

During the year, the Group improved on several asset quality indicators. As at 31 December 2005, classified exposure fell to 2.7% from 5.4% at the end of 2004. The Group's impaired loan ratio under the new accounting standards improved to 2.7% as at 31 December 2005 compared to 5.4% as at 1 January 2005. Classified loan loss coverage as calculated on the basis of the new accounting standards expanded from 89.6% as at 1 January 2005 to 92.7% at year-end.

3.3 Financial Position

As at 31 December 2005, the Group's unadjusted capital adequacy ratio was 16.0%. Its loans to deposits ratio was 70.1%, and its loans to total assets ratio was 51.0%.

中信國際金融資產素質指標

CITIC International Financial Holdings' Asset Quality Indicators

		二零零五年 十二月三十一日 31 December 2005	二零零五年 一月一日 1 January 2005	二零零四年 十二月三十一日 31 December 2004
未經調整資本充足比率	Unadjusted capital adequacy	16.0%	16.2%	15.9%
貸存比率	Loans to deposits	70.1%	68.8%	68.8%
貸款對資產總值比率	Loans to total assets	51.0%	50.7%	51.4%
特定分類貸款比率	Classified exposure	2.7%	5.4%	5.4%
減值貸款比率*	Impaired loans*	2.7%	5.4%	-
特定分類貸款虧損覆蓋率*	Classified loan loss coverage*	92.7%	89.6%	-
貸款虧損覆蓋率*	Loan loss coverage*	48.6%	37.0%	-
綜合減值撥備覆蓋率*	Collective assessment coverage*	0.68%	0.84%	-

*按新會計準則計算

*Calculated on the basis of the new accounting standards

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 (「中信嘉華」)

4.11 經營情況

二零零五年，香港銀行業面對成本上升、息差收窄及競爭激烈的經營環境，但中信嘉華能夠積極把握本地經濟持續復甦帶來的機會，大力拓展財富管理業務，加上基金投資業務表現理想，令非利息收入大幅提升。年內，中信嘉華致力鞏固及擴大具核心優勢的服務領域，創造未來增長條件。

4.0 Core Business Development

4.1 Commercial Banking Business – CITIC Ka Wah Bank Limited (“CKWB”)

4.11 Operating Environment

The operating environment of Hong Kong's banking sector in 2005 was characterised by rising costs, narrowing interest margins and intense competition. However, CKWB successfully leveraged opportunities from Hong Kong's sustained economic improvement to grow its wealth management business. Its fund investments also yielded strong performance during the year. As a result, CKWB was able to achieve substantial growth in its non-interest income. Meanwhile, CKWB stayed focus on strengthening its core capabilities and developing new competencies to pave the way for future growth.

4.12 業績

4.121 盈利

截至二零零五年十二月底止，中信嘉華未計減值撥備前經營溢利為八億五千萬港元，較去年同期下跌18.7%，主要是因為淨利息收入下跌24.4%。但值得注意的是期內非利息收入表現良好，增長高達32.9%，抵銷部分淨利息收入下跌的影響。另一方面，由於資產素質改善及綜合減值撥備回撥，減值撥備錄得淨回撥八千萬港元。期內，出售有形固定資產取得二億三千三百萬港元淨溢利，當中包括出售嘉華銀行中心的二億二千七百萬港元收益。計及其他項目後，二零零五年股東應佔溢利較二零零四年上升28.2%，達至十億四千七百萬港元。

4.122 淨利息收入

二零零五年中信嘉華淨利息收入減少24.4%至十一億零一百萬港元。在新會計準則下，並經調整基金投資的資金成本後，中信嘉華二零零五年的淨息差為1.82%，而按相同基準計算的二零零四年底重報數字為2.00%。

有關淨利息收入減少及淨息差收窄的主要因素請參閱2.2。

4.12 Business Performance

4.121 Earnings

For the year ended 31 December 2005, CKWB reported operating profit before impairment allowances of HK\$850 million, representing a fall of 18.7% over last year which was mainly attributed to a 24.4% decline in net interest income. However, its strong non-interest income growth at 32.9% over 2004 helped to partially offset the impact of the decline in net interest income. Meanwhile, an improvement in asset quality and a reversal in collective assessment allowances led to a HK\$80 million release in impairment allowances. The disposal of tangible assets during the year realised a net profit of HK\$233 million, which included the HK\$227 million gain from the sale of Ka Wah Bank Centre. After taking into account other items, CKWB's profit attributable to shareholders for the year rose 28.2% over 2004 to HK\$1,047 million.

4.122 Net Interest Income

CKWB's net interest income for 2005 fell 24.4% to HK\$1,101 million. Under the new accounting standards and after adjusting for funding cost on fund investments, CKWB's net interest margin stood at 1.82% at 2005 year-end, compared to 2.00% restated on same basis at 2004 year-end.

The major factors attributing to the decline in CKWB's net interest income and the narrowing of its net interest margin are discussed in section 2.2.

4.123 非利息收入

二零零五年中信嘉華之非利息收入表現非常理想，較去年同期大幅上升32.9%至七億九千九百萬港元，佔經營收入比例亦由二零零四年的29.2%大幅提升至42.0%。其中零售銀行業務的非利息收入上升16.6%至三億一千九百萬港元，基金投資帶來的收入更大幅上升逾倍至近二億三千萬港元。

4.124 經營支出

二零零五年中信嘉華之經營支出較二零零四年增加3.7%，主要因為在重整寫字樓計劃下，將嘉華銀行中心售後租回，令租金成本增加，以及僱員成本上升所致。成本對收入比率由二零零四年的49.1%上升至55.2%。

4.125 減值撥備

中信嘉華一向審慎借貸，致力不斷提升資產素質。隨著香港經濟好轉及地產市道回升，壞賬回收情況理想，以及部分受惠於香港會計準則第三十九號下所作的綜合減值回撥，二零零五年錄得八千萬港元減值撥備淨回撥，而二零零四年則有一億港元淨撥備。作個別評估貸款之新增淨撥備為五千八百萬港元，至於作綜合評估貸款淨回撥則為四千四百萬港元。

4.123 Non-Interest Income

During the year, CKWB recorded a strong 32.9% growth in its non-interest income to HK\$799 million as compared to 2004. This lifted the share of its non-interest income in its operating income to 42.0% in 2005 from 29.2% in 2004. The main contributor of this performance came from its Retail Banking Group which registered a 16.6% increase in non-interest income to HK\$319 million. The other key contributor was its Fund Investments which more than doubled its income to nearly HK\$230 million.

4.124 Operating Expenses

CKWB's operating expenses for 2005 rose by 3.7% year-on-year, primarily due to incremental rental expenses and the rise in staff costs. The former arose as a result of the sale and leaseback agreement of Ka Wah Bank Centre after CKWB disposed of the property as part of its office premise rationalisation plan. Its cost to income ratio rose to 55.2% in 2005 from 49.1% in 2004.

4.125 Impairment Allowances

CKWB lent conservatively and strived to continually improve its asset quality. With the improvements in both the Hong Kong economy and property market, strong recoveries in bad debts and the partial benefit of a reversal in collective assessment allowances after the adoption of Hong Kong Accounting Standard 39, CKWB recorded a HK\$80 million release in impairment allowances in 2005, as compared to a charge of HK\$100 million in 2004. Net additional provisions for individually assessed loans during the year amounted to HK\$58 million, while net releases in provisions for collectively assessed loans totalled HK\$44 million.

4.13 資產素質

4.131 資產、貸款及存款規模

於二零零五年十二月底，中信嘉華總資產約為八百一十八億港元，較二零零四年底增加1.9%；總貸款增加1.5%至四百三十億港元，主要貸款金額的增長來自住宅按揭貸款、物業投資、用於香港以外貸款及貿易融資；總存款為六百二十三億港元，大致保持在二零零四年底水平，其中客戶存款微跌1.5%至五百四十八億港元。

4.132 資產素質指標

中信嘉華多項資產素質指標均有所提升。於二零零五年十二月底，特定分類貸款比率由二零零四年底的4.3%減至1.9%。在新會計準則下，中信嘉華在二零零五年底錄得的減值貸款比率為1.9%，較二零零五年一月一日的4.3%改善；按新會計準則計算的特定分類貸款虧損覆蓋率由今年一月一日的86.8%擴大至87.8%。另外，二零零五年底的按揭貸款拖欠比率不但由二零零四年底的0.34%進一步大幅降低至0.14%，並較金管局公佈的市場平均比率0.19%優勝；信用咭撇賬率亦由二零零四年底的3.0%進一步下跌至1.4%。

惠譽國際於去年七月將中信嘉華的信貸評級由「BBB」提升至「BBB+」，惠譽國際指有關變動反映中信嘉華財務狀況的改善、風險管理程序及系統的持續提升及內部的創新管理。

4.13 Asset Quality

4.131 Asset, Loan, and Deposit Sizes

Total assets of CKWB amounted to approximately HK\$81.8 billion as at 31 December 2005, representing a 1.9% increase over 2004 year-end. Total loans rose 1.5% to HK\$43 billion on the back of increases in a rise in residential mortgages, property investment lending, loans for use outside Hong Kong and trade finance. Despite a slight 1.5% decline in customer deposits to HK\$54.8 billion, total deposits stood at HK\$62.3 billion, similar to the level at 2004 year-end.

4.132 Asset Quality Indicators

As at 31 December 2005, CKWB reported improvements in several asset quality indicators. Classified exposure fell to 1.9% from 4.3% at the end of 2004. Its impaired loan ratio under the new accounting standards improved to 1.9% as at 31 December 2005 compared to 4.3% as at 1 January 2005. Its classified loan loss coverage as calculated on the basis of the new accounting standards expanded from 86.8% as at 1 January 2005 to 87.8% at year-end. Its mortgage delinquency ratio not only fell significantly from 0.34% as at 2004 year-end to 0.14%, but was also better than the industry average of 0.19% as released by the Hong Kong Monetary Authority. Its credit card charge-off ratio fell further from 3.0% as at 2004 year-end to 1.4%.

In July 2005, Fitch Ratings upgraded CKWB's long-term rating from "BBB" to "BBB+". According to the credit rating agency, the upgrade reflected CKWB's improved financials, the continued enhancement of its risk management procedures and systems, as well as its innovative management.

行政總裁報告 Report of the Chief Executive Officer

4.133 財務狀況

於二零零五年十二月底，中信嘉華的未經調整資本充足比率為16.4%，平均流動資金比率為51.1%，貸存比率為69.0%，貸款對資產總值比率為52.5%。

4.133 Financial Position

As at 31 December 2005, CKWB's unadjusted capital adequacy ratio was 16.4%. Its average liquidity ratio was 51.1%. Its loans to deposits ratio was 69.0% and its loans to total assets ratio was 52.5%.

中信嘉華資產素質指標

CITIC Ka Wah's Asset Quality Indicators

		二零零五年 十二月三十一日 31 December 2005	二零零五年 一月一日 1 January 2005	二零零四年 十二月三十一日 31 December 2004
未經調整資本充足比率	Unadjusted capital adequacy	16.4%	16.8%	16.5%
平均流動資金比率	Average liquidity	51.1%	47.9%	47.9%
貸存比率	Loans to deposits	69.0%	67.6%	67.6%
貸款對資產總值比率	Loans to total assets	52.5%	52.0%	52.7%
特定分類貸款比率	Classified exposure	1.9%	4.3%	4.3%
減值貸款比率*	Impaired loans*	1.9%	4.3%	-
特定分類貸款虧損覆蓋率*	Classified loan loss coverage*	87.8%	86.8%	-
貸款虧損覆蓋率*	Loan loss coverage*	50.9%	39.3%	-
綜合減值撥備覆蓋率*	Collective assessment coverage*	0.69%	0.85%	-
內地放款佔總貸款比率	Mainland loans to total loans	15.1%	13.6%	13.6%

*按新會計準則計算

*Calculated on the basis of the new accounting standards

4.14 業務發展

4.141 新產品及服務總覽

中信嘉華在二零零五年繼續擴闊產品及服務系列。

4.14 Business Development

4.141 New Products and Services

CKWB continued to broaden the range of its products and services during 2005.

二零零五年推出的新產品及服務

New Products and Services Launched in 2005

	新產品及服務	New Products and Services
一月 January	<ul style="list-style-type: none">• 五年期港元可贖回存款證• 三年期美元可贖回利率遞增型存款證• 信用咭「密密簽賬憑黃單賞您1+1美食」簽賬計劃• 信用咭網上理財雙重獎賞• 信用咭迎新推廣優惠	<ul style="list-style-type: none">• Five-year HKD callable certificates of deposit• Three-year USD callable step-up certificates of deposit• Credit card "Enjoy Buy-One-Get-One-Free Offer With Your Sales Draft" spending programme• Credit card on-line bill payment double reward programme• Credit card acquisition campaign
二月 February	<ul style="list-style-type: none">• 信用咭旅遊保險計劃• Dollar\$mart分期貸款特快批核服務	<ul style="list-style-type: none">• Credit card travel insurance plan• Dollar\$mart personal instalment loan express approval
三月 March	<ul style="list-style-type: none">• 三個月期增益美元存款• 劃時理財戶口「月月遞升額外利率獎賞計劃」• 信用咭「HK\$500,000 Jackpot獎金」簽賬推廣• 信用咭「Cash-In」計劃• 信用咭繳交第二期稅款賺取兩倍獎賞積分• 信用咭結餘轉賬計劃	<ul style="list-style-type: none">• Three-month USD yield enhancement deposit• NOW Account "Monthly Step-Up Bonus Interest Rate Offer"• Credit card "HK\$500,000 Jackpot Sharing Programme"• Credit card "Cash-In" programme• Earn double bonus points by settling second tax payment with credit card• Credit card balance transfer programme
四月 April	<ul style="list-style-type: none">• 兩年期港元可贖回利率遞增型存款證• Dollar\$mart循環備用現金推廣	<ul style="list-style-type: none">• Two-year HKD callable step-up certificates of deposit• Dollar\$mart revolving cash card programme

	新產品及服務	New Products and Services
五月 May	<ul style="list-style-type: none"> • 三年期港元可贖回利率遞增型存款證 • 三年期美元可贖回利率遞增型存款證 • 「保證退休入息保」 • 「商業貸款及備用透支」服務 • 信用卡「簽賬有賺」推廣計劃 — 高達10倍現金回贈 • 信用卡支票透支服務 	<ul style="list-style-type: none"> • Three-year HKD callable step-up certificates of deposit • Three-year USD callable step-up certificates of deposit • “Guaranteed Retirement Income Plan” • “Business Instalment Loan And Overdraft” services • Credit card spending programme – up to 10 times cash rebate • Credit card personal line of credit
六月 June	<ul style="list-style-type: none"> • 孖展黃金買賣 • i-banking 網上理財服務推出兩種雙重認證方法 • 人民幣信用卡及提款咭 • 信用卡網上繳費獎賞 • 信用卡迎新推廣優惠 • Dollar\$mart免息分期貸款推廣 	<ul style="list-style-type: none"> • Gold margin trading • Dual option i-banking two-factor authentication • Renminbi credit card and ATM card • Credit card on-line bill payment reward programme • Credit card acquisition campaign • Dollar\$mart interest-free personal instalment loan programme
七月 July	<ul style="list-style-type: none"> • 網上開立定期推廣 • 按揭透支及加大貸款額推廣 • 「動力萬用」壽險計劃 • 信用卡簽賬計劃 — 「必遊、必食」必中大抽獎 • 2.8%結餘轉賬新咭推廣計劃 	<ul style="list-style-type: none"> • On-line time deposit placement promotion • Mortgage overdraft and top-up loan programme • “PowerOne Universal Life” insurance plan • Credit card “Travel And Dine” guaranteed-to-win lucky draw • 2.8% balance transfer new card programme
八月 August	<ul style="list-style-type: none"> • 增益存款系列一 — 一年期澳元聯繫存款 • 增益存款系列二 — 一年期紐元聯繫存款 • 「增長年年錦囊」壽險計劃 • 家居財物保險計劃 • 信用卡網上理財大抽獎 • Dollar\$mart首創自選免息免供期分期貸款 	<ul style="list-style-type: none"> • Yield enhancement deposit series 1: One-year AUD-linked deposit • Yield enhancement deposit series 2: One-year NZD-linked deposit • “GROWTH Plus” insurance plan • Home contents insurance plan • Credit card on-line bill payment lucky draw programme • Dollar\$mart “Free Choice Skip Payment” instalment loan programme

	新產品及服務	New Products and Services
九月 September	<ul style="list-style-type: none"> • 利率結構性存款系列一 — 兩年半期可贖回港元及美元存款 • 增益存款系列三 — 六個月期澳元聯繫存款 • 結構性遠期外匯買賣 • 宏利智富錦囊 • 電子證書「密密用、即時獎」計劃 • 信用咭「一筆過行政費」Cash-In 計劃 	<ul style="list-style-type: none"> • Interest rate-linked structured deposit series 1: 2.5-year HKD and USD callable deposit • Yield enhancement deposit series 3: Six-month AUD-linked deposit • Ratio par forward FX swaps • Manulife investment solutions • e-Cert “Use More Get More” reward programme • Credit card “One Off Fee Instalment” cash-in plan
十月 October	<ul style="list-style-type: none"> • 向現有客戶推出CITIC<i>first</i>中高端財富管理服務 • 利率結構性存款系列二 — 兩年九個月期可贖回港元及美元存款 • 增益存款系列四 — 六個月期澳元聯繫存款 • 網上認購新股服務 • 信用咭「低息現金套現」計劃 • 信用咭雙重獎賞新咭推廣計劃 • 附屬咭推廣計劃 	<ul style="list-style-type: none"> • Launch of CITIC<i>first</i> mass affluent wealth management services to existing customers • Interest rate-linked structured deposit series 2: Two-year-and-nine-month HKD and USD callable deposit • Yield enhancement deposit series 4: Six-month AUD-linked deposit • eIPO services • Credit card “Low Rate Cash-In” plan • Credit card double rewards new card programme • Credit card supplementary card acquisition programme
十一月 November	<ul style="list-style-type: none"> • 增值稅入口發票融資服務 • 企業稅務貸款 • 增益存款系列五 — 九個月期加元聯繫存款 • 增益存款系列六 — 六個月期加元聯繫存款 • 信用咭簽賬計劃 — 「佳節密密簽賬雙重獎」必中大抽獎 • 信用咭「幾時都分期」交稅計劃 • Dollar\$mart稅務貸款 	<ul style="list-style-type: none"> • Value-added-tax invoice financing facility • Corporate tax loan • Yield enhancement deposit series 5: Nine-month CAD-linked deposit • Yield enhancement deposit series 6: Six-month CAD-linked deposit • Credit card Christmas guaranteed-to-win lucky draw • Credit card tax instalment plan • Dollar\$mart tax loan
十二月 December	<ul style="list-style-type: none"> • 增益存款系列七 — 九個月期澳元聯繫存款 	<ul style="list-style-type: none"> • Yield enhancement deposit series 7: Nine-month AUD-linked deposit

4.142 零售銀行部

二零零五年中信嘉華大力拓展財富管理產品及服務，共推出四宗港元及美元存款證，七個增益存款系列及兩個利率結構性存款系列，合共錄得二十一億港元存款，吸納了逾八百位新客戶，帶來近三千萬港元非利息收入。去年十月中信嘉華推出嶄新CITIC*first*中高端財富管理服務平台，並設立四個CITIC*first*理財中心，向資產值達一百萬港元以上的現有客戶推介，反應理想。CITIC*first*將於今年上半年正式作全面市場推廣。

建基於過去成功建立的銀行保險業務模式，中信嘉華去年進一步開拓有關業務，繼永明金融(香港)有限公司後，與宏利人壽保險(國際)有限公司訂立策略性聯盟協議，並推出多項保險產品，令銀行保險業務之收入較去年增長28.7%。

中信嘉華信用咭去年亦繼續推出多項迎新及簽賬推廣優惠，令有關業務取得理想成績。二零零五年中信嘉華信用咭新簽賬額按年增長21.4%，期內VISA International公佈的香港市場平均升幅僅為17.0%。

4.142 Retail Banking Group

In 2005, CKWB aggressively expanded the scope of its wealth management products and services. Its broad range of product initiatives included four HKD and USD certificates of deposit, seven yield enhancement deposit series and two interest rate-linked structured deposit series. Apart from drawing in HK\$2.1 billion in total funding for the Bank and attracting over 800 new customers, these also generated nearly HK\$30 million in non-interest income. In October 2005, CKWB rolled out its new mass affluent wealth management platform, CITIC*first*, to its existing clients. Four dedicated CITIC*first* banking centres were introduced at the same time. CITIC*first* was warmly greeted by the Bank's customers who met its target profile of a minimum net worth of HK\$1 million. The full market launch of CITIC*first* is scheduled within the first half of 2006.

Meanwhile, CKWB continued to build on its successful bancassurance business model. In addition to its existing partnership with Sun Life Financial (Hong Kong) Limited, CKWB entered into a strategic alliance with Manulife (International) Limited last year. Its dynamic offering of insurance products helped the Bank achieve a year-on-year growth of over 28.7% in its bancassurance-related income.

In the area of credit cards, CKWB continued to launch a number of card acquisition and card spending campaigns in 2005 that yielded good business results. Total new sales increased by 21.4% year-on-year in 2005. This compared favourably to the industry's average growth rate at 17.0% as released by VISA International.

此外，按揭及中小企業業務亦錄得理想增長。中信嘉華在新造樓宇按揭貸款所佔的市場份額去年增加0.8%，按揭貸款總額則上升9.7%；而中小企未償還貸款更較二零零四年上升43.5%。

4.143 企業銀行部

企業銀行部在二零零五年進行了重要的策略性重新定位，將業務重點由借貸拓展至增值服務，以進一步深化與客戶之關係及開拓費用收入來源。為此，企業銀行部在去年重整團隊架構，致力鞏固及擴大具核心優勢的服務領域，包括提升企業及銀團貸款實力，成立商業地產貸款及結構融資部和全資附屬公司中信保險服務有限公司，同時並加強為企業客戶提供財資方案，如推出結構性存款產品「三個月期增益美元存款」等。

另一方面，中信嘉華澳門分行於二零零五年十月正式成立，為企業客戶提供一站式銀行服務，並進一步加強中信嘉華在泛珠三角的服務據點。

Both CKWB's mortgage and small- and medium-sized enterprise ("SME") businesses also delivered strong performances. Its market share in newly drawn-down mortgage loans was increased by 0.8% over 2004 while its total outstanding mortgage loans rose 9.7%. Outstanding loans to SMEs also grew 43.5% over 2004.

4.143 Wholesale Banking Group

CKWB's Wholesale Banking Group ("WBG") took a strategic decision in 2005 to reposition its business model, with a clear focus to deepen client relationships and to enhance fee income generation capability by delivering value-added services rather than relying on lending as the core product. As part of this exercise, WBG underwent a business restructuring to strengthen and enhance its core competencies. This involved the upgrading of its corporate and syndication capabilities, the establishment of a commercial real estate and structured finance team as well as the launching of CITIC Insurance Brokers Limited which is wholly-owned by CKWB. At the same time, WBG enhanced its capability to deliver treasury solutions to corporate customers, and was successful in introducing structured products such as a three-month USD yield enhancement deposit.

Meanwhile, CKWB's Macau branch was officially opened in October 2005 to offer one-stop banking services to corporate customers as well as to further reinforce the Bank's geographic reach to service customers in the Pan Pearl Delta River region.

4.144 財資部

財資部已建立結構性產品的構建實力，重點向零售及企業客戶進行交叉銷售，以拓闊分銷渠道。此外，基金投資業務去年亦錄得穩健增長。

4.145 中國業務

中信嘉華中國業務在去年取得突破性發展。中國國際財務有限公司（深圳）（「中國國際財務」）在二零零五年六月獲得中國銀監會批准經營人民幣業務，使中信嘉華成為首間透過旗下附屬公司，受惠於更緊密經貿關係安排（「CEPA」）特惠措施取得內地人民幣牌照的香港銀行。透過此牌照，中國國際財務及中信嘉華可以在指定範圍內向企業客戶及非內地居民提供人民幣服務，並可於二零零六年底中國銀行業全面開放後發展內地居民人民幣銀行業務。同年七月，中國國際財務再獲有關財產險的保險兼業代理許可證。

上海分行去年繼續錄得盈利貢獻，其中內地按揭業務表現尤為出色，截至去年底中國按揭貸款總額約近六億港元。

4.144 Treasury and Markets Group

CKWB's Treasury and Markets Group ("TMG") successfully established its in-house product manufacturing capability in structured products, and focused on building its distribution during the year by cross-selling to the Bank's retail and corporate customers. Its fund investments also delivered stable growth over the previous year.

4.145 China Banking

CKWB's China Banking business achieved a number of strategic breakthroughs in 2005. In June 2005, China International Finance Company Limited (Shenzhen) ("CIFIC") received approval from the China Banking Regulatory Commission to offer Renminbi services. As a result, CKWB became the first Hong Kong bank whose subsidiary has obtained a Renminbi licence in the Mainland under the preferential measures prescribed in the Closer Economic Partnership Agreement ("CEPA"). Leveraging on the Renminbi licence, CIFIC and CKWB are able to offer Renminbi services to its corporate clients as well as to individual clients who are non-Mainland citizens. They will also be able to extend such services to all Mainland citizens when China opens up its banking sector at the end of 2006. In July 2005, CIFIC was granted a property insurance agency licence by the China Insurance Regulatory Commission.

Its Shanghai branch continued to be profitable in 2005, and the performance of its China mortgage business was particularly good, achieving outstanding balances of nearly HK\$600 million at the end of 2005.

展望未來，中信嘉華已獲監管機構批准著手籌劃於下半年將北京代辦處升格為分行；上海分行在二零零五年已成立外匯交易室，現正申請衍生金融產品牌照，並計劃於年底申請人民幣牌照；中國國際財務亦正尋求有關當局批准申請升格為銀行。

更重要的是，隨著市場及姊妹公司中信銀行本身的條件更趨成熟，中信嘉華與中信銀行之間的合作模式未來將有所突破，兩行計劃有系統地為企業客戶建立綜合的產品及服務平台，在客戶資源、專業技能、產品系列及服務素質等方面互補優勢，共同打造「中信」國際品牌，創造更大的協同效益。

4.15 再獲殊榮

中信嘉華於二零零五年繼續取得多項殊榮，包括獲VISA International頒發「最傑出零售簽賬額」金獎，摩根大通銀行授予「調撥匯款服務優質獎2004」，上海分行獲中國人民銀行上海總部「統計報表優勝獎」，及再度獲香港社會服務聯會頒贈「商界展關懷」標誌。另外，中信嘉華其中一位客戶服務經理亦獲第三屆「香港財務策劃師選舉」銅獎。

Looking ahead, CKWB has received regulatory approval to plan the upgrade of its Beijing representative office to branch status in the latter half of 2006. Its Shanghai branch has set up a foreign exchange trading room in 2005 and is in the process of applying for a derivative licence; it is also planning to apply for a Renminbi licence at the end of 2006. Last but not least, CIFIC is seeking regulatory approval to apply for an upgrade to bank status.

More significantly, the partnership between CKWB and its sister China CITIC Bank is to see breakthrough developments going forward as the China market and China CITIC Bank itself become more mature. The two banks are planning to systematically develop an integrated product and services platform for their corporate clientele, and will seek to build complementary competencies in customer resources, professional know-how, product range and service quality. Both will enjoy enhanced synergistic benefits as they collaborate to establish the "CITIC" international brand.

4.15 Awards

CKWB continued to receive several awards in 2005. These included the "Outstanding Retail Sales Volume – Gold Prize" awarded by VISA International; the "Quality Recognition Award 2004" from JPMorgan acknowledging CKWB's quality excellence in its SWIFT payments; the "Banking Return Prize" awarded by the Shanghai headquarters of the People's Bank of China to CKWB's Shanghai branch, and the "Caring Company Logo" awarded by the Hong Kong Council of Social Service. Additionally, one of CKWB's customer relationship managers received the Bronze Prize in the Third Annual Hong Kong Financial Planners of the Year Award.

4.2 資產管理業務 – 中信國際資產管理有限公司 (「中信國際資產管理」)

4.2.1 業績

中信國際資產管理自二零零二年獨立運作後，一直致力於處理不良貸款及資產，同時分配資源積極作直接投融資，冀增加營運收入並為集團開拓嶄新業務。

二零零五年，中信國際資產管理之未計減值前綜合經營溢利達七千一百六十萬港元，經營溢利為五千七百三十萬港元，而稅後純利則為五千零二十萬港元。

中信國際資產管理年內受惠於不良資產之處理和投融資項目之進展，以致未計貸款減值前經營溢利較二零零四年上升24.6%；另一方面，為了回應新會計制度要求及壯實不良貸款之撥備，進行了一千七百萬港元之淨減值撥備，以致影響二零零五年度經營溢利及稅後純利，較二零零四年分別下降28.3%及37.1%。

4.2.2 問題貸款/資產

追收問題貸款方面，中信國際資產管理於二零零五年成功解決超過一億五千萬港元之貸款，金額為二零零四年的五點四倍以上，令賬上不良貸款持續按年減少。與二零零四年底的不良貸款總額比較，大幅減少27.1%至三億七千萬港元。

4.2 Asset Management Business – CITIC International Assets Management Limited (“CIAM”)

4.2.1 Business Performance

Since CIAM began to operate independently in 2002, it has undertaken its mission to manage distressed loans and assets as well as to allocate resources to earmark debt and equity investments. Its objectives are to optimise generation of operating income and to explore new business areas for the Group.

In 2005, CIAM reported a consolidated operating profit before impairment allowances of HK\$71.6 million and an operating profit of HK\$57.3 million. Its net profit after tax amounted to HK\$50.2 million.

The growth of CIAM's operating profit before impairment allowances at 24.6% over 2004 was attributed to the handling of distressed assets and to the progress made in its debt and equity investments. Meanwhile, it made net impairment allowances of HK\$17.0 million during the year to provide for the requirements of the new accounting standards as well as to strengthen the provisioning of its non-performing loans (“NPL”) portfolio. As a result, it registered a 28.3% and 37.1% decline in its 2005 operating profit and net profit after tax respectively as compared to 2004.

4.2.2 Problem Loans / Assets

CIAM successfully resolved over HK\$150 million worth of problem loans in 2005, an achievement that was over 5.4 times that in 2004. This represented a 27.1% year-on-year reduction of its NPL balances, and resulted in a decline in the aggregate value of its problem loan assets to HK\$370 million.

4.23 直接投資及結構性貸款

除運用剩餘資金參與短期財資活動以外，中信國際資產管理自二零零三年起開始積極發掘中國內地具潛質之項目，為其提供靈活及綜合性投融資及顧問服務，並且逐步建立一個分散的直接投資及結構性貸款組合。

中信國際資產管理在二零零五年集中著手全面整固工作，新增投資項目並不多，然而由於原有之投融資項目正陸續帶來利息、手續費及其他收入貢獻，結合處理不良資產時所產生之收益，仍使中信國際資產管理錄得未計減值前經營溢利增長。

4.24 策略性合作

為對未來業務鋪路，中信國際資產管理除了於二零零五年初完成對共同參股經營的深圳國成世紀創業投資有限公司之全部注資及陸續擴大該公司之項目投資外，亦於下半年與巴林Shamil Bank B.S.C.合作，首度發展中國房地產投資基金項目。該基金剛完成在中東海灣地區的路演推介活動，反應理想。

4.23 Direct Investment and Structured Loans

Apart from deploying its free funds to participate in short-term treasury activities, CIAM began in 2003 to look for projects in China that can offer attractive prospective returns and for which it can provide flexible and integrated debt, equity investments and advisory services. Over time, it has gradually built a diversified portfolio of direct investments and structured loans.

Given CIAM's focus in 2005 to consolidate its overall operations, few projects were added to its portfolio during the year. Nevertheless, the original debt and equity investment projects have successively started to generate interest income as well as handling fee and other incomes. This, together with the returns generated during the process of handling distressed assets, have contributed to the growth of CIAM's operating profit before impairment allowances.

4.24 Strategic Collaboration

To pave the way for future business development, CIAM's co-investment entity, Shenzhen Guocheng Century Venture Capital Company Limited, was fully funded in early 2005 and has begun to expand its project investments. Separately, in the second half of 2005, CIAM has joined forces with Bahrain's Shamil Bank B.S.C. to develop for the first time a China real estate investment fund. The fund has just completed its roadshows in the Gulf regions of the Middle East and has received favourable responses from investors.

4.3 投資銀行業務 – 中信資本市場控股有限公司 (「中信資本市場」)

4.3.1 業績

二零零五年香港資本市場面對不少挑戰。利率上升，油價及其他天然資源價格高企，以及中國推行宏觀調控措施所帶來的不明朗因素，均對資本市場構成影響。首次公開招股市場在去年的大部份時間都比較淡靜，直至年底才出現較多活動，但主要是少數內地大型企業進行龐大集資上市，至於中信資本的目標客戶中小型企業，去年全年在首次公開招股市場上都相對淡靜。此外，投資市場反覆波動亦對中信資本投資表現構成影響。

中信資本在二零零五年歸屬於該公司股東權益的稅後盈利為一億二千萬港元，平均股本回報率為6.2%，而二零零四年的有關數字為11.4%。

中信資本在二零零五年繼續強化業務基礎以為未來發展鋪路，相繼推出多隻新的公開市場基金及私募投資基金，令所管理資產顯著增長（詳見於以下4.33）。這些工作將可為中信資本在基金營運期間帶來穩定的基金管理及表現收入以及自營投資回報。

4.3 Investment Banking Business – CITIC Capital Markets Holdings Limited (“CCMH”)

4.3.1 Business Performance

The capital markets in Hong Kong experienced a very challenging year in 2005, being affected by rising interest rates, soaring prices of crude oil and other natural resources as well as uncertainties associated with the macroeconomic austerity measures in China. The market for initial public offerings (“IPOs”) remained relatively quiet except for a spur of activities towards the year-end. However, these activities were dominated by a few mega-sized listings of Mainland Chinese enterprises with very large capitalisations. Within CCMH’s target segment of mid- to low-cap enterprises, activities in the IPO market stayed relatively lacklustre throughout the year. Additionally, the volatile trading environment posed difficulty for CCMH’s investment performance.

As a result, CCMH reported a net profit after tax attributable to equity shareholders of HK\$120 million in 2005. This represented 6.2% return on average equity employed, compared with 11.4% achieved in 2004.

In 2005, CCMH continued to bolster the firm’s strong foundation for further growth. It launched a number of fund products that span the spectrum of public market fund and private equity fund, thereby driving a remarkable growth in its assets under management (“AUM”) (see 4.33 for details). These efforts will give CCMH the opportunity to earn a steady stream of management fees, performance fees plus return on its own investment throughout the life of these funds.

4.32 投資銀行

企業融資方面，中信資本為一個由其牽頭向哈爾濱制葯集團有限公司注資二億五千萬美元之財團提供投資諮詢，這是歷來最大宗的同類型交易。

在股本資本市場活動方面，中信資本參與多項公開招股活動，其中包括出任中國建設銀行七百二十億港元公開招股上市的聯合牽頭經辦人，並替中國神華能源股份有限公司二百五十億港元公開招股上市擔任副經辦人。這是去年香港市場兩宗規模最大的公開招股活動。

中信資本亦繼續活躍於債務融資市場，年內完成多宗融資項目，包括為南京國際廣場及津聯集團有限公司分別安排四億五千萬人民幣及一億二千萬美元的銀團貸款。

4.33 資產管理

於二零零五年十二月底，中信資本所管理的資產約為八億美元，旗下兩類主要的投資產品系列私募投資及對沖基金更錄得雙位數字的增幅，分別約佔所管理資產的60%及40%。

4.32 Investment Banking

In the area of corporate finance in 2005, CCMH advised a CCMH-led consortium on their US\$250 million investment in Harbin Pharmaceutical Group Holding Co., Ltd., a landmark transaction that still ranks the largest of its kind to-date.

In the area of equity capital markets, CCMH participated, among others, in the two largest IPOs in Hong Kong during 2005, namely, as co-lead manager for the HK\$72 billion IPO of China Construction Bank, and as co-manager for the HK\$25 billion IPO of China Shenhua.

CCMH also remained active in the debt capital markets arena. Financings completed during the year included the syndicated loans arranged for Nanjing International Plaza and the Tsinlein Group at total sizes of RMB450 million and US\$120 million respectively.

4.33 Asset Management

CCMH registered double-digit growth in both its private equity and hedge fund AUM in 2005. These two mainstream alternative investment products accounted for around 60% and 40% respectively of its total AUM of approximately US\$800 million at the end of December 2005.

年內，中信資本推出了多個不同的新基金，以擴闊產品系列，為投資者提供更多選擇。這些新基金包括：

- 中信資本中國房地產投資基金 — 專注把握中國房地產市場的增長潛力。年中購入一幢位於上海市中心的高級商用物業，至今已錄得理想回報。
- *CITIC Capital Greater China Discovery Fund* — 一只限長倉的股票基金，重點投資於大中華市場的中小型企業。
- *CITIC Capital China Century Fund* — 透過合格境外機構投資者的安排投資於中國A股。
- *CITIC Capital China Partners L.P.* — 中信資本投資中國企業的私募投資基金旗艦。
- *CITIC Capital Equity Partners II L.P.* — 中信資本第二隻專注美國企業的私募投資基金，目標是透過協助其加快中國發展策略，為企業帶來增值。
- *CITIC Allco Investment Limited* — 由中信資本與澳洲著名金融服務集團Allco的合資公司共同管理，專注發掘大中華市場特別是中國的夾層貸款及結構性融資機會。

A variety of funds were launched during the year to broaden CCMH's product range and to offer more choices to investors, these included:

- *CITIC Capital China Property Investment Fund* – a real estate investment fund focusing on the growth potential of China's property market. During the year, this fund acquired a strategically located high-end commercial property in Shanghai and yielded satisfactory returns to-date;
- *CITIC Capital Greater China Discovery Fund* – a long-only equity fund with a mid- and small-cap bias in the Greater China markets;
- *CITIC Capital China Century Fund* – a fund targeting investments in Mainland China's A-share market via arrangements with Qualified Foreign Institutional Investors;
- *CITIC Capital China Partners L.P.* – CCMH's flagship private equity fund for investing in China enterprises;
- *CITIC Capital Equity Partners II L.P.* – CCMH's second private equity fund focusing on investing in American enterprises seeking accelerated China growth strategies;
- *CITIC Allco Investment Limited* – a fund co-managed by CCMH and Allco, a renowned Australian financial services group, focusing on mezzanine and structured financing opportunities in Greater China, in particular Mainland China.

4.34 證券業務

年內，中信資本繼續致力提高為企業及機構投資客戶服務的能力及擴展高資產人士的客源。二零零五年中信資本在香港股票市場的佔有率保持平穩，維持於二零零四年的相約水平。

4.35 企業重整計劃

二零零五年中國及海外(包括香港)資本市場繼續逐步融合。為更有效地掌握這個發展趨勢所帶來的商機，中信資本按其相對優勢及與中國中信集團公司(「中信公司」)系內其他機構的協同效益，制定一連串重整業務組合計劃，並於二零零六年一月宣佈兩項計劃中的策略性重整舉措。

首先，中信資本擬與中信證券股份有限公司(「中信證券」)聯手組建綜合跨境股本業務平台，成立以香港為基地的合資公司。該合資公司將接掌中信資本現有的股本市場業務，包括市場營銷、股票資本市場業務、機構及零售証券經銷、証券研究以及相關的後勤支援部門。

4.34 Securities Brokerage

CCMH continued to enhance its capabilities to serve corporate and institutional clients as well as to grow its high net-worth client base, and maintained its 2005 market share on the Hong Kong stock market at a level similar to the previous year.

4.35 Contemplated Group Restructuring

The year 2005 continued to witness the gradual convergence of capital markets in China and overseas, including Hong Kong. To fully exploit the opportunities spawned by this trend, CCMH came up with a series of plans to realign its business mix based on its relative strength and synergies with other entities within the CITIC Group. These strategic plannings culminated in an announcement in January 2006 of its contemplated restructuring in two related moves.

Firstly, CCMH intends to join forces with CITIC Securities Co., Ltd. ("CITIC Securities") to create an integrated, cross-border equities business platform. A new Hong Kong-based joint venture company will take over CCMH's existing equities business, including origination, equity capital markets, institutional and retail sales, equity research and related back office and support functions.

其次，中信資本擬向中國境內首屈一指的信托公司——中信信托投資有限責任公司（「中信信托」）認購中信信托擴股後的35%股權。結合兩者實力，中信資本與中信信托將可更有效掌握中國市場對信托及其他另類投資產品需求不斷增加的大好形勢。

重整企業架構之後，中信資本將會專注發展其核心業務，包括私募投資、資產管理、企業諮詢、夾層貸款及結構性融資。

企業重整計劃尚待有關監管機構批准才可落實完成。

5.0 風險管理

二零零五年標誌著本集團在風險管理方面的新里程。這一年，透過諮詢專業顧問的意見，本集團成功改進信貸風險評級系統，並落實推行專業風險審評模式。藉著這系統，本集團能準確地細分不同信貸風險的水平及計算客戶不履行其財務責任的可能性。本集團同時把信貸風險政策、產品及投資批核、風險監控、信貸資料系統和風險系統的基礎建設等各功能重新整合為組合風險管理部，並由該部負責管理改進了風險評級系統。

Secondly, CCMH intends to subscribe for a 35% interest in the enlarged share capital base of CITIC Trust & Investment Co., Ltd. ("CITIC Trust"), one of the leading trust companies in China. It is envisaged that the combined forces of CITIC Trust and CCMH will enable both companies to better exploit the high growth opportunities offered by an increasing demand for trust and other alternative investment products in China.

Upon the completion of these strategic moves, CCMH will focus on developing its principal businesses in the areas of private equity, asset management, corporate advisory and mezzanine and structured finance.

The completion of the contemplated restructuring will of course be subject to the necessary regulatory approval.

5.0 Risk Management

The Group's risk management achieved a number of milestones in 2005. With the help of professional consultants, the Group successfully revamped its risk grading system and rolled out an expert judgement model that can quantitatively differentiate various levels of credit risk and subsequently calibrates probability of customer default. Sections of credit risk policy, product and investment risk underwriting, exposure control, management information systems and risk infrastructure were realigned into a portfolio risk management unit to take ownership of the new risk grading system.

本集團之市場風險主要源自中信嘉華。中信嘉華設立了由政策、業務及交易限額組成的風險級別架構，每一級別均有一系列之風險評估如溢利／虧損限額、交易盤限額及敏感度限額等，提示及觸發各級管理層之適當行動，調控特定之市場風險。中信嘉華採納先進的市場風險技術進行交易盤之風險價值計算、壓力測試及回顧測試。中信嘉華成功符合香港會計準則第三十九號中有效對沖比率之檢定方法的要求，可以利用會計避險原則，讓可備用買賣資產／非交易負債及與其對沖之衍生工具如利率掉期，二者的公平價值變化能互相抵銷。

經過好幾年對巴塞爾新資本協定的努力，本集團現已就在二零零六年底符合新的標準作好準備。為了確保能完全達致所要求，本集團聘用了獨立核數師確認與新協定不符及需改善之處，並成立專責工作委員統籌信貸風險、市場風險、營運風險等各部門之合作，落實需要推行的措施及作出系統上的完善工作。

本集團已根據國際會計準則第三十二及三十九號的要求成功地建立獨特的金融資產虧損減值評估模式。在新模式下，本集團根據過去由呆壞賬所招致的貸款損失紀錄，以及可預見的經濟環境與呆壞賬間之關係，作出對貸款組合的全面

The Group's market risk exposures come mainly from CKWB. CKWB has set up a hierarchy of limits that comprises policy, business and transaction limits. Each level of hierarchy has a series of risk measurements such as profit and loss limits, position limits and sensitivity limits to alert and trigger adequate actions at different management levels for specific market risk control. CKWB has adopted advanced market risk techniques for Value-at-Risk calculation, stress-testing and back-testing of the trading book. It has successfully met the effective hedge ratio testing requirement under HKAS 39 so that hedge accounting principles can be applied to offset the fair value changes in the Available-for-Sale Securities or the Non-Trading Liabilities, and corresponding hedging derivative instruments like interest rate swaps can offset each other.

With the preparation done in the past few years for Basel II, the Group is ready to meet the requirements of the Standardised Approach by the end of 2006. To ensure due compliance, the Group employed an independent auditing firm to confirm the gaps between its status quo and the Standardised Approach. A Basel II working committee was also formed to coordinate credit risk, market risk and operational risk, implement necessary measures and institute system enhancements.

During the year, the Group successfully implemented unique models for assessing impairment losses of financial assets in accordance with the requirements of sections 32 and 39 in the new International Accounting Standards ("IAS"). Under the new models, loan portfolios are collectively assessed based on historical loan loss experiences and observable

性撥備綜合評估。對於個別懷疑賬戶，本集團先決定客觀理據是否足以確認該貸款屬於問題貸款；得到確認後，本集團進一步對該貸款作預計現金流的分析，從而計算預計現金流和已貸出款項之差，以決定需作出撥備之金額。

國際會計準則及巴塞爾新資本協定亦對金融資產和負債的分類、公平價值評估及資本充足度作出新的規定。這些規定以及持續發展的高度結構化、複雜化和嵌有衍生特徵之金融產品，對金融機構產生很大的衝擊。本集團透過中信嘉華迎接新的挑戰和滿足規定的要求，中信嘉華在過去數年間不斷提升財資部的管理功能和市場風險監控，採納先進及熟練的技巧，以確認、處理和監控一般性和特殊性的市場風險。與此同時，中信嘉華財資部在嚴格的市場風險監控下，成功地擴闊了產品種類及為顧客提供多種結構性金融產品，買賣盤性質之衍生工具主要包括遠期外匯、外匯掉期、外匯期權、利率期貨及利率掉期等。

economic conditions correlating with defaults on the asset portfolio. For assessing the impairment losses of individual doubtful accounts, the Group first assesses if there is any objective evidence that a loan is impaired; if positive, the Group will proceed to estimate the expected future cash flows of the impaired account and to come up with the impairment losses by reducing the cash flows from the outstanding principal.

IAS and the Basel II Accord have also made new requirements on the classification, fair value assessment and capital adequacy of financial assets and liabilities. These requirements and the on-going developments of highly structured, complicated financial products with embedded derivative features have big impact on financial institutions. The Group faces the new challenges and fulfils the requirements via CKWB. For the past few years, CKWB has been continually upgrading its treasury management functions and market risk control. Advanced and sophisticated techniques have been adopted to identify, manage and monitor the general and specific market risks. At the same time, CKWB's TMG has successfully extended its product range and provided various customer-related structured financial products under strict market risk control. Derivative instruments traded by TMG mainly include forward foreign exchanges, foreign exchange swaps, foreign exchange options, interest rate futures and interest rate swaps.

6.0 人力資源發展

於二零零五年底，本集團員工人數為一千七百一十一人。管理層相信，一間機構能否與別不同，創造佳績，「人才」是決定性的因素。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。

本集團於二零零三年五月十六日採納一項購股權計劃，向合資格員工配授購股權，詳細資料載於董事會報告書。

本集團亦十分重視員工的培訓和發展。於二零零五年，每位員工平均接受四點八日培訓，而全年內舉辦的課程共五百六十九節。課程的主題廣泛，包括產品和金融市場知識、管理技巧、專業學銜、監管條例、市場推廣及服務技巧等。

6.0 Human Resources Development

As at the end of 2005, the Group had 1,711 staff under its employment. Management firmly believes that “people” are the decisive factor that distinguishes an organisation and makes it successful. In order to attract talent and retain strong performers, the Group 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 directly correlated to the Group’s profitability, unit performance and individual contributions.

The Group offers share options to the eligible employees pursuant to the Share Option Scheme adopted on 16 May 2003, details of which are given in the Directors’ Report.

The Group places a high priority on on-going staff training and people development. The average training per employee was 4.8 days in 2005. A total of 569 classes were conducted during the year, with curriculums covering a wide range of subjects, from product, financial knowledge to management, professional qualifications, regulatory, marketing and servicing skills.

7.0 未來發展

二零零五年是中信國際金融的重要轉折點，本集團在去年建立穩健的基建，為未來的突破性轉型發展作好準備，以迎接中國推進第十一個五年規劃和正視加入世貿以後所帶來的無限機遇。

去年本集團著重創造增長條件，特別於中信嘉華層面，積極鞏固及擴大具核心優勢的服務領域，為未來核心業務表現及盈利注入新的增長動力，有關舉措預期將於今年開始看到成效。

與此同時，隨著中國及香港金融及資本市場的逐步融合，本集團亦致力與中信公司系內其他金融機構發展具凝聚力的合作模式。其中，中信嘉華與中信銀行計劃建立互補優勢的綜合平台；中信資本與中信証券及中信信託則正計劃進行更清晰及更有效益的業務整合。

作為中信公司境外金融旗艦，中信國際金融將繼續致力發揮「中信」國際金融服務品牌的策略性優勢。



竇建中

Dou Jianzhong

行政總裁

Chief Executive Officer

7.0 Future Development

2005 represented a landmark year for the Group. During the year, the Group has built the infrastructure and a solid foundation for transformational growth of its businesses going forward, enabling it to grasp the immense market opportunities that will arise from the implementation of China's 11th Five-Year Plan and from the country's further reform after its formal accession into the World Trade Organisation.

Last year, while taking care to strengthen and expand its core businesses, the Group was focused on establishing new competencies, especially in CKWB, in order to create new impetus to power the growth of its core performance and earnings capabilities going forward. The Group expects these efforts to start making an impact in 2006.

Meanwhile, in view of the increasingly convergent financial and capital markets in the Mainland and Hong Kong, the Group is collaborating with other CITIC Group financial institutions to develop cohesive partnership models. Apart from the efforts of CKWB and China CITIC Bank to establish a synergistic platform that leverages their complementary competencies, CCMH, CITIC Securities and CITIC Trust are also working on establishing a coherent and effective alignment of their businesses.

As the offshore financial flagship of the CITIC Group, the Group stays committed to maximise strategic opportunities for the CITIC international financial brand.