

財政回顧

Financial Review

緒言

中信泰富之二零零四年年報，包括主席致股東報告、年度賬目及按會計準則、法例及香港聯合交易所規定之其他資料。編製本財政回顧，旨在透過討論各項業務之溢利貢獻及本公司之整體財政狀況，協助讀者瞭解所提供之法定資料。

股東應佔溢利

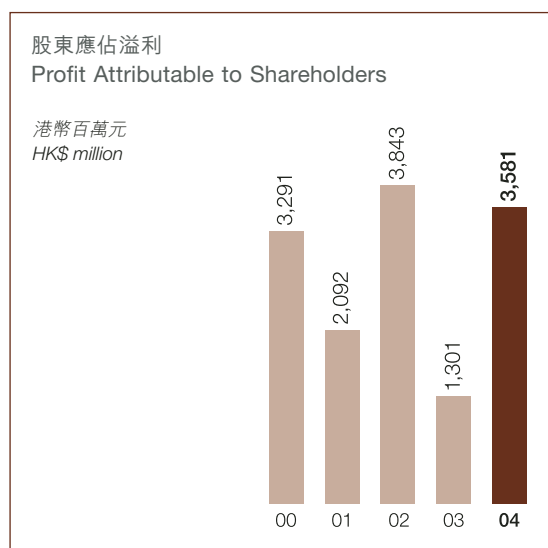
截至二零零四年十二月三十一日止年度之股東應佔淨溢利為港幣三十五億八千一百萬元，較二零零三年之港幣十三億零一百萬元增加175%。由於採納三項新會計準則，促使二零零四年之溢利較採納舊準則增加港幣四億九千二百萬元。溢利增加之其他原因詳見下文。

Introduction

CITIC Pacific's 2004 Annual Report includes a letter from the Chairman to shareholders, the annual accounts and other information required by accounting standards, legislation, and the Hong Kong Stock Exchange. This Financial Review is designed to assist the reader in understanding the statutory information by discussing the contribution of each business segment, and the financial position of the company as a whole.

Profit Attributable to Shareholders

The net profit attributable to shareholders for the year ended 31 December 2004 was HK\$3,581 million, an increase of 175% compared with HK\$1,301 million achieved in 2003. The adoption of three new accounting standards increased the profit of 2004 by HK\$492 million as compared with using the old standards. The other reasons for the increase in profit are described below.



業務分類溢利貢獻

各主要營業單位在二零零四年之溢利貢獻，與二零零三年同期比較如下：

溢利貢獻 港幣百萬元	Contribution HK\$ million	2004	2003	2004 – 2003
發電	Power Generation	439	229	210
航空	Aviation	1,398	421	977
基礎設施	Civil Infrastructure	329	635	(306)
信息業	Communications	133	230	(97)
特種鋼鐵業	Special Steel Manufacturing	438	178	260
物業	Property	608	508	100
銷售及分銷	Marketing & Distribution	284	264	20
投資物業重估	Investment Properties Revaluation	181	(587)	768

與二零零三年之溢利貢獻比較：

- 發電：現有之電廠發電量增長8%及新收購的北方聯合電力及邯峰電廠亦首次帶來溢利貢獻。
- 航空：相對於二零零三年「非典」導致載客量大幅下跌，國泰航空及港龍航空於二零零四年的載客量及貨運量均創出新高。香港空運貨站處理的貨物量亦創出新記錄及中國國際航空貨運則首次帶來溢利貢獻。
- 基礎設施：香港的兩條隧道之溢利貢獻與二零零三年相近，但由於中信泰富已出售上海的橋隧項目，令二零零四年溢利貢獻減少。
- 信息業：中信電訊1616及中信國安於二零零四年的業務表現與二零零三年相近。但澳門電訊因面對同業競爭，令溢利貢獻下降。其他的信息業項目仍在拓展階段而需作開支。
- 特種鋼鐵業：興澄鋼廠生產的高質素鋼鐵需求量強勁，引致銷售量輕微上升，令二零零四年的邊際利潤有所增長。

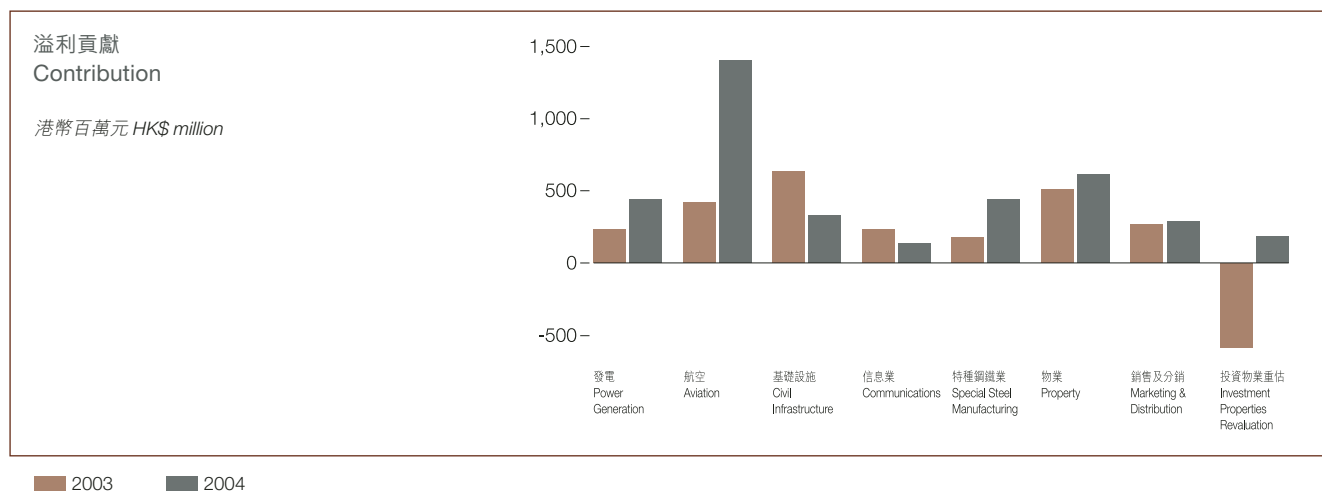
Business Segments Contribution

The contribution made by major business units in the year of 2004, compared with the same period of 2003, were:

Compared with the contribution for year 2003:

- Power Generation: there was an 8% increase in power produced at existing power plants and the newly acquired North United Power and Han Feng made first contributions.
- Aviation: Cathay Pacific and Dragonair carried a record number of passengers and cargo in 2004. Passenger traffic was depressed in 2003 due to SARS. HACTL handled a record volume of cargo and Air China Cargo contributed for the first time.
- Civil Infrastructure: our two tunnels in Hong Kong made a similar contribution to 2003, and the reduction in contribution was because CITIC Pacific no longer owned the bridges and tunnels in Shanghai in 2004.
- Communications: CITIC Telecom 1616's performance in 2004 was similar to 2003 as were those of Guoan, but the contribution from CTM decreased due to competition. Expenditure was incurred on other communication businesses in their development stage.
- Special Steel Manufacturing: higher margins were achieved in 2004 on a slightly higher volume due to strong demand for the high quality steel produced by the Xingcheng Steel Plant.

- 物業：老西門新苑項目出售了255個單位，令溢利貢獻上升。香港及上海的物業租金收入亦有所增長。
- 銷售及分銷：國內的汽車銷售業務受信貸緊縮所影響，尤以重型貨車為甚。香港的汽車業務則超越市場表現，銷售量上升21%。大昌行及慎昌在食品貿易、化妝品銷售及其他非汽車業務方面之溢利貢獻均錄得增長。
- Property: the sale of 255 flats at the New Westgate Garden increased the contribution from property development. Property leasing contribution increased both in Hong Kong and Shanghai.
- Marketing & Distribution: The Mainland motor business was affected the reduced availability of credit, especially for large trucks. The Hong Kong motor business outperformed the market with a unit sales growth of 21%. The contribution from food trading, cosmetics and other non-motor businesses grew both in DCH and SIMS.



年報載有按業務分類之營業額，以及來自綜合業務、共同控制實體及聯營公司之未扣除財務支出淨額及稅前溢利資料。

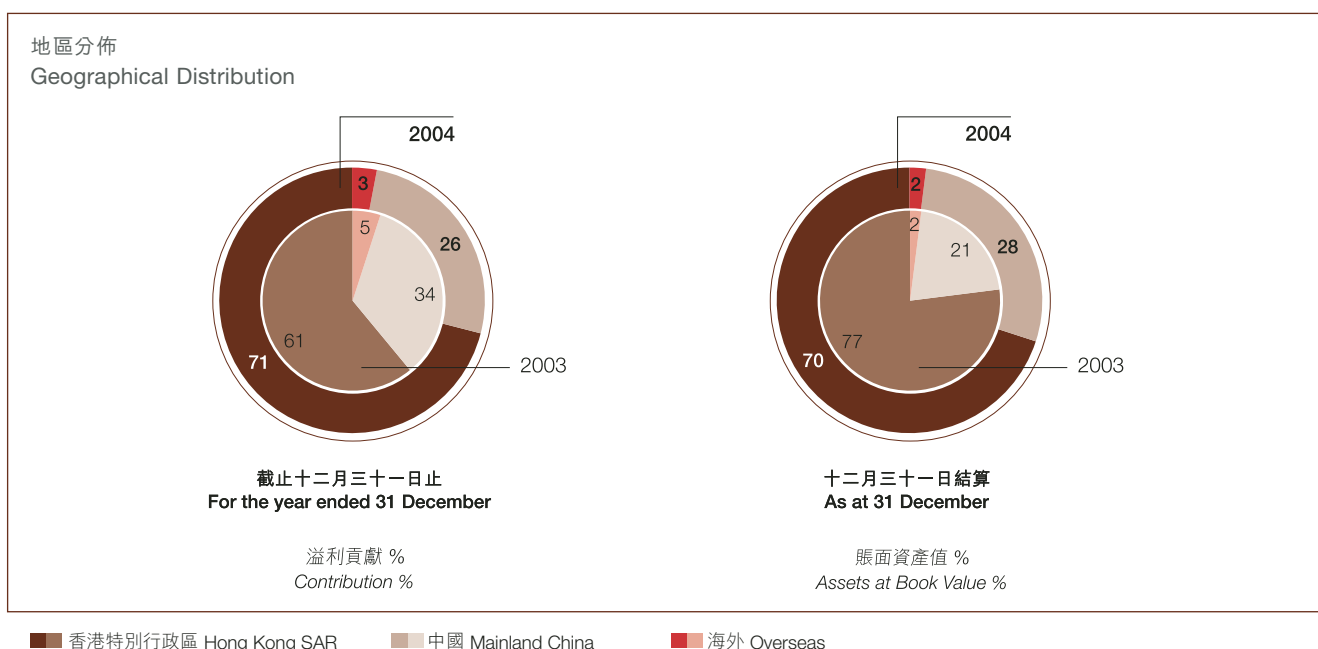
The Annual Report contain business segment information for turnover and profit before net finance charges and taxation for consolidated activities, jointly controlled entities and associated companies.

地區分佈

來自香港、中國以及海外之溢利貢獻及資產，乃根據每項業務之基地所在位置劃分。

Geographical Distribution

The division of contribution and assets between Hong Kong, mainland China and overseas is shown below based on the location of the base of each business's operations.



利息支出

本集團之利息支出由港幣四億元減少至港幣三億七千六百萬元，主要因借貸成本由大約4.6%減少至3.4%。

Interest Expense

The Group's interest expense decreased from HK\$400 million to HK\$376 million mainly due to a decrease in borrowing cost from approximately 4.6% to 3.4%.

集團之流動資金及資本來源

一般政策

中信泰富致力於嚴謹的財務管理，以及維持高透明度的政策。本集團之融資及現金管理運作均集中在總公司層次進行，藉以加強集團之風險管理、監控以及財務資源之有效運用。

中信泰富致力於透過銀行及資本市場分散其集資途徑。融資安排均盡可能配合業務特點及現金流量情況。在可能及合適之情況下安排有限或無追索權之項目融資。

中信泰富之業務主要集中在香港及中國兩地，因此，集團需承受港元、美元及人民幣匯率波動之風險。當有關資產或現金收益之幣種為非港元，中信泰富透過以同幣種融資或利用外匯合約等安排，務求將貨幣風險降至最低。由於中國之金融市場有所局限，加上監管限制（特別是現時人民幣未能自由兌換，以及國內之外匯遠期市場尚未發展），故上述目標未能時常達致。此外，由於「註冊資本」（一般規定不得少於有關項目之總投資額25%）必須以美元或港元投入，因此本集團之人民幣淨資產將不斷增加。在二零零四年十二月三十一日，本集團約28%之總資產位於中國內地，而集團之人民幣淨資產約為一百五十億元。

為穩定利息開支，集團致力維持適當之固定息率及浮動息率借貸。集團在考慮整體市場趨勢、集團之現金流量以及利息倍數比率後決定利率對沖比率。本集團亦採用各種利率工具，從而控制長期利率風險。

本公司只利用衍生工具對沖利率及匯率風險，嚴禁進行投機買賣。交易對手之信貸風險亦會審慎分析。一般而言，本公司只與信貸評級達投資評級水平之金融機構交易，而本集團為了控制信貸風險，亦會考慮交易對手應已向本集團提供信貸額作為前題。

Group Liquidity and Capital Resources

General Policies

The Group's policy is to maintain a high degree of financial control and transparency. Financing and cash management activities are centralised at head office level to enhance risk management, control and the best utilisation of financial resources of the Group.

We aim to diversify our funding sources through utilisation of both banking and capital markets. To the extent it is possible, financing is arranged to match business characteristics and cash flows. Limited or non-recourse project finance is employed when it is available and appropriate.

CITIC Pacific conducts business mainly in Hong Kong and mainland China, therefore it is subject to the market risk of the foreign exchange rates of the HK Dollar, US Dollar and Renminbi. To minimise currency exposure, non Hong Kong dollar assets are usually financed in the same currency as the asset or cash flow from it, either by borrowing or using foreign exchange contracts. Achieving this objective is not always possible due to limitation in financial markets and regulatory constraints, particularly on investment into mainland China as currently the Renminbi is not a free convertible currency and an on-shore forward market has not been developed. In addition, 'Registered Capital', which usually accounts for no less than 25% of the total project investment amount, is required to be paid in US or HK Dollars. As a result, CITIC Pacific has an increasing exposure to the Renminbi. As of 31 December 2004, around 28% of the Group's total assets were based in mainland China and the Group was long RMB15 billion.

The Group aims to maintain a suitable mixture of fixed and floating rate borrowings in order to stabilise interest costs despite rate movements. Interest rate hedging ratio is determined after taking into consideration the general market trend, the Group's cash flow pattern and interest coverage ratio. The Group actively employs various interest rate instruments to manage long term interest risk.

The Company only uses derivative transactions for interest rate and currency hedging purposes, speculative trading is prohibited. Counterparties' credit risks are carefully reviewed and in general, the Company only deals with financial institutions with credit rating at least investment grade. The counterparties' lending exposure to the Group is also an important consideration as a means to control credit risk.

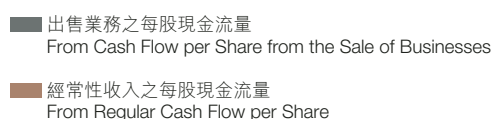
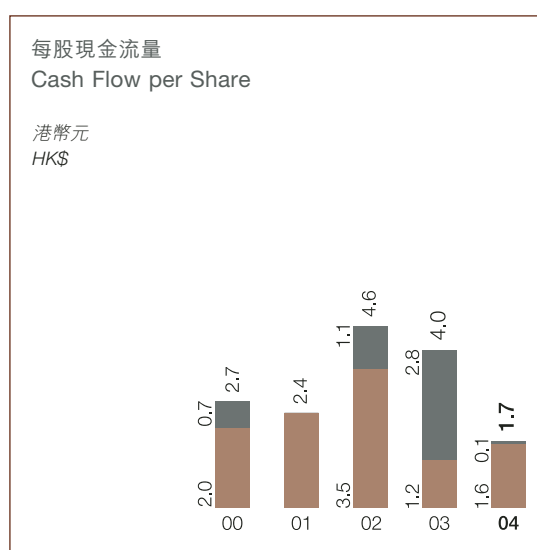
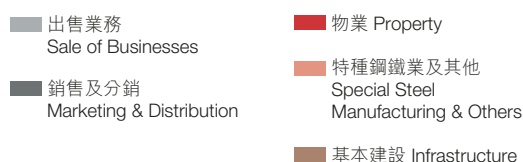
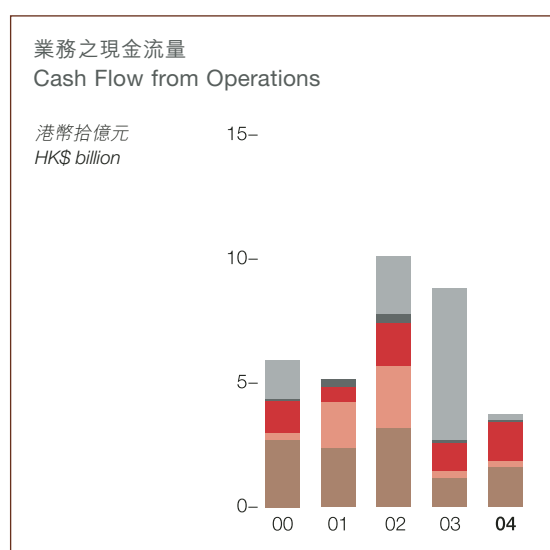
現金流量

由於本集團之大部份債項由控股公司安排，故各項業務為本公司帶來的現金流量淨額，乃衡量本公司償還債項能力之重要指標。期內，本集團之現金流量持續穩定強勁。以下為各業務之現金流量概覽：

Cash Flow

By design, most of the Group's debt is raised at the holding company level. As such, the net amount of cash flow from each business to the Company is an important indicator as to the Company's ability to service its debts. During the period, the Group's cash flow remained stable and strong. Following is a summary of the cash contributions by each business segment:

港幣百萬元	HK\$ million	2004	2003
基本建設	Infrastructure		
發電	Power Generation	469	317
航空	Aviation	649	334
基礎設施	Civil Infrastructure	362	283
信息業	Communications	111	232
特種鋼鐵業	Special Steel Manufacturing	153	0
物業	Property	1,573	1,090
銷售及分銷	Marketing & Distribution	35	123
其他	Others	50	72
合計	Total	3,402	2,451



由於大昌行年內將其大部份盈餘現金投放在於中國之多個新投資項目，因此本集團來自銷售及分銷之現金貢獻有所下跌。

Cash contribution from Marketing & Distribution to the Group reduced since Dah Chong Hong reinvested most of its operating cashflow to various new projects in the mainland.

綜合現金流量概覽 港幣百萬元	Summary of Consolidated Cash Flow Statement HK\$ million	2004	2003
現金淨額來自/ (投資於)	Net Cash generated from / (invested in)		
綜合業務	consolidated activities	1,204	1,535
共同控制實體	jointly controlled entities	49	23
聯營公司	associated companies	1,526	(266)
投資	investments	393	263
出售業務權益及有價證券	Sale of business interests and marketable securities	109	6,370
資本開支及於新業務之投資	Capital expenditure and investment in new businesses	(7,460)	(1,207)
稅項	Tax	(178)	(148)
已支付利息淨額	Net interest paid	(310)	(397)
		(4,667)	6,173
已支付股息	Dividends paid	(2,189)	(4,377)
借貸增加	Increase in borrowings	3,698	1,151
已行使購股權	Share options exercised	68	-
		1,577	(3,226)
現金及等同現金之(減少)/增加	(Decrease)/Increase in cash and cash equivalents	(3,090)	2,947

集團債項及流動資金

於二零零四年十二月三十一日，本集團之借貸總額為港幣一百四十六億元（二零零三年十二月三十一日：港幣一百零五億元），而現金及銀行存款則為港幣二十四億元，淨負債為港幣一百二十二億元，而二零零三年十二月三十一日之淨負債則為港幣五十億元。淨負債之增長原因，主要為資本開支部份所述之新投資項目。槓桿比率根據淨負債佔總資本計算為24%（二零零三年十二月三十一日：11%）。

Group Debt and Liquidity

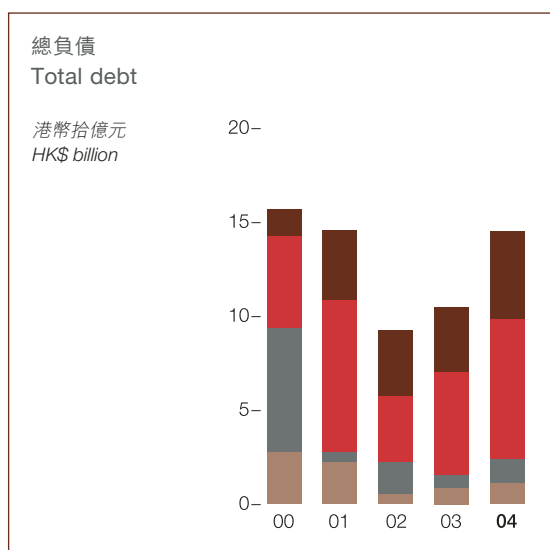
As of 31 December 2004, the Group's total outstanding debt was HK\$14.6 billion (31 December 2003: HK\$10.5 billion), cash and deposits with banks were HK\$2.4 billion giving a net debt of HK\$12.2 billion compared to HK\$5 billion at 31 December 2003. The increase in net debt was mainly due to new investments as detailed under Capital Expenditure Section. Leverage, measured by the net debt to total capital, was 24% (31 December 2003: 11%).

總負債

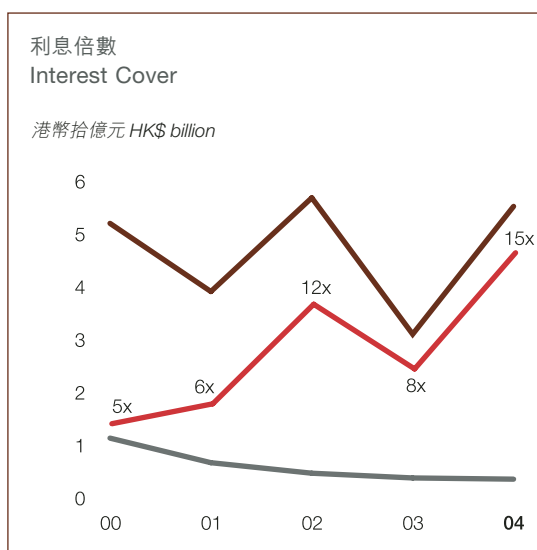
總負債因港幣七十四億六千萬元之資本開支及新投資項目而增加。於二零零四年十二月三十一日，將於二零零五年底到期之借貸佔總負債6%，而本集團於該日之銀行存款為港幣二十四億元，超過於二零零五年到期償還之貸款。

Total Debt

Total debt increased due to capital expenditure and new investments of HK\$7,460 million. The debt at 31 December 2004 that will mature to the end of 2005 amounted to 6% of the total debt and at that date the Group had deposits with banks of HK\$2.4 billion, exceeding the loans due for repayment in 2005.



- 五年後 After the fifth year
- 三至五年內 (包括首尾兩年)
In the third to fifth year inclusive
- 兩年內 In the second year
- 一年內 In the first year



- 不包括利息支出、稅項、折舊及攤銷之淨溢利 EBITDA
- 不包括利息支出、稅項、折舊及攤銷之淨溢利佔利息支出 (x = 倍)
EBITDA/Interest Expense (x = times)
- 利息支出 Interest Expense

利息倍數

於二零零四年，不包括利息支出、稅項、折舊及攤銷之淨溢利除以利息支出為15.1，而二零零三年則為7.8，原因為溢利增加175%，及利息支出總額減少6%。

Interest Cover

EBITDA divided by interest expense for 2004 was 15.1 compared to 7.8 in 2003, due to the 175% increase in profit and a 6% decrease of total interest expense.

借貸承諾

為了管理集團借貸結構以及債項方面之規定，中信泰富已制訂一套標準借貸承諾。財務承諾包括資本淨值最低保證、借貸總額佔資本淨值之最高比率以及抵押資產佔集團總資產之上限。本集團均符合其所有借貸承諾。

信貸評級

穆迪投資及標準普爾給予本公司之外幣長期信貸投資評級分別為Baa3及BBB-。兩項評級均顯示本公司目前之信貸前景穩定，反映中信泰富之財務狀況健全，包括負債比率低、業務多元化及現金流量強勁等有利條件。

於二零零四年，集團之槓桿比率（根據淨負債佔總資本計算）為24%，而利息倍數（根據不包括利息支出、稅項、折舊及攤銷之淨溢利除以利息支出計算）則為15.1。集團深信上述之財務指標反映集團財務穩健、實力雄厚。本公司之目標為維持既有之穩健財務政策，務求進一步提升其信貸評級。

前瞻聲明

本年報載有若干涉及本集團財政狀況、業績及業務之前瞻聲明。該等前瞻聲明乃本公司對未來事件之預期或信念，且涉及已知及未知風險及不明朗因素，而此等因素足以令實際業績、表現或事態發展與該等聲明所表達或暗示之情況存在重大差異。

前瞻聲明涉及固有風險及不明朗因素。敬請注意：多項因素均可令實際業績有別於任何前瞻聲明所預測或暗示之業績；在若干情況下，更可能存在重大差異。

Loan Covenants

Over the years, CITIC Pacific has developed a set of standard loan covenants to facilitate the management of its loan portfolio and debt compliance. The financial covenants are generally limited to minimum net worth undertaking; a maximum ratio of total borrowings to net worth and a limit on the amount of pledged assets as a percentage of the Group's total assets. CITIC Pacific is in compliance with all of its loan covenants.

Credit Ratings

The Company has been assigned an investment grade foreign currency long term credit rating of Baa3 by Moody's Investor Service and BBB- by Standard & Poor's. For both ratings, the current credit outlook is stable, reflecting CITIC Pacific's strong financial profile including low leverage, diversified business and strong cashflow.

The Group's leverage, measured by the net debt to total capital, was 24%. Interest cover, defined as EBITDA divided by interest expense, was 15.1 in 2004. We believe that these financial indicators demonstrated the Group's financial strength. The Company's objective is to maintain its financial discipline aiming to improve its credit rating going forward.

Forward Looking Statements

This Annual Report contains certain forward looking statements with respect to the financial condition, results of operations and business of the Group. These forward looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Forward looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward looking statement.