

財務報告

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董事會謹將截至二零零六年十二月三十一日止年度的報告書及經審核財務報表呈覽。

主要營業地址

中信國際金融控股有限公司（「本公司」）為於香港註冊成立的有限公司，並以香港為辦事處所在地，其註冊辦事處位於香港中環夏慤道12號美國銀行中心1801-2室。

主要業務

本公司為一間金融控股公司，其附屬公司的主要業務是在香港提供一般銀行及相關金融服務。本公司各主要附屬公司於二零零六年十二月三十一日的詳情載於財務報表附註28內。

財務報表

本公司及其附屬公司（統稱「本集團」）於截至二零零六年十二月三十一日止年度的溢利和本公司及本集團於該日的財政狀況載於第94頁至第232頁的財務報表內。

股息

本公司已於二零零六年九月十二日派發中期股息每股港幣7.7仙（二零零五年：港幣11.3仙）。董事會建議派發截至二零零六年十二月三十一日止年度末期股息每股港幣5.6仙（二零零五年：港幣6.0仙）。

慈善捐款

本集團於本年度的慈善捐款合共為港幣71,800元（二零零五年：港幣259,300元）。

物業及設備

物業及設備的變動載於財務報表附註30內。

儲備

未扣除股息的股東應佔溢利港幣1,126,135,000元（二零零五年：港幣1,103,395,000元）已轉入儲備。其他儲備變動載於財務報表附註43內。

股本

本公司於本年度內的股本變動載於財務報表附註42(a)內。於本年度內，本公司1) 按「中信國際金融控股有限公司購股權計劃」，於購股權持有人行使購股權時，發行股份予購股權持有人；2) 於二零零八年到期，總值美金180,000,000元的0.25%有擔保可換股債券的持有人行使換股權時，發行股份予可換股債券持有人；及3) 按照於二零零六年四月十三日訂立的買賣協議，發行股份予中國中信集團公司。

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2006.

Principal Place of Business

CITIC International Financial Holdings Limited ("the Company") is a limited company incorporated and domiciled in Hong Kong and has its registered office at Suites 1801-2, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

Principal Activities

The Company is a financial holding company and the principal activities of its subsidiaries are the provision of general banking and related financial services primarily in Hong Kong. Particulars of the Company's principal subsidiaries as at 31 December 2006 are set out in note 28 to the financial statements.

Financial Statements

The profit of the Company and its subsidiaries (collectively "the Group") for the year ended 31 December 2006 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 94 to 232.

Dividends

An interim dividend of HK\$0.077 (2005: HK\$0.113) per share was paid on 12 September 2006. The Directors recommend the payment of a final dividend of HK\$0.056 (2005: HK\$0.060) per share in respect of the year ended 31 December 2006.

Charitable Donations

Charitable donations made by the Group during the year amounted to HK\$71,800 (2005: HK\$259,300).

Property and Equipment

Movements in property and equipment are set out in note 30 to the financial statements.

Reserves

Profit attributable to shareholders before dividends of HK\$1,126,135,000 (2005: HK\$1,103,395,000) have been transferred to reserves. Other movements in reserves are set out in note 43 to the financial statements.

Share Capital

Movements in the share capital of the Company during the year are set out in note 42(a) to the financial statements. Shares were issued by the Company during the year to: 1) the option holders upon exercise of their share options pursuant to The CITIC International Financial Holdings Limited Share Option Scheme; 2) the convertible bondholders upon exercise of their conversion rights pursuant to the US\$180 million 0.25% Guaranteed Convertible Bonds due 2008; and 3) CITIC Group pursuant to the Sale and Purchase Agreement dated 13 April 2006.

董事

截至二零零六年十二月三十一日止年度內及截至本報告書日期止的董事如下：

董事長

孔丹先生

副董事長

常振明先生

執行董事

竇建中先生 (行政總裁)

陳許多琳女士

(董事總經理兼替任行政總裁)

盧永逸先生

(董事總經理兼替任行政總裁)

施柏雅先生

趙盛彪先生

非執行董事

何塞·巴雷伊洛先生 (於二零零七年三月一日獲委任)

陳小憲先生

馮曉增先生 (於二零零六年八月十日獲委任)

康樂德先生 (於二零零七年三月一日獲委任)

居偉民先生

劉基輔先生

王東明先生

獨立非執行董事

席伯倫先生

林廣兆先生

曾耀強先生

截至二零零六年十二月三十一日止年度內及截至本報告書日期止，已離任的董事如下：

楊超先生

(於二零零六年五月十六日離任)

根據本公司的公司組織章程細則第98條，所有現任董事須在下屆股東週年大會上依章告退，惟依章告退的董事可膺選連任。

Directors

The Directors during the year ended 31 December 2006 and up to the date of this report are as follows:

Chairman

Mr. Kong Dan

Vice Chairman

Mr. Chang Zhenming

Executive Directors

Mr. Dou Jianzhong (*Chief Executive Officer*)

Mrs. Chan Hui Dor Lam Doreen

(*Managing Director and Alternate Chief Executive Officer*)

Mr. Lo Wing Yat Kelvin

(*Managing Director and Alternate Chief Executive Officer*)

Mr. Roger Clark Spyer

Mr. Zhao Shengbiao

Non-executive Directors

Mr. Jose Barreiro (*appointed on 1 March 2007*)

Mr. Chen Xiaoxian

Mr. Feng Xiaozeng (*appointed on 10 August 2006*)

Mr. Manuel Galatas (*appointed on 1 March 2007*)

Mr. Ju Weimin

Mr. Liu Jifu

Mr. Wang Dongming

Independent Non-executive Directors

Mr. Rafael Gil-Tienda

Mr. Lam Kwong Siu

Mr. Tsang Yiu Keung Paul

The following Directors resigned during the year ended 31 December 2006 and up to the date of this report:

Mr. Yang Chao

(*resigned on 16 May 2006*)

In accordance with Article 98 of the Company's Articles of Association, all present Directors shall retire from office at the next Annual General Meeting and the retiring Directors shall be eligible to offer themselves for re-election.

董事服務合約

各董事均無與本公司或其任何附屬公司訂立若本公司於一年內終止便須作出賠償（一般法定義務除外）的任何服務合約。

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉

於二零零六年十二月三十一日，根據《香港聯合交易所有限公司證券上市規則》（「上市規則」）而披露的本公司董事及行政總裁在本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）持有的股份、相關股份及債權證中的權益及淡倉的詳情如下：

1. 本公司股份的好倉：

董事姓名 Name of Director	身份 Capacity	持有普通股數目 Number of ordinary shares held	佔已發行股本百分率 Percentage of issued share capital (附註) (Note)
陳許多琳女士 Mrs. Chan Hui Dor Lam Doreen	實益擁有人 Beneficial owner	2,074,689	0.041%
趙盛彪先生 Mr. Zhao Shengbiao	實益擁有人 Beneficial owner	2,014,114	0.040%

附註：佔已發行股本百分率乃按本公司於二零零六年十二月三十一日的已發行股本5,023,422,774股股份計算。

Directors' Service Contracts

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company within one year without payment of compensation, other than normal statutory obligations.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December 2006, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("the SFO") disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") were as follows:

1. Long positions in shares of the Company:

Note: The percentage interest is calculated on the basis of an issued share capital of the Company of 5,023,422,774 as at 31 December 2006.

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉 (續)

2. 本公司(就股本衍生工具而言)相關股份的好倉：

根據本公司的購股權計劃，孔丹先生、竇建中先生、陳許多琳女士、盧永逸先生、施柏雅先生及趙盛彪先生獲授予購股權，以認購本公司普通股。該等購股權屬非上市以實物交收的股本衍生工具。有關該等購股權在截至二零零六年十二月三十一日止年度的資料，見於下列「購股權計劃」項下及財務報表附註41中「以股權償付的股份交易」內。

此外，本公司的全資附屬公司中信嘉華銀行有限公司(「中信嘉華」)授出Equity Linked Deferred Award(「ELDA」)(有關ELDA的詳細條款載於財務報表附註41中「以現金償付的股份交易」內)予下列董事：

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

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

Share options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Company were granted to Mr. Kong Dan, Mr. Dou Jianzhong, Mrs. Chan Hui Dor Lam Doreen, Mr. Lo Wing Yat Kelvin, Mr. Roger Clark Spyer and Mr. Zhao Shengbiao pursuant to the share option scheme of the Company. Information in relation to these share options during the year ended 31 December 2006 was shown in the following section under the heading of "Share Option Scheme" and note 41 to the financial statements under the section of "Equity-settled share-based transactions".

In addition, the Equity Linked Deferred Award ("the ELDA") (detailed terms of which are stated in note 41 to the financial statements under the section of "Cash-settled share-based transactions") was granted by CITIC Ka Wah Bank Limited ("CKWB"), a wholly owned subsidiary of the Company, to the following Directors:

董事姓名 Name of Director	授予日期 Offer date	ELDA名義上涉及的普通股數目 Number of ordinary shares notionally subject to ELDA	ELDA每股股價 ELDA price per share (港幣(元)) (HK\$)
陳許多琳女士 Mrs. Chan Hui Dor Lam Doreen	24/03/2005	150,000	2.00
	28/04/2006	250,000	2.00
盧永逸先生 Mr. Lo Wing Yat Kelvin	24/03/2005	80,000	2.00
施柏雅先生 Mr. Roger Clark Spyer	28/04/2006	100,000	2.00

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉 (續)

3. 本公司股份及(就股本衍生工具而言)相關股份的淡倉:

無。

4. 本公司相聯法團的股份的好倉及淡倉:

無。

5. 本公司相聯法團(就股本衍生工具而言)的相關股份的好倉:

本公司的聯營公司中信資本控股有限公司(「中信資本」)授予可認購其普通股的購股權(屬非上市以實物交收的股本衍生工具)予下列本公司董事:

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

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

None.

4. Long and short positions in shares of associated corporations of the Company:

None.

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

Share options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of CITIC Capital Holdings Limited ("CCHL"), an associated company of the Company, were granted by CCHL to the following Directors of the Company:

董事姓名 Name of Director	身份 Capacity	所涉及中信資本普通股數目 Number of CCHL's ordinary shares involved	可行使購股權期間 Exercisable period
孔丹先生 Mr. Kong Dan	實益擁有人 Beneficial owner	30,000	02/03/2007 – 01/03/2010
	實益擁有人 Beneficial owner	25,000	04/04/2008 – 03/04/2011
竇建中先生 Mr. Dou Jianzhong	實益擁有人 Beneficial owner	15,000	02/03/2007 – 01/03/2010
	實益擁有人 Beneficial owner	10,000	04/04/2008 – 03/04/2011
陳許多琳女士 Mrs. Chan Hui Dor Lam Doreen	實益擁有人 Beneficial owner	15,000	02/03/2007 – 01/03/2010
	實益擁有人 Beneficial owner	10,000	04/04/2008 – 03/04/2011
王東明先生 Mr. Wang Dongming	實益擁有人 Beneficial owner	15,000	02/03/2007 – 01/03/2010
	實益擁有人 Beneficial owner	10,000	04/04/2008 – 03/04/2011

董事及行政總裁於股份、相關股份及債權證中的權益及淡倉 (續)

6. 本公司相聯法團 (就股本衍生工具而言) 的相關股份的淡倉：

無。

7. 本公司債權證權益：

無。

8. 本公司相聯法團的債權證權益：

無。

除上文所披露者外，於二零零六年十二月三十一日，本公司董事或行政總裁概無根據《證券及期貨條例》第XV部第7分部及第8分部，於本公司或其任何相聯法團 (定義見《證券及期貨條例》第XV部) 的股份、相關股份及債權證中擁有或根據《證券及期貨條例》的有關規定被認為或被視作擁有任何權益或淡倉，或任何必須記錄在本公司根據《證券及期貨條例》第352條而備存的登記冊內的權益。

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (cont'd)

6. Short positions (in respect of equity derivatives) in underlying shares of associated corporations of the Company:

None.

7. Interests in debentures of the Company:

None.

8. Interests in debentures of the associated corporations of the Company:

None.

Save as disclosed above, as at 31 December 2006, none of the Directors or chief executive of the Company had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Company pursuant to Section 352 of the SFO.

購股權計劃

本公司於二零零三年五月十六日採納了「中信國際金融控股有限公司購股權計劃」(「購股權計劃」)。截至二零零六年十二月三十一日止年度，本公司於二零零六年五月十八日向321名合資格人士授予可認購合共8,152,000股本公司普通股的購股權。

根據上市規則披露有關購股權計劃的摘要如下：

1. 購股權計劃的目的：

購股權計劃旨在為本公司提供一個靈活的方法，以挽留、推動、獎勵、酬謝、補償及／或提供福利予合資格人士。

2. 購股權計劃的參與者：

董事會可向下列合資格人士授出購股權：

- (a) 根據與本集團成員公司訂立的合約而持有受薪職位或工作的僱員或董事；
- (b) 非執行董事(包括任何獨立非執行董事)；
- (c) 本集團任何成員公司的直接或間接股東；
- (d) 本集團任何成員公司的貨物或服務供應商；
- (e) 本集團任何成員公司的客戶、顧問、業務或合營夥伴、特許經營人、承包人、代理或代表；
- (f) 為本集團任何成員公司提供研究、開發或其他技術支援或任何諮詢、顧問及專業服務的人士或實體；

Share Option Scheme

The Company adopted The CITIC International Financial Holdings Limited Share Option Scheme ("the Share Option Scheme") on 16 May 2003. For the year ended 31 December 2006, options to subscribe for a total of 8,152,000 ordinary shares of the Company were granted to 321 eligible persons under the Share Option Scheme on 18 May 2006.

The following is a summary of the Share Option Scheme disclosed in accordance with the Listing Rules:

1. Purpose of the Share Option Scheme:

The purpose of the Share Option Scheme is to provide the Company with a flexible means of either retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to the eligible persons.

2. Participants of the Share Option Scheme:

The Board may offer to grant an option to the following eligible persons:

- (a) an employee or director holding salaried office or employment under a contract with a member of the Group;
- (b) a non-executive director (including any independent non-executive directors);
- (c) a direct or indirect shareholder of any member of the Group;
- (d) a supplier of goods or services to any member of the Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- (f) a person or entity that provides research, development or other technological support or any advisory, consultancy and professional services to any member of the Group;

購股權計劃 (續)

- (g) 由屬於上述任何參與者類別的一名或多名人士全資擁有的任何公司；或
- (h) 受益人或全權信託對象包括上述任何類別參與者的任何信託或全權信託的受託人。

3. 購股權計劃中可發行的股份總數及其於二零零六年十二月三十一日佔已發行股本百分率：

購股權計劃中可發行的股份數目為280,381,128股，佔本公司於二零零六年十二月三十一日已發行股本的5.58%。

4. 購股權計劃中每名參與者可獲授權益上限：

倘若任何合資格人士在行使購股權後，會導致其有權認購的股份數目，加上所有於截至該等購股權要約日期(包括當日)止十二個月期間內已授予該合資格人士的購股權而發行或將可發行的股份總數，超逾當日已發行股份的1%，則不可再向該名合資格人士授予購股權。授予任何超逾此上限的購股權，須受購股權計劃的規則所載若干規定所約束。

5. 購股權認購股份的期限：

由該購股權授予日的第二週年開始，至授予日的第十週年之前一天止。

6. 購股權在行使前須持有的最短期限：

由該購股權授予日開始，至授予日的第二週年之前一天止。

Share Option Scheme (cont'd)

- (g) any company wholly-owned by one or more persons belonging to any of the above classes of participants; or
- (h) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include any of the above classes of participants.

3. Total number of shares available for issue under the Share Option Scheme and percentage of issued share capital as at 31 December 2006:

The number of shares available for issue under the Share Option Scheme is 280,381,128 shares, representing 5.58% of the issued share capital of the Company as at 31 December 2006.

4. Maximum entitlement of each participant under the Share Option Scheme:

No options may be granted to any eligible person which, if exercised, would result in such eligible person becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him in the 12 month period up to and including the offer date of the relevant options, exceed 1% of the shares in issue at such date. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Share Option Scheme.

5. The period within which the shares must be taken up under an option:

Beginning on the second anniversary of the date of grant of such options and ending on the day immediately before the tenth anniversary thereof.

6. The minimum period for which an option must be held before it can be exercised:

From the date of grant of such options up to the day immediately before the second anniversary thereof.

購股權計劃 (續)

7. 申請或接受購股權須付金額以及付款或通知付款的期限或償還申請有關貸款的期限：

不適用。

8. 行使價釐定基準：

行使價由董事會釐定，惟不少於下列的較高者：

- (a) 根據香港聯合交易所有限公司(「聯交所」)每日報價表所載，本公司股份於要約日期的收市價；
- (b) 根據聯交所每日報價表所載，本公司股份在緊接要約日期前五個交易日的平均收市價；及
- (c) 本公司股份的面值。

Share Option Scheme (cont'd)

7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid:

Not applicable.

8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the higher of the followings:

- (a) the closing price of the shares of the Company as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on the date of offer;
- (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer; and
- (c) the nominal value of the shares of the Company.

購股權計劃 (續)

9. 購股權計劃尚餘的有效期：

購股權計劃將於二零一三年五月十五日終止。

於二零零六年十二月三十一日，董事及其他合資格人士根據購股權計劃獲授予以下購股權，以認購本公司普通股（於二零零六年十二月二十九日的收市價為每股港幣6.98元）：

Share Option Scheme (cont'd)

9. The remaining life of the Share Option Scheme:

The Share Option Scheme will end on 15 May 2013.

As at 31 December 2006, the Directors and the other eligible persons had the following interests in options granted under the Share Option Scheme to subscribe for the ordinary shares of the Company (closing market price per share as at 29 December 2006 was HK\$6.98):

	於二零零六年		授予日期 Date of grant	授予期間 Vesting period	可行使購 股權期間 Exercisable period	截至二零零六年 十二月三十一日 年度獲授予的 購股權數目 Number of options granted during the year ended 31/12/2006 (附註1) (Note 1)		截至二零零六年 十二月三十一日 年度已行使的 購股權數目 Number of options exercised during the year ended 31/12/2006		截至二零零六年 十二月三十一日 年度已失效的 購股權數目 Number of options lapsed during the year ended 31/12/2006		行使 購股權的 每股行使價 Price per share on exercise of options (港幣(元)) (HK\$)	加權平均 收市價 Weighted average closing price (附註2) (Note 2) (港幣(元)) (HK\$)
	於二零零六年 一月一日 尚未行使的 購股權數目 Number of options outstanding as at 01/01/2006	於二零零六年 十二月三十一日 尚未行使的 購股權數目 Number of options outstanding as at 31/12/2006											
孔丹先生 Mr. Kong Dan	400,000	400,000	17/11/2003	17/11/2003 – 16/11/2005	17/11/2005 – 16/11/2013	—	—	—	—	—	—	3.540	—
	400,000	400,000	06/04/2004	06/04/2004 – 05/04/2006	06/04/2006 – 05/04/2014	—	—	—	—	—	—	3.775	—
	400,000	400,000	13/06/2005	13/06/2005 – 12/06/2007	13/06/2007 – 12/06/2015	—	—	—	—	—	—	2.925	—
	—	400,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	400,000	—	—	—	—	—	4.275	—
實建中先生 Mr. Dou Jianzhong	—	400,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	400,000	—	—	—	—	—	4.275	—
陳許多琳女士 Mrs. Chan Hui Dor Lam Doreen	300,000	300,000	17/11/2003	17/11/2003 – 16/11/2005	17/11/2005 – 16/11/2013	—	—	—	—	—	—	3.540	—
	300,000	300,000	06/04/2004	06/04/2004 – 05/04/2006	06/04/2006 – 05/04/2014	—	—	—	—	—	—	3.775	—
	300,000	300,000	13/06/2005	13/06/2005 – 12/06/2007	13/06/2007 – 12/06/2015	—	—	—	—	—	—	2.925	—
	—	300,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	300,000	—	—	—	—	—	4.275	—

購股權計劃 (續)

Share Option Scheme (cont'd)

	於二零零六年		授予日期 Date of grant	授予期間 Vesting period	可行使 購股權期間 Exercisable period	截至二零零六年	截至二零零六年	截至二零零六年 十二月 三十一日止 年度已失效的 購股權數目 Number of options lapsed during the year ended 31/12/2006	行使 購股權的 每股行使價 Price per share on exercise of options (港幣(元)) (HK\$)	加權平均 收市價 Weighted average closing price (附註2) (Note 2) (港幣(元)) (HK\$)
	於二零零六年 一月一日 尚未行使的 購股權數目 Number of options outstanding as at 01/01/2006	於二零零六年 十二月 三十一日 尚未行使的 購股權數目 Number of options outstanding as at 31/12/2006				截至二零零六年 十二月 三十一日止 年度獲授予的 購股權數目 Number of options granted during the year ended 31/12/2006 (附註1)	截至二零零六年 十二月 三十一日止 年度已行使的 購股權數目 Number of options exercised during the year ended 31/12/2006			
盧永逸先生 Mr. Lo Wing Yat Kelvin	200,000	200,000	17/11/2003	17/11/2003 – 16/11/2005	17/11/2005 – 16/11/2013	—	—	—	3.540	—
	200,000	200,000	06/04/2004	06/04/2004 – 05/04/2006	06/04/2006 – 05/04/2014	—	—	—	3.775	—
	200,000	200,000	13/06/2005	13/06/2005 – 12/06/2007	13/06/2007 – 12/06/2015	—	—	—	2.925	—
	—	200,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	200,000	—	—	4.275	—
施柏雅先生 Mr. Roger Clark Spyer	—	140,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	140,000	—	—	4.275	—
趙盛彪先生 Mr. Zhao Shengbiao	40,000	40,000	17/11/2003	17/11/2003 – 16/11/2005	17/11/2005 – 16/11/2013	—	—	—	3.540	—
	40,000	40,000	06/04/2004	06/04/2004 – 05/04/2006	06/04/2006 – 05/04/2014	—	—	—	3.775	—
	40,000	40,000	13/06/2005	13/06/2005 – 12/06/2007	13/06/2007 – 12/06/2015	—	—	—	2.925	—
	—	40,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	40,000	—	—	4.275	—

購股權計劃 (續)

Share Option Scheme (cont'd)

	於二零零六年		授予日期 Date of grant	授予期間 Vesting period	可行使 購股權期間 Exercisable period	截至二零零六年	截至二零零六年	截至二零零六年	行使 購股權的 每股行使價 Price per share on exercise of options (港幣(元)) (HK\$)	加權平均 收市價 Weighted average closing price (附註2) (Note 2) (港幣(元)) (HK\$)
	十二月三十一日止 尚未行使的 購股權數目 Number of options outstanding as at 01/01/2006	十二月三十一日止 尚未行使的 購股權數目 Number of options outstanding as at 31/12/2006				十二月三十一日止 年度獲授予的 購股權數目 Number of options granted during the year ended 31/12/2006 (附註1) (Note 1)	十二月三十一日止 年度已行使的 購股權數目 Number of options exercised during the year ended 31/12/2006	十二月三十一日止 年度已失效的 購股權數目 Number of options lapsed during the year ended 31/12/2006		
其他合資格人士總計 Aggregate total of other eligible persons	3,676,000	1,452,000	17/11/2003	17/11/2003 – 16/11/2005	17/11/2005 – 16/11/2013	—	2,140,000	84,000	3.540	4.820
	4,384,000	1,900,000	06/04/2004	06/04/2004 – 05/04/2006	06/04/2006 – 05/04/2014	—	2,384,000	100,000	3.775	4.810
	5,544,000	4,532,000	13/06/2005	13/06/2005 – 12/06/2007	13/06/2007 – 12/06/2015	—	348,000 (附註3) (Note 3)	664,000	2.925	4.652
	—	5,984,000	18/05/2006	18/05/2006 – 17/05/2008	18/05/2008 – 17/05/2016	6,672,000	140,000 (附註3) (Note 3)	548,000	4.275	4.870
	16,424,000	18,168,000				8,152,000	5,012,000	1,396,000		

附註

Note

1. 本公司普通股於二零零六年五月十八日授出購股權之前一天的收市價為港幣4.3元。
2. 此為本公司普通股在購股權行使日期前的加權平均收市價。
3. 本公司董事會按購股權計劃的條款行使其酌情權，將數名退休的購股權持有人的購股權行使期提前生效，該等購股權持有人亦於退休前行使其購股權。

1. The closing price of the ordinary shares of the Company immediately before 18 May 2006 on which the options were granted was HK\$4.3.
2. This represents the weighted average closing price of the ordinary shares of the Company immediately before the dates on which the options were exercised.
3. The Board of Directors of the Company had exercised its discretionary power to accelerate the vesting period of the options granted to certain retiring option holders in accordance with the terms of the Share Option Scheme. These option holders had exercised their options before retirement.

除上述者外，本公司、控股公司、附屬公司或同系附屬公司均沒有在年度內任何時間訂立任何安排，致使本公司董事或他們的配偶或未滿十八歲的子女可以透過收購本公司或任何其他法人公司的股份或債券而獲益。

Apart from the foregoing, at no time during the year was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

主要股東及其他人士持有股份及相關股份中的權益及淡倉

除下文所披露者外，董事並不知悉有任何其他人士（本公司的董事或行政總裁或其各自的聯繫人士除外）於二零零六年十二月三十一日在本公司的股份及相關股份中，擁有根據《證券及期貨條例》第XV部第2分部及第3分部之規定必須向本公司披露的權益或淡倉：

1. 本公司股份的好倉：

股東名稱 Name of shareholders	身份 Capacity	持有普通股數目 Number of ordinary shares held	佔已發行股本百分率 Percentage of issued share capital (附註1) (Note 1)
中國中信集團公司（「中信集團」） CITIC Group	實益擁有人（附註2） Beneficial owner (Note 2)	4,325,595,076	86.11%
	所控制法團的權益 Interest of controlled corporations	1,376,770	0.03%
	任何協議訂約方的權益，藉以收購一間根據證券及期貨條例第317(1)(a)條及318條須予披露的特定上市法團權益（附註3） Interest of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under Section 317(1)(a) and Section 318 of the SFO (Note 3)	982,056,454	19.55%
西班牙對外銀行 Banco Bilbao Vizcaya Argentaria, S.A.（「BBVA」）	實益擁有人 Beneficial owner	835,717,967	16.64%
	其他 Other	3,324,110,286	66.17%

Substantial Shareholders and Other Persons' Interests and Short Positions in Shares and Underlying Shares

Save as disclosed below, as at 31 December 2006, the Directors were not aware of any person (other than a Director or chief executive of the Company or their respective associate(s)) who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

1. Long positions in shares of the Company:

主要股東及其他人士持有股份及相關股份中的權益及淡倉 (續)

- 附註
1. 此權益百分率是以本公司於二零零六年十二月三十一日的已發行股本5,023,422,774股計算。
 2. 此等權益包括中信集團於二零零六年十二月三十一日持有的本公司普通股3,343,538,622股，以及中信集團可根據其與西班牙對外銀行於二零零六年十一月二十二日訂立的股份買賣協議，就西班牙對外銀行所持有的本公司股份行使其優先購買權而收購的本公司股份。
 3. 此等權益包括將發行予西班牙對外銀行的本公司普通股668,574,374股，以及根據本公司與西班牙對外銀行於二零零六年十一月二十二日訂立的認購協議，可能須於反攤薄追加認購權獲行使時發行予西班牙對外銀行的任何額外普通股。

2. 本公司股份的淡倉：

股東名稱 Name of shareholders	身份 Capacity	持有普通股數目 Number of ordinary shares held	佔已發行股本百分率 Percentage of issued share capital (附註) (Note)
中信集團 CITIC Group	實益擁有人 Beneficial owner	167,143,593	3.33%
西班牙對外銀行 BBVA	實益擁有人 Beneficial owner	835,717,967	16.64%

附註：此權益百分率是以本公司於二零零六年十二月三十一日的已發行股本5,023,422,774股計算。

3. 本公司(就股本衍生工具而言)相關股份的好倉及淡倉：

無。

Substantial Shareholders and Other Persons' Interests and Short Positions in Shares and Underlying Shares (cont'd)

- Note
1. The percentage interest is calculated on the basis of an issued share capital of the Company of 5,023,422,774 as at 31 December 2006.
 2. These interests include the 3,343,538,622 ordinary shares of the Company held by CITIC Group as at 31 December 2006 and the ordinary shares of the Company which may be acquired by CITIC Group in exercise of its pre-emption rights over the ordinary shares of the Company of BBVA pursuant to the share purchase agreement dated 22 November 2006 between CITIC Group and BBVA.
 3. These interests include the 668,574,374 ordinary shares of the Company to be issued to BBVA and any additional ordinary shares which may fall to be issued to BBVA in respect of the anti-dilution right of BBVA under the subscription agreement entered into between the Company and BBVA dated 22 November 2006.

2. Short positions in shares of the Company:

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

None.

非常重大收購及關連交易

於二零零六年三月三十日，本公司與主要股東中信集團簽訂框架協議。據此，本公司有條件地同意收購而中信集團亦有條件地同意向本公司出售當時為其全資子公司中信銀行的全部股份權益約19.9%，對價以本公司向中信集團發行及配發每股港幣3.41元的新普通股形式償付。於二零零六年四月十三日，本公司與中信集團簽訂正式權益買賣合同（「原協議」），其主要條款與框架協議之條款大致相同。之後，中信集團以現金形式向中信銀行的註冊資本出資人民幣50億元，並透過保留中信銀行的盈利人民幣24億元增加中信銀行的資本，本公司持有中信銀行的股份權益因而攤薄至15.17%。由於收購中信銀行的股份權益構成上市規則所指的非常重大收購及關連交易，本公司已於二零零六年七月十九日舉行的股東特別大會上取得獨立股東的批准。在完成所有先決條件後，上述交易已於二零零六年十二月二十九日完成，合共1,554,490,402股每股面值港幣1元的普通股以對價每股港幣3.41元發行及配發予中信集團。本公司現持有中信銀行的全部股份權益約15.17%。

Very Substantial Acquisition and Connected Transaction

On 30 March 2006, the Company entered into a Framework Agreement with CITIC Group, the substantial shareholder of the Company, pursuant to which the Company conditionally agreed to acquire and CITIC Group conditionally agreed to sell to the Company approximately 19.9% of the entire equity interests of China CITIC Bank (“CNCB”), which is the then wholly owned subsidiary of CITIC Group. The consideration was to be satisfied by the issue and allotment of new ordinary shares of the Company at HK\$3.41 per share to CITIC Group. Formal Sale and Purchase Agreement (“Original Agreement”), of which the major terms are substantially the same as the Framework Agreement, was entered into between the Company and CITIC Group on 13 April 2006. Since then, CITIC Group contributed RMB5 billion cash to the registered capital of CNCB and capitalising retained profits of RMB2.4 billion in CNCB. The percentage equity interest of CNCB to be held by the Company was diluted to 15.17%. The acquisition of CNCB’s equity interests constituted a very substantial acquisition and a connected transaction of the Company in accordance with the Listing Rules and independent shareholders’ approval was obtained at the extraordinary general meeting of the Company held on 19 July 2006. Upon satisfaction of all conditions precedent, the transaction was finally completed on 29 December 2006 and a total of 1,554,490,402 ordinary shares of HK\$1.00 each were issued and allotted to CITIC Group at HK\$3.41 per share. Since then, the Company holds a total of 15.17% of the entire equity interests of CNCB.

非常重大收購及關連交易 (續)

為確保本公司在中信銀行的權益不少於15%，本公司於二零零六年十一月二十二日與中信銀行及中信集團簽訂了追加認購協議（「追加認購協議」）。據此，本公司同意認購而中信銀行同意向本公司發行其若干數目的股份（「追加認購股份」），致使本公司於中信銀行在全球發行H股以及A股（如適用）的認購完成時，於中信銀行全部股份所佔的百分比將不少於15%。追加認購股份的對價將於完成時以現金支付。由於追加認購協議在原協議簽署之日起十二個月內簽署，按上市規則規定，追加認購協議項下預期的交易須與原協議合併計算，因此，本公司按追加認購協議向中信銀行認購追加認購股份構成本公司的非常重大收購及關連交易。本公司已於二零零七年二月九日舉行的股東特別大會上取得獨立股東的批准。在完成所有先決條件後，追加認購協議可正式完成。

再者，為了制定本公司、中信銀行與中信集團之間更清晰的合規框架，本公司於二零零六年十一月二十二日與中信集團及中信銀行簽訂了意向書（「中信銀行合作備忘錄」）。據此，中信銀行合作備忘錄的各方將簽署中信銀行合作協議。在中信銀行合作協議中，各方形成避免簡單競爭的基礎。由於中信集團為本公司的主要股東，而中信銀行亦為中信集團的子公司，因此，中信銀行合作備忘錄（包括中信銀行合作協議）及其項下預期的交易均構成上市規則所指的關連交易。本公司已於二零零七年二月九日舉行的股東特別大會上取得獨立股東的批准。

Very Substantial Acquisition and Connected Transaction (cont'd)

To ensure that the Company's interest in CNCB will not be less than 15%, the Company entered into a Top Up Agreement with CNCB and CITIC Group on 22 November 2006 ("Top Up Agreement"). Pursuant to the Top Up Agreement, the Company agreed to subscribe for, and CNCB agreed to issue to the Company, certain number of its shares ("Top Up Shares") so that the percentage of equity interests to be held by the Company in CNCB is expected to be no less than 15% of the total equity interests in CNCB as at the time when the subscription for global offering of H-shares and A-shares (if applicable) of CNCB is completed. The consideration for the Top Up Shares is to be satisfied by cash upon completion. Since the Top Up Agreement was entered into within 12 months from the Original Agreement, the transaction contemplated under the Top Up Agreement should be aggregated with the Original Agreement in accordance with the Listing Rules and accordingly, the subscription of the Top Up Shares by the Company pursuant to the Top Up Agreement constitutes a very substantial acquisition and a connected transaction of the Company. Independent shareholders' approval was obtained at the extraordinary general meeting of the Company held on 9 February 2007. Upon satisfaction of all conditions precedent, the Top Up Agreement will be completed.

Further, in order to set out a clearer framework for cooperation amongst the Company, CNCB and CITIC Group, the Company, on 22 November 2006, entered into the memorandum of understanding ("the CNCB Cooperation MOU") with CITIC Group and CNCB pursuant to which, the parties to the CNCB Cooperation MOU will execute the CNCB Cooperation Agreement. Under the CNCB Cooperation Agreement, the parties will form the basis of avoiding simple competition. Since CITIC Group is the substantial shareholder of the Company and CNCB is a subsidiary of CITIC Group, the CNCB Cooperation MOU (including the CNCB Cooperation Agreement) and the transactions contemplated therein constitute connected transactions of the Company in accordance with the Listing Rules and independent shareholders' approval was obtained at the extraordinary general meeting of the Company on 9 February 2007.

須予披露交易

於二零零六年十二月四日，本公司與當時仍為全資附屬公司的中信國際資產管理有限公司（「中信國際資產管理」），及Asset Managers Co., Ltd.、Ithmaar Bank B.S.C.與Mega Rider Offshore Ltd.（統稱「投資者」）簽訂股份轉讓及認購協議。據此，投資者同意向本公司購買合共374,449,909股中信國際資產管理的普通股，並以每股港幣1.0518元認購中信國際資產管理合共956,150,696股新普通股。有關股份轉讓及認購已於二零零六年十二月二十八日完成。本公司現持有中信國際資產管理的全部已發行股本的40%，中信國際資產管理現為本公司的聯營公司，而不再為本公司的附屬公司。

購買、出售或贖回本公司的上市證券

本公司於截至二零零六年十二月三十一日止年度內並無贖回任何本公司的上市證券。本公司及各附屬公司於本年度均無購入或出售任何本公司的上市證券。

管理合約

本年度內，本公司並無簽訂或存有任何與本公司全盤業務或其中重大部分業務管理有關的合約。

主要客戶

董事會相信，本集團五大客戶佔本集團本年度的利息收入及其他經營收入總額少於30%。

公眾持股量

根據本公司在截至二零零六年十二月三十一日止可以得悉，而各董事亦知悉的公開資料作基準，本公司仍維持上市規則所規定的公眾持股量。

Discloseable Transaction

On 4 December 2006, the Company entered into a Share Transfer and Subscription Agreement with CITIC International Assets Management Limited (“CIAM”), the then wholly owned subsidiary of the Company, and Asset Managers Co., Ltd., Ithmaar Bank B.S.C. and Mega Rider Offshore Limited (collectively “the Investors”) pursuant to which the Investors agreed to purchase a total of 374,449,909 ordinary shares of CIAM from the Company and subscribe for a total of 956,150,696 new ordinary shares of CIAM at HK\$1.0518 per share. The shares transfer to, and subscription for new shares by, the Investors were completed on 28 December 2006. Since then, the Company holds a total of 40% of the entire issued share capital of CIAM and CIAM is no longer a subsidiary but an associated company of the Company.

Purchase, Sale or Redemption on the Company's Listed Securities

The Company had not redeemed any of its listed securities during the year ended 31 December 2006. Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the year.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Major Customers

The Directors believe that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group in the year.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors of the Company as at 31 December 2006, the Company has maintained the prescribed public float under the Listing Rules.

董事於合約的權益

本公司、控股公司、附屬公司或同系附屬公司，概無訂立任何與本公司業務有關而令本公司董事於年終時或本年度內任何時間，可直接或間接享有重大權益的重要合約。

退休計劃

本集團現行一項既定供款公積金計劃及一項強制性公積金計劃。有關該等退休計劃的詳情載於財務報表附註40內。

獨立性確認

本公司已收到林廣兆先生、席伯倫先生和曾耀強先生作為獨立非執行董事，於每年度向本公司就其獨立性作出的確認。本公司認為該三名獨立非執行董事確屬獨立人士。

核數師

重新委任畢馬威會計師事務所為本公司核數師的決議案，將在即將舉行的股東週年大會上提呈。

承董事會命

孔丹
董事長

香港，二零零七年三月十五日

Directors' Interests in Contracts

No contract of significance in relation to the Company's business to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Retirement Schemes

The Group operates a defined contribution provident fund scheme and a mandatory provident fund scheme. Particulars of these retirement schemes are set out in note 40 to the financial statements.

Confirmation of Independence

The Company has received an annual confirmation of independence from each of the Independent Non-executive Directors, namely Mr. Lam Kwong Siu, Mr. Rafael Gil-Tienda and Mr. Tsang Yiu Keung Paul. The Company considers all three Independent Non-executive Directors of the Company to be independent.

Auditors

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Kong Dan
Chairman

Hong Kong, 15 March 2007



致中信國際金融控股有限公司股東
(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第94頁至232頁中信國際金融控股有限公司(「貴公司」)的綜合財務報表,此綜合財務報表包括於二零零六年十二月三十一日之綜合資產負債表及貴公司的資產負債表與截至該日止年度的綜合收益表、綜合權益變動表和綜合現金流量結算表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關的內部監控,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見。我們是按照香港《公司條例》第141條的規定,僅向整體股東報告。除此以外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

To the shareholders of CITIC International Financial Holdings Limited
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of CITIC International Financial Holdings Limited ("the Company") set out on pages 94 to 232, which comprise the consolidated and the Company's balance sheets as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對公司的內部監控的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映貴公司和貴集團於二零零六年十二月三十一日的事務狀況及截至該日止年度集團的溢利及現金流量，並已按照香港《公司條例》妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道十號
太子大廈八樓

二零零七年三月十五日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2006 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 March 2007

綜合收益表

Consolidated Income Statement

截至二零零六年十二月三十一日止年度 (以港幣為單位)
for the year ended 31 December 2006 (Expressed in Hong Kong dollars)

		附註 Note	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
利息收入	Interest income	3	4,106,324	3,007,372
利息支出	Interest expense		(3,036,786)	(1,908,115)
淨利息收入	Net interest income		1,069,538	1,099,257
費用及佣金收入	Fee and commission income	4	574,695	439,662
費用及佣金支出	Fee and commission expense		(14,668)	(12,837)
淨費用及佣金收入	Net fee and commission income		560,027	426,825
淨交易收入	Net trading income	5	651,327	343,466
指定為通過損益以反映公允價值之金融工具淨(支出)/收入	Net (expense)/income from financial instruments designated at fair value through profit or loss	6	(69,736)	22,481
淨對沖收益/(虧損)	Net hedging gain/(loss)	7	129	(679)
其他經營收入	Other operating income	8	48,507	79,301
經營收入	Operating income		2,259,792	1,970,651
經營支出	Operating expenses	9	(1,145,306)	(1,094,688)
扣除減值準備前之經營溢利	Operating profit before impairment		1,114,486	875,963
貸款及墊款減值虧損(準備)/回撥	Impairment losses (charged for)/written back on loans and advances	12	(35,100)	57,544
持有至到期投資減值虧損(準備)/回撥	Impairment losses (charged for)/written back on held-to-maturity investments		(3,957)	6,306
可供出售證券減值虧損	Impairment losses on available-for-sale securities		(17,461)	(7,817)
物業減值虧損回撥	Impairment losses written back on properties	30(a)	—	1,517
減值虧損(準備)/回撥	Impairment losses (charged for)/written back		(56,518)	57,550
出售可供出售證券淨溢利	Net profit on disposal of available-for-sale securities	13	90,199	—
出售持有至到期投資淨虧損	Net loss on disposal of held-to-maturity investments		(22,306)	—
經營溢利	Operating profit		1,125,861	933,513
出售附屬公司溢利	Profit on disposal of a subsidiary		1,073	—
出售聯營公司虧損	Loss on disposal of associates		—	(6,352)
出售物業及設備淨溢利	Net profit on disposal of property and equipment		71,884	240,222
投資物業重估收益	Revaluation gain on investment properties	30(a)	3,376	2,140
所佔聯營公司溢利	Share of profits of associates		131,450	46,123
稅前溢利	Profit before taxation		1,333,644	1,215,646
所得稅	Income tax	14	(206,126)	(112,206)
本年度溢利	Profit for the year		1,127,518	1,103,440
可歸屬於：	Attributable to:			
本公司股東	Equity shareholders of the Company	15	1,126,135	1,103,395
少數股東	Minority interests	44	1,383	45
本年度溢利	Profit for the year		1,127,518	1,103,440
本年度歸屬於本公司股東的股息：	Dividends payable to equity shareholders of the Company attributable to the year:			
本年度已宣派及派發的 中期股息	Interim dividend declared and paid during the year	16(a)	246,517	361,358
結算日後擬派的末期股息	Final dividend proposed after the balance sheet date		321,000	191,872
			567,517	553,230
每股盈利	Earnings per share	17		
基本	Basic		34.66仙¢	34.51仙¢
攤薄	Diluted		32.58仙¢	32.38仙¢

第101頁至第232頁的附註屬本財務報表一部分。
The notes on pages 101 to 232 form part of these financial statements.

綜合資產負債表 Consolidated Balance Sheet

於二零零六年十二月三十一日 (以港幣為單位)
at 31 December 2006 (Expressed in Hong Kong dollars)

	附註 Note	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
資產			
現金及在銀行及其他金融機構的結存	19	1,267,871	1,161,309
在銀行及其他金融機構的存款	20	12,038,714	5,265,044
貿易票據	21	491,994	406,364
交易用途資產	22	6,414,870	6,473,029
指定為通過損益以反映公允價值的證券	23	1,003,579	1,139,908
客戶貸款及墊款及其他賬項	24	52,382,962	44,108,183
可供出售證券	26	4,973,450	5,945,960
持有至到期投資	27	10,176,493	17,194,283
聯營公司權益	29	11,354,374	1,291,180
物業及設備	30		
— 投資物業		124,776	64,994
— 其他物業及設備		874,989	936,474
商譽	31	1,007,749	1,007,749
遞延稅項資產	36(b)	29,904	42,201
資產總額		102,141,725	85,036,678
權益及負債			
在銀行及其他金融機構的存款及結存	32	831,973	4,157,446
客戶存款	33	65,421,831	54,415,279
交易用途負債	34	428,648	661,137
已發行存款證	35	7,257,719	7,467,961
已發行債務證券	38	2,300,889	2,245,435
已發行可換股債券	39	247,191	1,289,817
本期稅項	36(a)	112,681	50,478
遞延稅項負債	36(b)	22,586	45,466
其他負債		1,384,810	895,455
債務資本	45	3,901,326	4,352,351
負債總額		81,909,654	75,580,825
權益			
股本	42	5,023,422	3,197,859
儲備	43	15,208,649	6,257,458
歸屬於本公司股東的權益總額		20,232,071	9,455,317
少數股東權益	44	—	536
權益總額		20,232,071	9,455,853
權益及負債總額		102,141,725	85,036,678

董事會於二零零七年三月十五日核准並授權發佈
Approved and authorized for issue by the Board of Directors on 15 March 2007

竇建中
Dou Jianzhong
董事兼行政總裁
Director and C.E.O.

陳許多琳
Chan Hui Dor Lam Doreen
董事總經理兼替任行政總裁
Managing Director and A.C.E.O.

盧永逸
Lo Wing Yat Kelvin
董事總經理兼替任行政總裁
Managing Director and A.C.E.O.

王浩成
Wong Ho Sing Steve
集團財務總監
Group Chief Financial Officer

第101頁到第232頁的附註屬本財務報表一部份。
The notes on pages 101 to 232 form part of these financial statements.

資產負債表 | Balance Sheet

於二零零六年十二月三十一日 (以港幣為單位)
at 31 December 2006 (Expressed in Hong Kong dollars)

		二零零六年 2006		二零零五年 2005	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
非流動資產	Non-current assets				
物業及設備	Property and equipment				
— 其他物業及設備	— Other property and equipment	30(b)	51,049		55,565
附屬公司投資	Investments in subsidiaries	28	4,987,561		6,245,247
聯營公司投資	Investments in associates	29	9,990,944		—
			15,029,554		6,300,812
流動資產	Current assets				
交易用途資產	Trading assets	22	60,893	93,707	
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	24	136,996	18,403	
應收附屬公司款項	Amounts due from subsidiaries	25	1,483,461	1,025,464	
			1,681,350	1,137,574	
流動負債	Current liabilities				
其他負債	Other liabilities		42,896	6,343	
應付附屬公司款項	Amounts due to subsidiaries	37	260,550	1,396,145	
			303,446	1,402,488	
淨流動資產 / (負債)	Net current assets/(liabilities)		1,377,904	(264,914)	
淨資產	Net assets		16,407,458	6,035,898	
權益	Equity				
股本	Share capital	42	5,023,422	3,197,859	
儲備	Reserves	43	11,384,036	2,838,039	
權益總額	Total equity		16,407,458	6,035,898	

董事會於二零零七年三月十五日核准並授權發佈
Approved and authorized for issue by the Board of Directors on 15 March 2007

竇建中
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集團財務總監
Group Chief Financial Officer

第101頁到第232頁的附註屬本財務報表一部分。
The notes on pages 101 to 232 form part of these financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零零六年十二月三十一日止年度(以港幣為單位)
for the year ended 31 December 2006 (Expressed in Hong Kong dollars)

		二零零六年 2006		二零零五年 2005	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日權益總額	Total equity at 1 January	9,455,853		8,960,819	
於權益內直接確認的淨收入：	Net income recognized directly in equity:				
換算以下項目的	Exchange differences on translation of:				
匯兌差額：					
— 海外分行、附屬公司及聯營公司的財務報表	— financial statements of overseas branches, subsidiaries and associates	43	7,056		3,371
— 有關借款	— related borrowings	43	363		(329)
— 出售聯營公司	— on disposal of associate	43	—		627
		7,419		3,669	
將其他物業重新劃歸為投資物業的重估盈餘(已扣除遞延稅項)	Surplus on revaluation of other premises upon reclassification to investment properties, net of deferred tax	43	9,488		6,785
出售物業而撥回重估儲備	Release of revaluation reserve on disposal of properties	43	(1,549)		—
現金流量對沖	Cash flow hedge				
— 公允價值變動的 有效部分	— effective portion of changes in fair value	43	—		9,364
— 轉至遞延稅項	— transfer to deferred tax	43	—		(1,639)
		—		7,725	
公允價值變動	Changes in fair value				
— 可供出售證券	— of available-for-sale securities	43	(37,338)		(59,442)
— 由權益轉至遞延稅項	— transfer from equity to deferred tax	43	20,398		10,403
— 出售可供出售證券時轉至收益表	— transfer to income statement on disposal of available-for-sale securities	43	(79,221)		—
		(96,161)		(49,039)	
出售附屬公司	Disposal of a subsidiary				
— 滙兌差額儲備	— exchange differences reserve	43	(199)		—
— 公允價值儲備	— fair value reserve	43	(28,513)		—
— 保留溢利	— retained profits	43	29,530		—
		818		—	
所佔聯營公司	Share of associates				
— 購股權儲備	— share option reserve	43	9,644		6,500
— 公允價值儲備	— fair value reserve	43	(423)		2,894
本年度溢利	Profit for the year	9,221 1,127,518		9,394 1,103,440	
本年度確認的收入及支出總額	Total recognized income and expense for the year	1,056,754		1,081,974	

		二零零六年 2006		二零零五年 2005	
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
		附註 Note			
可歸屬於	Attributable to:				
— 本公司股東	— equity shareholders of the Company		1,055,371	1,081,929	
— 少數股東	— minority interests		1,383	45	
			1,056,754	1,081,974	
本年度已派發股息	Dividends paid during the year		(438,591)	(601,197)	
本年度購買/出售聯營公司/附屬公司而產生的少數股東權益	Minority interests attributable to associates/subsidiaries acquired/disposed during the year		(1,919)	491	
進行資本交易所產生的權益變動：	Movements in equity arising from capital transactions:				
行使股權而發行新股	Shares issued under the share option scheme				
— 股本	— share capital	42	5,012	3,706	
— 股本溢價	— share premium	43	17,942	4,264	
— 由購股權儲備轉至股份溢價	— transfer of share option reserve to share premium	43	(4,761)	—	
			18,193	7,970	
行使可換股債券而發行新股	Conversion of convertible bonds into ordinary shares				
— 股本	— share capital	42	266,061	—	
— 股本溢價	— share premium	43	869,754	—	
— 權益部分	— equity component	43	(61,294)	—	
			1,074,521	—	
投資中信銀行而發行新股	Issuance of shares for investment in China CITIC Bank				
— 股本	— share capital	42	1,554,490	—	
— 股本溢價	— share premium	43	3,746,322	—	
— 一般儲備	— general reserve	43	3,761,867	—	
			9,062,679	—	
以股權償付的股份交易	Equity-settled share-based transactions	43	4,581	5,796	
			10,159,974	13,766	
於12月31日權益總額	Total equity at 31 December		20,232,071	9,455,853	

第101頁至第232頁的附註屬本財務報表一部分。

The notes on pages 101 to 232 form part of these financial statements.

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零六年十二月三十一日止年度(以港幣為單位)
for the year ended 31 December 2006 (Expressed in Hong Kong dollars)

	附註 Note	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
經營業務	Operating activities		
本年度稅前溢利	Profit for the year before taxation	1,333,644	1,215,646
非現金項目調整：	Adjustments for non-cash items:		
貸款及墊款減值虧損	Impairment losses charged for/(written back)		
準備／(回撥)	on loans and advances	35,100	(57,544)
所佔聯營公司溢利	Share of profits of associates	(131,450)	(46,123)
投資物業重估收益	Revaluation gain on investment properties	(3,376)	(2,140)
出售物業及設備淨溢利	Net profit on disposal of property and equipment	(71,884)	(240,222)
出售可供出售證券淨溢利	Net profit on disposal of available-for-sale securities	(90,199)	—
出售持有至到期投資淨虧損	Net loss on disposal of held-to-maturity investments	22,306	—
持有至到期投資減值虧損	Impairment losses charged for/(written back) on held-		
準備／(回撥)	to-maturity investments	3,957	(6,306)
物業減值虧損回撥	Impairment losses written back on properties	—	(1,517)
可供出售證券減值虧損	Impairment losses on available-for-sale securities	17,461	7,817
出售附屬公司溢利	Profit on disposal of a subsidiary	(1,073)	—
以股權償付的股份支出	Equity-settled share-based payment expenses	4,581	5,796
遞延支出攤銷	Amortization of deferred expenses	65,978	94,260
可換股債券利息支出	Interest expense on convertible bonds	34,121	37,731
物業及設備折舊	Depreciation on property and equipment	110,330	112,837
權益證券股息收入	Dividend income from equity securities	(33,164)	(25,717)
債務資本利息支出	Interest expense on loan capital	266,781	355,262
出售聯營公司虧損	Loss on disposal of associates	—	6,352
滙兌差額	Foreign exchange differences	24,382	(16,112)
		1,587,495	1,440,020
經營資產(增加)／減少	(Increase)/decrease in operating assets		
原到期日超過3個月的	Placements with banks and other financial		
銀行及其他金融	institutions with original maturity beyond		
機構存款	three months	(1,002,743)	(305,511)
原到期日超過3個月的	Treasury bills with original maturity beyond		
國庫券	three months	99,468	299,355
原到期日超過3個月的	Certificates of deposit held with original		
持有存款證	maturity beyond three months	449,923	776,453
交易用途資產	Trading assets	58,159	(2,677,493)
指定為通過損益以反映	Securities designated at fair value through		
公允價值的證券	profit or loss	76,213	(70,110)
客戶貸款及墊款、銀行及	Loans and advances to customers, advances		
其他金融機構墊款、貿易票據	to banks and other financial institutions,		
及其他賬項	trade bills and other accounts	(8,920,598)	(485,294)
持有至到期投資	Held-to-maturity investments	6,432,528	(494,513)
可供出售證券	Available-for-sale securities	970,777	242,570
		(1,836,273)	(2,714,543)
經營負債增加／(減少)	Increase/(decrease) in operating liabilities		
在銀行及其他金融機構的	Deposits and balances of banks and		
存款及結存	other financial institutions	(3,325,473)	601,594
客戶存款	Deposits from customers	11,006,552	(1,036,448)
交易用途負債	Trading liabilities	(232,489)	661,137
已發行存款證	Certificates of deposit issued	(210,242)	502,577
已發行債務證券	Debt securities issued	6,284	(65,515)
其他負債	Other liabilities	617,850	(810,308)
		7,862,482	(146,963)

綜合現金流量表 | Consolidated Cash Flow Statement

截至二零零六年十二月三十一日止年度 (以港幣為單位)
for the year ended 31 December 2006 (Expressed in Hong Kong dollars)

	附註 Note	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
來自/(用於)經營業務的現金淨額		7,613,704	(1,421,486)
已付所得稅			
已付香港利得稅		(130,325)	(113,585)
已付海外稅項		(4,283)	(1,034)
來自/(用於)經營業務的現金淨額		7,479,096	(1,536,105)
投資業務			
已收權益證券股息		33,164	25,717
已收聯營公司股息		597	—
購入物業及設備		(213,379)	(53,934)
出售物業及設備所得款項		186,985	439,065
出售聯營公司所得款項		—	35,524
出售附屬公司淨現金流出	50(b)	(340,828)	—
購入聯營公司		—	(39)
(用於)/來自投資業務的現金淨額		(333,461)	446,333
融資業務			
支付普通股股息		(438,591)	(601,197)
支付可換股債券利息		(2,467)	(3,499)
支付債務資本利息		(355,061)	(355,733)
發行債務資本所得款項		1,942,230	—
贖回債務資本淨現金流出		(2,331,346)	—
發行債務證券所得款項		41,125	—
發行股份所得款項		18,193	7,970
用於融資業務的現金淨額		(1,125,917)	(952,459)
現金及現金等值項目增加/(減少)淨額		6,019,718	(2,042,231)
於1月1日的現金及現金等值項目		6,012,278	8,054,509
於12月31日的現金及現金等值項目	46	12,031,996	6,012,278
經營業務產生的現金流量包括：			
已收利息		4,095,834	3,102,761
已付利息		(2,711,111)	(2,027,636)

第101頁至第232頁的附註屬本財務報表一部分。
The notes on pages 101 to 232 form part of these financial statements.

(除特別列明外，均以港幣為單位)
(Expressed in Hong Kong dollars unless otherwise indicated)

1. 主要業務

中信國際金融控股有限公司(「本公司」)及其附屬公司的主要業務是提供銀行及相關金融服務。這些業務對本集團的業績或資產及負債具有重大影響。

2. 主要會計政策

中信國際金融控股有限公司於香港註冊成立的有限公司，並以香港為辦事處所在地，其註冊辦事處位於香港中環夏慤道12號美國銀行中心1801-2室。截至二零零六年十二月三十一日止年度的綜合財務報表涵蓋本公司和各附屬公司(以下統稱「本集團」)及本集團持有的聯營公司權益。

(a) 合規聲明

本財務報表是根據香港會計師公會頒佈的所有適用的香港財務報告準則(包括所有適用的個別香港財務報告準則、香港會計準則及詮釋)、香港公認會計原則及香港公司條例的規定編製而成。本財務報表也符合香港聯合交易所有限公司證券上市規則的適用披露規定。本集團採用的主要會計政策概述如下。

1. Principal Activities

The principal activities of CITIC International Financial Holdings Limited ("the Company") and its subsidiaries which materially affect the results or comprise the assets and liabilities of the Group, are the provision of banking and related financial services.

2. Significant Accounting Policies

CITIC International Financial Holdings Limited is a limited company incorporated and domiciled in Hong Kong and has its registered office at Suites 1801-2, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. The consolidated financial statements for the year ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in associates.

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

2. 主要會計政策 (續)

(a) 合規聲明 (續)

香港會計師公會頒佈數項新增及經修訂的香港財務報告準則，並可於本年度本集團及本公司的會計期被提早採納或生效。因採納該等新增及經修訂的香港財務報告準則，對適用於本年及往年的本集團及本公司之會計政策未有重大影響。本集團沒有採納任何在本會計期間尚未實施的新準則或詮釋（參閱附註59）。

(b) 財務報表編製基礎

除了以下資產與負債項目以公允價值列賬外，編製財務報表時是以歷史成本作為計量基礎。有關詳情已載列於下列會計政策：

- 劃歸為交易用途、指定為通過損益以反映公允價值及可供出售的金融工具（參閱附註2(h)(ii)）；及
- 投資物業（參閱附註2(k)）。

管理層在按照香港財務報告準則編製財務報表時，需要對會計政策的應用和資產及負債、收入及支出的匯報數額等作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

有關估計及假設須定期作檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期確認。

2. Significant Accounting Policies (cont'd)

(a) Statement of compliance (cont'd)

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. The application of these developments does not have significant financial impact to the Group in current and prior accounting periods reflected in these financial statements. The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period (see note 59).

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (see note 2(h)(ii)); and
- investment property (see note 2(k)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. 主要會計政策 (續)

(b) 財務報表編製基礎 (續)

管理層在應用香港財務報告準則時作出對財務報表有重大影響的判斷，以及對在下一年度造成重大調整的主要風險的估計，於附註58討論。

(c) 收入確認

收入是在經濟效益很可能會流入本集團，以及能夠可靠地計量收入和成本(如適用)時，根據下列方法在收益表內確認：

(i) 利息收入

所有計息金融工具的利息收入均使用實際利率法在收益表內確認。

實際利率法是計算金融資產的攤銷成本及分配有關期間的利息收入的方法。按照金融資產的賬面淨值折讓未來於金融工具預計有效年期或(如適用)較短期間內估計付出或取得的現金值時，所用比率即為實際利率。本集團在計算實際利率時對現金流量作出估計，並且已考慮金融工具的所有合約條款(如提前還款、認購及類似期權)，惟並無考慮未來信貸損失。合約訂約方付出或收取的所有費用(為實際利率的一部分)、交易成本及所有其他溢價或折讓，均在計算之列。

就減值貸款而言，根據貸款原來條款計算的應計利息收入已停止，但隨時間過去而引致任何減值貸款的現值增加則匯報為利息收入。

2. Significant Accounting Policies (cont'd)

(b) Basis of preparation of the financial statements (cont'd)

Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 58.

(c) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in the income statement as follows:

(i) Interest income

Interest income for all interest-bearing financial instruments is recognized in the income statement using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

2. 主要會計政策 (續)

(c) 收入確認 (續)

(i) 利息收入 (續)

指定為通過損益以反映公允價值的金融工具的淨收入及淨交易收入，包括該等金融資產及金融負債的公允價值變動所產生的所有損益（已扣除應計息票），以及該等金融工具產生的利息收入及支出和股息收入。

(ii) 費用及佣金收入

費用及佣金收入在提供相應服務時確認，但如費用是為彌補持續為客戶提供服務或承受風險的成本而收取，或費用屬於利息性質則除外。在這些情況下，費用在產生成本或承受風險的會計期間確認為收入，或視作利息收入。

(iii) 融資租賃及分期付款合約的財務收入

融資租賃及分期付款的隱含財務收入按租賃年期確認為利息收入，以令每個會計期間剩餘的淨投資回報率大致上相同。

(iv) 經營租賃的租金收入

除非有更具代表性的基準能反映從租賃資產獲取利益的模式，其經營租賃的租金收入會按租賃年期內的會計期間，以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表內確認為租賃淨收款總額的組成部分。

2. Significant Accounting Policies (cont'd)

(c) Revenue recognition (cont'd)

(i) Interest income (cont'd)

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with interest income and expense and dividend income attributable to those financial instruments.

(ii) Fee and commission income

Fee and commission income is recognized when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognized as income in the accounting period in which the costs or risk is incurred or accounted for as interest income.

(iii) Finance income from finance lease and hire purchase contract

Finance income implicit in the finance lease and hire purchase payments is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return, on the outstanding net investment in the leases for each accounting period.

(iv) Rental income from operating lease

Rental income received under operating leases is recognized as other operating income in equal over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in the income statement as an integral part of the aggregate net lease payments receivable.

2. 主要會計政策 (續)

(c) 收入確認 (續)

- (v) 股息收入確認如下：
- 上市投資的股息收入是在該項投資的股價除息時確認；及
 - 非上市投資的股息收入在股東收取款項的權利確立時確認。

(d) 附屬公司及少數股東權益

附屬公司是指受本集團控制的實體。控制是指本集團有權決定該實體的財務及經營業務，並藉此從其活動中取得利益。在評估控制存在與否時，現時可行使的潛在投票權會納入考慮之列。

於附屬公司的投資由控制權開始生效當日起在綜合財務報表中綜合計算，直至控制權終止期間為止。

集團內部的結餘及交易，及任何集團內部交易所產生的未實現溢利均於編製綜合財務報表時悉數抵銷。除有證據顯示已出現減值的部分外，集團內部交易產生的未實現虧損的攤銷方法與未實現收益相同。

2. Significant Accounting Policies (cont'd)

(c) Revenue recognition (cont'd)

- (v) Dividend income is recognized as follows:
- dividend income from listed investments is recognized when the share price of the investment is quoted ex-dividend; and
 - dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.

(d) Subsidiaries and minority interest

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from their activities. In assessing control, potential voting rights that presently exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

2. 主要會計政策 (續)

(d) 附屬公司及少數股東權益 (續)

少數股東權益是指，無論是直接或間接透過附屬公司，非由本公司擁有的應佔附屬公司淨資產的權益部分，而集團未與該權益持有者達成任何附加協議，致令集團整體上對該等權益產生符合財務負債定義的法定義務。少數股東權益在綜合資產負債表內的權益項目中，與本公司權益股東應佔的權益分開列示。少數股東權益佔集團年度內溢利在綜合收益賬賬面以分配為少數股東權益及可歸屬於集團股東權益形式呈報。

如果少數股東應佔的虧損超過其應佔附屬公司的權益，超額部分和任何其他少數股東應佔虧損便會抵銷本集團所佔權益；但如少數股東有具約束力的義務和能力作出額外投資彌補虧損則除外。如附屬公司其後滙報溢利，則所有該等溢利均會分配予本集團權益，直至收回以往由本集團承擔的少數股東應佔虧損為止。

在本公司的資產負債表中，其於附屬公司的投資是按成本減去減值虧損（如有）（參閱附註2(o)）後入賬。

(e) 聯營公司

聯營公司是指本集團或本公司可對其管理發揮重大影響（包括參與其財務及經營決策），但並不控制或共同控制其管理的實體。

2. Significant Accounting Policies (cont'd)

(d) Subsidiaries and minority interest (cont'd)

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of these interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interests in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Company's balance sheet, its investments in subsidiaries are stated at cost less impairment losses, if any (see note 2(o)).

(e) Associates

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control over its management, including participation in the financial and operating policy decisions.

2. 主要會計政策 (續)

(e) 聯營公司 (續)

聯營公司投資均在綜合財務報表最初以權益會計法按成本入賬，本集團佔聯營公司收購後淨資產的比例出現變化後再作調整。綜合收益表包括本集團本年度佔聯營公司收購後、除稅後業績的比例，包括任何有關聯營公司投資於本年度確認的商譽減值虧損和其他無形資產攤銷(參閱附註2(f)、2(g)及2(o))。

當本集團應佔的虧損超過其聯營公司權益，則本集團的權益會完全沖銷，並會停止確認其他虧損，但如本集團須代表聯營公司承擔法律或推定義務或支付款項則除外。就此而言，本集團的聯營公司權益是以權益會計法入賬的投資賬面值，連同實質上構成本集團於聯營公司淨投資一部分的長期權益。

本集團及其聯營公司之間交易所產生的未實現盈虧均予抵銷，但只限於本集團於有關聯營公司的權益。然而，如能證明已轉讓的資產出現減值而產生未實現虧損，則該項虧損會立即在損益確認。

在本公司的資產負債表中，聯營公司投資均按成本減任何減值虧損(如有)(參閱附註2(o))後入賬。

(f) 商譽

商譽即商業合併或投資聯營公司的成本超過本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值。

2. Significant Accounting Policies (cont'd)

(e) Associates (cont'd)

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill and amortisation of other intangible assets relating to the investment in associates recognized for the year (see notes 2(f), 2(g) and 2(o)).

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate is the carrying amount of the investment under equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

Unrealized profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

In the Company's balance sheet, its investments in associates are stated at cost less impairment losses, if any (see note 2(o)).

(f) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

2. 主要會計政策 (續)

(f) 商譽 (續)

商譽是以成本減任何累計減值虧損列賬。商譽會分配至現金生產單位，並透過以現金生產單位的預計現金流量現值與其淨資產 (包括應佔商譽) 的賬面值作出比較，每年進行減值測試 (參閱附註2(o))。就聯營公司而言，商譽賬面值計入聯營公司權益賬面值。

在商業合併或投資聯營公司時，若本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值高於成本價，超出的金額便會即時在收益表確認。

於本年度出售單一現金生產單位或聯營公司，計算出售溢利時計入任何可歸屬購入商譽的金額。

(g) 無形資產 (商譽除外)

本集團購入的其他無形資產按成本減累計攤銷 (適用於預計可用而有既定的期限) 和減值虧損 (參閱附註2(o)) 後記入資產負債表內。其他無形資產包括品牌、核心存款和客戶關係的價值。

有既定可用期限的無形資產攤銷按直線法於資產的預計可用期限內在損益中列支。以下有既定可用期限的無形資產由可供使用當日起，在預計可用期限內攤銷：

— 品牌	無期限
— 核心存款	十年
— 客戶關係	二十年

本集團會每年檢討攤銷的期限和方法。

2. Significant Accounting Policies (cont'd)

(f) Goodwill (cont'd)

Goodwill is stated at cost less any accumulated impairment losses (see note 2(o)). Goodwill is allocated to cash-generating units and is tested annually for impairment by comparing the present value of expected cash flows from cash-generating unit with carrying value of its net assets, including attributable goodwill. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognized immediately in the income statement.

On disposal of a cash-generating unit, or an associate during the year, any attributable amount of purchased goodwill is included in the Group's share of net assets in the calculation of the profit or loss on disposal.

(g) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (see note 2(o)). Intangible assets include the value of brand name, core deposits and customer relationships.

Amortization of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

— Brand name	Indefinite
— Core deposits	10 years
— Customer relationships	20 years

Both the period and method of amortization are reviewed annually.

2. 主要會計政策 (續)

(g) 無形資產 (商譽除外) (續)

本集團不會攤銷可用期限未定的無形資產，並會每年檢討關於可用期限未定的無形資產，以釐定有關事項和情況是否繼續支持該資產可用期限未定的評估結論。如否的話，由未定轉為有既定可用期限的評估變動會自變動日期起，根據上文所載有既定期限的無形資產的攤銷政策提早入賬。

(h) 金融工具

(i) 首次確認

本集團在首次確認時，按照購入資產或產生負債的目的而將金融工具分為不同類別。分類為：通過損益以反映公允價值、貸款及應收賬項、持有至到期投資、可供出售金融資產及其他金融負債。

金融工具先以公允價值計量，通常與交易價相同。如果金融資產或金融負債不屬於通過損益以反映公允價值，便需加上直接歸屬於購入金融資產或發行金融負債的交易成本。通過損益以反映公允價值的金融資產及金融負債的交易成本將立即支銷。

本集團會在成為金融工具合約其中一方當日確認金融資產及金融負債。以有規律方式買賣金融資產按交易日會計法予以確認。通過損益以反映公允價值的金融資產或金融負債的公允價值變動產生的任何盈虧由該日起記錄。

2. Significant Accounting Policies (cont'd)

(g) Intangible assets (other than goodwill) (cont'd)

Intangible assets are not amortized while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful lives assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortization of intangible assets with finite lives as set out above.

(h) Financial instruments

(i) Initial recognition

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale securities and other financial liabilities.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets or issue of financial liabilities. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

The Group recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets is recognized using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

2. 主要會計政策 (續)

(h) 金融工具 (續)

(ii) 分類

通過損益以反映公允價值

該類別包括持作交易用途金融資產及金融負債，以及於初步確認時指定為通過損益以反映公允價值的金融資產及負債，惟不包括沒有市場報價及不能可靠計量公允價值的股本工具投資。

交易用途金融工具為主要就交易用途而購入或招致主要是作短期出售或屬可辨別金融工具組合的一部分，以及有證據顯示該組合最近有可短期獲利的模式。不合資格採用對沖會計法(附註2(j))的衍生工具則計入交易用途工具。

如屬以下情況，本集團可以選擇在初步確認時將金融工具指定為通過損益以反映公允價值：

- 本集團內部是按公允價值基準管理、衡量和匯報有關的資產或負債；
- 作出指定後，原應出現的會計錯配情況可予消除或明顯減少；
- 有關的資產或負債包括包含衍生工具，而這些衍生工具令原來按合約所需的現金流量出現明顯的變化；或
- 本集團沒有被禁止將嵌入衍生工具從金融工具內分開。

2. Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

(ii) Categorization

Fair value through profit or loss

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting (note 2(j)) are accounted for as trading instruments.

The Group has the option to designate its financial instruments at fair value through profit or loss upon initial recognition when:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset or liability contains an embedded derivative that significantly modify the cash flows that would otherwise be required under the contract; or
- the separation of the embedded derivatives from the financial instrument is not prohibited.

2. 主要會計政策 (續)

(h) 金融工具 (續)

(ii) 分類 (續)

該類別下的金融資產及金融負債是按公允價值列賬。公允價值的變動在有關變動產生的期間計入收益表。在出售或購回時，淨銷售所得款項或淨付款與賬面值之間的差額會計入收益表內。

貸款及應收賬項

貸款及應收賬項為具有固定或可確定付款且沒有活躍市場報價的非衍生金融資產，惟除了(a)本集團擬即時或於短期內出售而劃歸為持作交易用途；(b)本集團於初始確認時已指定為通過損益以反映公允價值或可供出售者；或(c)本集團可能無法收回其絕大部分初始投資(因信貸表現惡化而無法收回者除外)則分類為可供出售。貸款及應收賬項主要包括客戶貸款及墊款和銀行及金融機構存款。

貸款及應收賬項採用實際利率法，按攤銷成本減去減值虧損(如有)(參閱附註2(o))後列賬。

持有至到期投資

持有至到期投資為具有固定或可確定付款及固定到期日，且本集團有積極意欲及能力持有至到期為止的非衍生金融資產，惟(a)本集團於初步確認時已指定為通過損益以反映公允價值或可供出售者；及(b)符合貸款及應收款定義者除外。

持有至到期投資採用實際利率法，按攤銷成本減去減值虧損(如有)(參閱附註2(o))後列賬。

2. Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

(ii) Categorization (cont'd)

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise loans and advances to customers and placements with banks and financial institutions.

Loans and receivables are carried at amortized cost using the effective interest rate method less impairment losses, if any (see note 2(o)).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intention and ability to hold to maturity, other than (a) those that the Group, upon initial recognition, designates as fair value through profit or loss or as available-for-sale; and (b) those that meet the definition of loans and receivables.

Held-to-maturity investments are carried at amortized cost using the effective interest rate method less impairment losses, if any (see note 2(o)).

2. 主要會計政策 (續)

(h) 金融工具 (續)

(ii) 分類 (續)

可供出售證券

可供出售證券是指定為可供出售或並無劃歸上述三個中任何一個類別的非衍生金融資產，包括計劃作不定期限持有的金融資產，惟可能因應流動資金需求或市場環境變動而出售。

可供出售證券是按公允價值列賬。除如債務證券的貨幣性項目所引致的外匯盈虧須在收益表確認外，因公允價值變動而產生之未實現收益及虧損直接在公允價值儲備內確認。

權益證券投資並沒有活躍市場的報價，而其公允價值並不能可靠計量，與之有所聯繫的衍生工具須透過交付該權益證券而清償，該類權益證券投資按成本減去減值虧損（如有）（參閱附註2(o)）列賬。

倘出售可供出售證券，出售收益或虧損包括淨銷售所得款項與賬面值之間的差額，當中累計公允價值調整會從公允價值儲備撥回。

其他金融負債

除交易用途負債及該等指定為通過損益以反映公允價值的金融負債外，金融負債是採用實際利率法按攤銷成本計量。

2. Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

(ii) Categorization (cont'd)

Available-for-sale securities

Available-for-sale securities are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment.

Available-for-sale securities are carried at fair value. Unrealized gains and losses arising from changes in the fair value are recognized directly in the fair value reserve, except for impairment losses and foreign exchange gains and losses on monetary items such as debt securities which are recognized in the income statement.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity securities are carried at cost less impairment losses, if any (see note 2(o)).

When the available-for-sale securities are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments are released from the fair value reserve.

Other financial liabilities

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortized cost using the effective interest rate method.

2. 主要會計政策 (續)

(h) 金融工具 (續)

(ii) 分類 (續)

可換股債券的負債部分公允價值是採用等同非可換股債券的市場利率釐定。有關金額已記錄為按攤銷成本計算的負債，直至完全兌換或債券已到期為止。所得款項餘額會分配至兌換選擇權，並確認及計入於股東權益內。

如果債券獲轉換為股份，負債部分於轉換時的賬面值會按照以面值發行的股份數目轉入「股本」，有關的差額在資本儲備中確認為股份溢價。

(iii) 公允價值計量原則

金融工具的公允價值是於結算日根據其市場報價但未扣除將來的估計出售成本計算。金融資產以當時買入價作價，而金融負債則以當時賣出價作價。

如並無公開成交價，或未能從認可證券交易所獲得市場報價或從經紀／交易商獲得屬於非通過交易所買賣的金融工具價格，或如市場交投不活躍，則此工具的公允價值以估值模式估值，而該估值模式可根據市場實際交易提供可靠的估計價格。

當採用現金流量折讓價格模式，估計將來現金流量按管理層的最佳估計及採用的折現率是在結算日適用於相近工具條款及條件的市場利率計算。當採用其他定價模式，輸入項目是依據結算日的市場價格資料。

2. Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

(ii) Categorization (cont'd)

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortized cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognized and included in shareholders' equity.

If the bond is converted into shares, the carrying value of the liability component at the time of conversion, are transferred to "share capital" based on the numbers of shares issued at par and the differences are recognised as share premium in capital reserve.

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If a traded price or a quoted market price for exchange-traded financial instrument is not available on a recognized stock exchange or a price from a broker/dealer for non-exchange-traded financial instrument is not available, or if the market for a financial instrument is not active, the fair value of the instrument is estimated using valuation techniques that provides a reasonable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

2. 主要會計政策 (續)

(h) 金融工具 (續)

(iv) 終止確認

當從金融資產獲得現金流量的合約權利屆滿，或當金融資產連同擁有權的絕大部分風險及報酬已被轉移，便會終止確認金融資產。

當合約指定的義務已經履行、取消或屆滿，便會終止確認金融負債。

(v) 抵銷

倘若存在可依法強制執行的權利可抵銷已確認數額，且有計劃按淨額基準結算或同時變現資產及償付負債，則金融資產及金融負債可予抵銷，淨額在資產負債表內匯報。

(vi) 內含衍生工具

內含衍生工具是一個包括衍生工具及主合約的混合(合併)工具的一部分，這一部分以獨立衍生工具類似的方式改變該合併工具的部分現金流量。當(a)內含衍生工具的經濟特質及風險與主合約並無密切關係；及(b)混合(合併)工具並非以公允價值計量而公允價值變動在收益表內確認，則內含衍生工具從主合約分開，並入賬列作衍生工具。

當內含衍生工具分開，則主合約根據金融工具的會計政策入賬。

2. Significant Accounting Policies (cont'd)

(h) Financial instruments (cont'd)

(iv) Derecognition

A financial asset is derecognized when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in the income statement.

When the embedded derivative is separated, the host contract is accounted for in accordance with the accounting policies for financial instruments.

2. 主要會計政策 (續)

(i) 購回及反向購回交易

出售的證券如同時附有在某一較後日期以固定價格購回這些證券的協議(購回協議)，會在財務報表內保留，並根據其原有計量原則計量。出售所得款項匯報為負債，並以攤銷成本列賬。

根據轉售協議(反向購回協議)購買的證券並非匯報為購買證券，而是應收賬項，並以攤銷成本在資產負債表內列賬。

反向購回協議賺取的利息及購回協議產生的利息採用實際利率法，在各協議的有效期內分別確認為利息收入及利息支出。

(j) 對沖

對沖會計法確認對沖工具與被對沖項目的公允價值變動對損益構成的抵銷影響。本集團於開始進行對沖及持續進行對沖時，評估用於對沖交易的金融工具在抵銷與被對沖風險相關的被對沖項目的公允價值或現金流量變動上是否極具效用，並就此制定文件記錄。當(a)對沖工具到期或售出、終止或行使；(b)對沖不再符合對沖會計法的使用條件；或(c)本集團撤銷對沖關係的指定，本集團將終止在往後採用對沖會計法。

(i) 公允價值對沖

公允價值對沖尋求抵銷已確認資產或負債的公允價值變動的風險，該等風險將導致損益在收益表內確認。

2. Significant Accounting Policies (cont'd)

(i) Repurchase and reverse repurchase transactions

Securities sold subject to a simultaneous agreement to repurchase these securities at a certain later date at a fixed price (repurchase agreements) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortized cost.

Securities purchased under agreements to resell (reverse repurchase agreements) are reported not as purchases of the securities, but as receivables and are carried in the balance sheet at amortized cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements are recognized as interest income and interest expense respectively, over the life of each agreement using the effective interest rate method.

(j) Hedging

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

(i) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognized asset or liability that will give rise to a gain or loss being recognized in the income statement.

2. 主要會計政策 (續)

(j) 對沖 (續)

(i) 公允價值對沖 (續)

對沖工具以公允價值計量，公允價值變動在收益表內確認。被對沖項目的賬面值按與被對沖風險相關的對沖工具公允價值變動的數額作出調整。此調整在收益表內確認，以抵銷損益對對沖工具構成的影響。

當對沖工具到期或被出售、終止或行使，或本集團撤銷指定的對沖關係時，截至當時為止對採用實際利率法計量的被對沖項目作出的任何調整，均在收益表中攤銷（作為該項目在尚餘期限內重新計算的實際利率一部分）。

(ii) 現金流量對沖

倘若衍生金融工具被指定作為已確認資產或負債或很可能進行的預計交易的現金流量變數、或已承諾進行的未來交易的外匯風險的對沖工具，則將衍生金融工具重新計量至公允價值所產生損益的有效部分直接在權益內確認。任何損益的無效部分立即在收益表內確認。

如果預計交易的對沖其後導致確認金融資產或金融負債，則相關損益會自權益移除，並於購入資產或承擔負債影響收益表的同期內在收益表予以確認。如果預計交易的對沖其後導致確認非金融資產或非金融負債，則相關累計損益自權益移除，並計入非金融資產或負債的初始成本或其他賬面值。

2. Significant Accounting Policies (cont'd)

(j) Hedging (cont'd)

(i) Fair value hedge (cont'd)

The hedging instrument is measured at fair value, with fair value changes recognized in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of the hedging instrument attributable to the risk being hedged. This adjustment is recognized in the income statement to offset the effect of the gain or loss on the hedging instrument.

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest rate method is used, is amortized to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

(ii) Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognized directly in equity. The ineffective portion of any gain or loss is recognized immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is removed from equity and recognized in the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement. If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability.

2. 主要會計政策 (續)

(j) 對沖 (續)

(ii) 現金流量對沖 (續)

就所有其他現金流量對沖而言，相關的損益於被對沖現金流量影響收益表的同期內自權益移除，並在收益表內確認。

當對沖工具到期或售出、終止或行使，或本集團撤銷對沖關係的指定，惟被對沖預計交易仍然預期會進行，則當時的累計損益仍會保留在權益內，並於交易進行時根據上述政策確認。倘若被對沖交易預期不會落實進行，則已在權益內確認的累計未變現損益立即在收益表內確認。

(iii) 對沖效用測試

為符合資格實施對沖會計法，在開始對沖時及預計對沖期內，本集團須預期對沖成效極具效用(預計效用)。在對沖期內，並必須持續顯示有實際效用(追溯效用)。

有關各種對沖關係的文件載有如何評估對沖的效用。本集團採納的對沖效用評估方法將視乎其風險管理策略而定。

就公允價值對沖關係而言，本集團採用累計價值抵銷法作為測試效用的方法。就現金流量對沖關係而言，本集團利用假設衍生工具方法論採用累計價值抵銷法。

2. Significant Accounting Policies (cont'd)

(j) Hedging (cont'd)

(ii) Cash flow hedge (cont'd)

For all other cash flow hedges, the associated gain or loss is removed from equity and recognized in the income statement in the same period or periods during which the hedged cash flow affects the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealized gain or loss recognized in equity is recognized immediately in the income statement.

(iii) Hedge effectiveness testing

The Group expects the hedge to be highly effective (prospective effectiveness) at the inception of the hedge and throughout its life in order to qualify for hedge accounting. Actual effectiveness (retrospective effectiveness) also needs to be demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilizes the cumulative dollar offset method as effectiveness testing methodologies. For cash flow hedge relationships, the Group utilizes the cumulative dollar offset method using the hypothetical derivative approach.

2. 主要會計政策 (續)

(j) 對沖 (續)

(iii) 對沖效用測試 (續)

就預計效用而言，對沖工具必須被預期為在指定對沖期間內，能高度有效地抵銷被對沖風險的公允價值或現金流量變動。就實際效用而言，公允價值或現金流量變動抵銷額須介乎80%至125%之間才被視為有效。

(k) 投資物業

集團若擁有或以租約業權(參閱附註2(m))持有的土地和樓宇，以賺取租金收入及／或作資本增值的目的，列為投資物業。投資物業包括持有作目前未確定將來用途的土地和樓宇。

投資物業按公允價值記入資產負債表中。投資物業公允價值的變動，或報廢或出售投資物業所產生的任何收益或虧損均在收益表中確認。投資物業的租金收入是按照會計政策第2(c)(iv)項所述方式入賬。

如果本集團以經營租賃持有物業權益以賺取租金收入及／或為資本增值，有關的權益會按每項物業的基準劃歸為投資物業。劃歸為投資物業的任何物業權益的入賬方式與以融資租賃(參閱附註2(m)(ii))持有的權益一樣，而其適用的會計政策也跟以融資租賃出租的其他投資物業相同。租賃付款的入賬方式載列於附註2(c)(iii)。

2. Significant Accounting Policies (cont'd)

(j) Hedging (cont'd)

(iii) Hedge effectiveness testing (cont'd)

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80% to 125% for the hedge to be deemed effective.

(k) Investment property

Investment properties are land and buildings which are owned and/or held under a leasehold interest (see note 2(m)) to earn rental income and/or for capital appreciation. These include land and buildings held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognized in the income statement. Rental income from investment property is accounted for as described in accounting policy note 2(c)(iv).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(m)(ii)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(c)(iii).

2. 主要會計政策 (續)

(I) 其他物業及設備

這些財務報表是按照香港會計師公會頒佈的香港會計準則第16號「物業、廠房及設備」第80A段所載的過渡性條文編製，故並無在結算日重估在截至一九九五年九月三十日期間的財務報表內以重估數額列賬的其他物業的公允價值。

下列物業及設備項目以成本減累計折舊及減值虧損(如有)(參閱附註2(o))在資產負債表內列賬：

- 根據經營租賃持有的土地及其上的樓宇，而於土地及樓宇的租賃權益公允價值無法在租賃年期開始時分開計量，且樓宇並非明確根據經營租賃(參閱附註2(m)(iii))持有；及
- 其他設備項目。

物業及設備項目按以下方式在估計可用年期內以直線法沖銷其成本或估值(已扣除估計殘值(如有))計算折舊：

- 永久業權土地不予折舊。
- 樓宇 — 以三十年以上或土地租賃剩餘年期兩者中的較短者計算折舊。
- 傢俬、固定裝置及設備 — 三至十年。

倘若物業及設備項目部分的可用年期不同，則項目成本或估值在各部分作出合理分配，而各部分分開計算折舊。資產的可用年期及其餘值(如有)每年作出檢討。

2. Significant Accounting Policies (cont'd)

(I) Other property and equipment

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS 16 "Property, plant and equipment", issued by the HKICPA, with effect that other premises which are carried at revalued amounts in financial statements relating to periods ended before 30 September 1995 have not been revalued to fair value at the balance sheet date.

The following items of property and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses, if any (see note 2(o)):

- land held under operating leases and buildings thereon, where the fair value of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 2(m)(iii)); and
- other items of equipment.

Depreciation is calculated to write off the cost or valuation of items of property and equipment, less their estimated residual value, if any, using the straight line method over the estimated useful lives as follows:

- freehold land is not depreciated.
- buildings — over 30 years or the unexpired terms of the land leases, whichever is shorter.
- furniture, fixtures and equipment — 3 to 10 years.

Where parts of an item of property and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 主要會計政策 (續)

(l) 其他物業及設備 (續)

報廢或出售物業及設備項目所產生的損益以出售所得淨額與項目的賬面值之間的差額釐定，並於報廢或出售當日在收益表內確認。任何相關的重估盈餘將由重估儲備轉入保留溢利。

(m) 租賃及分期付款合約

如果本集團把一項安排(包括一項交易或一系列交易)確定為在一段商定期間轉讓一項或一些特定資產的使用權，以換取一筆或多筆付款，則這項安排便包含租賃。確定時是以對有關安排的實質所作評估為準，而不管這項安排是否涉及租賃的法律形式。

(i) 租賃資產分類

承租人承受擁有權帶來的絕大部分風險及報酬的租賃列為融資租賃。出租人沒有轉移擁有權的絕大部分風險及報酬的租賃列為經營租賃。

(ii) 融資租賃

在本集團是融資租賃的出租人情況下，對在租賃中租出的資產的投資淨額視作客戶貸款及墊款，在資產負債表列賬。有融資租賃特徵的分期付款合約以同樣方式列作融資租賃。減值虧損根據附註2(o)所載的會計政策入賬。

2. Significant Accounting Policies (cont'd)

(l) Other property and equipment (cont'd)

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in the income statement on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

(m) Leases and hire purchase contracts

An arrangement, comprising a transaction or a series of the transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of leased assets

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as loans and advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(o).

2. 主要會計政策 (續)

(I) 其他物業及設備 (續)

(iii) 經營租賃

倘若本集團根據經營租賃租出資產，則資產根據其性質計入資產負債表，而在適用的情況下，折舊會根據附註2(I)所載的本集團折舊政策計算。減值虧損根據附註2(o)所載的會計政策入賬。

經營租賃的收入會根據附註2(c)(iv)所載的本集團收入確認政策確認。

如本集團使用根據經營租賃持有的資產，除非有其他基準更能表示從該等經營租賃資產獲得利益的模式，否則其租賃支出按該租賃年期相關的會計期間以等額分期記入收益表。租賃回贈收入視為淨租賃支出總額的一部分，在收益表內確認。

(n) 取回抵押資產

在收回減值貸款及墊款時，本集團可透過法律程序或借款人自願交付而取回持作抵押品的資產。當本集團再不向借款人追索還款，並欲轉為透過有秩序的減值資產變現時，則取回抵押資產會在「其他資產」下匯報。

取回資產在交易日以有關貸款及墊款的賬面值及公允價值減出售成本確認(以較低者為準)，不予折舊或攤銷。

初次分類及其後重新計量引致的減值虧損在收益表內確認。

2. Significant Accounting Policies (cont'd)

(I) Other property and equipment (cont'd)

(iii) Operating leases

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 2(I). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(o).

Revenue arising from operating leases is recognized in accordance with the Group's revenue recognition policies, as set out in note 2(c)(iv).

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognized in income statement as an integral part of the aggregate net lease payments made.

(n) Repossessed assets

In the recovery of impaired loans and advances, the Group may take repossession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realization of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Other assets".

Repossessed assets are recognized at the lower of the carrying amount of the related loans and advances and fair value of such amounts less costs to sell at the date of exchange. They are not depreciated or amortized.

Impairment losses on initial classification and on subsequent remeasurement are recognized in the income statement.

2. 主要會計政策 (續)

(o) 資產減值

本集團在每一結算日檢討資產的賬面值，以確定是否出現減值的客觀證據。如果存在任何有關證據，賬面值將減低至估計可收回數額，其差額透過收益表確認。

(i) 貸款及應收賬項

貸款及應收賬項的減值虧損是以資產賬面值，以及就資產以其原本的實際利率（即於首次確認這些資產時計算的實際利率）用折現方式計算預計的未來現金流量的現值差額計量。如果折現影響並不重大，則短年期應收賬項不予折現。

信貸損失準備總額包括兩個組成部分：個別減值準備及綜合減值準備。

本集團首先評估客觀減值證據是否個別存在於個別上重大的金融資產，及個別或整體存在於非個別上重大的金融資產。如果本集團確定個別評估金融資產（不論是否重大）並無存在減值的客觀證據，則本集團將有相同信貸風險特質的金融資產歸類，並作綜合減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於綜合減值評估內。

2. Significant Accounting Policies (cont'd)

(o) Impairment of assets

The carrying amount of the Group's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to the income statement.

(i) Loans and receivables

Impairment losses on loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for credit losses consists of two components: individual impairment allowances and collective impairment allowances.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

2. 主要會計政策 (續)

(o) 資產減值 (續)

(i) 貸款及應收賬項 (續)

個別減值準備是根據管理層的最佳估計，以原本的實際利率折現預計收取的現金流量的現值。在估計這些現金流量時，管理層須判斷有關借款人的財政狀況及任何向本集團提供的相關抵押品或擔保的可變現淨值，並須評估每宗減值資產的真正價值。

在評估綜合減值準備的需要時，管理層考慮的因素包括信貸質素、組合規模、集中度及經濟因素。為了估計所需準備，本集團根據過往的經驗和現時的經濟情況去釐定潛在虧損及輸入變數。

減值準備的準確性須視乎本集團能否在個別評估減值準備時準確估計未來現金流量及在釐定綜合減值準備時所採用的推測模式及變數。雖然視乎判斷而定，本集團相信客戶貸款及墊款減值準備是合理和足夠的。

任何因估計未來現金流量的金額及時間上與先前估計的其後轉變，而該轉變是可客觀地與減值後發生的事件有關連，從而導致貸款及墊款減值準備亦需改變，該轉變會支銷或存入收益表。所回撥的減值虧損以在以往年度沒有確認任何減值虧損而應已釐定的貸款及應收款賬面金額為限。

2. Significant Accounting Policies (cont'd)

(o) Impairment of assets (cont'd)

(i) Loans and receivables (cont'd)

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgments about the borrower's financial situation and the net realizable value of any underlying collateral or guarantees in favor of the Group. Each impaired asset is assessed on its own merits.

In assessing the need for collective impairment allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carry amount that would have been determined had no impairment loss been recognized in prior years.

2. 主要會計政策 (續)

(o) 資產減值 (續)

- (i) 貸款及應收賬項 (續)
當再無實際機會收回貸款時，則貸款及相關應收利息將會沖銷。
- (ii) 持有至到期投資
本集團會從個別和綜合兩個層面考慮持有至到期投資是否出現減值。個別減值準備是以資產賬面值與就資產以其原本的實際利率 (如果折現影響重大) 用折現方式計算預計未來現金流量的現值之間的差額計量。

在個別層面沒有出現減值的所有重大資產會接受綜合評估，以確定是否有任何已出現但未確定的減值情況。然後，具備類似風險特性的金融資產會集合起來，以便對個別而言並不重大的資產進行綜合評估。

如果在較後期間，減值虧損金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連，則減值虧損會透過收益表回撥。減值虧損回撥只限於減值虧損從未在往年確認而應已釐定的資產賬面值。

- (iii) 可供出售證券
當可供出售證券出現客觀證據顯示已減值時，已直接在權益內確認的累計虧損會被移除，並在收益表內確認。在收益表內確認的累計虧損金額是購入成本 (扣除任何本金還款及攤銷後) 與現時公允價值之間的差額，再減該資產以往在收益表內確認的任何減值虧損。

2. Significant Accounting Policies (cont'd)

(o) Impairment of assets (cont'd)

- (i) *Loans and receivables (cont'd)*
When there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.
- (ii) *Held-to-maturity investments*
Impairment on held-to-maturity investments is considered at both an individual and collective level. The individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate, where the effect of discounting is material.

All significant assets found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the income statement. A reversal of impairment losses shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognized in prior years.

- (iii) *Available-for-sale securities*
When there is objective evidence that an available-for-sale security is impaired, the cumulative loss that had been recognized directly in equity is removed from equity and is recognized in the income statement. The amount of the cumulative loss that is recognized in the income statement is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that asset previously recognized in the income statement.

2. 主要會計政策 (續)

(o) 資產減值 (續)

(iii) 可供出售證券 (續)

就按成本列賬的無報價可供出售股份證券而言，減值虧損是以股份證券賬面值，以及就類似金融資產（如果折現影響重大）以現行市場回報率用折現方式計算預計的未來現金流量的現值差額計量。

在收益表內確認有關可供出售股份證券的減值虧損不會透過收益表轉回。這些資產其後的任何公允價值增加會直接在權益內確認。

如果其後的公允價值增加是可客觀地與確認減值虧損後發生的事件有關連，則有關可供出售債務證券的減值虧損會回撥。在這些情況下的減值虧損回撥會在收益表內確認。

(iv) 其他資產

本公司在每一結算日檢討內部和外來的資料，以確定下列資產有否出現減值跡象，或以往確認的減值虧損（有關商譽者除外）是否不復存在或有否減少：

- 物業及設備（以重估數額列賬的物業除外）；
- 附屬公司及聯營公司投資；
- 商譽；及
- 無形資產。

2. Significant Accounting Policies (cont'd)

(o) Impairment of assets (cont'd)

(iii) Available-for-sale securities (cont'd)

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material.

Impairment losses recognized in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognized directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognized. Reversals of impairment losses in such circumstances are recognized in the income statement.

(iv) Other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates;
- goodwill; and
- intangible assets.

2. 主要會計政策 (續)

(o) 資產減值 (續)

(iv) 其他資產 (續)

如果存在任何有關跡象，便會估計資產的可收回數額。此外，就商譽、尚未可供使用的無形資產和無既定可用期限的無形資產而言，不論有否出現任何減值跡象，亦會每年估計可收回數額。

— 計算可收回數額

資產可收回數額是出售淨額及使用值兩者中的較高者。在評估使用值時，會採用一項當時市場評估貨幣的時間值及相對於該資產的風險的稅前折扣率將預計未來現金流量折現為現值。當某資產未能大部分地獨立於其他資產產生現金流量時，其可收回數額取決於可獨立地產生現金流量的最小資產組合（即一個現金生產單位）。

— 確認減值虧損

每當資產（或其所屬的現金生產單位）的賬面值高於其可收回數額時，便會在收益表內確認減值虧損。就現金生產單位確認的減值虧損先分配以減少任何分配至現金生產單位（或單位組別）的商譽的賬面值，然後按比例減少單位（或單位組別）內其他資產的賬面值，惟資產賬面值不會減少至低於其個別公允價值減出售成本或使用值（如可釐定）所得數額。

2. Significant Accounting Policies (cont'd)

(o) Impairment of assets (cont'd)

(iv) Other assets (cont'd)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognized in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策 (續)

(o) 資產減值 (續)

(iv) 其他資產 (續)

— 減值虧損回撥

就資產(商譽除外)而言, 如果用來確定可收回數額的估計出現有利改變, 則減值虧損會被回撥。商譽的減值虧損不予回撥。

減值虧損回撥只限於如減值虧損從未在往年確認時釐定的資產賬面值。減值虧損回撥在該回撥被確認的年度計入收益表內。

(v) 中期財務報告和減值

根據香港聯合交易所有限公司證券上市規則, 本集團須就年度首六個月編製符合香港會計準則第34號「中期財務報告」規定的中期財務報告。本集團在中期期末採用了在本年度終結時會採用的相同減值測試、確認和回撥準則(參閱附註2(o)(i)至(iv))。

商譽和可供出售股份證券已在中期確認的減值虧損不會在其後回撥。即使僅在該中期所屬的年度終結時才評估減值並確認沒有虧損或所確認的虧損較少, 也不會回撥減值虧損。

(p) 現金等值項目

現金等值項目包括短期以及流動性極高的投資, 可隨時兌換為已知的現金數額, 而價值變動風險並不重大, 並在購入後三個月內到期。

2. Significant Accounting Policies (cont'd)

(o) Impairment of assets (cont'd)

(iv) Other assets (cont'd)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognized.

(v) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (see note 2 (o)(i) to (iv)).

Impairment losses recognized in an interim period in respect of goodwill and available-for-sales equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognized had the impairment been assessed only at the end of the year to which the interim period relates.

(p) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

2. 主要會計政策 (續)

(q) 僱員福利

(i) 短期僱員福利及界定供款退休計劃供款

薪金、年度花紅、有薪年假、界定供款計劃供款及非貨幣性福利成本均列入僱員提供相關服務的年度。如果有關付款或結算受到遞延，而其影響將十分重大，則這些金額將以現值列賬。

(ii) 以股權償付

僱員購股權計劃

授予僱員的購股權的公允價值確認為僱員成本，並在權益內的資本儲備作相應的增加。公允價值在授出日期用三項式點陣法模式計及授予購股權的條款及條件而計量。僱員須符合歸屬條款以無條件享有這些購股權，而購股權的總估計公允價值會於考慮購股權歸屬的可能性後在授予期間內攤分。

在歸屬期間內，會對預期授予的購股權數目作出檢討。任何對往年確認的累計公允價值所作的調整會支銷／計入檢討年度的收益表，除非原僱員支出符合資格確認為資產，並在資本儲備作相應的調整。在授出日期，除未能達成授予條件中有關本公司股份市價的規定而遭沒收的情況外，確認為支出的金額會作出調整，以反映實際授予的購股權數目（並在資本儲備作相應的調整）。

權益額在權益內確認，直至購股權被行使（在此情況下將轉至股份溢價內）或購股權屆滿（在此情況下將直接撥回保留溢利內）。

2. Significant Accounting Policies (cont'd)

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

Employee share option scheme

The fair value of share options granted to employees is recognized as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the trinomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognized in prior years is charged/credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares.

The equity amount is recognized in equity until either the option is exercised (when it is transferred to share premium) or the option expires (when it is released directly to retained profits).

2. 主要會計政策 (續)

(q) 僱員福利 (續)

- (ii) 以股權償付 (續)
- 授予僱員的權益相關遞延獎勵
本集團僱員獲授予權益相關遞延獎勵。應付僱員款項的公允價值確認為僱員成本，並在負債作相應的增加。公允價值先於授出日期計量，並在僱員無條件享有款項後的有效期內攤分。所授出獎勵的公允價值估計是以三項式點陣法模式計量。因此，獎勵的公允價值是以公允價值模式計量，最高款額為每股港幣3.00元。負債在每一結算日及交收日重新計量。任何負債的公允價值變動在收益表內確認。
- (iii) 員工退休計劃
- 本集團設有一項界定供款公積金計劃及一項強制性公積金計劃。有關供款在供款到期時計入收益表內。

(r) 所得稅

- (i) 本年度所得稅包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動在收益表內確認，但關乎直接確認為權益項目的，則在權益內確認。
- (ii) 本期稅項為本年度應課稅收入按結算日已生效或實際上已生效的稅率計算的預計應付稅項，並已包括往年應付稅項的任何調整。

2. Significant Accounting Policies (cont'd)

(q) Employee benefits (cont'd)

- (ii) Share-based payments (cont'd)
- Employee Equity Linked Deferred Award Scheme ("ELDA")
Awards are granted to employees of the Group under ELDA. The fair value of the amount payable to the employee is recognized as an employee cost with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value estimation of the awards granted is measured based on a trinomial lattice model and subject to the maximum payment of HK\$3.00 per share. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognized in the income statement.
- (iii) Staff retirement scheme
- The Group operates a defined contribution provident fund and a Mandatory Provident Fund scheme. Contributions are charged to the income statement as and when the contributions fall due.

(r) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in the income statement except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. 主要會計政策 (續)

(r) 所得稅 (續)

- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括尚未使用的稅項虧損及尚未使用的稅項抵免。

除了某些有限的例外情況外，所有遞延稅項負債和所有遞延稅項資產（只限於可用來抵銷日後應課稅溢利的部分）均予確認。

可支持確認可扣稅暫時性差異所產生的遞延稅項資產的日後應課稅溢利包括因回撥現有應課稅暫時性差異所產生者，惟該等差異必須與同一稅務機關及同一應課稅實體有關，並預期會在預期回撥可扣稅暫時性差異的同一期間或遞延稅項資產所產生的稅務虧損可向後期或前期結轉的期間內回撥。在釐定現有應課稅暫時性差異是否支持確認未使用稅務虧損及抵免所產生的遞延稅項資產時，會採用同一準則，即如果差異與同一稅務機關及同一應課稅實體有關，便會計算在內，並預期會在可動用稅務虧損或抵免的期間內回撥。

2. Significant Accounting Policies (cont'd)

(r) Income tax (cont'd)

- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognized.

Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

2. 主要會計政策 (續)

(r) 所得稅 (續)

(iii) (續)

確認遞延稅項資產和負債的有限例外情況包括不可在稅務方面獲得扣減的商譽所產生的暫時性差異、不影響會計或應課稅溢利(如屬業務合併的一部分則除外)的資產或負債的初次確認、以及附屬公司投資的暫時性差異。就應課稅差異而言，只限於本集團可以控制回撥的時間，而且在可預見的將來不大可能回撥的差異，而就可扣稅的差異而言，則只限於可在將來回撥的差異。

遞延稅項是以有關資產及負債賬面值的預期實現或結算金額，按結算日已頒佈或基本上已頒佈的稅率確認。遞延稅項資產及負債不予折現。

於每一結算日，本公司將檢討有關的遞延稅項資產的賬面值，對不再有足夠的應課稅溢利以實現相關稅務利益的部分予以扣減。被扣減的遞延稅項資產若於將來出現足夠的應課稅溢利時，應予回撥。因派發股息而產生的額外所得稅在確認支付有關股息的責任時確認。

2. Significant Accounting Policies (cont'd)

(r) Income tax (cont'd)

(iii) (cont'd)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

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

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

2. 主要會計政策 (續)

(r) 所得稅 (續)

(iv) 本期稅項及遞延稅項結餘和其變動會分開列示，而且不予抵銷。本期和遞延稅項資產只會在本集團或本公司有合法權利以本期稅項資產分別抵銷本期稅項負債和遞延稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延稅項負債：

- 本期稅項資產和負債：本集團或本公司計劃按淨額基準結算，或在實現資產的同時清償負債；或
- 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每一未來期間，按淨額基準實現本期稅項資產和清償本期稅項負債，或在實現資產的同時清償負債。

(s) 外幣換算

本年度內的外幣交易按交易日的匯率換算為港幣。以外幣計算的貨幣資產與負債則按結算日的匯率換算為港幣。滙兌盈虧均在收益表確認。

2. Significant Accounting Policies (cont'd)

(r) Income tax (cont'd)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Group or the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realize and settle simultaneously.

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are recognized in the income statement.

2. 主要會計政策 (續)

(s) 外幣換算 (續)

以歷史成本計量的外幣非貨幣資產與負債是按交易日的外幣匯率換算為港幣。以外幣為單位並以公允價值列賬的非貨幣資產與負債按釐定公允價值當日的外幣匯率換算。

有關通過損益以反映公允價值的投資及衍生金融工具的滙兌差額，計入指定為通過損益以反映公允價值的交易用途證券或金融工具的收益減虧損中。所有其他有關貨幣項目的滙兌差額在收益表外幣買賣淨盈虧項下列示。

海外企業的業績按交易日的匯率換算為港幣。資產負債表項目則按結算日的匯率換算。產生的滙兌差額作為儲備變動處理。

計算出售海外企業的損益包括與該海外業務相關並且已在儲備內確認的累計滙兌差額。

(t) 準備及或有負債

倘若本集團或本公司須就已發生的事件承擔法律或推定義務，而履行該義務預期很可能會導致經濟效益外流，並可作出可靠的估計，便會就該時間或數額不定的負債計提準備。如果貨幣時間價值重大，則按預計履行義務支出的現值計列準備。

2. Significant Accounting Policies (cont'd)

(s) Translation of foreign currencies (cont'd)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transactions dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains less losses from trading securities or financial instruments designated at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximately the foreign exchange rates ruling at the dates of the transactions; balance sheet items are translated at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognized in reserves which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(t) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

2. 主要會計政策 (續)

(t) 準備及或有負債 (續)

倘若經濟效益外流的可能性不大，或是無法對有關數額作出可靠的估計，便會將該義務披露為或有負債；但倘若經濟效益外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生而確定存在與否的潛在義務，亦會披露為或有負債；但倘若經濟效益外流的可能性極低則除外。

(u) 關聯方

就本財務報表而言，與集團關聯人士是指：

- (i) 該人士有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司；
- (iv) 該人士屬本集團主要管理人員的成員、或屬個人的近親家庭成員、或受該等個人人士控制、或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制、或共同控制或重大影響的實體；或
- (vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

2. Significant Accounting Policies (cont'd)

(t) Provisions and contingent liabilities (cont'd)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group;
- (iv) the party is a member of key management personnel of the Group, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2. 主要會計政策 (續)

(v) 分部匯報

分部為本集團可辨認的組成部分，而且從事提供產品或服務（業務分部），或在個別經濟環境提供產品或服務（地區分部），所得的風險與報酬有別於其他分部。

本集團在這些財務報表中採用業務分部資料作基本匯報形式，以地區分部資料作次級匯報形式。

分部的收入、支出、業績、資產及負債包括直接來自某一分部，以及可以合理地分配至該分部的項目。除發生於本集團企業內單一分部之間的集團內部結餘及交易外，分部收入、支出、資產及負債是包括集團內部的結餘，而集團內部交易已經在賬項合併時抵銷。

分部資本開支是指在期內購入預計可於超過一段期間使用的分部資產（包括有形和無形資產）所產生的成本總額。

未分配的項目主要包括銀行物業及任何不能合理地分配至特定業務分部的項目。

2. Significant Accounting Policies (cont'd)

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise the premises and any items which cannot be reasonably allocated to specific business segments.

3. 利息收入

3. Interest Income

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
上市證券	Listed securities	518,780	410,103
非上市證券	Unlisted securities	398,183	568,930
其他	Others	3,189,361	2,028,339
		4,106,324	3,007,372

截至二零零六年十二月三十一日止年度，其他利息收入包括減值金融資產的應計利息收入港幣35,684,000元（二零零五年：港幣53,624,000元），其中包括貸款減值虧損折現撥回的利息收入港幣28,766,000元（二零零五年：港幣25,224,000元）。

Other interest income includes the amount of interest income accrued on impaired financial assets of HK\$35,684,000 (2005: HK\$53,624,000) which includes interest income on unwinding of discount on loan impairment losses of HK\$28,766,000 (2005: HK\$25,224,000) for the year ended 31 December 2006.

4. 費用及佣金收入

4. Fee and Commission Income

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
票據佣金	Bills commission	49,255	40,152
信用卡相關收入	Cards related income	36,929	35,064
一般銀行服務	General banking services	49,273	50,518
保險	Insurance	81,001	77,964
投資及結構性投資產品	Investment and structured investment products	120,203	75,888
貸款、透支及融資費用	Loans, overdrafts and facilities fees	237,226	159,256
其他	Others	808	820
		574,695	439,662

5. 淨交易收入

5. Net Trading Income

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
買賣外幣收益減虧損	Gains less losses from dealing in foreign currencies	157,090	98,707
買賣交易用途證券收益減虧損	Gains less losses from trading securities	242,375	137,827
其他買賣活動收益減虧損	Gains less losses from other dealing activities	49,051	(51,738)
交易用途資產利息收入	Interest income on trading assets		
— 上市	— Listed	44,697	26,807
— 非上市	— Unlisted	131,186	120,050
交易用途負債利息支出	Interest expense on trading liabilities	(2,089)	(8,592)
上市交易用途證券股息收入	Dividend income from listed trading securities	164	—
非上市交易用途證券股息收入	Dividend income from unlisted trading securities	28,853	20,405
		651,327	343,466

6. 指定為通過損益以反映公允價值的金融工具的淨(支出)/收入

6. Net (Expense)/Income from Financial Instruments Designated at Fair Value Through Profit or Loss

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
淨(虧損)/溢利	Net (losses)/gains	(13,319)	93,941
利息收入	Interest income		
— 上市	— Listed	31,106	31,348
— 非上市	— Unlisted	10,134	3,395
利息支出	Interest expense	(97,657)	(106,203)
		(69,736)	22,481

7. 淨對沖溢利/(虧損)

7. Net Hedging Gain/(Loss)

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
公允價值對沖	Fair value hedge	129	(679)

8. 其他經營收入

8. Other Operating Income

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
可供出售證券股息收入	Dividend income from available-for-sale securities		
— 非上市投資	— Unlisted investments	4,147	5,312
投資物業租金收入減 直接支出港幣15,000元 (二零零五年：港幣43,000元)	Rental income from investment properties less direct outgoings of HK\$15,000 (2005: HK\$43,000)	5,227	3,188
其他	Others	39,133	70,801
		48,507	79,301

9. 經營支出

9. Operating Expenses

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
(a)	員工成本	Staff costs	
	薪金及其他員工成本	Salaries and other staff costs	555,101
	退休金成本(附註40)	Retirement costs (note 40)	37,914
	以股權償付的支出(附註41)	Share-based payment expenses (note 41)	
	— 以股權償付的股份支出	— Equity-settled share-based payment expenses	5,796
	— 以現金償付的股份支出	— Cash-settled share-based payment expenses	9,029
		596,520	
		39,270	
		4,581	
		11,650	
		652,021	607,840
(b)	折舊	Depreciation	
	物業及設備折舊(附註30)	Depreciation of property and equipment (note 30)	
	— 根據經營租賃持有的資產	— Assets held for use under operating leases	2,571
	— 其他資產	— Other assets	110,266
		10,819	
		99,511	
		110,330	112,837
(c)	其他經營支出	Other operating expenses	
	物業及設備支出(不包括折舊)	Property and equipment expenses, excluding depreciation	
	— 物業租金	— Rental of property	54,054
	— 其他	— Others	77,467
	核數師酬金	Auditors' remuneration	4,325
	廣告費	Advertising	63,659
	通訊費、印刷及文儀用品	Communication, printing and stationery	57,636
	法律及專業費用	Legal and professional fee	22,876
	其他	Others	93,994
		73,589	
		67,984	
		5,102	
		54,890	
		60,003	
		16,807	
		104,580	
		382,955	374,011
	經營支出總額	Total operating expenses	1,094,688
		1,145,306	

其他經營支出包括根據經營租賃支付的最低應付租賃支出，分別為設備租賃支出港幣1,759,000元(二零零五年：港幣931,000元)及其他資產租賃支出(包括物業租金)港幣67,943,000元(二零零五年：港幣50,248,000元)。

Included in other operating expenses are minimum lease payment under operating leases of HK\$1,759,000 (2005: HK\$931,000) for hire of equipment and HK\$67,943,000 (2005: HK\$50,248,000) for hire of other assets (including property rentals).

10. 董事酬金

根據香港《公司條例》第161條披露的董事酬金如下：

10. Directors' Remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

		二零零六年 2006					
		薪金、津貼及 實物利益 Salaries, allowances and benefits in kind	酌情花紅 Discretionary bonuses	以股權償付 Share-based payments	退休計劃 供款 Retirement scheme contributions	總額 Total	
		董事袍金 Directors' fee 港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
陳許多琳女士	Mrs. Chan Hui Dor Lam Doreen	300	3,726	3,726	502	373	8,627
常振明先生	Mr. Chang Zhenming	300	—	—	—	—	300
陳小憲先生	Mr. Chen Xiaoxian	300	—	—	—	—	300
竇建中先生	Mr. Dou Jianzhong	300	2,570	1,260	101	257	4,488
居偉民先生	Mr. Ju Weimin	300	—	—	—	—	300
孔丹先生	Mr. Kong Dan	500	—	—	254	—	754
林廣兆先生	Mr. Lam Kwong Siu	350	—	—	—	—	350
劉基輔先生	Mr. Liu Jifu	300	—	—	—	—	300
盧永逸先生	Mr. Lo Wing Yat Kelvin	300	2,881	700	202	234	4,317
席伯倫先生	Mr. Rafael Gil-Tienda	500	—	—	—	—	500
施柏雅先生	Mr. Roger Clark Spyer	300	3,760	2,500	104	—	6,664
曾耀強先生	Mr. Tsang Yiu Keung Paul	450	—	—	—	—	450
王東明先生	Mr. Wang Dongming	300	—	—	—	—	300
楊超先生	Mr. Yang Chao	120	—	—	—	—	120
(於二零零六年 五月十六日離任)	(resigned on 16 May 2006)						
馮曉增先生	Mr. Feng Xiaozeng	120	—	—	—	—	120
(於二零零六年 八月十日獲委任)	(appointed on 10 August 2006)						
趙盛彪先生	Mr. Zhao Shengbiao	300	1,595	390	25	78	2,388
		5,040	14,532	8,576	1,188	942	30,278

10. 董事酬金 (續)

10. Directors' Remuneration (cont'd)

		二零零五年 2005					
		薪金、津貼及 實物利益 Salaries, allowances and benefits in kind	酌情花紅 Discretionary bonuses	以股權償付 Share-based payments	退休計劃 供款 Retirement scheme contributions	總額 Total	
		董事袍金 Directors' fee 港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	
陳許多琳女士	Mrs. Chan Hui Dor Lam Doreen	300	3,600	2,700	480	360	7,440
常振明先生	Mr. Chang Zhenming	170	—	—	—	—	170
陳小憲先生	Mr. Chen Xiaoxian	290	—	—	—	—	290
竇建中先生	Mr. Dou Jianzhong	300	2,520	945	—	252	4,017
居偉民先生	Mr. Ju Weimin	300	—	—	—	—	300
孔丹先生	Mr. Kong Dan	300	—	200	322	—	822
江紹智先生 (於二零零六年 一月一日離任)	Mr. Kong Siu Chee Kenneth (resigned on 1 January 2006)	300	3,120	1,000	320	312	5,052
林廣兆先生	Mr. Lam Kwong Siu	300	—	—	—	—	300
劉基輔先生	Mr. Liu Jifu	300	—	—	—	—	300
盧永逸先生	Mr. Lo Wing Yat Kelvin	300	2,845	576	288	231	4,240
席伯倫先生	Mr. Rafael Gil-Tienda	300	—	—	—	—	300
施柏雅先生	Mr. Roger Clark Spyer	30	242	1,200	—	—	1,472
曾耀強先生	Mr. Tsang Yiu Keung Paul	300	—	—	—	—	300
王東明先生	Mr. Wang Dongming	300	—	—	—	—	300
楊超先生	Mr. Yang Chao	300	—	—	—	—	300
張恩照先生	Mr. Zhang Enzhao	60	—	—	—	—	60
趙盛彪先生	Mr. Zhao Shengbiao	300	1,550	377	32	70	2,329
		4,450	13,877	6,998	1,442	1,225	27,992

上述酬金包括若干董事根據本公司中信國際金融控股有限公司的購股權計劃獲授予購股權的公允價值。這些實物利益的詳情在董事會報告書「購股權計劃」一段及附註41內披露。

The above emoluments include the fair value of share options granted to certain directors under The CITIC International Financial Holdings Limited Share Option Scheme of the Company. The details of these benefits in kind are disclosed under the paragraph "Share Option Schemes" in the directors' report and note 41.

11. 最高酬金人士

五名最高酬金人士中，其中四名（二零零五年：四名）人士為董事，其酬金已在上文附註10披露。有關其他人士的酬金總額如下：

其餘一名（二零零五年：一名）人士的酬金如下：

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
薪金及其他酬金	Salaries and other emoluments	2,388	2,298
酌情花紅	Discretionary bonuses	1,500	1,100
以股權償付	Share-based payments	257	288
退休計劃供款	Retirement scheme contributions	229	220
		4,374	3,906

其餘一名（二零零五年：一名）最高酬金人士的金額範圍如下：

11. Individuals with Highest Emoluments

Of the five individuals with the highest emoluments, four of them (2005: four) are directors whose emoluments are disclosed in note 10 above. The aggregate of the emoluments in respect of the other individual is as follows:

The emoluments of the remaining one (2005: one) individuals are as follows:

		二零零六年 2006 人數 Number of individuals	二零零五年 2005 人數 Number of individuals
港元	HK\$		
3,500,001 – 4,000,000	3,500,001 – 4,000,000	—	1
4,000,001 – 4,500,000	4,000,001 – 4,500,000	1	—
		1	1

**12. 客戶貸款及墊款減值虧損(準備)
／回撥**

**12. Impairment Losses (Charged for)/Written
Back on Loans and Advances**

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
個別評估(準備)／回撥	Individual assessment (charged for)/written back		
— 新提撥	— Addition	(155,899)	(223,574)
— 撥回	— Releases	57,999	138,804
— 收回金額	— Recoveries	31,903	95,471
		(65,997)	10,701
綜合評估回撥	Collective assessment written back	30,897	46,843
		(35,100)	57,544

13. 出售可供出售證券淨溢利

**13. Net Profit on Disposal of Available-for-
sale Securities**

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
轉自儲備的淨重估收益(附註43)	Net revaluation gain transferred from reserves (note 43)	79,221	—
本年度產生溢利	Profit arising in current year	10,978	—
		90,199	—

14. 綜合收益表所示的所得稅

14. Income Tax in the Consolidated Income Statement

(a) 綜合收益表所示的所得稅

(a) Income tax in the consolidated income statement

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
本期稅項 — 香港利得稅 年內準備 (附註36(a)) 過往年度稅項準備補提及 (回撥)	Current tax — Hong Kong Profits Tax Provision for the year (note 36(a)) Under/(over)-provision in respect of prior years	174,406 11,596	129,827 (19,180)
		186,002	110,647
本期稅項 — 海外稅項 年內準備	Current tax — Overseas Provision for the year	6,888	1,727
遞延稅項 暫時性差額的產生及 (回撥)(附註36(b))	Deferred tax Origination and (reversal) of temporary differences (note 36(b))	13,236	(168)
		206,126	112,206

香港利得稅稅項以年內估計應課稅溢利按稅率17.5% (二零零五年：17.5%) 計算。中信嘉華銀行有限公司 (「中信嘉華」) 的海外分行及附屬公司的稅項，則按照相關國家的適當現行稅率提撥準備。

The provision for Hong Kong Profits Tax is calculated at 17.5% (2005: 17.5%) of the estimated assessable profits for the year. Taxation for branches of CITIC Ka Wah Bank Limited ("CKWB") and subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

14. 綜合收益表所示的所得稅 (續)

14. Income Tax in the Consolidated Income Statement (cont'd)

(b) 稅項支出與會計溢利按適用稅率計算稅款的對賬表

(b) Reconciliation between tax expense and accounting profit at applicable tax rates

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
稅前溢利	Profit before tax	1,333,644	1,215,646
按以有關國家適用利得稅稅率計算稅前溢利的名義稅項	Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	231,188	202,413
不可扣減支出的稅項影響	Tax effect of non-deductible expenses	26,850	24,375
非應課稅收入的稅項影響	Tax effect of non-taxable revenue	(62,584)	(102,583)
未確認的未使用稅務虧損的稅項影響	Tax effect of unused tax losses not recognized	3,467	2,799
本年度使用以往稅務虧損的稅項影響	Tax effect of previous tax losses utilized in current year	(3,881)	(932)
稅務安排產生對稅項成本的影響	Tax effect of tax cost from tax planning arrangement	—	2,711
未確認的暫時性差異的稅項影響	Tax effect of temporary allowances not recognized	(510)	1,922
過往年度稅項準備補提及(回撥)其他	Under/(over)-provision in respect of prior years Others	11,596 —	(19,180) 681
實際稅項支出	Actual tax expense	206,126	112,206

15. 本公司股東應佔溢利

15. Profit Attributable to Equity Shareholders of the Company

本公司股東應佔綜合溢利包括一筆已列入本公司財務報表，為數港幣588,883,000元(二零零五年：港幣551,442,000元)的溢利。

The consolidated profit attributable to equity shareholders of the Company includes a profit of HK\$588,883,000 (2005: HK\$551,442,000) which has been dealt with in the financial statements of the Company.

16. 股息

(a) 本年度歸屬於本公司股東的股息

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
已宣派及派發的中期股息 每股普通股港幣7.7仙 (二零零五年：港幣11.3仙)	Interim dividend declared and paid of HK\$0.077 (2005: HK\$0.113) per ordinary share	246,517	361,358
結算日後擬派發的末期股息 每股普通股港幣5.6仙 (二零零五年：港幣6.0仙)	Final dividend proposed after the balance sheet date of HK\$0.056 (2005: HK\$0.060) per ordinary share	321,000	191,872
		567,517	553,230

於結算日後擬派發的末期股息並未在結算日
確認為負債。

The final dividend proposed after the balance sheet date has not
been recognized as a liability at the balance sheet date.

(b) 已於本年度內核准及派發的上一財政 年度應付本公司股東的股息

(b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
已於本年度內核准及派發的 上一財政年度末期股息 每股普通股港幣6.0仙 (二零零五年：港幣7.5仙)	Final dividend in respect of the previous financial year, approved and paid during the year of HK\$0.060 (2005: HK\$0.075) per ordinary share	191,872	239,636
於結算日後，但在本公司暫停 辦理股份過戶登記前根據 購股權計劃所發行普通股的 上一財政年度末期股息	Final dividend in respect of the previous financial year on ordinary shares issued under the Share Option Scheme subsequent to the balance sheet date and before the close of the Register of Members of the Company	202	203
		192,074	239,839

17. 每股盈利

(a) 每股基本盈利

每股基本盈利是按照年內本公司普通股股東應佔溢利港幣1,126,135,000元(二零零五年：港幣1,103,395,000元)及已發行普通股的加權平均數3,248,931,032股(二零零五年：3,197,198,285股)計算如下：

普通股加權平均數

		二零零六年 2006	二零零五年 2005
於1月1日的已發行普通股	Issued ordinary shares at 1 January	3,197,859,375	3,194,153,151
行使購股權的影響	Effect of share options exercised	2,765,524	3,045,134
投資中信銀行而發行新股的影響	Effect of issuance of shares for investment in China CITIC Bank	12,776,634	—
行使可換股債券的影響	Effect of convertible bonds exercised	35,529,499	—
於12月31日的普通股加權平均數	Weighted average number of ordinary shares at 31 December	3,248,931,032	3,197,198,285

(b) 每股攤薄盈利

每股攤薄盈利是按照本公司普通股股東的應佔經調整溢利港幣1,154,284,000元(二零零五年：港幣1,141,126,000元)及就所有具備潛在攤薄影響的普通股作出調整後的普通股加權平均數3,543,462,848股(二零零五年：3,524,437,109股)計算如下：

普通股加權平均數(攤薄)

		二零零六年 2006	二零零五年 2005
於12月31日的普通股加權平均數	Weighted average number of ordinary shares at 31 December	3,248,931,032	3,197,198,285
假設按本公司購股權計劃發行但不計價款的普通股之影響	Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	3,160,402	337,911
假設按可換股債券發行的普通股之影響	Effect of deemed conversion of convertible bonds	291,371,414	326,900,913
於12月31日的普通股加權平均數(攤薄)	Weighted average number of ordinary shares (diluted) at 31 December	3,543,462,848	3,524,437,109

17. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on profit attributable to ordinary equity shareholders of the Company of HK\$1,126,135,000 (2005: HK\$1,103,395,000) and the weighted average of 3,248,931,032 ordinary shares (2005: 3,197,198,285 shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on adjusted profit attributable to ordinary equity shareholders of the Company of HK\$1,154,284,000 (2005: HK\$1,141,126,000) and the weighted average number of ordinary shares of 3,543,462,848 shares (2005: 3,524,437,109 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

18. 分部滙報

分部滙報是按本集團的業務和地區分部作出呈述。由於董事會認為業務分部較切合本集團內部財務資料的滙報，故已採納為基本報告形式。

(i) 業務分部

本集團主要從事提供銀行及相關金融服務。以下是本集團的主要業務組成部分：

商業銀行業務： 主要包括零售銀行、企業銀行及財資等銀行業務。

資產管理： 主要包括直接投資及不良資產的管理。

投資銀行業務： 主要包括商人銀行和基金管理。

未分配業務： 主要包括物業及不能合理地列入特定業務分部的任何項目。

18. Segment Reporting

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format as the directors consider that this is more relevant to the Group's internal financial reporting.

(i) Business segments

The Group is principally engaged in the provision of banking and related financial services. The Group comprises the following main business segments:

Commercial banking business: It mainly comprises banking business, which includes retail banking, corporate banking and treasury activities.

Asset management: It mainly comprises direct investment and distressed assets management.

Investment banking: It mainly comprises merchant banking and fund management.

Unallocated: It mainly comprises the premises and any items which cannot be reasonably allocated to specific business segments.

18. 分部匯報 (續)

(i) 業務分部 (續)

		二零零六年 2006					
		商業銀行 Commercial banking 港幣千元 HK\$'000	資產管理 Asset management 港幣千元 HK\$'000	投資銀行 Investment banking 港幣千元 HK\$'000	未分配業務 Unallocated 港幣千元 HK\$'000	分部間抵銷 Inter- segment elimination 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
淨利息收入	Net interest income	1,061,497	37,832	—	(29,791)	—	1,069,538
其他經營收入	Other operating income	1,152,558	15,335	—	22,361	—	1,190,254
經營收入	Operating income	2,214,055	53,167	—	(7,430)	—	2,259,792
經營支出	Operating expenses	(1,093,600)	(26,618)	—	(25,088)	—	(1,145,306)
扣除減值準備前之經營溢利	Operating profit before impairment	1,120,455	26,549	—	(32,518)	—	1,114,486
貸款及墊款減值虧損 (準備)/回撥	Impairment losses (charged for)/written back on loans and advances	(53,757)	18,657	—	—	—	(35,100)
持有至到期投資及 可供出售證券減值虧損	Impairment losses on held-to-maturity investments and available-for-sale securities	(3,970)	(17,448)	—	—	—	(21,418)
減值虧損(準備)/回撥	Impairment losses (charged for)/ written back	(57,727)	1,209	—	—	—	(56,518)
出售持有至到期投資 及可供出售證券淨溢利	Net profit on disposal of held-to-maturity investments and available-for-sale securities	67,893	—	—	—	—	67,893
經營溢利/(虧損)	Operating profit/(loss)	1,130,621	27,758	—	(32,518)	—	1,125,861
出售附屬公司溢利	Profit on disposal of a subsidiary	—	1,073	—	—	—	1,073
出售物業及設備 (虧損)/溢利	Net (loss)/profit on disposal of property and equipment	(24,368)	(436)	—	96,688	—	71,884
投資物業重估收益	Revaluation gain on investment properties	3,376	—	—	—	—	3,376
所佔聯營公司溢利	Share of profits of associates	3,437	10,844	117,169	—	—	131,450
稅前溢利	Profit before taxation	1,113,066	39,239	117,169	64,170	—	1,333,644
所得稅	Income tax	(191,380)	(3,051)	—	(11,695)	—	(206,126)
本年度溢利	Profit for the year	921,686	36,188	117,169	52,475	—	1,127,518
可歸屬於： 本公司股東 少數股東	Attributable to: Equity shareholders of the Company Minority interests	921,686 —	34,805 1,383	117,169 —	52,475 —	— —	1,126,135 1,383
本年度溢利	Profit for the year	921,686	36,188	117,169	52,475	—	1,127,518
本年度折舊	Depreciation for the year	112,688	392	—	(2,750)	—	110,330
分部資產	Segment assets	89,671,917	—	—	1,499,224	(383,790)	90,787,351
聯營公司權益	Interest in associates	9,107,342	937,255	1,309,777	—	—	11,354,374
資產總額	Total assets	98,779,259	937,255	1,309,777	1,499,224	(383,790)	102,141,725
分部負債	Segment liabilities	82,389,578	—	—	287,219	(767,143)	81,909,654
本年度產生的資本開支	Capital expenditure incurred during the year	9,314,641	2,628	—	15	—	9,317,284

18. Segment Reporting (cont'd)

(i) Business segments (cont'd)

18. 分部匯報 (續)

(i) 業務分部 (續)

18. Segment Reporting (cont'd)

(i) Business segments (cont'd)

		二零零五年 2005					
		商業銀行 Commercial banking 港幣千元 HK\$'000	資產管理 Asset management 港幣千元 HK\$'000	投資銀行 Investment banking 港幣千元 HK\$'000	未分配業務 Unallocated 港幣千元 HK\$'000	分部間抵銷 Inter-segment elimination 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
淨利息收入	Net interest income	1,100,952	34,821	—	(36,516)	—	1,099,257
其他經營收入	Other operating income	798,698	61,221	—	11,475	—	871,394
經營收入	Operating income	1,899,650	96,042	—	(25,041)	—	1,970,651
經營支出	Operating expenses	(1,049,390)	(24,436)	(9)	(20,853)	—	(1,094,688)
扣除減值準備前之經營溢利	Operating profit before impairment	850,260	71,606	(9)	(45,894)	—	875,963
貸款及墊款減值虧損 回撥 / (準備)	Impairment losses written back/ (charged for) on loans and advances	83,379	(25,835)	—	—	—	57,544
持有至到期投資及可供出售 證券減值虧損 (準備) / 回撥	Impairment losses (charged for)/written back on held-to-maturity investments and available-for-sale securities	(2,567)	(2,818)	—	3,874	—	(1,511)
物業減值虧損(準備) / 回撥	Impairment losses (charged for)/written back on properties	(354)	—	—	1,871	—	1,517
減值虧損回撥 / (準備)	Impairment losses written back/ (charged for)	80,458	(28,653)	—	5,745	—	57,550
經營溢利 / (虧損)	Operating profit/(loss)	930,718	42,953	(9)	(40,149)	—	933,513
出售聯營公司虧損	Loss on disposal of associates	—	—	—	(6,352)	—	(6,352)
出售物業及設備淨溢利	Net profit on disposal of property and equipment	226,347	—	—	13,875	—	240,222
投資物業重估收益	Revaluation gain on investment properties	2,140	—	—	—	—	2,140
所佔聯營公司(虧損) / 溢利	Share of (losses)/profits of associates	(10,501)	(3,135)	59,759	—	—	46,123
稅前溢利	Profit before taxation	1,148,704	39,818	59,750	(32,626)	—	1,215,646
所得稅	Income tax	(101,661)	(7,160)	—	(3,385)	—	(112,206)
本年度溢利	Profit for the year	1,047,043	32,658	59,750	(36,011)	—	1,103,440
可歸屬於： 本公司股東	Attributable to: Equity shareholders of the Company	1,047,043	32,613	59,750	(36,011)	—	1,103,395
少數股東	Minority interests	—	45	—	—	—	45
本年度溢利	Profit for the year	1,047,043	32,658	59,750	(36,011)	—	1,103,440
本年度折舊	Depreciation for the year	116,800	298	—	(4,261)	—	112,837
分部資產	Segment assets	81,777,136	1,295,604	—	1,035,367	(362,609)	83,745,498
聯營公司權益	Interest in associates	—	108,284	1,182,896	—	—	1,291,180
資產總額	Total assets	81,777,136	1,403,888	1,182,896	1,035,367	(362,609)	85,036,678
分部負債	Segment liabilities	74,660,342	12,869	—	1,396,145	(488,531)	75,580,825
本年度產生的資本開支	Capital expenditure incurred during the year	53,237	585	—	112	—	53,934

18. 分部匯報 (續)

(ii) 地區分部

有關地區分析的資料是根據附屬公司或附屬公司之分行的主要業務所在地點予以劃分。

18. Segment Reporting (cont'd)

(ii) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the subsidiaries or branches of its subsidiaries.

		二零零六年 2006					
		香港 Hong Kong 港幣千元 HK\$'000	中國 Mainland China 港幣千元 HK\$'000	美國 USA 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	分部間抵銷 Inter-segment elimination 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
來自外界客戶的 經營收入	Operating income from external customers	2,106,118	70,394	70,019	13,261	—	2,259,792
資產總額	Total assets	90,309,891	13,043,465	1,792,687	2,789,290	(5,793,608)	102,141,725
本年度產生的 資本開支	Capital expenditure incurred during the year	201,606	9,115,098	205	375	—	9,317,284

		二零零五年 2005					
		香港 Hong Kong 港幣千元 HK\$'000	中國 Mainland China 港幣千元 HK\$'000	美國 USA 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	分部間抵銷 Inter-segment elimination 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
來自外界客戶的 經營收入	Operating income from external customers	1,878,501	36,844	54,853	453	—	1,970,651
資產總額	Total assets	83,788,186	2,060,081	1,776,016	612,632	(3,200,237)	85,036,678
本年度產生的 資本開支	Capital expenditure incurred during the year	45,931	2,718	460	4,825	—	53,934

19. 現金及在銀行及其他金融機構的結存

19. Cash and Balances with Banks and Other Financial Institutions

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
現金	Cash in hand	155,147	140,567
中央銀行結存	Balances with central banks	27,694	3,826
在銀行及其他 金融機構的結存	Balances with banks and other financial institutions	1,085,030	1,016,916
		1,267,871	1,161,309

20. 在銀行及其他金融機構的存款

20. Placements with Banks and Other Financial Institutions

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
到期日	Maturing		
— 1個月內	— within 1 month	8,971,727	4,543,004
— 1個月至1年內	— between 1 month and 1 year	3,066,987	722,040
		12,038,714	5,265,044

21. 貿易票據

21. Trade Bills

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
貿易票據總額	Gross trade bills	491,994	406,364

22. 交易用途資產

22. Trading Assets

		本集團 The Group		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
債務證券	Debt securities	3,211,734	2,630,327	—	—
權益證券	Equity securities	—	58,632	—	—
投資基金	Investment funds	2,848,045	3,555,926	60,893	93,707
交易用途證券	Trading securities	6,059,779	6,244,885	60,893	93,707
衍生工具的正公允價值 (附註53(b))	Positive fair values of derivatives (note 53(b))	355,091	228,144	—	—
		6,414,870	6,473,029	60,893	93,707
以上各項的發行機構如下：	Issued by:				
中央政府及中央 銀行	Central governments and central banks	599	557,841	—	—
公營機構	Public sector entities	10,395	16,525	—	—
銀行及其他金融 機構	Banks and other financial institutions	583,401	315,702	—	—
企業	Corporate entities	5,465,384	5,354,817	60,893	93,707
		6,059,779	6,244,885	60,893	93,707
按上市地點分析：	Analyzed by place of listing:				
於香港上市	Listed in Hong Kong	3,296	154,488	—	—
於香港以外地區上市	Listed outside Hong Kong	1,077,026	1,245,415	—	—
		1,080,322	1,399,903	—	—
非上市	Unlisted	4,979,457	4,844,982	60,893	93,707
		6,059,779	6,244,885	60,893	93,707

23. 指定為通過損益以反映公允價值的證券

23. Securities Designated at Fair Value Through Profit or Loss

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
企業發行的債務證券	Debt securities issued by corporate entities	959,436	1,139,908
企業發行的投資基金	Investment funds issued by corporate entities	44,143	—
		1,003,579	1,139,908
按上市地點分析：		Analyzed by place of listing:	
於香港上市	Listed in Hong Kong	153,750	656,545
於香港以外地區上市	Listed outside Hong Kong	221,092	460,997
		374,842	1,117,542
非上市	Unlisted	628,737	22,366
		1,003,579	1,139,908

指定為通過損益以反映公允價值的金融資產包括具備內含衍生工具或相應衍生金融工具的金融資產。此外，由於投資基金是為支持若干已發行的基金相聯債務證券而持有，以便消除或明顯減少會計錯配情況，因此，投資基金已指定為通過損益以反映公允價值（附註38）。

Financial assets are designated at fair value including financial assets with embedded derivatives or financial assets with the corresponding derivative financial instrument. Also, investment funds are designated at fair value through profit or loss as they are held for backing certain fund-linked structured note issued, thus eliminating or significantly reducing the accounting mismatch. Please refer to note 38 for the fund-linked structured note issued.

24. 客戶貸款及墊款及其他賬項

(a) 客戶貸款及墊款及其他賬項減減值準備

24. Loans and Advances to Customers and Other Accounts

(a) Loans and advances to customers and other accounts less impairment allowances

		本集團 The Group		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
客戶貸款及 墊款總額	Gross loans and advances to customers	50,685,350	42,961,697	—	—
減值準備	Impairment allowances				
— 個別評估 (附註24(b))	— Individually assessed (note 24(b))	(76,360)	(274,021)	—	—
— 綜合評估 (附註24(b))	— Collectively assessed (note 24(b))	(253,166)	(294,544)	—	—
銀行及其他金融機構 墊款	Advances to banks and other financial institutions	50,355,824	42,393,132	—	—
應計利息及 其他賬項減 減值準備	Accrued interest and other accounts less impairment allowances	353,824	327,521	—	—
		1,673,314*	1,387,530	136,996*	18,403
		52,382,962	44,108,183	136,996	18,403

* 其他賬項包括應收聯營公司—中信國際資產管理有限公司款項港幣123,136,000元(二零零五年：無)

* The other accounts included the amounts due from an associate, CITIC International Assets Management Limited, of HK\$123,136,000 (2005: HK\$Nil).

24. 客戶貸款及墊款及其他賬項 (續)

24. Loans and Advances to Customers and Other Accounts (cont'd)

(b) 客戶貸款及墊款及其他賬項減值準備的變動

(b) Movement in impairment allowances on loans and advances to customers and other accounts

		本集團 The Group		
		二零零六年 2006		
		個別評估 Individually assessed 港幣千元 HK\$'000	綜合評估 Collectively assessed 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於1月1日	At 1 January	313,868	294,544	608,412
收益表內的減值虧損準備／ (回撥)(附註12)	Impairment losses charged for/(written back) to income statement (note 12)	65,997	(30,897)	35,100
沖銷數額	Amounts written off	(147,255)	(20,826)	(168,081)
收回以往年度已沖銷的貸款 及墊款	Recoveries of loans and advances written off in previous years	31,903	10,266	42,169
貸款減值虧損折現撥回 (附註3)	Unwind of discount on loan impairment losses (note 3)	(28,766)	—	(28,766)
出售附屬公司	Disposal of a subsidiary	(144,917)	—	(144,917)
滙兌及其他調整	Exchange and other adjustments	374	79	453
於12月31日	At 31 December	91,204	253,166	344,370
扣除自：	Deducted from:			
客戶貸款及墊款 (附註24(a))	Loans and advances to customers (note 24(a))	76,360	253,166	329,526
其他賬項	Other accounts	14,844	—	14,844
		91,204	253,166	344,370

24. 客戶貸款及墊款及其他賬項 (續)

24. Loans and Advances to Customers and Other Accounts (cont'd)

(b) 客戶貸款及墊款減值準備的變動 (續)

(b) Movement in impairment allowances on loans and advances to customers (cont'd)

		本集團 The Group		
		二零零五年 2005		
		個別評估 Individually assessed HK\$'000	綜合評估 Collectively assessed HK\$'000	總額 Total HK\$'000
於1月1日	At 1 January	549,325	361,177	910,502
收益表內的減值虧損撥回 (附註12)	Impairment losses written back to income statement (note 12)	(10,701)	(46,843)	(57,544)
沖銷數額	Amounts written off	(300,902)	(22,348)	(323,250)
收回以往年度已沖銷 的貸款及墊款	Recoveries of loans and advances written off in previous years	95,471	2,642	98,113
貸款減值虧損折現撥回 (附註3)	Unwind of discount on loan impairment losses (note 3)	(25,224)	—	(25,224)
滙兌及其他調整	Exchange and other adjustments	5,899	(84)	5,815
於12月31日	At 31 December	313,868	294,544	608,412
扣除自：	Deducted from:			
客戶貸款及墊款 (附註24(a))	Loans and advances to customers (note 24(a))	274,021	294,544	568,565
其他賬項	Other accounts	39,847	—	39,847
		313,868	294,544	608,412

24. 客戶貸款及墊款及其他賬項 (續)**(c) 按行業劃分的客戶貸款及墊款**

以下按經濟行業進行的分析是根據香港金融管理局(「金管局」)使用的分類及定義作出。

24. Loans and Advances to Customers and Other Accounts (cont'd)**(c) Loans and advances to customers analyzed by industry sectors**

The following economic sector analysis is based on categories and definitions used by the Hong Kong Monetary Authority ("HKMA").

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
工商金融	Industrial, commercial and financial		
— 物業發展	— Property development	205,155	410,595
— 物業投資	— Property investment	5,370,620	5,033,111
— 金融企業	— Financial concerns	3,315,125	2,355,699
— 股票經紀	— Stockbrokers	50,000	45,606
— 批發及零售業	— Wholesale and retail trade	2,885,044	2,015,783
— 製造業	— Manufacturing	3,370,282	2,813,124
— 運輸及運輸設備	— Transport and transport equipment	3,467,330	4,280,529
— 其他	— Others	2,664,446	3,093,252
個人	Individuals		
— 購買居者有其屋計劃、私人發展商參建居屋計劃及租者置其屋計劃樓宇的貸款	— Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	16,054	18,409
— 購買其他住宅物業的貸款	— Loans for the purchase of other residential properties	11,446,698	11,416,704
— 信用卡墊款	— Credit card advances	535,293	586,781
— 其他	— Others	1,693,327	1,308,935
在香港使用的貸款及墊款總額	Gross loans and advances for use in Hong Kong	35,019,374	33,378,528
貿易融資	Trade finance	3,508,201	2,789,104
在香港以外使用的貸款及墊款總額	Gross loans and advances for use outside Hong Kong	12,157,775	6,794,065
客戶貸款及墊款總額	Gross loans and advances to customers	50,685,350	42,961,697

24. 客戶貸款及墊款及其他賬項 (續)

24. Loans and Advances to Customers and Other Accounts (cont'd)

(d) 減值客戶貸款及墊款

(d) Impaired loans and advances to customers

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
減值客戶貸款及墊款總額 個別評估 — 減值準備	Gross impaired loans and advances to customers Impairment allowance — Individually assessed	846,639 (76,360)	1,170,839 (274,021)
		770,279	896,818
減值貸款及墊款總額佔客戶 貸款及墊款總額的百分比	Gross impaired loans and advances as a % of total loans and advances to customers	1.67%	2.73%

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。

Impaired loans and advances are mainly individually assessed loans which exhibit objective evidence of impairment on an individual basis.

個別評估減值準備乃根據本集團就有關貸款日後折現後可收回數額(包括抵押品變現值)與賬面值之扣減金額。

Individually assessed impairment allowance was made to write down the carrying value of the advances to the discounted value of future recoverable amounts, including from realization of collateral.

24. 客戶貸款及墊款及其他賬項 (續)

(e) 融資租賃及分期付款合約的投資淨額

客戶貸款及墊款包括按融資租賃及具備融資租賃特徵的分期付款合約租借給客戶的機器及設備的投資淨額。這些合約的最初租賃期一般為期五至二十年，其後可選擇按賬面值購入這些租借資產。按融資租賃及分期付款合約應收的最低租賃付款總額及其現值如下：

24. Loans and Advances to Customers and Other Accounts (cont'd)

(e) Net investment in finance leases and hire purchase contracts

Loans and advances to customers include net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. These contracts usually run for an initial period of 5 to 20 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values are as follows:

		本集團 The Group			
		二零零六年 2006		二零零五年 2005	
		最低租賃付款現值 Present value of the minimum lease payments 港幣千元 HK\$'000	最低租賃付款總額 Total minimum lease payments 港幣千元 HK\$'000	最低租賃付款現值 Present value of the minimum lease payments 港幣千元 HK\$'000	最低租賃付款總額 Total minimum lease payments 港幣千元 HK\$'000
1年內	Within 1 year	478,113	634,486	559,321	757,657
1年至5年	After 1 year but within 5 years	574,747	1,035,704	778,468	1,393,155
5年後	After 5 years	1,968,813	3,007,568	2,590,940	3,993,579
		3,021,673	4,677,758	3,928,729	6,144,391
減值準備：	Impairment allowances:				
— 個別評估	— Individually assessed	(12,465)		(3,718)	
— 綜合評估	— Collectively assessed	(2,355)		(1,095)	
融資租賃及分期付款合約的投資淨額	Net investment in finance leases and hire purchase contracts	3,006,853		3,923,916	

25. 應收附屬公司款項

25. Amounts Due from Subsidiaries

		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
銀行及其他金融機構存款	Placements with banks and other financial institutions	543,776	75,583
附屬公司貸款及墊款及 其他賬項	Loans and advances to subsidiaries and other accounts	939,685	949,881
		1,483,461	1,025,464

26. 可供出售證券

26. Available-for-sale Securities

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
債務證券	Debt securities	4,771,960	5,790,022
國庫券	Treasury bills	149,757	—
權益證券	Equity securities	29,762	140,455
投資基金	Investment funds	77,764	77,551
		5,029,243	6,008,028
減值準備 — 個別評估	Impairment allowances — Individually assessed	(55,793)	(62,068)
		4,973,450	5,945,960
以上各項的發行機構如下：	Issued by:		
中央政府及中央銀行	Central governments and central banks	149,757	—
銀行及其他金融機構	Banks and other financial institutions	847,022	873,122
企業	Corporate entities	3,976,671	5,072,838
		4,973,450	5,945,960
按上市地點分析：	Analyzed by place of listing:		
於香港以外地區上市	Listed outside Hong Kong	3,913,802	4,731,439
非上市	Unlisted	1,059,648	1,214,521
		4,973,450	5,945,960

27. 持有至到期投資

27. Held-to-maturity Investments

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
國庫券(包括外匯基金票據)	Treasury bills (including Exchange Fund Bills)	138,593	247,669
持有的存款證	Certificates of deposit held	49,990	499,913
債務證券	Debt securities	10,001,850	16,456,684
		10,190,433	17,204,266
減值準備 — 個別評估	Impairment allowances — Individually assessed	(13,940)	(9,983)
		10,176,493	17,194,283
以上各項的發行機構如下：	Issued by:		
中央政府及中央銀行	Central governments and central banks	317,316	821,634
公營機構	Public sector entities	1,023,223	1,136,047
銀行及其他金融機構	Banks and other financial institutions	7,593,359	13,269,677
企業	Corporate entities	1,242,595	1,966,925
		10,176,493	17,194,283
按上市地點分析：	Analyzed by place of listing:		
於香港上市	Listed in Hong Kong	953,630	1,383,224
於香港以外地區上市	Listed outside Hong Kong	3,595,266	3,478,078
		4,548,896	4,861,302
非上市	Unlisted	5,627,597	12,332,981
		10,176,493	17,194,283
上市證券市值	Market value of listed securities	4,493,453	4,826,519

28. 附屬公司投資

28. Investments in Subsidiaries

		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
非上市股份(按成本入賬)	Unlisted shares, at cost	4,987,561	6,245,247

下文列出對本集團的業績、資產或負債有重大影響的主要附屬公司詳情。除非另有註明，否則所持股份類別均為普通股。

The following list contains the particulars of principal subsidiaries which materially affect the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

公司名稱 Name of company	註冊成立／經營地區 Place of incorporation/ operation	持有股份 百分率 % of shares held	主要業務 Principal activities	已發行及繳足股本 Issued and paid up capital
California Investment LLC**	美國 USA	100%	物業持有 Property holding	美金5,415,000元 US\$5,415,000
啓福國際有限公司* Carford International Limited*	香港 Hong Kong	100%	物業持有 Property holding	港幣2元 HK\$2
中國國際財務有限公司 (深圳)*** China International Finance Company Limited (Shenzhen)***	中國 People's Republic of China ("PRC")	100%	金融服務 Financial services	人民幣500,000,000元 RMB500,000,000
CIFH (CB-I) Limited	開曼群島／香港 Cayman Islands/ Hong Kong	100%	發行可換股債券 Issue of convertible bonds	美金1元 US\$1
中信嘉華銀行有限公司 (「中信嘉華」) CITIC Ka Wah Bank Limited ("CKWB")	香港 Hong Kong	100%	銀行 Banking	港幣3,083,341,176元 HK\$3,083,341,176
CKWB (Cayman Islands) Limited*	開曼群島／香港 Cayman Islands/ Hong Kong	100%	發行後償票據 Issue of subordinated notes	美金1元 US\$1
CKWH - UT2 Limited*	開曼群島／香港 Cayman Islands/ Hong Kong	100%	發行後償票據 Issue of subordinated notes	美金1元 US\$1
CKWB-SN Limited*	開曼群島／香港 Cayman Islands/ Hong Kong	100%	發行結構票據和投資 Issue of structured notes and investments	美金1元 US\$1
Dramatic Year Limited	英屬維爾京群島／香港 British Virgin Islands/ Hong Kong	100%	投資控股 Investment holding	美金1元 US\$1

28. 附屬公司投資 (續)

28. Investments in Subsidiaries (cont'd)

公司名稱 Name of company	註冊成立／經營地區 Place of incorporation/ operation	持有股份 百分率 % of shares held	主要業務 Principal activities	已發行及繳足股本 Issued and paid up capital
香港華人財務有限公司* HKCB Finance Limited*	香港 Hong Kong	100%	消費借貸 Consumer financing	港幣200,000,000元 HK\$200,000,000
香港華人保險代理有限公司* HKCB Insurance Agency Limited*	香港 Hong Kong	100%	保險代理 Insurance agency	港幣2元 HK\$2
嘉華投資有限公司* KWB Investment Limited*	香港 Hong Kong	100%	投資控股 Investment holding	港幣5,000,000元 HK\$5,000,000
嘉華國際財務有限公司* Ka Wah International Merchant Finance Limited*	香港 Hong Kong	100%	金融服務 Financial services	港幣32,500,000元 HK\$32,500,000
香港華人銀行(代理人) 有限公司* The Hongkong Chinese Bank (Nominees) Limited*	香港 Hong Kong	100%	代理人服務 Nominees services	港幣5,000元 HK\$5,000
嘉華銀行(信託)有限公司* The Ka Wah Bank (Trustee) Limited*	香港 Hong Kong	100%	信託服務 Trustee services	港幣3,000,000元 HK\$3,000,000
True Worth Investments Limited	英屬維爾京群島／香港 British Virgin Islands/ Hong Kong	100%	投資控股 Investment holding	美金1元 US\$1
恒康香港有限公司* Viewcon Hong Kong Limited*	香港 Hong Kong	100%	按揭融資 Mortgage financing	港幣2元 HK\$2

除下文所列者外，以上所有附屬公司均由本公司直接持有：

All of the above subsidiaries are held directly by the Company except for those indicated below:

* 本公司間接持有的附屬公司。

* Subsidiaries held indirectly by the Company.

** 本公司直接持有該附屬公司99%股份，其餘1%則透過本公司另一間附屬公司間接持有。

** 99% of the shares of this subsidiary is held directly by the Company and the remaining 1% is held indirectly through another subsidiary of the Company.

*** 本公司間接持有，並按中國法律在中國以「外資企業」方式註冊成立的附屬公司。

*** Subsidiary held indirectly by the Company. This subsidiary is incorporated in the PRC and is a "Foreign Investment Enterprise" under the PRC Law.

29. 聯營公司權益

29. Investment in Associates

		本集團 The Group		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
非上市股份(按成本入賬)	Unlisted shares, at cost	—	—	9,990,944	—
所佔淨資產	Share of net assets	6,884,190	1,101,843	—	—
商譽	Goodwill	4,029,114	189,337	—	—
無形資產	Intangible assets	658,314	—	—	—
無形資產的遞延稅項	Deferred tax on intangible assets	(217,244)	—	—	—
		11,354,374	1,291,180	9,990,944	—

(a) 主要聯營公司的詳情如下：

(a) Details of the principal associates are as follows:

公司名稱 Name of company	業務結構 形式 Form of business structure	註冊成立/ 經營地區 Place of incorporation/ operation	本集團 實際權益 Group's effective interest	由本公司持有 Held by the Company	由附屬公司 持有 Held by the subsidiaries	主要業務 Principal activities	已發行股份面值 Nominal value of issued shares
中信資本控股有限公司 (前稱中信資本市場控股有限公司) CITIC Capital Holdings Limited (Previously known as CITIC Capital Markets Holdings Limited)	法人公司 Incorporated	香港 Hong Kong	50%	—	50%	投資控股 Investment holding	港幣28,000,000元 HK\$28,000,000
中信銀行 (現稱為中信銀行股份有限公司) China CITIC Bank (Renamed as China CITIC Bank Corporation Limited)	股份有限公司 Joint stock limited company	中國 PRC	15.17%	15.17% (附註1) (Note 1)	—	銀行服務 Banking services	人民幣31,113,000,000元 RMB\$31,113,000,000
中信國際資產管理有限公司 CITIC International Assets Management Limited	法人公司 Incorporated	香港 Hong Kong	40%	40%	—	投資控股及資產管理 Investment holdings and assets management	港幣1,427,452,018元 HK\$1,427,452,018

29. 聯營公司權益 (續)

(a) 主要聯營公司的詳情如下：(續)

附註1：由於本集團有代表加入中信銀行之董事會及對其有重大之影響力，因此中信銀行被視作本集團之聯營公司，並將是項投資以權益法入賬。

(b) 主要聯營公司財務資料摘要：

本集團實際權益：

29. Investment in Associates (cont'd)

(a) Details of the principal associates are as follows: (cont'd)

Note 1: The Group's investment in China CITIC Bank ("CNCB") has been accounted for as an associate using the equity method as the Group has representation in the Board of Directors and is in a position to exercise significant influence over CNCB.

(b) Summary of aggregate financial information on principal associates:

The Group's effective share of associates' financials:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
資產	Assets	109,859,893	1,993,568
負債	Liabilities	102,999,721	982,074
收入	Revenue	431,197	301,817
淨溢利	Net profit	131,450	59,759

29. 聯營公司權益 (續)

(c) 無形資產的變動

		本集團 The Group		
		品牌 Brand name 港幣千元 HK\$'000	核心存款和 客戶關係 Core deposits and customers relationships 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本	Cost			
於二零零六年一月一日	At 1 January 2006	—	—	—
增加	Additions	405,426	252,888	658,314
於二零零六年十二月三十一日	At 31 December 2006	405,426	252,888	658,314

無形資產攤銷將由二零零七年一月一日開始。

Amortization of the intangible assets will be commenced on 1 January 2007.

無形資產並無出現減值。

There is no impairment of the intangible assets.

(d) 收購中信銀行

(d) Acquisition of an equity interest in CNCB

		本集團 The Group 二零零六年 2006 港幣千元 HK\$'000
收購之對價： 發行新股 發行股份之溢價	Purchase consideration: Issue of new shares Surplus in fair value of shares issued	5,300,812 3,761,867
收購之公允價值 有關收購之直接現金成本	Fair value of consideration Direct costs relating to the acquisition settled in cash	9,062,679 41,226
總收購成本 購入之淨資產及無形資產之 公允價值	Total acquisition costs Fair value of acquired net assets and intangible assets	9,103,905 (5,264,128)
商譽	Goodwill	3,839,777

29. 聯營公司權益 (續)

(d) 收購中信銀行 (續)

二零零六年十二月二十九日，本集團完成收購中信銀行的15.17%股權。有關的對價是按照中信集團與本公司於二零零六年四月十三日訂立的正式買賣協議所商定，由本公司按每股港幣3.41元的參考價，發行本公司每股面值港幣1.00元的新股1,554,490,402股支付（附註42(b)(ii)）。參考價即聯交所在截至二零零六年三月二十三日止連續五個交易日期間所報的本公司平均每股收市價。

香港財務報告準則第3號「企業合併」規定，就會計處理而言，股份對價的公允價值應在可對來自收購事項的淨資產有效行使控制權當日釐定。於收購事項完成當日，本公司股份的收市價為每股港幣6.97元。然而，鑑於本公司股價在本年度內波動頻仍，而且受到與Banco Bilbao Vizcaya Argentaria, S.A. (「BBVA」)進行的交易（附註55(a)）和其他已公佈交易的嚴重影響，故二零零六年十二月二十九日的股價被視為無法代表所發行股份的最適當公允價值。

然而，收購事項的對價是參考配發股份予BBVA的相關認購價每股港幣5.83元釐定。此認購價被認為是本公司投資在中信銀行的會計處理方面，本公司股份的最適當公允價值，因為該價格是在按照公平原則進行，而且規模相若的近期交易中商定。因此，為數港幣3,761,867,000元的公允價值盈餘為按照公允價值每股港幣5.83元與參考價每股港幣3.41元釐定的對價之間的差額，而按照認購價每股港幣5.83元與收市價每股港幣6.97元釐定的對價之間的差額為港幣1,772,119,000元。

29. Investment in Associates (cont'd)

(d) Acquisition of an equity interest in CNCB (cont'd)

On 29 December 2006, the Group completed the acquisition of a 15.17% equity interest in CNCB with the consideration being settled by issuance of 1,554,490,402 new shares by the Company with a par value of HK\$1.00 each at a reference price of HK\$3.41 each as agreed in the Formal Sale and Purchase Agreement entered into between CITIC Group and the Company on 13 April 2006 (note 42(b)(ii)). The reference price was the average closing price per share of the Company as quoted on the Stock Exchange of Hong Kong for a period of five consecutive trading days ended on 23 March 2006.

HKFRS 3 "Business Combinations" requires the fair value of the share consideration for accounting purposes to be determined at the date that control over the net assets attributable to the acquisition becomes effective. At the completion date of the acquisition, the closing price of the shares of the Company was HK\$6.97 each. However, in light of the relatively high volatility of the Company's share price during the year and the share price being greatly influenced by the transaction with Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") (note 55 (a)) and other publicly announced transactions, the share price on 29 December 2006 was not considered to represent the most appropriate fair value of the shares issued.

Instead, the consideration for the acquisition was determined with reference to the subscription price of HK\$5.83 per share relating to the allotment of shares to BBVA. Such a subscription price was considered to be the most appropriate fair value of the Company's shares for the purpose of accounting its investment in CNCB as it was the price agreed in a recent similar sized transaction on an arm's length basis. Accordingly, the surplus in fair value amounting to HK\$3,761,867,000 represents the difference between the consideration determined based on the fair value of HK\$ 5.83 each and the reference price of HK\$3.41 each. The difference between the consideration determined based on the subscription price of HK\$5.83 each and the closing price of HK\$6.97 each amounts to HK\$1,772,119,000.

29. 聯營公司權益 (續)

(d) 收購中信銀行 (續)

就收購中信銀行股權而言，聯營公司權益包含商譽和品牌形象、核心存款及客戶關係等方面的無形資產(附註29(c))。這些無形資產的可用年限已分別評定為無限期、10年及20年。除品牌形象外，無形資產均在可用年限內按直線法攤銷。

(e) 進一步收購中信銀行的股權

二零零六年十一月二十二日，本公司與中信銀行和中信集團訂立追加認購協議；據此，本公司同意認購，而中信銀行則同意向本公司發行其某一數目的股份(「追加認購股份」)，以使本公司預期持有的中信銀行股權百分率，不會在中信銀行股份的全球發售事項認購完成時少於中信銀行全部股權的15%。本公司董事預期，收購追加認購股份的對價將於完成時以現金支付。截至本財務報表編製日，進一步收購中信銀行一事尚未完成。

29. Investment in Associates (cont'd)

(d) Acquisition of an equity interest in CNCB (cont'd)

In respect of the acquisition of the equity interest in CNCB, interest in associates includes goodwill and intangible assets with respect to brand name, core deposits and customer relationships (note 29 (c)). The useful lives of these intangible assets are assessed to be indefinite, 10 years and 20 years, respectively. Except for the brand name, the intangible assets are amortized over their useful lives on a straight line basis.

(e) Acquisition of a further equity interest in CNCB

The Company entered into a Top Up Agreement with CNCB and CITIC Group on 22 November 2006 ("Top Up Agreement"). Pursuant to the Top Up Agreement, the Company agreed to subscribe for, and CNCB agreed to issue to the Company, certain number of its shares ("Top Up Shares") so that the percentage of the equity interests to be held by the Company in CNCB is expected to be no less than 15% of the total equity interests in CNCB as at the time when the subscription for global offering of shares of CNCB is completed. The Directors of the Company expect that the consideration for the acquisition of the Top Up Shares is to be satisfied by cash upon completion. Up to the date of this report, the acquisition of the further equity interest in CNCB has not been completed.

30. 物業及設備

(a) 本集團

		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、固定 裝置及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本或估值：	Cost or valuation:				
於2005年1月1日	At 1 January 2005	64,850	1,266,130	700,387	2,031,367
增加	Additions	—	—	53,934	53,934
重新分類	Reclassification	35,904	(51,897)	—	(15,993)
重新分類前之 重估盈餘	Surplus on revaluation before reclassification	—	8,174	—	8,174
出售	Disposals	(37,900)	(185,289)	(137,784)	(360,973)
重估盈餘	Surplus on revaluation	2,140	—	—	2,140
滙兌調整	Exchange adjustments	—	(101)	(6)	(107)
於2005年12月31日	At 31 December 2005	64,994	1,037,017	616,531	1,718,542
上述資產的成本 或估值分析 如下：	The analysis of cost or valuation of the above assets is as follows:				
成本	Cost	—	993,152	616,531	1,609,683
估值	Valuation				
— 1985年	— 1985	—	43,865	—	43,865
— 2005年	— 2005	64,994	—	—	64,994
		64,994	1,037,017	616,531	1,718,542
於2006年1月1日	At 1 January 2006	64,994	1,037,017	616,531	1,718,542
增加	Additions	106,064	18,782	88,533	213,379
重新分類	Reclassification	(40,458)	38,705	—	(1,753)
出售	Disposals	(9,200)	(140,155)	(41,757)	(191,112)
出售附屬公司	Disposal of a subsidiary	—	—	(3,808)	(3,808)
重新分類 盈餘前之重估	Surplus on revaluation before reclassification	—	9,952	—	9,952
重估盈餘	Surplus on revaluation	3,376	—	—	3,376
滙兌調整	Exchange adjustments	—	111	94	205
於2006年12月31日	At 31 December 2006	124,776	964,412	659,593	1,748,781
上述資產的成本 或估值分析 如下：	The analysis of cost or valuation of the above assets is as follows:				
成本	Cost	—	930,718	659,593	1,590,311
估值	Valuation				
— 1985年	— 1985	—	33,694	—	33,694
— 2006年	— 2006	124,776	—	—	124,776
		124,776	964,412	659,593	1,748,781

30. Property and Equipment

(a) The Group

30. 物業及設備 (續)

(a) 本集團 (續)

		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、固定 裝置及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
累計折舊：	Accumulated depreciation:				
於2005年1月1日	At 1 January 2005	—	335,496	448,411	783,907
本年度折舊 (附註9(b))	Charge for the year (note 9(b))	—	22,433	90,404	112,837
因出售而撥回	Written back on disposals	—	(47,317)	(114,813)	(162,130)
因出售而撥回減值 虧損	Written back of impairment loss on disposals	—	(1,517)	—	(1,517)
重新分類	Reclassification	—	(15,422)	—	(15,422)
因重新分類而撥回 減值虧損	Written back of impairment loss on reclassification	—	(571)	—	(571)
匯兌調整	Exchange adjustments	—	(14)	(16)	(30)
於2005年12月31日	At 31 December 2005	—	293,088	423,986	717,074
於2006年1月1日	At 1 January 2006	—	293,088	423,986	717,074
本年度折舊 (附註9(b))	Charge for the year (note 9(b))	—	20,798	89,532	110,330
因出售而撥回	Written back on disposals	—	(39,275)	(36,736)	(76,011)
出售附屬公司	Disposal of a subsidiary	—	—	(679)	(679)
重新分類	Reclassification	—	(1,753)	—	(1,753)
匯兌調整	Exchange adjustment	—	17	38	55
於2006年12月31日	At 31 December 2006	—	272,875	476,141	749,016
賬面淨值：	Net book value:				
於2006年12月31日	At 31 December 2006	124,776	691,537	183,452	999,765
於2005年12月31日	At 31 December 2005	64,994	743,929	192,545	1,001,468

30. Property and Equipment (cont'd)

(a) The Group (cont'd)

30. 物業及設備 (續)

(b) 本公司

30. Property and Equipment (cont'd)

(b) The Company

		其他物業 Other premises 港幣千元 HK\$'000	傢俬、固定 裝置及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本或估值：	Cost or valuation:			
於2005年1月1日	At 1 January 2005	62,759	2,611	65,370
增加	Additions	—	99	99
於2005年12月31日	At 31 December 2005	62,759	2,710	65,469
上述資產的成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:			
成本	Cost	55,389	2,710	58,099
估值 — 1985年	Valuation — 1985	7,370	—	7,370
		62,759	2,710	65,469
於2006年1月1日	At 1 January 2006	62,759	2,710	65,469
增加	Additions	—	8	8
出售	Disposals	(7,370)	(30)	(7,400)
於2006年12月31日	At 31 December 2006	55,389	2,688	58,077
上述資產的成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:			
成本	Cost	55,389	2,688	58,077
累計折舊：	Accumulated depreciation:			
於2005年1月1日	At 1 January 2005	6,736	811	7,547
本年度折舊	Charge for the year	1,870	487	2,357
於2005年12月31日	At 31 December 2005	8,606	1,298	9,904
於2006年1月1日	At 1 January 2006	8,606	1,298	9,904
本年度折舊	Charge for the year	1,689	449	2,138
因出售而撥回	Written back on disposals	(5,002)	(12)	(5,014)
於2006年12月31日	At 31 December 2006	5,293	1,735	7,028
賬面淨值：	Net book value:			
於2006年12月31日	At 31 December 2006	50,096	953	51,049
於2005年12月31日	At 31 December 2005	54,153	1,412	55,565

30. 物業及設備 (續)

- (c) 於二零零六年十二月三十一日，獨立測量師行威格斯資產評估顧問有限公司按公開市值基準，並參考租金淨收入（已計及可復歸收入潛力）重估本集團及本公司的所有投資物業。有關的重估盈餘港幣3,376,000元（二零零五年：港幣2,140,000元）已計入收益表中。威格斯資產評估顧問有限公司部分僱員為香港測量師學會資深專業會員，具有評估同類物業地點及類別的近期經驗。

投資物業產生的租金收入總額為港幣5,242,000元（二零零五年：港幣3,231,000元）。

本年度內，出售投資物業的溢利達港幣760,000元（二零零五年：港幣4,641,000元）。

- (d) 投資物業及其他物業的賬面淨值分析如下：

		本集團 The Group		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
永久業權	Freehold				
香港以外地區	Held outside Hong Kong	34,315	37,371	—	2,429
租賃	Leasehold				
香港	Held in Hong Kong				
— 長期租賃	— Long-term leases	208,394	96,711	—	—
— 中期租賃	— Medium-term leases	555,753	658,180	50,096	51,724
香港以外地區	Held outside Hong Kong				
— 中期租賃	— Medium-term leases	17,851	16,661	—	—
		816,313	808,923	50,096	54,153

本集團及本公司若干其他物業曾於往年度進行重估。如果這些物業是以成本減累計折舊入賬，本集團及本公司於二零零六年十二月三十一日的其他物業賬面淨值應分別為港幣9,151,000元（二零零五年：港幣13,674,000元）及港幣零元（二零零五年：港幣2,256,000元）。

30. Property and Equipment (cont'd)

- (c) All investment properties of the Group and the Company were revalued at 31 December 2006 by an independent firm of surveyors, Vigers Appraisal & Consulting Limited on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The revaluation surplus amounted to HK\$3,376,000 (2005: HK\$2,140,000) which has been credited to the income statement. Vigers Appraisal & Consulting Limited have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The gross rental income arising from investment properties is HK\$5,242,000 (2005: HK\$3,231,000).

During the year, profit on disposal of investment properties amounted to HK\$760,000 (2005: HK\$4,641,000).

- (d) The analysis of net book value of investment properties and other premises is as follows:

Some of the other premises of the Group and the Company have been revalued in previous years. The net book value of other premises of the Group and the Company at 31 December 2006 would have been HK\$9,151,000 (2005: HK\$13,674,000) and HK\$Nil (2005: HK\$2,256,000) respectively had they been carried at cost less accumulated depreciation.

30. 物業及設備 (續)

(e) 通過經營租賃租出的物業及設備

本集團通過經營租賃的方式租出投資物業。有關物業的最初租賃期一般為兩至三年，其後可於重新商定所有條款後續期。以上租賃均不涉及或有租金(二零零五年：無)。

本集團按不可解除的經營租賃應收的未來最低租金總額如下：

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
1年內	Within 1 year	8,651	2,986
1年至5年	After 1 year but within 5 years	8,123	3,105
		16,774	6,091

30. Property and Equipment (cont'd)

(e) Property and equipment leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals (2005: HK\$Nil).

The Group's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

31. 商譽

31. Goodwill

		本集團 The Group 港幣千元 HK\$'000
成本： 於2005年12月31日 及2006年12月31日	Cost: At 31 December 2005 and 31 December 2006	1,007,749
賬面值： 於2005年12月31日 及2006年12月31日	Carrying amount: At 31 December 2005 and 31 December 2006	1,007,749

31. 商譽 (續)

包括商譽的現金生產單位的減值測試

商譽分配至根據業務分部辨認的本集團現金生產單位如下：

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
商業銀行業務	Commercial banking business	1,007,749	1,007,749

現金生產單位的可收回數額是根據使用值計算釐定。這些計算是使用管理層所核准涵蓋最多五年期間的財政預算計算的現金流量預測。其後年度的現金流量按零增長率估計，有關增長率不會超越現金生產單位經營業務的長期平均增長率。

管理層根據過往表現及其對市場發展的預期釐定預算毛利率。12.34%加權平均成本和權益所用的稅前折扣率已反映了相對於有關分部的風險。

32. 銀行及其他金融機構的存款及結存

31. Goodwill (cont'd)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to business segment as follows:

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a maximum of five-year period. Cash flow in subsequent years are estimated at zero growth rate which does not exceed the long-term average growth rate for the business in which the CGU operates.

Management determined the budgeted gross margin based on past performance and its expectation for market development. The 12.34% weighted average cost of capital is used as the pre-tax discount rate which reflects specific risks relating to the relevant segments.

32. Deposits and Balances of Banks and Other Financial Institutions

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
銀行的存款及結存	Deposits and balances from banks	203,416	326,198
其他金融機構的存款及結存	Deposits and balances from other financial institutions	628,557	3,831,248
		831,973	4,157,446

33. 客戶存款

33. Deposits from Customers

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
活期及往來賬戶存款	Demand deposits and current deposits	6,411,967	4,201,868
儲蓄存款	Savings deposits	11,073,425	8,058,380
定期、即期及短期通知存款	Time, call and notice deposits	47,936,439	42,155,031
		65,421,831	54,415,279

34. 交易用途負債

34. Trading Liabilities

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
證券空倉	Short positions in securities	—	217,904
衍生工具的負公允價值 (附註53(b))	Negative fair value of derivatives (note 53(b))	428,648	443,233
		428,648	661,137

35. 已發行存款證

35. Certificates of Deposit Issued

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
指定為通過損益 以反映公允價值	Designated at fair value through profit or loss	3,726,854	2,785,924
非交易用途	Non-trading	3,530,865	4,682,037
		7,257,719	7,467,961

35. 已發行存款證 (續)

指定為通過損益以反映公允價值的已發行存款證具備可改變現金流量的內含衍生工具。

於二零零六年十二月三十一日，本集團的賬面值及於到期時應付合約金額的差額達港幣86,493,000元（二零零五年：港幣150,081,000元），其公允價值下跌只是因為基準利率變動而產生。

36. 資產負債表所示的所得稅

(a) 綜合資產負債表所示的本期稅項為：

35. Certificates of Deposit Issued (cont'd)

Certificates of deposit issued are designated at fair value through profit or loss when they contain embedded derivatives that modify the cash flows.

As at 31 December 2006, the difference between the carrying amount and the contractual amount payable at maturity for the Group amounted to HK\$86,493,000 (2005: HK\$150,081,000). Such a decrease in fair value is only attributable to changes in benchmark interest rate.

36. Income Tax in the Balance Sheet

(a) Current taxation in the consolidated balance sheet represents:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
本年度香港利得稅準備 (附註14(a))	Provision for Hong Kong Profits Tax for the year (note 14(a))	174,406	129,827
已付暫繳利得稅	Provisional Profits Tax paid	(120,365)	(127,548)
以往年度的利得稅準備結餘	Balance of Profits Tax provision relating to prior years	54,041	2,279
		54,164	46,335
海外稅項準備	Provision for overseas taxation	108,205	48,614
		4,476	1,864
		112,681	50,478

36. 資產負債表所示的所得稅 (續)

(b) 已確認的遞延稅項資產及負債

已於綜合資產負債表確認的遞延稅項(資產)
／負債的組合及本年度內的變動如下：

36. Income Tax in the Balance Sheet (cont'd)

(b) Deferred tax assets and liabilities recognized

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

		本集團 The Group							
遞延稅項源自：	Deferred tax arising from:	折舊免稅額 超過有關折舊 Depreciation allowances in excess of related depreciation 港幣千元 HK\$'000	貸款減 值準備 Impairment allowances for loans 港幣千元 HK\$'000	物業及其他 資產的公允 價值調整 Fair value adjustments for properties and other assets 港幣千元 HK\$'000	可供出售證 券的公允價 值調整 Fair value adjustments for available- for-sale securities 港幣千元 HK\$'000	現金流 量對沖 Cash flow hedge 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	
於2005年1月1日	At 1 January 2005	41,298	(57,023)	(47,757)	78,191	(1,639)	(2,262)	10,808	
綜合收益表內 (撥回)／撇銷	(Credited)/charged to consolidated income statement	(14,689)	10,401	2,526	—	—	1,594	(168)	
儲備內撇銷／(撥回)	Charged/(credited) to reserves	—	—	1,389	(10,403)	1,639	—	(7,375)	
於2005年12月31日	At 31 December 2005	26,609	(46,622)	(43,842)	67,788	—	(668)	3,265	
於2006年1月1日	At 1 January 2006	26,609	(46,622)	(43,842)	67,788	—	(668)	3,265	
綜合收益表內 (撥回)／撇銷	(Credited)/charged to consolidated income statement	(9,048)	7,363	15,175	—	—	(254)	13,236	
儲備內撇銷／(撥回)	Charged/(credited) to reserves	—	—	2,013	(20,398)	—	—	(18,385)	
出售附屬公司時 抵銷	Released on disposal of subsidiary	—	—	—	(5,434)	—	—	(5,434)	
於2006年12月31日	At 31 December 2006	17,561	(39,259)	(26,654)	41,956	—	(922)	(7,318)	

36. 資產負債表所示的所得稅 (續)

(b) 已確認的遞延稅項資產及負債 (續)

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
在資產負債表確認的 淨遞延稅項資產	Net deferred tax asset recognized on the balance sheet	(29,904)	(42,201)
在資產負債表確認的 淨遞延稅項負債	Net deferred tax liability recognized on the balance sheet	22,586	45,466
		(7,318)	3,265

(c) 未確認的遞延稅項資產

由於可能未來沒有適用於有關稅務機關的應課稅溢利以彌補有關虧損，本集團並未確認累計稅項虧損的遞延稅項資產分別為港幣87,105,000元（二零零五年：港幣109,349,000元）。根據現時稅務條例，這些稅項虧損的到期日如下：

36. Income Tax in the Balance Sheet (cont'd)

(b) Deferred tax assets and liabilities recognized (cont'd)

(c) Deferred tax assets not recognized

The Group has not recognized deferred tax assets in respect of cumulative tax losses of HK\$87,105,000 (2005: HK\$109,349,000) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於5年內到期	Expiring within 5 years	13,164	50,026
不設到期日	No expiry date	73,941	59,323
		87,105	109,349

37. 應付附屬公司款項

37. Amounts Due to Subsidiaries

		本公司 The Company	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
其他負債	Other liabilities	42	223
附屬公司存款	Placement from a subsidiary	260,508	1,395,922
		260,550	1,396,145

38. 已發行債務證券

38. Debt Securities Issued

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
非交易性已發行債務證券 指定為通過損益以 反映公允價值	Non-trading debt securities issued Designated at fair value through profit or loss	2,256,746	2,245,435
		44,143	—
		2,300,889	2,245,435

非交易性債務證券包括於二零零四年十一月十七日以折讓價發行年息率為4.25%的票據，其面值為美金300,000,000元（港幣2,332,900,000元）。票據由中信嘉華發行及構成其直接、無條件及無抵押義務。票據將於二零零九年十一月十七日到期。

指定為通過損益以反映公允價值的債務證券是指由附屬公司發行、並由中信嘉華就無抵押義務作出擔保的面值美金5,300,000元（港幣41,200,000元）的結構票據。這些票據將於二零零七年五月十七日到期。票據的回報直接取決於投資基金（已包括在指定為通過損益以反映公允價值的證券中）的表現。

The non-trading debt securities issued represent 4.25% per annum notes with face value of US\$300 million (HK\$ equivalent 2,332.9 million) issued at a discount on 17 November 2004. The notes were issued by CKWB and constitute direct, unconditional and unsecured obligations of CKWB. The notes will mature on 17 November 2009.

The debt securities designated at fair value through profit and loss represent the Structured Notes ("the Notes") with nominal value of US\$5.3 million (HK\$ equivalent 41.2 million) issued by a subsidiary, and are unsecured obligations guaranteed by CKWB. The Notes will mature on 17 May 2007. Returns on the Notes are directly linked to the performance of the investment funds which include in securities designated at fair value through profit or loss.

39. 已發行可換股債券

於二零零三年十二月八日，本公司只具單一目的全資附屬公司CIFH (CB-I) Limited發行年息率為0.25%的有擔保可換股債券（「債券」），其面值為美金180,000,000元（港幣1,399,700,000元）。本公司無條件及不可撤回地對這些債券的所有應付金額作出擔保。

債券由二零零三年十二月八日起按年息率0.25%計息，並由二零零四年六月八日起，於每年六月八日和十二月八日支付過去半年的未付利息。

每一份債券持有人有權於二零零四年一月十八日或以後，直至二零零八年十一月八日為止，按初始兌換價每股港幣4.269元，兌換一股本公司面值港幣1元的普通股。本公司可於二零零八年十二月八日以本金加應付利息的總數贖回債券。發行債券所得款項淨額已被用作本集團一般用途。

負債部分及權益轉換部分的公允價值是在二零零四年十二月二十三日（即豁免現金結算選擇權當日）釐定。

負債部分的公允價值計入長期借貸，並根據同類非可換股債券的市場利率計算。餘額反映權益轉換部分的價值，已計入股東權益中的可換股債券—權益部分儲備（附註43）內。

39. Convertible Bonds Issued

CIFH (CB-I) Limited, a single purpose wholly-owned subsidiary of the Company, issued 0.25% per annum Guaranteed Convertible Bonds ("Bonds") with face value of US\$180 million (HK\$ equivalent 1,399.7 million) on 8 December 2003. The Company unconditionally and irrevocably guarantees all amounts payable under the Bonds.

The bonds bear interest from 8 December 2003 payable at the rate of 0.25% per annum, payable semi-annually in arrear on 8 June and 8 December in each year, commencing on 8 June 2004.

Each Bond, at the option of the holder, is convertible on or after 18 January 2004 up to and including 8 November 2008 into fully paid ordinary shares with a par value of HK\$1.00 of the Company at an initial conversion price of HK\$4.269 per share. The Bonds can be redeemed at their principal amount together with accrued interest on 8 December 2008. The net proceeds from the issue of the Bonds have been used for general corporate purposes of the Group.

The fair values of the liability component and the equity conversion component were determined at the date of waiver of the cash settlement option on 23 December 2004.

The fair values of the liability component, included in long-term borrowings, were calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in Convertible Bond-equity component reserve (note 43).

39. 已發行可換股債券 (續)

已在資產負債表確認的可換股債券計算如下：

39. Convertible Bonds Issued (cont'd)

The convertible bonds recognized in the balance sheet are calculated as follows:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
可換股債券的面值	Face value of convertible bonds	1,399,384	1,399,384
權益部分	Equity component	(133,027)	(133,027)
保留盈利	Retained earnings	(7,658)	(7,658)
於2005年1月1日首次 確認的負債部分	Liability component on initial recognition at 1 January 2005	1,258,699	1,258,699
利息	Interest	65,887	34,232
換股為普通股	Amounts converted to ordinary shares	(1,074,521)	—
滙兌差額	Exchange difference	(2,874)	(3,114)
於12月31日的負債部分	Liability component at 31 December	247,191	1,289,817

可換股債券負債部分的賬面值是以攤銷成本列賬。債券的利息支出是採用實際利率法，透過對負債部分應用實際利率2.98%計算。截至二零零六年十二月三十一日止年度的利息支出為港幣34,121,000元（二零零五年：港幣37,731,000元）。二零零六年度的實際已付利息為港幣2,467,000元（二零零五年：港幣3,499,000元）。

債券附有本集團提前贖回的選擇權及債券持有人提前贖回的選擇權。這些內含認購及認沽特質的價值會互相影響，而且沒有從自主債項分開入賬。

The carrying amount of the liability component of the convertible bonds is carried at amortized cost. Interest expense on the bonds is calculated using the effective interest rate method by applying the effective interest rate of 2.98% to the liability component and for the year end 31 December 2006 amounted to HK\$34,121,000 (2005: HK\$37,731,000). The actual interest paid in 2006 was HK\$2,467,000 (2005: HK\$3,499,000).

The Bonds are embedded with an early redemption option by the Group and an early redemption option by the bondholders. The values of the embedded call and put feature are interdependent and have not been accounted for separately from the host debt.

40. 僱員退休計劃

本集團設有一項界定供款公積金計劃（「該退休計劃」）；據此，本集團須作出相當於僱員基本薪金10%的供款。該退休計劃是一個強積金豁免計劃，涵蓋範圍遍及本集團的所有全職僱員。僱員毋須作出任何供款。如果僱員在獲得全數供款前離職，本集團不得將僱員所放棄的供款用作減少現時的供款額，而需將有關供款撥入一個獨立的福利基金，作為該退休計劃成員的福利金。

除了該退休計劃外，本集團自二零零零年十二月一日起，也參與一項認可強積金計劃，為現有及新聘的僱員提供計劃選擇。本集團已根據強積金計劃提供等同強制部分的福利。

本年度內，本集團就這些計劃作出的供款約為港幣39,000,000元（二零零五年：港幣38,000,000元）（附註9(a)）。

41. 以股權償付

以股權償付的股份交易

於二零零三年五月十六日，本公司採納「中信國際金融控股有限公司購股權計劃」（「購股權計劃」）。根據購股權計劃授出的購股權，授予期間為授予日期起計兩年，並且一直可行使，直至授予日期起計十週年為止。每份購股權賦予持有人認購一股本公司普通股的權利。

40. Staff Retirement Scheme

The Group has a defined contribution provident fund scheme (“the Retirement Scheme”) under which it contributes 10% of the employees’ basic salaries. The Retirement Scheme is an MPF exempted scheme and covers all permanent full-time employees of the Group. No employee contributions are required. Contributions forfeited by leavers prior to vesting fully may not be used by the Group to reduce the existing level of contribution but are transferred to a separate welfare fund which shall be applied for the welfare of the Retirement Scheme’s members.

Besides the Retirement Scheme, the Group also participated in an approved MPF scheme effective on 1 December 2000 to provide scheme choice to both existing and new employees. Mandatory benefits are being provided under the MPF Scheme.

During the year, the Group contributed approximately HK\$39 million (2005: HK\$38 million) (note 9(a)) to these schemes.

41. Share-based Payments

Equity-settled share-based transactions

The Company adopted The CITIC International Financial Holdings Limited Share Option Scheme (the “Share Option Scheme”) on 16 May 2003. The options granted under the Share Option Scheme have a vesting period of two years starting from the date of grant and will then remain exercisable until the tenth anniversary day from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in the Company.

41. 以股權償付 (續)

以股權償付的股份交易 (續)

- (a) 本年度內，根據購股權計劃授予的購股權(將以股份實物交付)的條款及條件如下：

41. Share-based Payments (cont'd)

Equity-settled share-based transactions (cont'd)

- (a) The terms and conditions of the options, which will be settled by physical delivery of shares, granted under the Share Option Scheme are as follows:

授予日期／獲授予僱員數目 Date of grant/no. of employees entitled	購股權數目 Number of options	授予條件 Vesting conditions	購股權合約年期 Contractual life of options
於2003年11月17日向273名合資格人士 授予購股權 Options granted to 273 eligible persons on 17 November 2003	6,758,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant
於2004年4月6日向293名合資格人士 授予購股權 Options granted to 293 eligible persons on 6 April 2004	7,412,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant
於2005年6月13日向275名合資格人士 授予購股權 Options granted to 275 eligible persons on 13 June 2005	6,800,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant
於2006年5月18日向321名合資格人士 授予購股權 Options granted to 321 eligible persons on 18 May 2006	8,152,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant

41. 以股權償付 (續)

以股權償付的股份交易 (續)

(b) 購股權數目及加權平均行使價如下：

	於二零零六年 已授予的購股權 Share options granted in 2006		於二零零五年 已授予的購股權 Share options granted in 2005		於二零零四年 已授予的購股權 Share options granted in 2004		於二零零三年 已授予的購股權 Share options granted in 2003	
	行使價 港元 HK\$	購股權數目 Number of options	行使價 港元 HK\$	購股權數目 Number of options	行使價 港元 HK\$	購股權數目 Number of options	行使價 港元 HK\$	購股權數目 Number of options
於年初未行使 Outstanding at the beginning of the year	—	—	2.925	6,484,000	3.775	5,324,000	3.540	4,616,000
本年度已授予 Granted during the year	4.275	8,152,000	—	—	—	—	—	—
本年度已放棄 Forfeited during the year	—	(548,000)	—	(664,000)	—	(100,000)	—	(84,000)
本年度已行使 Exercised during the year	—	(140,000)	—	(348,000)	—	(2,384,000)	—	(2,140,000)
於年終未行使 Outstanding at the end of the year	4.275	7,464,000	2.925	5,472,000	3.775	2,840,000	3.540	2,392,000
於年終可行使 Exercisable at the end of the year		—		—		2,840,000		2,392,000
已行使購股權於行使日的 加權平均股價 Weighted average share price at the date of share options exercised during the year	4.870		4.652		4.810		4.820	

本年度已行使購股權於行使日的加權平均股價為港幣4.80元(二零零五年：不適用)。

於二零零六年十二月三十一日，未行使的購股權的行使價介乎港幣2.925元至港幣4.275元(二零零五年：港幣2.925元至港幣3.775元)，加權平均合約年期為10年(二零零五年：10年)。

41. Share-based Payments (cont'd)

Equity-settled share-based transactions (cont'd)

(b) The number and weighted average exercise prices of share options are as follows:

The weighted average share price at the date of share options exercised during the year was HK\$4.80 (2005: not applicable).

The options outstanding at 31 December 2006 have exercise prices which fall within the range of HK\$2.925 to HK\$4.275 (2005: HK\$2.925 to HK\$3.775) and have a weighted average contractual life of 10 years (2005: 10 years).

41. 以股權償付 (續)

以股權償付的股份交易 (續)

(c) 購股權的公允價值及假設

以授予購股權而獲服務的公允價值是經參考授予購股權的公允價值計量。所獲服務的公允價值估計是根據三項式點陣法模式計量。用作這模式的輸入項目的購股權合約年期為10年。

41. Share-based Payments (cont'd)

Equity-settled share-based transactions (cont'd)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The 10 years contractual life of the share option is used as an input into this model.

		於二零零六年 五月十八日 已授予的 購股權 For options granted on 18 May 2006	於二零零五年 六月十三日 已授予的 購股權 For options granted on 13 June 2005	於二零零四年 四月六日 已授予的 購股權 For options granted on 6 April 2004	於二零零三年 十一月十七日 已授予的 購股權 For options granted on 17 November 2003
於計量日期的 公允價值	Fair value at measurement date	HK\$1.301	HK\$0.653	HK\$1.248	HK\$0.835
股價	Share price	HK\$4.275	HK\$2.925	HK\$3.775	HK\$3.475
行使價	Exercise price	HK\$4.275	HK\$2.925	HK\$3.775	HK\$3.540
預期波幅 (以三項式點陣法 模式所用的 波幅表示)	Expected volatility (expressed as volatility used in the trinomial lattice model)	31.00%	24.30%	34.00%	24.00%
購股權年期	Option life	10年years	10年years	10年years	10年years
預期股息 (持續孳息)	Expected dividends (continuous yield)	4.14%	3.84%	3.71%	3.71%
無風險利率 (根據港幣政府 債券孳息計算)	Risk-free interest rate (based on HKD government bond yield)	4.84%	3.22%	4.07%	4.34%

預期波幅是根據本公司於特定日期已發行的可換股債券的隱含波幅計算。

The expected volatility is based on the implied volatilities of our own issued convertible bond on the specified dates.

購股權是根據服務條件及(就授予人員的購股權而言)非市場表現條件授予。

Share options are granted under a service condition and, for grants to personnel, a non-market performance condition.

41. 以股權償付 (續)

以現金償付的股份交易

本公司之附屬公司中信嘉華曾向其合資格僱員和若干本公司的董事(「合資格人士」)授出Equity Linked Deferred Award(「ELDA」)；據此，合資格人士可於指定的到期日(即授予日的第二週年及退休日兩者中的較早日期)獲發現金福利。合資格人士將於到期日獲發的現金福利數額，為ELDA所涉及的本公司普通股數目乘以下列兩者中的較低數額：

1. ELDA每股股價與聯交所每日報價表所載本公司普通股於到期日的收市價兩者的差異；及
2. 港幣3.00元。

若根據聯交所每日報價表所載，本公司普通股於到期日的收市價低於ELDA每股股價，則各合資格人士將不會根據ELDA獲發任何款項。各合資格人士亦不會於ELDA到期時獲配發或轉讓本公司普通股。

41. Share-based Payments (cont'd)

Cash-settled share-based transactions

CKWB, a wholly owned subsidiary of the Company, has offered Equity Linked Deferred Award (“the ELDA”) to its eligible employees and certain directors of the Company (the “Eligible Persons”) whereby the Eligible Persons will receive cash benefit on the specified maturity date, being the earlier of the second calendar anniversary of the offer date and the date of retirement. The amount of cash benefit to be received by the Eligible Persons on the maturity date shall be calculated by multiplying the number of ordinary shares of the Company notionally subject to ELDA by the lower of:

1. the result obtained by subtracting the ELDA price per share from the closing price of the ordinary share of the Company as stated in the daily quotations sheet of the Stock Exchange on the maturity date; and
2. HK\$3.00.

The Eligible Persons are not entitled to receive any payment pursuant to the ELDA if the closing price of the ordinary share of the Company as stated in the daily quotations sheet of the Stock Exchange on the maturity date falls below the ELDA price. No ordinary shares of the Company will be allotted or transferred to the Eligible Persons upon the maturity of the ELDA.

41. 以股權償付 (續)

以現金償付的股份交易 (續)

有關授予各合資格人士的ELDA的詳細條款如下：

授予日期	Offer date	ELDA每股股價 (港幣 (元)) ELDA price per share (HK\$)	於二零零六年 十二月三十一日 ELDA名義上涉及的 普通股數目 Number of ordinary shares of the Company notionally subject to ELDA as at 31 December 2006
2005年3月24日	24 March 2005	2.00	6,931,093
2006年4月28日	28 April 2006	2.00	7,715,316
總額	Total		14,646,409

以三項式點陣法模式計量的ELDA的公允價值以港幣3.00元為限，即合資格人士於到期日獲發的最高現金福利。

The fair value of the ELDA is measured based on a trinomial lattice model and limited to HK\$3.00, which is the maximum cash benefit to be received by the Eligible Persons on the maturity date.

僱員支出

(a) 以股權償付的股份交易

Employee expenses

(a) Equity-settled share-based transactions

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於2003年已授予的購股權	Share options granted in 2003	—	1,748
於2004年已授予的購股權	Share options granted in 2004	1,066	3,194
於2005年已授予的購股權	Share options granted in 2005	1,465	854
於2006年已授予的購股權	Share options granted in 2006	2,050	—
確認為僱員成本的總支出 (附註9(a))	Total expense recognized as employee costs (note 9(a))	4,581	5,796

41. 以股權償付 (續)

以現金償付的股份交易 (續)

僱員支出 (續)

(b) 以現金償付的股份交易

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於2004年已授予的ELDA	ELDA granted in 2004	(210)	4,236
於2005年已授予的ELDA	ELDA granted in 2005	6,560	4,793
於2006年已授予的ELDA	ELDA granted in 2006	5,300	—
以現金償付交易負債的總賬面值 (附註9(a))	Total carrying amount of cash-settled transaction liabilities (note 9(a))	11,650	9,029

41. Share-based Payments (cont'd)

Cash-settled share-based transactions (cont'd)

Employee expenses (cont'd)

(b) Cash-settled share-based transactions

42. 股本

(a) 法定及已發行股本

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
法定股本： 每股面值港幣1元的 普通股6,000,000,000股	Authorized: 6,000,000,000 ordinary shares of HK\$1 each	6,000,000	6,000,000
已發行及繳足股本： 於1月1日： 每股面值港幣1元的 普通股3,197,859,375股 (2005年：3,194,153,151股)	Issued and fully paid: At 1 January: 3,197,859,375 (2005: 3,194,153,151) ordinary shares of HK\$1 each	3,197,859	3,194,153
根據購股權計劃發行的股份 (附註42(b)(i))	Share issued under the share option scheme (note 42(b)(i))	5,012	3,706
投資中信銀行而發行的股份 (附註42(b)(ii))	Issuance of shares for investment in China CITIC Bank (note 42(b)(ii))	1,554,490	—
根據可換股債券而轉換的股份 (附註42(b)(iii))	Conversion of convertible bonds into ordinary shares (note 42(b)(iii))	266,061	—
於12月31日： 每股面值港幣1元的 普通股5,023,422,774股 (2005年：3,197,859,375股)	At 31 December: 5,023,422,774 (2005: 3,197,859,375) ordinary shares of HK\$1 each	5,023,422	3,197,859

42. Share Capital

(a) Authorized and issued share capital

42. 股本 (續)

(b) 二零零六年內發行的股份

- (i) 二零零三年五月十六日，本公司採納了「中信國際金融控股有限公司購股權計劃」(「購股權計劃」)。於二零零六年內，部分購股權獲行使，以認購本公司普通股5,012,000股，價款為港幣18,192,000元；其中港幣5,012,000元已誌入股本，餘額港幣13,180,000元則誌入股份溢價賬。根據財務報表附註2(q)的會計政策購股權儲備港幣4,761,000元轉至股份溢價。
- (ii) 二零零六年十二月二十九日，本公司就投資中信銀行以發行價每股港幣3.41元發行每股面值港幣1元的普通股1,554,490,402股(附註29(d))。
- (iii) 二零零六年內，價值港幣1,139,236,000元的可換股債券獲行使而轉換266,060,997股普通股，港幣266,061,000元已誌入股本及餘額港幣869,753,000元則誌入股份溢價賬。

42. Share Capital (cont'd)

(b) Shares issued during the year 2006

- (i) On 16 May 2003, the Company adopted The CITIC International Financial Holdings Limited Share Option Scheme (the "Share Option Scheme"). During 2006, options were exercised to subscribe for 5,012,000 ordinary shares in the Company at a consideration of HK\$18,192,000 of which HK\$5,012,000 were credited to share capital, HK\$13,180,000 was credited to share premium accounts. HK\$4,761,000 has been transferred from the share option reserve to the share premium account in accordance with policy set out in note 2(q).
- (ii) On 29 December 2006, the Company issued 1,554,490,402 ordinary shares of HK\$1 par value each at the issue price of HK\$3.41 each to CITIC Group for investment in China CITIC Bank (note 29(d)).
- (iii) During the year, convertible bonds of HK\$1,139,236,000 were converted into 266,060,997 ordinary shares. HK\$266,061,000 was credited to share capital and the remaining balance of HK\$869,753,000 was credited to share premium accounts.

42. 股本 (續)

(c) 於結算日未到期及未行使購股權的條款

於二零零六年十二月三十一日，根據購股權計劃已授予但尚未行使的購股權詳情如下：

授予日期 Date of grant	行使價 (港元) Exercise price (HK\$)	已授予 購股權數目 Number of option granted	授予期間 Vesting period	可行使期間 Exercisable period	截至二零零六年 十二月 三十一日止 年度行使購股權 認購的股份數目 Number of shares exercised during the year ended 31 December 2006	截至二零零六年 十二月 三十一日止 年度已放棄的 購股權數目 Number of options lapsed for the year ended 31 December 2006	於二零零六年 十二月三十一日 未行使 購股權數目 Number of options outstanding as at 31 December 2006	於二零零五年 十二月三十一日 未行使購股權數目 Number of options outstanding as at 31 December 2005
17/11/2003	3.540	6,758,000	17/11/2003–16/11/2005	17/11/2005–16/11/2013	2,140,000	84,000	2,392,000	4,616,000
06/04/2004	3.775	7,412,000	06/04/2004–05/04/2006	06/04/2006–05/04/2014	2,384,000	100,000	2,840,000	5,324,000
13/06/2005	2.925	6,800,000	13/06/2005–12/06/2007	13/06/2007–12/06/2015	348,000	664,000	5,472,000	6,484,000
18/05/2006	4.275	8,152,000	18/05/2006–17/05/2008	18/05/2008–17/05/2016	140,000	548,000	7,464,000	—
		29,122,000			5,012,000	1,396,000	18,168,000	16,424,000

每股購股權賦予持有人權利認購一股本公司的普通股。這些購股權的進一步詳情載於財務報表附註41。

42. Share Capital (cont'd)

(c) Terms of unexpired and unexercised share options at balance sheet date

As at 31 December 2006, the details of the outstanding share options granted under the Share Option Scheme are as follows:

Each option entitles the holder to subscribe for one ordinary share in the Company. Further details of these options are set out in note 41 to the financial statements.

43. 儲備

(i) 本集團

43. Reserves

(i) The Group

		歸屬於本公司股東 Attributable to equity shareholders of the Company										
		股份溢價 Share premium 港幣千元 HK\$'000	資本儲備 Capital reserve 港幣千元 HK\$'000	一般儲備 General reserve 港幣千元 HK\$'000	滙兌差額 Exchange differences reserve 港幣千元 HK\$'000	其他物業 重估儲備 Other property revaluation reserve 港幣千元 HK\$'000	公允價值 儲備 Fair value reserve 港幣千元 HK\$'000	對沖儲備 Hedging reserve 港幣千元 HK\$'000	可換股 債券一 權益部分 Convertible bond— equity component 港幣千元 HK\$'000	購股權 儲備 Share option reserve 港幣千元 HK\$'000	保留溢利 Retained profits 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於2005年1月1日	At 1 January 2005	1,835,948	2,818	100,000	(314)	11,945	368,612	(7,725)	133,027	4,308	3,318,047	5,766,666
本年度已發行 股份的溢價	Share premium on shares issued during the year	4,264	—	—	—	—	—	—	—	—	—	4,264
除遞延稅項後的 重估盈餘	Revaluation surplus, net of deferred tax	—	—	—	—	6,785	—	—	—	—	—	6,785
所佔聯營公司 購股權儲備	Share of share option reserve of associates	—	—	—	—	—	—	—	—	6,500	—	6,500
所佔聯營公司 公允價值儲備	Share of fair value reserve of associates	—	—	—	—	—	2,894	—	—	—	—	2,894
出售時轉出至 保留溢利	Transfer to retained profits upon disposal	—	—	—	—	(12,180)	—	—	—	—	12,180	—
外幣換算差額	Exchange difference on translation	—	—	—	3,371	—	—	—	—	—	—	3,371
出售聯營公司後 撥回	Release on disposal of associates	—	—	—	627	—	—	—	—	—	—	627
以股權價付的 股份交易	Equity-settled share- based transactions	—	—	—	—	—	—	—	—	5,796	—	5,796
可供出售證券	Available-for-sale securities	—	—	—	—	—	—	—	—	—	—	—
— 公允價值變動	— changes in fair value	—	—	—	—	—	(59,442)	—	—	—	—	(59,442)
— 遞延稅項	— deferred tax	—	—	—	—	—	10,403	—	—	—	—	10,403
現金流量對沖	Cash flow hedge	—	—	—	—	—	—	—	—	—	—	—
— 公允價值變動 的有效部分	— effective portion of changes in fair value	—	—	—	—	—	—	9,364	—	—	—	9,364
— 遞延稅項	— deferred tax	—	—	—	—	—	—	(1,639)	—	—	—	(1,639)
換算貸款的 滙兌差額	Exchange difference on translation of borrowings	—	—	—	—	—	—	—	(329)	—	—	(329)
已派發上年度 股息(附註16(b))	Dividends paid in respect of the previous year (note 16(b))	—	—	—	—	—	—	—	—	—	(239,839)	(239,839)
本年度溢利	Profit for the year	—	—	—	—	—	—	—	—	—	1,103,395	1,103,395
已宣派及派發 本年度股息 (附註16(a))	Dividends declared and paid in respect of the current year (note 16 (a))	—	—	—	—	—	—	—	—	—	(361,358)	(361,358)
於2005年12月31日	At 31 December 2005	1,840,212	2,818	100,000	3,684	6,550	322,467	—	132,698	16,604	3,832,425	6,257,458

43. 儲備 (續)

(i) 本集團 (續)

43. Reserves (cont'd)

(i) The Group (cont'd)

		歸屬於本公司股東 Attributable to equity shareholders of the Company										
		股份溢價 Share premium 港幣千元 HK\$'000	資本儲備 Capital reserve 港幣千元 HK\$'000	一般儲備 General reserve 港幣千元 HK\$'000	滙兌差額 Exchange differences reserve 港幣千元 HK\$'000	其他物業 重估儲備 Other property revaluation reserve 港幣千元 HK\$'000	公允價值 儲備 Fair value reserve 港幣千元 HK\$'000	對沖儲備 Hedging reserve 港幣千元 HK\$'000	可換股 債券一 權益部分 Convertible bond— equity component 港幣千元 HK\$'000	購股權 儲備 Share option reserve 港幣千元 HK\$'000	保留溢利 Retained profits 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於2006年1月1日	At 1 January 2006	1,840,212	2,818	100,000	3,684	6,550	322,467	—	132,698	16,604	3,832,425	6,257,458
本年度已發行 股份的溢價	Share premium on shares issued during the year	4,634,018	—	—	—	—	—	—	—	—	—	4,634,018
發行新股投資 中信銀行而 增加一般準備	Change in share price on issue of shares for investment in China CITIC Bank	—	—	3,761,867	—	—	—	—	—	—	—	3,761,867
除遞延稅項後的 重估盈餘	Revaluation surplus, net of deferred tax	—	—	—	—	9,488	—	—	—	—	(1,549)	7,939
所佔聯營公司 購股權儲備	Share of share option reserve of associates	—	—	—	—	—	—	—	—	9,644	—	9,644
所佔聯營公司 公允價值儲備	Share of fair value reserve of associates	—	—	—	—	—	(423)	—	—	—	—	(423)
外幣換算差額	Exchange difference on translation	—	—	—	7,056	—	—	—	363	—	—	7,419
除遞延稅項 後的出售附屬 公司時撥回 以股權償付的 股份交易	Release on disposal of subsidiaries, net of deferred tax Equity-settled share-based transactions	—	—	—	(199)	—	(28,513)	—	—	—	29,530	818
可供出售證券 — 公允價值變動 — 出售時轉出至 收益表	Available-for-sale securities — changes in fair value — transfer to income statement on disposal	—	—	—	—	—	(37,338)	—	—	—	—	(37,338)
— 遞延稅項	— deferred tax	—	—	—	—	—	(79,221)	—	—	—	—	(79,221)
可轉換股債券 而轉換的 股份	Conversion of convertible bonds into ordinary shares	—	—	—	—	—	20,398	—	—	—	—	20,398
行使購股權 發行股份	Exercise of share options during the year	—	—	—	—	—	—	—	(61,294)	—	—	(61,294)
已派發上 年度股息 (附註16(b))	Dividends paid in respect of the previous year (note 16(b))	—	—	—	—	—	—	—	—	—	(192,074)	(192,074)
本年度溢利 已宣派及 派發本年 度股息 (附註16(a))	Profit for the year Dividends declared and paid in respect of the current year (note 16(a))	—	—	—	—	—	—	—	—	—	1,126,135	1,126,135
—	—	—	—	—	—	—	—	—	—	—	(246,517)	(246,517)
於2006年12月31日	At 31 December 2006	6,474,230	2,818	3,861,867	10,541	16,038	197,370	—	71,767	26,068	4,547,950	15,208,649

43. 儲備 (續)

(ii) 本公司

43. Reserves (cont'd)

(ii) The Company

		歸屬於本公司股東 Attributable to equity shareholders of the Company				
		股份溢價 Share premium 港幣千元 HK\$'000	購股權儲備 Share option reserve 港幣千元 HK\$'000	一般儲備 General reserve 港幣千元 HK\$'000	保留溢利 Retained profits 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於2005年1月1日	At 1 January 2005	1,835,948	4,308	—	1,037,478	2,877,734
本年度已發行 股份的溢價	Share premium on shares issued during the year	4,264	—	—	—	4,264
以股權償付的 股份交易	Equity-settled share-based transactions	—	5,796	—	—	5,796
已派發上年度股息 (附註16(b))	Dividends paid in respect of the previous year (note 16(b))	—	—	—	(239,839)	(239,839)
本年度溢利	Profit for the year	—	—	—	551,442	551,442
已宣派及派發本年度 股息(附註16(a))	Dividends declared and paid in respect of the current year (note 16(a))	—	—	—	(361,358)	(361,358)
於2005年12月31日	At 31 December 2005	1,840,212	10,104	—	987,723	2,838,039
於2006年1月1日	At 1 January 2006	1,840,212	10,104	—	987,723	2,838,039
本年度已發行 股份的溢價	Share premium on shares issued during the year	4,634,018	—	—	—	4,634,018
發行新股投資 中信銀行而 增加一般準備	Change in share price on issue of shares for investment in China CITIC Bank	—	—	3,761,867	—	3,761,867
以股權償付的 股份交易	Equity-settled share-based transactions	—	4,581	—	—	4,581
行使購股權發行新股	Exercise of share option during the year	—	(4,761)	—	—	(4,761)
已派發上年度股息 (附註16(b))	Dividends paid in respect of the previous year (note 16(b))	—	—	—	(192,074)	(192,074)
本年度溢利	Profit for the year	—	—	—	588,883	588,883
已宣派及派發本年度 股息(附註16(a))	Dividends declared and paid in respect of the current year (note 16(a))	—	—	—	(246,517)	(246,517)
於2006年12月31日	At 31 December 2006	6,474,230	9,924	3,761,867	1,138,015	11,384,036

43. 儲備 (續)

(iii) 儲備性質及目的

- (a) **股份溢價**
股份溢價賬的應用受香港《公司條例》第48B條所管轄。
- (b) **滙兌差額儲備**
滙兌差額儲備包括所有因換算海外業務的財務報表而產生的滙兌差額，並根據附註2(s)所載的會計政策處理。
- (c) **其他物業重估儲備**
其他物業重估儲備不可分派予股東，因為根據香港《公司條例》第79B(2)條的定義，這些儲備不屬於已實現溢利。
- (d) **公允價值儲備**
公允價值儲備包括於結算日持有的可供出售證券的累計淨公允價值變動，並會根據附註2(h)(ii)所載的會計政策處理。
- (e) **對沖儲備**
對沖儲備包括根據附註2(j)就現金流量對沖採納的會計政策確認對沖現金流量前，現金流量對沖所用的對沖工具的累計淨公允價值變動的有效部分。
- (f) **可換股債券 — 權益部分**
可換股債券 — 權益部分包括於二零零四年十二月二十三日(即豁免現金結算選擇權的日期)釐定的已發行可換股債券的權益轉換部分的公允價值。

43. Reserves (cont'd)

(iii) Nature and purpose of reserves

- (a) **Share premium**
The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.
- (b) **Exchange differences reserve**
The exchange differences reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(s).
- (c) **Other property revaluation reserve**
The other property revaluation reserve is not available for distribution to shareholders because it does not constitute realized profits within the meaning of section 79B(2) of the Hong Kong Companies Ordinance.
- (d) **Fair value reserve**
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in note 2(h)(ii).
- (e) **Hedging reserve**
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policies adopted for cash flow hedges in note 2(j).
- (f) **Convertible bond — equity component**
The convertible bond — equity component comprises the fair value of the equity conversion component of the convertible bond issued that were determined at the date of waiver of the cash settlement option on 23 December 2004.

43. 儲備 (續)

(iii) 儲備性質及目的 (續)

(g) 購股權儲備

購股權儲備包括根據附註41就以股權償付而採納的會計政策確認授予本集團僱員的未行使購股權實際或估計數目的公允價值。

購股權儲備中有港幣9,644,000元(二零零五年：港幣6,500,000元)為所佔其中一間聯營公司——中信資本的購股權計劃作出的購股權儲備。

(h) 保留溢利

本集團已按照香港金融管理局之要求須維持超過香港會計準則所規定的減值撥備。於二零零六年十二月三十一日，保留溢利中已包括此法定儲備港幣376,300,000元(二零零五年：港幣233,800,000元)屬可派發予中信嘉華的股東，但派發前須諮詢香港金融管理局。

保留溢利中有港幣577,404,000元(二零零五年：港幣445,954,000元)為所佔聯營公司保留溢利。

(iv) 儲備的可分派性

於二零零六年十二月三十一日，可供分派予本公司股東的儲備總額為港幣4,899,882,000元(二零零五年：港幣987,723,000元)。於結算日後，董事建議派發末期股息每股普通股港幣5.6仙(二零零五年：港幣6.0仙)。該項股息並未於結算日確認為負債。

43. Reserves (cont'd)

(iii) Nature and purpose of reserves (cont'd)

(g) Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognized in accordance with the accounting policy adopted for share based payment in note 41.

Included in the share option reserve is an amount of HK\$9,644,000 (2005: HK\$6,500,000) being the share option reserve attributable to one of the associates, CITIC Capital Holdings Limited, under its own "Share Option Scheme".

(h) Retained profits

The Group complies with the Hong Kong Monetary Authority's requirement to maintain minimum impairment allowances in excess of those required under Hong Kong Accounting Standards. As at 31 December 2006, an amount of HK\$376,300,000 (2005: HK\$233,800,000) was included in the retained profits as regulatory reserve in this respect which was distributable to equity shareholders of CKWB subject to consultation with the Hong Kong Monetary Authority.

Included in the retained profits is an amount of HK\$577,404,000 (2005: HK\$445,954,000) being the retained profits attributable to associates.

(iv) Distributability of reserve

At 31 December 2006, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$4,899,882,000 (2005: HK\$987,723,000). After the balance sheet date the directors proposed a final dividend of HK\$0.056 per ordinary share (2005: HK\$0.060). This dividend has not been recognized as a liability at the balance sheet date.

44. 少數股東權益

44. Minority Interests

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於1月1日	At 1 January	536	—
本年度購入聯營公司	Associates acquired during the year	—	78
本年度溢利	Profit for the year	1,383	45
本年度出售附屬公司	Disposal of subsidiary during the year	(1,938)	—
其他	Others	19	413
於12月31日	As 31 December	—	536

45. 債務資本

45. Loan Capital

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
年息率為7.625%，面值美金300,000,000元的後償票據	Subordinated notes with US\$300 million 7.625%	—	2,335,961
年息率為9.125%，面值美金250,000,000元的後償票據	Subordinated notes with US\$250 million 9.125%	1,958,353	2,016,390
年息率為倫敦銀行同業拆息率加1.68%，面值美金250,000,000元的後償票據	Subordinated notes with US\$250 million 1.68%+LIBOR rate	1,942,973	—
		3,901,326	4,352,351

年息率為7.625%，面值美金300,000,000元（港幣2,332,900,000元）的後償票據是於二零零一年七月五日由本集團的全資附屬公司—CKWB (Cayman Islands) Ltd.發行，並於二零零六年七月六日提前贖回。

Subordinated notes with a coupon note of 7.625% per annum and with face value of US\$300 million (HK\$ equivalent 2,332.9 million) issued on 5 July 2001 by CKWB (Cayman Islands) Ltd., a wholly owned subsidiary of the Group, were early redeemed on 6 July 2006.

45. 債務資本 (續)

年息率為9.125%，面值美金250,000,000元（港幣1,944,100,000元）的後償票據是於二零零二年五月二十三日由本集團的全資附屬公司—CKWH-UT2 Limited發行，並合資格列作第二級資本。本集團無條件及不可撤回地對這些票據的所有應付金額作出擔保。CKWH-UT2 Limited可於二零一二年提前贖回年息率為9.125%的永久後償票據。

二零零六年十二月十一日，中信嘉華發行年息率為三個月美金存款適用的倫敦銀行同業拆息率加1.68%，面值美金250,000,000元（港幣1,944,100,000元）的後償票據。這些票據在香港聯合交易所有限公司上市，並於二零一一年十二月十二日到期。

45. Loan Capital (cont'd)

Subordinated notes with a coupon note of 9.125% per annum and with face value of US\$250 million (HK\$ equivalent 1,944.1 million) were issued on 23 May 2002 by CKWH-UT2 Limited, a wholly owned subsidiary of the Group and qualifying as tier 2 capital. The Group unconditionally and irrevocably guarantees all amounts payable under the notes. The 9.125% per annum perpetual subordinated notes will be callable by CKWH-UT2 Limited in 2012.

On 11 December 2006, CKWB issued subordinated notes, with a coupon of 1.68% per annum above the London interbank offered rate ("LIBOR") for three-month US dollar deposits with face value of US\$250 million (HK\$ equivalent 1,944.1 million). The notes are listed on The Stock Exchange of Hong Kong Limited and will mature on 12 December 2011.

46. 現金及現金等值項目

46. Cash and Cash Equivalents

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
(i)	綜合現金流量表內的現金及現金等值項目	Components of cash and cash equivalents in the consolidated cash flow statement	
	現金及在銀行及其他金融機構的結存	1,267,871	1,161,309
	在銀行及其他金融機構的存款(原於3個月內到期)	10,475,775	4,702,768
	國庫券(原於3個月內到期)		
	— 持有至到期投資	138,593	148,201
	— 可供出售證券	149,757	—
		12,031,996	6,012,278
(ii)	與綜合資產負債表的對賬	Reconciliation with the consolidated balance sheet	
	現金及在銀行及其他金融機構的結存	1,267,871	1,161,309
	在銀行及其他金融機構的存款	12,038,714	5,265,044
	國庫券		
	— 持有至到期投資	138,593	247,669
	— 可供出售證券	149,757	—
	綜合資產負債表所示的數額	13,594,935	6,674,022
	減：原到期日超過3個月的數額	(1,562,939)	(661,744)
	綜合現金流量表內的現金及現金等值項目	12,031,996	6,012,278

47. 銷售及購回的資產

以下資產及負債將供銷售及購回：

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
已記入持有至到期投資	Included in held-to-maturity investments	—	2,205,403
已記入交易用途資產	Included in trading assets	—	462,254
		—	2,667,657
已記入在銀行及 其他金融機構的存款及結存	Included in deposits and balances of banks and other financial institutions	—	2,665,226

47. Assets Subject to Sale and Repurchase Transactions

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

48. 用作抵押的資產

以下資產已用作本身負債的抵押：

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
已抵押的資產：	Assets pledged:		
現金及在銀行及 其他金融機構的結存	Cash and balances with banks and other financial institutions	1,163	505
持有至到期投資	Held-to-maturity investments	77,746	77,528
		78,909	78,033

48. Assets Pledged as Security

The following assets have been pledged as security for own liabilities:

49. 重大關聯方交易

除在本財務報表其他部分披露的交易及結餘外，本集團進行了以下重大關聯方交易。

(a) 與集團公司的交易

本年度內，本集團在其日常銀行業務過程中與關聯方進行了多項交易，其中特別包括借貸、接受及存放同業存款、參與銀團貸款、往來銀行交易和外匯交易。這些交易的合約定價是按照每次進行交易時的相關市場利率而定，並與提供給本集團其他交易方及客戶的條款相同。董事會認為，這些交易是按正常商業條款進行。

49. Material Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions.

(a) Transactions with group companies

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

49. 重大關聯方交易 (續)

(a) 與集團公司的交易 (續)

本年度內，關聯方交易的數額及於結算日的結欠如下：

49. Material Related Party Transactions (cont'd)

(a) Transactions with group companies (cont'd)

The amount of related party transactions during the year and outstanding balances at the end of the year are set out below:

		本集團 The Group					
		最終控權方 Ultimate controlling party		同系附屬公司 Fellow subsidiaries		聯營公司 Associates	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
利息收入	Interest income	—	—	7,386	7,474	9,373	5,936
利息支出	Interest expense	(19,674)	(5,719)	(83,459)	(37,625)	(22,196)	(11,820)
其他經營收入	Other operating income	—	—	—	—	22,717	16,799
經營支出	Operating expenses	(1,010)	(1,000)	—	(1)	(2,390)	(10,029)
截至12月31日 止年度	For the year ended 31 December	(20,684)	(6,719)	(76,073)	(30,152)	7,504	886
貸款活動：	Lending activities:						
於1月1日	At 1 January	—	—	369,418	299,326	200,000	134,187
於12月31日	At 31 December	—	—	475,381	369,418	221,798	200,000
本年度平均金額	Average for the year	—	—	378,778	391,829	241,617	171,171
其他應收賬項：	Other receivables:						
於1月1日	At 1 January	—	—	4,805	9,189	10,810	10,320
於12月31日	At 31 December	—	—	2,462	4,805	124,728	10,810
本年度平均金額	Average for the year	—	—	2,463	3,130	36,302	45,481
接受存款：	Acceptance of deposits:						
於1月1日	At 1 January	72,392	190,667	2,219,663	1,114,919	876,868	1,383,378
於12月31日	At 31 December	109,415	72,392	958,228	2,219,663	1,349,019	876,868
本年度平均金額	Average for the year	376,306	229,389	1,719,453	1,536,503	895,996	1,089,156
其他應付賬項：	Other payables:						
於1月1日	At 1 January	—	9	1,383	385	2,452	20
於12月31日	At 31 December	145	—	1,599	1,383	369	2,452
本年度平均金額	Average for the year	253	40	2,328	914	1,950	733

並無就上述關聯方貸款及存款作出減值準備。

No impairment allowances were made in respect of the above loans to and placements with related parties.

49. 重大關聯方交易 (續)

(a) 與集團公司的交易 (續)

		本公司 The Company 最終控權方 Ultimate controlling party	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
經營支出	Operating expenses	(1,010)	(1,000)

二零零六年十二月二十九日，本公司完成以發行1,554,490,402新股份作對價收購中信銀行的15.17%股權(附註29(d))。

On 29 December 2006, the Company completed the acquisition of 15.17% equity interest of China CITIC Bank ("CNCB") with a consideration being settled by issuing of 1,554,490,402 new shares (note 29(d)).

(b) 與主要管理人員的交易

本集團主要管理人員酬金包括附註10所披露已付予本公司董事的款項及附註11所披露已付予若干最高薪僱員的款項，詳情如下：

(b) Transactions with key management personnel

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 10 and certain of the highest paid employee as disclosed in note 11, is as follows:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
短期僱員福利	Short-term employee benefits	51,373	47,160
離職後福利	Post-employment benefits	2,389	2,545
以股權償付	Share-based payments	2,839	2,627
		56,601	52,332

酬金總額已計入「員工成本」(附註9(a))。

Total remuneration is included in "staff costs" (note 9(a)).

49. 重大關聯方交易 (續)

(b) 與主要管理人員的交易 (續)

本年度內，本集團向集團內部及其控股公司的主要管理人員和他們的近親及由他們控制或受他們重大影響的公司提供信貸融資。信貸融資是在日常業務過程中提供，並與身份類似人士或(如適用)與其他僱員進行可比較交易的條款大致相同。

49. Material Related Party Transactions (cont'd)

(b) Transactions with key management personnel (cont'd)

During the year, the Group provided credit facilities to key management personnel of the Group and its holding companies and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of a similar standing or, where applicable, with other employees.

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於1月1日的結餘	At 1 January	18,100	3,604
於12月31日的結餘	At 31 December	13,462	18,100
年內最高結欠總額	Maximum amount during the year	28,292	24,865

本集團沒有就主要管理人員於年內的結欠額確認任何減值虧損，也沒有就主要管理人員和他們的近親於年末的結欠額提撥個別評估的減值準備。

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no individually assessed impairment allowance has been made on balances with key management personnel and their immediate relatives at the year end.

49. 重大關聯方交易 (續)

(c) 行政人員貸款

本集團根據香港《公司條例》第161B條披露行政人員的貸款如下：

49. Material Related Party Transactions (cont'd)

(c) Loans to officers

Loans to officers of the Group disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於12月31日本集團提供的 有關貸款結欠總額	Aggregate amount of relevant loans made by the Group outstanding at 31 December	1,930	1,903
本年度內本集團提供的 有關貸款最高結欠總額	Maximum aggregate amount of relevant loans made by the Group outstanding during the year	2,976	2,670

於2006年12月31日，並無為這些貸款提撥準備。

There was no provision made against these loans as at 31 December 2006.

50. 出售附屬公司

(a) 出售附屬公司

50. Disposal of a Subsidiary

(a) Disposal of a subsidiary

		本集團 The Group 二零零六年 2006 港幣千元 HK\$'000
出售淨資產	Net assets disposed	
固定資產	Fixed assets	3,129
聯營公司權益	Interest in associates	98,386
可供出售證券	Available-for-sale securities	116,989
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	458,449
指定為通過損益以反映公允價值的證券	Securities designated at fair value through profit and loss	60,116
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	647,521
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	89,232
其他負債	Other liabilities	(147,914)
少數股東權益	Minority interests	(1,938)
總額	Total	1,323,970
保留淨資產	Net assets retained	(930,973)
出售附屬公司淨溢利	Net profit on disposal of a subsidiary	849
		393,846
代表：	Represented by:	
已收現金	Cash received	393,846

二零零六年十二月四日，本公司與其當時的全資附屬公司中信國際資產管理有限公司（「中信國際資產」）和Asset Managers Co., Ltd., Ithmaar Bank B.S.C.及Mega Rider Offshore Limited（統稱為「投資者」）訂立一項股份轉讓及認購協議；據此，投資者同意向本公司購入中信國際資產的普通股合共374,449,909股，並按每股港幣1.0518元的價格認購中信國際資產的新普通股合共956,150,696股。轉讓股份予投資者和投資者認購新股一事已於二零零六年十二月二十八日完成。自此，本公司持有中信國際資產全部已發行股本合共40%，而中信國際資產已不再是本公司的附屬公司，而是聯營公司。

On 4 December 2006, the Company entered into a Share Transfer and Subscription Agreement with CITIC International Assets Management Limited ("CIAM"), the then wholly owned subsidiary of the Company, and Asset Managers Co., Ltd., Ithmaar Bank B.S.C. and Mega Rider Offshore Limited (collectively "the Investors") pursuant to which the Investors agreed to purchase a total of 374,449,909 ordinary shares of CIAM from the Company and subscribe for a total of 956,150,696 new ordinary shares of CIAM at HK\$1.0518 per share. The shares transfer to, and subscription for new shares by, the Investors were completed on 28 December 2006. Since then, the Company holds a total of 40% of the entire issued share capital of CIAM and CIAM is no longer a subsidiary but an associate of the Company.

50. 出售附屬公司 (續)

(b) 出售附屬公司導致的現金及現金等值項目流出淨額分析

		本集團 The Group 二零零六年 2006 港幣千元 HK\$'000
現金對價	Cash consideration	393,846
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	(89,232)
在銀行及其他金融機構的存款 (於3個月內到期)	Placements with banks and other financial institutions — with residual maturity within three months	(645,442)
		(340,828)

50. Disposal of a Subsidiary (cont'd)

(b) Analysis of net outflow of cash and cash equivalents in respect of the disposal of a subsidiary

51. 金融風險管理

本節呈列有關本集團的風險及其對風險的管理及控制，尤其是與使用金融工具有關的主要風險：

- 信貸風險：因客戶或交易對手未有履行合約責任及各種形式的信貸承擔而引致的損失，包括結算風險。
- 市場風險：利率、匯率及證券市場等市場變數的風險。
- 流動資金及資金風險：本集團無法在到期時履行付款責任，或無法持續按無抵押（甚至有抵押）基準，以可接受的價格在市場上借取資金來為實際或建議承擔提供資金的風險。
- 業務操作風險：因不遵守制度及程序等事項或因引致金融或聲譽損失的詐騙行為而產生的風險。

51. Financial Risk Management

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: loss resulting from customer or counterparty default and arises on credit exposure in all forms, including settlement risk.
- Market risk: exposure to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

51. 金融風險管理 (續)

本集團制定了政策和程序來識別及分析這些風險、設定適當的風險限額及控制措施，及透過可靠及最新的管理及資訊系統不斷監察風險及限額。本集團不斷修改及提升其風險管理政策和系統，以反映市場、產品及最佳風險管理程序的變動。內部核數師亦會定期進行審核，以確保遵守政策和程序。

(a) 信貸風險管理

信貸風險是透過定期分析源自客戶或交易對手不能履行其財務責任所招致的損失的目前及潛在風險來管理。本集團因其放貸、交易及資本市場營運而承受信貸風險。本集團對單一客戶的信貸風險定義為所有因對該客戶營運而可能招致的最大金額損失。這些風險不僅由資產負債表內業務產生，也包括資產負債表外業務，如包括尚待履行的貸款承諾、信用證及財務擔保等。

信貸風險管理是透過監察執行已採納釐定借款人的信貸可信用度、信貸風險分類、貸款應用程序及貸款決策程序的信貸政策來進行。本集團對或有負債採用與資產負債表內記錄的金融工具相同的信貸政策，根據貸款審批程序使用限額以減低風險及監察。信貸風險亦透過向借款人及第三者取得以抵押資產形式的抵押品及擔保而減低。

本集團亦制定信貸風險管理操作守則，目的是確保風險評估過程的獨立性和完整性。本集團一般依據借款人的風險特質、還款來源及相關抵押品性質，以進行信貸風險評估，同時亦充分考慮當時借款人所面對的事件和市場的發展。本集團亦根據資產組合的標準以產品、行業及地理分佈來作信貸資產組合上的風險管理，以避免風險過分集中。

51. Financial Risk Management (cont'd)

The Group has established policies and procedures to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The internal auditors also perform regular audits to ensure compliance with the policies and procedures.

(a) Credit risk management

Credit risk is managed by a regular analysis of the current and potential risk of loss arising from a customer's or counterparty's inability to meet financial obligations. The Group is exposed to credit risk through its lending, trading and capital markets activities. The Group defines the credit exposure to a customer as the amount of maximum potential loss arising from all these activities. These exposures include both on- and off-balance sheet transactions, including unfunded lending commitments such as loan commitments, letters of credit and financial guarantees.

Credit risk management is effected by monitoring implementation of adopted credit policies that determine the borrower's creditworthiness, credit risks classification, loan application procedure and procedures for lending decisions making. The Group applies the same credit policy in respect of contingent liabilities as in respect of financial instruments recorded on the balance sheet, based on loan approval procedures, use of limits to reduce risk and monitoring. Credit risk is also minimized by obtaining collateral in the form of pledged assets and guarantees from borrowers and third parties.

The Group's credit risk management practices are designed to preserve the independence and integrity of the risk assessment process. The Group assesses credit risk based upon the risk profile of the borrower, the source of repayment and the nature of the underlying collateral after giving consideration to current events and market developments. Credit risk is also managed at portfolio levels in terms of product, industry and geography to manage concentration risk.

51. 金融風險管理 (續)

(a) 信貸風險管理 (續)

本集團資產的地區分析已在附註18中披露，而各項金融資產的信貸風險分析則在附註22至24及附註26至27中披露。

(b) 市場風險管理

市場風險是因為匯率、利率及股票和商品價格等市場變數出現變動而引致虧損的風險。本集團的市場風險主要來自中信嘉華，其短期買賣持倉和長期策略性業務均會帶來市場風險。本集團其他附屬公司亦從事投資活動，但規模相對較小。

中信嘉華是按照其信貸及風險管理委員會、資產及負債管理委員會及其授權的子委員會所核准的限額等級制度來管理市場風險。該制度分為三個等級：政策、業務及交易。每個等級包含一系列的風險計量限額，包括損益限額、持倉限額及敏感度限額。一旦風險超過有關的限額，便會向不同層次的管理人員發出預警訊號或促使他們採取充足的相應措施。

中信嘉華的財資部門是在指定限額的等級制度下承管市場風險的中心點。

隸屬風險管理部的市場風險管理部門負責履行每日監察及匯報的職能，以確保中信嘉華所承受的市場風險符合指定限額。

51. Financial Risk Management (cont'd)

(a) Credit risk management (cont'd)

Analysis of geographical concentration of the Group's asset is disclosed in note 18 and credit risk concentration of respective financial assets is disclosed in notes 22 to 24 and 26 to 27.

(b) Market risk management

Market risk is the risk of loss arising from the movements in market variables such as foreign exchange rates, interest rates, equity and commodity prices. The Group's major market risk exposure rests with CKWB. Both short-term trading positions and long-term strategic businesses of CKWB generate market risk exposure. Other subsidiaries of the Group have also engaged in investments but in relatively smaller magnitude.

CKWB manages its market risk within a hierarchy of limits approved by CKWB's Credit and Risk Management Committee ("CRMC"), Asset and Liability Management Committee ("ALCO") and its delegated sub-committees. The hierarchy is composed of limits at 3 levels: policy, business and transaction. Each level in the hierarchy consists of limits on a series of risk measurements, including profit and loss limits, position limits and sensitivity limits. Limit excesses will set off alert signals or trigger adequate actions at different management levels.

CKWB's Treasury is the central point to take and manage market risk exposure within the prescribed limit hierarchy.

Market Risk Management as the unit under the Risk Management Group, is responsible for the daily monitoring and reporting functions to ensure that CKWB's market risk exposure are within the prescribed limits and managed properly.

51. 金融風險管理 (續)

(b) 市場風險管理 (續)

外匯風險

本集團的外匯風險源自外匯買賣盤、商業交易、外匯證券投資及海外分行和附屬公司的營運。中信嘉華的外匯買賣盤限額均須經由資產及負債管理委員會核准。

於結算日的重大外匯風險如下：

		本集團 The Group							
		二零零六年 2006				二零零五年 2005			
相等於港幣千元	Equivalent in HK\$'000	美金 US dollars	人民幣 Renminbi	其他貨幣 Others	總額 Total	美金 US dollars	人民幣 Renminbi	其他貨幣 Others	總額 Total
現貨資產	Spot assets	29,281,696	755,622	3,166,650	33,203,968	28,078,183	1,327,251	5,453,586	34,859,020
現貨負債	Spot liabilities	(27,368,864)	(443,806)	(4,589,986)	(32,402,656)	(31,167,025)	(549,815)	(5,084,950)	(36,801,790)
遠期買入	Forward purchases	18,010,065	996	7,523,379	25,534,440	16,617,043	104,658	3,758,734	20,480,435
遠期賣出	Forward sales	(19,944,897)	—	(6,086,158)	(26,031,055)	(13,674,662)	(104,573)	(4,122,558)	(17,901,793)
期權盤淨額	Net options position	869	—	(869)	—	(179)	—	179	—
(短)/長盤淨額	Net (short)/long position	(21,131)	312,812	13,016	304,697	(146,640)	777,521	4,991	635,872
結構盤淨額	Net structural position	—	199,226	48,565	247,791	—	—	—	—

		本公司 The Company							
		二零零六年 2006				二零零五年 2005			
相等於港幣千元	Equivalent in HK\$'000	美金 US dollars	人民幣 Renminbi	其他貨幣 Others	總額 Total	美金 US dollars	人民幣 Renminbi	其他貨幣 Others	總額 Total
現貨資產	Spot assets	161,525	—	20	161,545	145,175	1,105	—	146,280
現貨負債	Spot liabilities	(260,549)	(2,004)	—	(262,553)	(1,397,518)	(2,081)	(18)	(1,399,617)
(短)/長盤淨額	Net (short)/long position	(99,024)	(2,004)	20	(101,008)	(1,252,343)	(976)	(18)	(1,253,337)

期權盤淨額是按照金管局所核准的模式使用者法計算。

51. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Currency risk

The Group's foreign exchange risk stems from taking foreign exchange position, commercial dealing, investment in foreign currency securities, operations of overseas branches and subsidiaries. Foreign exchange positions of CKWB are subject to exposure limits approved by ALCO.

Significant foreign currency exposures at the balance sheet date were as follows:

The net options position is calculated using the model user approach, which has been approved by the HKMA.

51. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險

本集團的利率風險主要來自中信嘉華，而中信嘉華的資產及負債管理委員會負責監控所有由其資產及負債利率組合產生的利率風險。這些利率風險包括到期日差距、息率基點風險、收益率曲線變動、重訂息率風險和內含期權風險(如有)。資產及負債管理委員會通過差距錯配報告、敏感度分析和各種壓力測試來監察中信嘉華的利率風險。為減低利率風險，中信嘉華使用了利率衍生工具(主要是利率掉期)來對可供出售證券及非交易用途負債等資產及負債進行對沖。中信嘉華亦採納了對沖會計原則，以便將可供出售證券／非交易用途負債的公允價值變動，與相對沖衍生工具互相抵銷。

下表列示貨幣金融工具在截至十二月三十一日止年度的平均實際利率：

51. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk

The interest rate risk for the Group mainly comes from CKWB. CKWB's ALCO oversees all interest rate risks arising from the interest rate profile of CKWB's assets and liabilities. These interest rate risks are comprised of maturity gaps, basis risks among different interest rate benchmarks, yield curve movements, interest rate re-pricing risks and risks from embedded options, if any. ALCO supervises the interest rate risks of the banking book through gap mismatch reports, sensitivity analyses and various stress testings. To mitigate interest rate risks, CKWB has used interest rate derivatives, mainly interest rate swaps, to hedge both assets and liabilities such as available-for-sale securities (AFS) and non-trading liabilities (NTL). CKWB has also adopted hedge accounting principles, under which the fair value changes of the AFS/NTL securities and the corresponding hedging derivative instruments are offset with each other.

The following table indicates the average effective interest rates for the year ended 31 December for monetary financial instruments:

		本集團 The Group	
		二零零六年 2006 百分率 %	二零零五年 2005 百分率 %
資產	Assets		
現金及在銀行及其他金融機構的結存，以及在銀行及其他金融機構的存款	Cash and balances with banks and other financial institutions & placements with banks and other financial institutions	4.37	2.62
貿易票據、客戶貸款及墊款及其他賬項	Trade bills, loans and advances to customers and other accounts	6.08	4.49
持有至到期投資	Held-to-maturity investments	3.88	3.67
可供出售證券	Available-for-sale securities	7.35	5.68
負債	Liabilities		
在銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	4.89	3.31
客戶存款	Deposits from customers	3.88	2.42
已發行存款證、已發行債務證券及債務資本	Certificates of deposit issued, debt securities issued and loan capital	5.92	4.09

51. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

上表並不包括交易用途資產、交易用途負債及指定為通過損益以反映公允價值的金融工具，原因是這些金融工具的淨收入包括公允價值變動所產生的所有損益(已扣除應計息票)，以及利息收入及支出和股息收入。

下表顯示於結算日的計息資產及負債的預期下個重訂息率日期(或到期日，以較早者為準)。

51. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

Trading assets, trading liabilities and financial instruments designated at fair value through profit and loss are not included in the above table because the net income from these financial instruments comprise all gains and losses from changes in fair value (net of accrued coupon) together with interest income and expense and dividend income.

The following tables indicate the mismatches of expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date.

		本集團 The Group 二零零六年 2006					
	總額 Total 港幣千元 HK\$'000	3個月內 (包括逾期) 3 months or less (include overdue) 港幣千元 HK\$'000	3個月以上 至1年 Over 3 months to 1 year 港幣千元 HK\$'000	1年以上 至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 港幣千元 Over 5 years HK\$'000	非計息 Non-interest bearing 港幣千元 HK\$'000	
資產	Assets						
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	1,267,871	25,857	—	—	1,242,014	
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	12,038,714	11,515,236	523,478	—	—	
貿易票據	Trade bills	491,994	486,213	2,739	—	3,042	
交易用途資產	Trading assets	6,414,870	2,614,212	798	9,445	3,790,415	
指定為通過損益以反映公允價值的證券	Securities designated at fair value through profit or loss	1,003,579	23,420	116,166	738,344	81,506	
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	52,382,962	47,018,188	2,755,694	218,676	2,362,693	
可供出售證券	Available-for-sale securities	4,973,450	399,566	78,385	4,113,431	326,336	
持有至到期投資	Held-to-maturity investments	10,176,493	1,477,911	1,684,242	5,962,279	1,049,931	
非計息資產	Non-interest bearing assets	13,391,792	—	—	—	13,391,792	
資產總額	Total assets	102,141,725	63,560,603	5,161,502	11,042,175	1,485,484	20,891,961
負債	Liabilities						
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	831,973	591,410	—	—	240,563	
客戶存款	Deposits from customers	65,421,831	62,196,366	1,516,173	981	1,708,311	
交易用途負債	Trading liabilities	428,648	—	—	—	428,648	
已發行存款證	Certificates of deposit issued	7,257,719	3,792,793	1,606,300	1,858,626	—	
已發行債務證券	Debt securities issued	2,300,889	—	—	2,300,889	—	
已發行可換股債券	Convertible bond issued	247,191	—	—	247,191	—	
債務資本	Loan capital	3,901,326	—	1,942,973	—	1,958,353	
非計息負債	Non-interest bearing liabilities	1,520,077	—	—	—	1,520,077	
負債總額	Total liabilities	81,909,654	66,580,569	5,065,446	4,407,687	1,958,353	3,897,599
利率敏感度差距	Interest rate sensitivity gap		(3,019,966)	96,056	6,634,488	(472,869)	

51. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

51. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

		本集團 The Group 二零零五年 2005					
		總額 Total 港幣千元 HK\$'000	3個月內 (包括逾期) 3 months or less (include overdue) 港幣千元 HK\$'000	3個月以上 至1年 Over 3 months to 1 year 港幣千元 HK\$'000	1年以上 至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000	非計息 Non-interest bearing 港幣千元 HK\$'000
資產	Assets						
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	1,161,309	—	—	—	—	1,161,309
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	5,265,044	5,207,844	57,200	—	—	—
貿易票據	Trade bills	406,364	281,559	124,805	—	—	—
交易用途資產	Trading assets	6,473,029	1,933,197	12,574	602,017	77,318	3,847,923
指定為通過損益以反映公允價值的證券	Securities designated at fair value through profit or loss	1,139,908	—	227,164	808,188	82,190	22,366
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	44,108,183	37,568,804	3,350,754	445,252	309,234	2,434,139
可供出售證券	Available-for-sale securities	5,945,960	—	—	4,013,971	1,767,051	164,938
持有至到期投資	Held-to-maturity investments	17,194,283	1,572,192	5,711,538	8,433,382	1,471,644	5,527
非計息資產	Non-interest bearing assets	3,342,598	—	—	—	—	3,342,598
資產總額	Total assets	85,036,678	46,563,596	9,484,035	14,302,810	3,707,437	10,978,800
負債	Liabilities						
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	4,157,446	3,816,248	15,000	—	—	326,198
客戶存款	Deposits from customers	54,415,279	51,846,176	831,864	160,833	—	1,576,406
交易用途負債	Trading liabilities	661,137	217,904	—	—	—	443,233
已發行存款證	Certificates of deposit issued	7,467,961	5,017,915	495,660	1,954,386	—	—
已發行債務證券	Debt securities issued	2,245,435	—	—	2,245,435	—	—
已發行可換股債券	Convertible bond issued	1,289,817	—	—	1,289,817	—	—
債務資本	Loan capital	4,352,351	—	2,335,961	—	2,016,390	—
非計息負債	Non-interest bearing liabilities	991,399	—	—	—	—	991,399
負債總額	Total liabilities	75,580,825	60,898,243	3,678,485	5,650,471	2,016,390	3,337,236
利率敏感度差距	Interest rate sensitivity gap		(14,334,647)	5,805,550	8,652,339	1,691,047	

51. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

除其中應收附屬公司款項港幣445,098,000元(二零零五年:港幣75,180,000元)會於三個月內重訂息率,以及應付附屬公司款項港幣260,508,000元(二零零五年:港幣1,395,922,000元)會於一年至五年內重訂息率外,本公司全部資產和負債均不用計息。

(c) 流動資金風險管理

本集團一貫保持高流動資金比率,以應付客戶預期外對現金需求的增加。除了遵守法定比率規定外,亦會定期進行壓力測試。本集團將其盈餘投資於高質的證券投資組合,必要時可透過購回安排或在二級市場上賣斷而產生流動資金。本集團亦積極參與企業融資,透過發行長期存款證來取得穩定的資金來源。

根據餘下到期日劃分的資產及負債分析

以下到期日分析是以結算日至合約到期日的餘下期間為準。

由於交易用途資產組合可能在到期前出售,而客戶存款則可能在沒有提取的情況下到期,因此,合約到期日並不代表預計獲得未來現金流量的日期。

51. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

All assets and liabilities of the Company are non-interest bearing, except an amount due from a subsidiary for HK\$445,098,000 (2005:HK\$75,180,000) and an amount due to a subsidiary of HK\$260,508,000 (2005: HK\$1,395,922,000), which would be repriced within 3 months and between 1 year and 5 years respectively.

(c) Liquidity risk management

The Group always maintains high liquidity ratio in order to meet unexpected increase of customer demand on cash. Apart from compliance with statutory ratio requirement, stress tests are being performed regularly. The Group invests its surplus fund in a portfolio of mainly high-grade securities, which can generate liquidity if necessary either through re-purchase arrangement or out-right selling in the secondary market. The Group is also active in wholesale funding by issuing long-term certificate of deposit so as to secure stable source of funding.

Analysis of assets and liabilities by remaining maturity

The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date.

As the trading portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

51. 金融風險管理 (續)

(c) 流動資金風險管理 (續)

根據餘下到期日劃分的資產及負債分析 (續)

51. Financial Risk Management (cont'd)

(c) Liquidity risk management (cont'd)

Analysis of assets and liabilities by remaining maturity (cont'd)

		本集團 The Group 二零零六年 2006						
		總額 Total 港幣千元 HK\$'000	即時償還 Repayable on demand 港幣千元 HK\$'000	3個月內 但無須 即時償還 3 months or less but not repayable on demand 港幣千元 HK\$'000	3個月以上 至1年 1 year or less but over 3 months 港幣千元 HK\$'000	1年以上 至5年 5 years or less but over 1 year 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000	無註明日期 Undated 港幣千元 HK\$'000
資產	Assets							
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	1,267,871	1,267,871	—	—	—	—	—
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	12,038,714	—	11,515,236	523,478	—	—	—
貿易票據	Trade bills	491,994	—	402,535	89,459	—	—	—
交易用途資產	Trading assets	6,414,870	355,091	751	798	2,396,475	798,158	2,863,597
指定為通過損益以反映公允價值的證券	Securities designated at fair value through profit or loss	1,003,579	—	23,420	116,166	738,344	81,506	44,143
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	52,382,962	1,898,202	4,785,087	5,558,399	21,647,531	16,153,976	2,339,767
可供出售證券	Available-for-sale securities	4,973,450	—	399,566	78,385	4,117,430	326,336	51,733
持有至到期投資	Held-to-maturity investments	10,176,493	—	866,860	1,736,803	6,234,100	1,336,601	2,129
無註明日期資產	Undated assets	13,391,792	—	—	—	—	—	13,391,792
資產總額	Total assets	102,141,725	3,521,164	17,993,455	8,103,488	35,133,880	18,696,577	18,693,161
負債	Liabilities							
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	831,973	203,416	628,557	—	—	—	—
客戶存款	Deposits from customers	65,421,831	17,485,392	45,508,053	1,858,045	570,341	—	—
交易用途負債	Trading liabilities	428,648	428,648	—	—	—	—	—
已發行存款證	Certificates of deposit issued	7,257,719	—	—	4,494,424	2,763,295	—	—
已發行債務證券	Debt securities issued	2,300,889	—	—	44,142	2,256,747	—	—
已發行可換股債券	Convertible bond issued	247,191	—	—	247,191	—	—	—
債務資本	Loan capital	3,901,326	—	—	—	1,942,973	1,958,353	—
無註明日期負債	Undated liabilities	1,520,077	—	—	—	—	—	1,520,077
負債總額	Total liabilities	81,909,654	18,117,456	46,136,610	6,643,802	7,533,356	1,958,353	1,520,077
資產—負債差距	Asset—liability gap		(14,596,292)	(28,143,155)	1,459,686	27,600,524	16,738,224	

51. 金融風險管理 (續)

(c) 流動資金風險管理 (續)

根據餘下到期日劃分的資產及負債分析 (續)

51. Financial Risk Management (cont'd)

(c) Liquidity risk management (cont'd)

Analysis of assets and liabilities by remaining maturity (cont'd)

		本集團 The Group 二零零五年 2005						
		總額	即時償還	3個月內 但無須 即時償還	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期
		Total	Repayable	3 months or less but not repayable on demand	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
資產	Assets							
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	1,161,309	1,161,309	—	—	—	—	—
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	5,265,044	—	5,186,132	78,912	—	—	—
貿易票據	Trade bills	406,364	—	275,102	131,262	—	—	—
交易用途資產	Trading assets	6,473,029	228,144	—	12,574	2,209,584	402,947	3,619,780
指定為通過損益以反映公允價值的證券	Securities designated at fair value through profit or loss	1,139,908	—	—	249,531	808,187	82,190	—
客戶貸款及墊款及其他賬項	Loans and advances to customers and other accounts	44,108,183	1,459,841	4,101,392	6,135,882	15,259,293	14,700,716	2,451,059
可供出售證券	Available-for-sale securities	5,945,960	—	—	—	4,022,971	1,767,051	155,938
持有至到期投資	Held-to-maturity investments	17,194,283	—	640,998	5,774,696	8,802,617	1,969,999	5,973
無註明日期資產	Undated assets	3,342,598	—	—	—	—	—	3,342,598
資產總額	Total assets	85,036,678	2,849,294	10,203,624	12,382,857	31,102,652	18,922,903	9,575,348
負債	Liabilities							
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	4,157,446	326,198	3,816,248	15,000	—	—	—
客戶存款	Deposits from customers	54,415,279	12,260,248	40,494,422	1,429,019	231,590	—	—
交易用途負債	Trading liabilities	661,137	443,233	217,904	—	—	—	—
已發行存款證	Certificates of deposit issued	7,467,961	—	368,968	1,856,231	5,242,762	—	—
已發行債務證券	Debt securities issued	2,245,435	—	—	—	2,245,435	—	—
已發行可換股債券	Convertible bond issued	1,289,817	—	—	—	1,289,817	—	—
債務資本	Loan capital	4,352,351	—	—	—	—	4,352,351	—
無註明日期負債	Undated liabilities	991,399	—	—	—	—	—	991,399
負債總額	Total liabilities	75,580,825	13,029,679	44,897,542	3,300,250	9,009,604	4,352,351	991,399
資產—負債差距	Asset—liability gap		(10,180,385)	(34,693,918)	9,082,607	22,093,048	14,570,552	

除其中應收附屬公司款項港幣445,098,000元(二零零五年:港幣75,180,000元)會於三個月內到期,以及應付附屬公司款項港幣260,508,000元(二零零五年:港幣1,395,922,000元)會於一年至五年內到期外,本公司全部資產和負債均沒有註明日期。

All assets and liabilities of the Company are undated, except an amount due from a subsidiary for HK\$445,098,000 (2005: HK\$75,180,000) and an amount due to a subsidiary of HK\$260,508,000 (2005: HK\$1,395,922,000), which would be matured within 3 months and between 1 year and 5 years respectively.

51. 金融風險管理 (續)

(d) 業務操作風險管理

中信嘉華的董事會透過設立信貸及風險管理委員會，以便：

- 知悉其應作為獨立的風險類別加以管理的主要業務操作風險；
- 核准和定期檢討其業務操作風險管理架構；及
- 確保其業務操作風險管理架構已進行有效、全面和獨立的內部審核程序。

中信嘉華的高級管理層透過設立業務操作及控制委員會，以確保：

- 業務操作風險管理方面的策略、政策、程序、監察和控制的充足度；
- 確定、評估、監察和控制業務操作風險所用的業務操作風險管理流程的充足度；
- 業務操作風險減低工作的效益，以及突發事件應變和業務延續計劃的素質；及
- 內部檢討和業務操作風險審核的充足度，以及業務操作風險披露工作的充足度。

51. Financial Risk Management (cont'd)

(d) Operational risk management

CKWB's Board of Directors through the establishment of Credit & Risk Management Committee ("the CRMC"):

- be aware of the major aspects of CKWB's operational risks as a distinct risk category that should be managed;
- approve and periodically review CKWB's operational risk management framework; and
- ensure that CKWB's operational risk management framework is subject to effective, comprehensive and independent internal audit.

CKWB's senior management through the establishment of Operations & Control Committee ("the OCC") to ensure:

- adequacy of strategies, policies, procedures, monitoring and control for managing operational risk;
- adequacy of operational risk management process in identifying, assessing, monitoring and controlling operational risk;
- effectiveness of operational risk mitigation efforts and quality of disaster recovery as well as business continuity plans; and
- adequacy of internal review and audit of operational risk as well as sufficiency of public disclosure in relation to operational risk.

51. 金融風險管理 (續)

(d) 業務操作風險管理 (續)

風險管理部透過設立業務操作風險管理部門，以便：

- 協調中信嘉華內部的業務操作風險管理活動，並且以獨立和集中的職能管理這些風險，包括(如有必要)按照業務操作及控制委員會的授權，對業務操作風險和控制限額作出核准；
- 就業務操作風險管理和控制，設立中信嘉華整體上適用的政策和程序；及
- 確保個別業務類別和職能所用的業務操作風險評估工具和匯報系統在設計和實施方面的充足度。

現時，中信嘉華透過不同的方法管理業務操作風險，例如：

- 每年複核及更新業務操作及技術政策和程序手冊，以確保所有程序皆經過充分的考慮和界定。
- 制定人力資源政策和執行守則，以界定員工正確的營運工作行為並加以鼓勵，並且確保員工擁有所需的資歷和培訓。
- 評估新產品和服務，以確保該新產品或服務在推出前能充分得到相關員工、程序及技術上的支援。
- 每年設定和測試重大突發事件的應變和業務延續計劃。測試事項包括如因失火或其他事項所導致的資料庫嚴重故障、業務操作地點倒塌及由市場傳聞或其他原因而引致的突然大規模擠提等。

51. Financial Risk Management (cont'd)

(d) Operational risk management (cont'd)

Risk Management Group ("RMG") through the establishment of Operational Risk Management Section:

- to coordinate operational risk management activities across CKWB and manage these risks as an independent, centralized function, including approval of operational risk and control limits under authorities delegated by the OCC where necessary;
- to set bank-wide policies and procedures in relation to operational risk management and control; and
- to ensure adequacy of design and implementation of operational risk assessment methodology tool and reporting system within individual business lines and functional units.

CKWB currently manages operational risk through a number of ways, such as:

- Operations and technology policies and manuals are developed and reviewed annually to ensure processes are adequately considered and defined.
- Human resources policy and practices are established to define and encourage proper staff behavior, and that staff are qualified and trained for their roles.
- New products and services are evaluated to ensure that staff, processes, and technology can adequately support prior to launching.
- Disaster recovery and business continuity plans are set up and tested annually for major events such as major failure of data centre caused by fire or other events; loss of operating site and sudden and massive customer withdrawal due to market rumors or other reasons.

52. 公允價值資料

(a) 公允價值的估計

在可以獲得相關資料的情況下，計算公允價值的最適當方法是可觀察的市場報價。由於大部分金融工具（尤其是貸款、存款及非上市衍生工具）均沒有可觀察的市場報價，公允價值是根據多項有關各種金融工具的風險特質、折現率、未來現金流量估計、未來預期損失經驗及其他因素的方法及假設作出估計。不確定性及假設的變動可嚴重影響這些估計及所產生的公允價值估計。

(b) 公允價值

除另有說明外，所有金融工具均以公允價值列賬，或以與二零零六年及二零零五年十二月三十一日的公允價值差別不大的金額列賬。

(i) 金融資產

本集團的金融資產主要包括現金、銀行及其他金融機構存款、客戶貸款及墊款、投資及金融衍生工具。

銀行及其他金融機構存款的公允價值主要按照市場利率定價，並於一年內到期。因此，賬面值與公允價值相若。

客戶貸款及墊款的公允價值經考慮有關市場利率及通常按照接近市場利率的浮動利率定價，並主要於三個月內重新定價，故相等於其賬面值。

交易用途資產、指定為通過損益以反映公允價值的證券及可供出售證券在財務報表內以公允價值列賬。持有至到期投資的公允價值與其賬面值相若。

52. Fair Value Information

(a) Estimation of fair values

Where available, the most suitable measure for fair value is the quoted and observable market prices. In the absence of such quoted and observable market prices for most financial instruments, and in particular for loans, deposits and unlisted derivatives, the fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

(b) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31 December 2006 and 2005 unless otherwise stated.

(i) Financial assets

The Group's financial assets mainly include cash, placements with banks and other financial institutions, loans and advances to customers, investments and financial derivative instruments.

The fair values of placements with banks and other financial institutions are mainly priced at market interest rates and mature within one year. Accordingly, the carrying values approximate the fair values.

The fair values of loans and advances to customers, taking into account the relevant market interest rates and being mostly priced at floating rates close to the market interest rate which are mainly repriced within 3 months, equal their carrying amounts.

Trading assets, securities designated at fair value through profit or loss and available-for-sale securities are stated at fair value in the financial statements. The fair value of held-to-maturity investments approximate their carrying amounts.

52. 公允價值資料 (續)

(b) 公允價值 (續)

(ii) 金融負債

本集團的金融負債主要包括銀行及其他金融機構的存款及結存、客戶存款、已發行存款證、已發行債務證券、已發行可換股債券及已發行債務資本。除已發行債務資本及已發行可換股債券外，金融負債的賬面值與其於二零零六年十二月三十一日的公允價值相若。已發行債務資本於結算日的公允價值為港幣4,185,000,000元（二零零五年：港幣4,613,000,000元），高於其賬面值港幣3,901,000,000元（二零零五年：港幣4,352,000,000元）。已發行可換股債券於結算日的公允價值為港幣409,000,000元（二零零五年：港幣1,349,000,000元），高於其賬面值港幣247,000,000元（二零零五年：港幣1,290,000,000元）。

52. Fair Value Information (cont'd)

(b) Fair value (cont'd)

(ii) Financial liabilities

The Group's financial liabilities mainly include deposits and balances of banks and other financial institutions, deposits from customers, certificates of deposit issued, debt securities issued, convertible bonds issued and loan capital issued. The carrying values of financial liabilities approximate their fair values as at 31 December 2006, except that the fair values of loan capital issued and convertible bonds. The fair value of loan capital issued as at the balance sheet date was HK\$4,185 million (2005: HK\$4,613 million), which is higher than their carrying value of HK\$3,901 million (2005: HK\$4,352 million). The fair value of convertible bonds issued as at the balance sheet date was HK\$409 million (2005: HK\$1,349 million), which is higher than their carrying value of HK\$247 million (2005: HK\$1,290 million).

53. 衍生工具

(a) 衍生工具的名義金額

衍生工具是指根據一項或多項基本資產或指數的價值來釐定價值的金融合約。

53. Derivatives

(a) Notional amounts of derivatives

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

		本集團 The Group					
		二零零六年 2006			二零零五年 2005		
		交易 Trading 港幣千元 HK\$'000	對沖 Hedging 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	交易 Trading 港幣千元 HK\$'000	對沖 Hedging 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
滙率衍生工具	Currency derivatives						
遠期交易	Forwards	29,142,597	—	29,142,597	18,941,850	—	18,941,850
掉期交易	Swaps	8,649,601	—	8,649,601	11,521,138	—	11,521,138
買入期權	Options purchased	182,800	—	182,800	91,471	—	91,471
賣出期權	Options written	179,579	—	179,579	84,553	—	84,553
利率衍生工具	Interest rate derivatives						
遠期交易及 期貨交易	Forwards and futures	—	—	—	3,032,254	—	3,032,254
掉期交易	Swaps	12,325,280	6,238,456	18,563,736	6,897,921	12,074,747	18,972,668
買入期權	Options purchased	933,162	—	933,162	1,298,984	—	1,298,984
賣出期權	Options written	933,162	—	933,162	1,298,984	—	1,298,984
		52,346,181	6,238,456	58,584,637	43,167,155	12,074,747	55,241,902

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

交易包括本集團及本公司的金融工具自營買賣倉盤、由於執行客戶的交易指令或從事莊家活動而產生的倉盤，以及為對沖其他交易元素而持有的倉盤。

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

Trading includes the Group's and the Company's proprietary positions in financial instruments, positions which arise from the execution of trade orders from customers and market making, and positions taken in order to hedge other elements of the trading book.

53. 衍生工具 (續)

(b) 衍生工具的公允價值及信貸風險加權金額

53. Derivatives (cont'd)

(b) Fair values and credit risk-weighted amounts of derivatives

		本集團 The Group					
		二零零六年 2006			二零零五年 2005		
		公允價值 Fair value		信貸風險加 權金額 Credit risk- weighted amount	公允價值 Fair value		信貸風險加 權金額 Credit risk- weighted amount
		資產 Assets	負債 Liabilities	港幣千元 HK\$'000	資產 Assets	負債 Liabilities	港幣千元 HK\$'000
		港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
利率衍生工具	Interest rate derivatives	104,010	307,380	44,213	157,286	387,765	74,175
滙率衍生工具	Currency derivatives	251,081	121,268	158,912	70,858	55,468	85,145
		355,091	428,648	203,125	228,144	443,233	159,320

信貸風險加權金額是指按照香港銀行業條例有關資本充足比率的附表三計算的金額，取決於交易對手的財政狀況及到期的情況。或有負債及承擔的風險加權由0%至100%不等，而滙率、利率及其他衍生工具合約則由0%至50%不等。

本集團沒有在年內訂立任何雙邊淨額結算安排，因此，上述數額是以總額列示。

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

The Group did not enter into any bilateral netting arrangements during the year and accordingly these amounts are shown on a gross basis.

53. 衍生工具 (續)

(c) 指定為對沖工具的衍生工具的公允價值

以下是本集團持作對沖用途的衍生工具按產品類別劃分的公允價值概要：

		本集團 The Group			
		二零零六年 2006		二零零五年 2005	
		資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000	資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000
利率合約	Interest rate contracts	25,679	137,507	104,174	214,693

公允價值對沖主要包括用作保障若干固定利率資產或負債的公允價值因市場利率變動而出現變化的利率掉期。

53. Derivatives (cont'd)

(c) Fair values of derivatives designated as hedging instruments

The following is a summary of the fair values of derivatives held for hedging purposes by product type entered into by the Group:

Fair value hedges are principally consisted of interest rate swaps that are used to protect against changes in the fair value of certain fixed rate assets or liabilities due to movements in the market interest rates.

(d) 衍生工具的餘下年期

下表提供本集團根據有關到期類別(按於結算日的餘下結算期間計算)劃分的衍生工具名義金額分析。

(d) Remaining life of derivatives

The following tables provide an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

		本集團 The Group 二零零六年 2006 餘下年期的名義金額 Notional amounts with remaining life of			
		總額 Total 港幣千元 HK\$'000	1年或以下 1 year or less 港幣千元 HK\$'000	1年以上至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000
利率衍生工具	Interest rate derivatives	20,430,060	5,593,283	12,348,344	2,488,433
滙率衍生工具	Currency derivatives	38,154,577	37,612,963	463,614	78,000
		58,584,637	43,206,246	12,811,958	2,566,433

53. 衍生工具 (續)

(d) 衍生工具的餘下年期 (續)

		本集團 The Group 二零零五年 2005 餘下年期的名義金額 Notional amounts with remaining life of			
		總額 Total 港幣千元 HK\$'000	1年或以下 1 year or less 港幣千元 HK\$'000	1年以上至5年 Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000
利率衍生工具	Interest rate derivatives	24,602,890	8,169,222	12,905,087	3,528,581
滙率衍生工具	Currency derivatives	30,639,012	30,561,012	—	78,000
		55,241,902	38,730,234	12,905,087	3,606,581

54. 或有負債及承擔

(a) 提供信貸的或有負債及承擔

以下是每類主要或有負債及承擔的合約金額概要：

54. Contingent Liabilities and Commitments

(a) Contingent liabilities and commitments to extend credit

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

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
直接信貸代替品	Direct credit substitutes	1,796,951	958,516
與貿易有關的或有項目	Trade-related contingencies	1,659,341	1,058,462
其他承擔：	Other commitments:		
— 原到期日在1年以下或可無條件撤銷	— with an original maturity of under 1 year or which are unconditionally cancellable	15,471,735	12,846,765
— 原到期日在1年或以上	— with an original maturity of 1 year or over	2,938,186	350,146
		21,866,213	15,213,889
信貸風險加權金額	Credit risk-weighted amounts	2,762,347	991,061

54. 或有負債及承擔 (續)

(a) 提供信貸的或有負債及承擔 (續)

或有負債及承擔是與信貸相關的工具，包括信用證和提供信貸的擔保及承擔。涉及的風險基本上與向客戶提供貸款融資額涉及的信貸風險相同。合約金額是指在合約全數提取後發生客戶拖欠而需承擔風險的金額。由於融資額可能在到期時仍未動用，故合約金額並非預期未來現金流量。

用於計算信貸風險加權金額的風險加權由0%至100%不等。

(b) 資本承擔

於十二月三十一日，因購入設備而引起未償付而又未在財務報表內提撥準備的資本承擔如下：

54. Contingent Liabilities and Commitments (cont'd)

(a) Contingent liabilities and commitments to extend credit (cont'd)

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

The risk weights used in the computation of credit risk-weighted amounts range from 0% to 100%.

(b) Capital commitments

Capital commitments for purchase of equipment outstanding at 31 December not provided for in the financial statements were as follows:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
已授權及訂約：	Authorized and contracted for:		
物業及設備	Property and equipment	8,593	16,610
其他	Others	—	63,717
已授權但未訂約：	Authorized but not contracted for:		
物業及設備	Property and equipment	6,983	1,352
		15,576	81,679

54. 或有負債及承擔 (續)

(b) 資本承擔 (續)

二零零六年十一月二十二日，本公司與中信銀行和中國中信集團公司訂立追加認購協議；據此，本公司同意認購，而中信銀行則同意向本公司發行其某一數目的股份（「追加認購股份」），以使本公司預期持有的中信銀行股權百分率，不會在中信銀行的全球發售事項完成時少於中信銀行全部股權的15%（附註55(b)）。

(c) 租賃承擔

於二零零六年十二月三十一日，根據不可解除經營租賃應付的未來最低租金總額如下：

54. Contingent Liabilities and Commitments (cont'd)

(b) Capital commitments (cont'd)

The Company entered into a Top Up Agreement with CNCB and CITIC Group on 22 November 2006. Pursuant to the Top Up Agreement, the Company agreed to subscribe for, and CNCB agreed to issue to the Company, certain number of its shares ("Top Up Shares") so that the percentage of equity interests to be held by the Company in CNCB is expected to be no less than 15% of the total equity interests in CNCB as at the time when the subscription for global offering of shares of CNCB is completed (note 55(b)).

(c) Lease commitments

At 31 December 2006, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
物業租賃於以下期間期滿	Properties leases expiring		
1年內	Within 1 year	80,017	67,092
1年至5年	After 1 year but within 5 years	193,149	134,059
5年後	After 5 years	61,986	78,409
		335,152	279,560
設備租賃於以下期間期滿	Equipment leases expiring		
1年內	Within 1 year	4,397	739
1年至5年	After 1 year but within 5 years	8,591	2,943
		12,988	3,682

本集團通過經營租賃的方式租借多項物業及設備。有關物業及設備的最初租賃期一般為兩至四年，可於續期時重新商定所有條款。以上租賃均不涉及或有租金。

The Group leases a number of properties and items of equipment under operating leases. The leases typically run for an initial period of two to four years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

54. 或有負債及承擔 (續)

(d) 有關法律申索的或有負債

本集團及其附屬公司並沒有牽涉任何可能對其財政狀況構成重大影響的法律行動。

55. 非調整結算日後事項

- (a) 為實踐本公司拓展地區性競爭力的戰略，本公司於二零零六年十一月二十二日與作為本公司股份戰略投資者的BBVA訂立認購協議。

根據認購協議，BBVA已同意認購，而本公司則同意配發668,574,374股股份，每股作價港幣5.83元，認購對價為港幣3,898,000,000元。本公司已於二零零七年二月九日舉行的股東特別大會上獲得獨立股東批准。認購股本的款項港幣3,898,000,000元已於二零零七年三月一日收取並將於本集團截至二零零七年十二月三十一日止財政年度的財務報表中確認。

- (b) 二零零六年十一月二十二日，本公司與中信銀行和中國中信集團公司訂立追加認購協議：據此，本公司同意認購，而中信銀行則同意向本公司發行其某一數目的股份，以使本公司預期持有的中信銀行股權百分率，不會在中信銀行的H股和A股(如適用)全球發售事項完成時少於中信銀行全部股權的15%。認購追加認購股份的對價將於完成時以現金支付。本公司已於二零零七年二月九日舉行的股東特別大會上獲得獨立股東批准。追加認購協議將於所有先決條件獲履行時完成。

54. Contingent Liabilities and Commitments (cont'd)

(d) Contingent liability in respect of legal claim

The Group and its subsidiaries are not involved in any legal actions that would be material to the financial position of the Group.

55. Non-adjusting Post Balance Sheet Events

- (a) As part of the Company's strategic vision to expand the Company's regional capabilities, on 22 November 2006 the Company entered into the Subscription Agreement with BBVA as a strategic investor for the Shares of the Company.

Pursuant to the Subscription Agreement, BBVA has agreed to subscribe for, and the Company has agreed to allot, 668,574,374 shares at a price of HK\$5.83 each. The subscription consideration is HK\$3,898 million. Independent shareholders' approval was obtained at the extraordinary general meeting of the Company held on 9 February 2007. The subscription monies for share capital of HK\$3,898 million was received on 1 March 2007 and will be recognized in the Group's financial statements for the financial year ending 31 December 2007.

- (b) The Company entered into a Top Up Agreement with CNCB and CITIC Group on 22 November 2006. Pursuant to the Top Up Agreement, the Company agreed to subscribe for, and CNCB agreed to issue to the Company, certain number of its shares so that the percentage of equity interests to be held by the Company in CNCB is expected to be no less than 15% of the total equity interests in CNCB as at the time when the subscription for global offering of H-Shares and A-shares (if applicable) of CNCB is completed. The Directors of the Company expect that the consideration for the Top Up Shares is to be satisfied by cash upon completion. Independent shareholders' approval was obtained at the extraordinary general meeting of the Company held on 9 February 2007. Upon satisfaction of all conditions precedent, the Top Up Agreement will be completed.

56. 信託活動

本集團通常擔任受託人及以其他受信人身份，代表個別人士、信託、退休福利計劃及其他機構持有或存放資產。由於這些資產並非本集團的資產，故這些資產及其產生的收入不包括在本財務報表內。

57. 最終控權方

董事會認為，本公司於二零零六年十二月三十一日的最終控權方為在中華人民共和國註冊成立的中國中信集團公司。

58. 會計估計及判斷

管理層編製財務報表時，需要就財務報表日的資產及負債的滙報數額及或有資產及負債的披露，以及呈報年度收入及支出的滙報數額等作出估計及假設。假設變更可能會對更改假設期間的財務報表構成重大影響。應用假設及估計表示選擇任何不同的假設均可導致本集團的滙報有差異。本集團相信所作假設屬適當，故財務報表在各重大方面均公允地呈報財政狀況及業績。

管理層曾與審核委員會討論本集團主要會計政策及估計的制定、選擇及披露原則，以及這些政策及估計的應用。

56. Trust Activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

57. Ultimate Controlling Party

At 31 December 2006, the directors consider the ultimate controlling party to be CITIC Group, which is incorporated in the People's Republic of China.

58. Accounting Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the financial statements in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the financial statements therefore present the financial position and results fairly, in all material respects.

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

58. 會計估計及判斷 (續)

(a) 估計不可確定因素的主要來源

附註30、31和41載有關於投資物業估值、商譽減值和已授予購股權公允價值的假設及風險因素。其他估計不可確定因素的主要來源如下：

(i) 減值虧損

貸款及墊款

貸款組合會定期檢討，以評估減值虧損是否存在。本集團會判斷貸款組合是否存在任何減值的客觀證據（即估計未來現金流量是否減少）。減值的客觀證據包括一群借款人的還款狀況出現不利變動的可見數據，亦可包括與本集團資產的逾期還款相關的個別或經濟狀況的可見數據。如管理層根據其判斷確定減值的客觀證據存在，則預期未來現金流量會根據本集團內具有類似的信貸風險特質的資產的過往損失經驗來作出估計。過往損失經驗是以目前的可觀察數據為基礎作出調整。管理層會定期檢討估計未來現金流量所採用的方法及假設，以減少損失估計及實際損失經驗之間的任何差異。

可供出售證券

當可供出售證券的公允價值大幅或持續下跌至低於其成本，本集團便會確定這些投資出現減值。確定公允價值下跌至低於其成本而不能在合理時限內收回屬判斷性質，故損益可受此判斷的差異所影響。

58. Accounting Estimates and Judgments (cont'd)

(a) Key sources of estimation uncertainty

Notes 30, 31 and 41 contain information about the assumptions and their risk factors relating to valuation of investment property, goodwill impairment and fair value of share options granted. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Loans and advances

Loans portfolios are reviewed periodically to access whether impairment losses exist. The Group makes judgments as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data about the payments status of borrowers in a group has adversely changed. It may also include observable data in local or economic conditions that correlate with defaults on the assets in the Group. If management has determined, based on their judgment, that objective evidence of impairment exists, expected future cash flows are estimated based on historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

Available-for-sale securities

The Group determines that available-for-sale securities are impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of when a decline in fair value below cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgment.

58. 會計估計及判斷 (續)

(a) 估計不可確定因素的主要來源 (續)

(ii) 金融工具公允價值

公允價值估計一般屬主觀性質，是根據金融工具的特質及有關市場資料在某一特定時間作出。如情況許可，便會使用市場報價。如未能從認可證券交易所獲得市場報價，或從經紀或交易商獲得屬於非通過交易所買賣的金融工具市場報價或最新公開成交價，則公允價值以現值或其他估值法估計。

所有估值模式均在用作財務匯報基準前被核實。本集團盡可能將模式所得估值與類似金融工具的報價作比較，及在實現後與實際價值作比較，以進一步核實及調整模式。

這些技術涉及不確定性，並會大受有關各種金融工具的風險特質、折現率、未來現金流量估計、未來預期損失經驗及其他因素所用的假設及所作的判斷影響。假設變動可嚴重影響這些估計及所產生的公允價值。所得公允價值估計未必可用獨立市場的比較來證明，而在許多情況下，可在立即出售工具時實現。

58. Accounting Estimates and Judgments (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(ii) Fair value of financial instruments

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, quoted market prices are used. If a quoted price is not available on a recognized stock exchange or from a broker or dealer for non-exchange traded financial instruments or from a readily available latest trading price, the fair value is estimated using present value or other valuation techniques.

All valuation models are validated before they are used as a basis for financial reporting. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realized, in order to further validate and calibrate the models.

These techniques involve uncertainties and are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rate, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could be realized in an immediate sale of the instruments.

58. 會計估計及判斷 (續)

(b) 應用本集團會計政策時所作的重大會計判斷

應用本集團會計政策時所作的若干重大會計判斷描述如下。

持有至到期投資

本集團將具有固定或可確定付款金額及固定期限，而且本集團有明確意向和能力持有至到期的非衍生金融資產，劃歸為持有至到期投資。本集團會在作出此判斷時，評估其持有這些投資至到期日的意向和能力。如本集團未能持有這些投資至到期日（若干特別情況除外），由於該類別被視為受到滲雜，故本集團須將整個持有至到期投資組合重新劃歸為可供出售。

這會導致持有至到期投資以公允價值計量，而非按攤銷成本計量。

59. 已頒佈但於截至二零零六年十二月三十一日止會計年度尚未實施的修訂、新準則及詮釋的可能影響

截至本財務報表刊發日，香港會計師公會已頒佈多項修訂、新準則和詮釋，而金管局也建議作出額外的披露；但這些修訂、新準則、詮釋和建議在截至二零零六年十二月三十一日止年度尚未實施，亦沒有在本財務報表內採納。

本集團正在評估這些修訂、新準則、新詮釋和額外披露建議對首次採納期間的影響。到目前為止，本集團相信採納這些修訂、新準則、新詮釋和建議對本集團的經營業績和財政狀況應該不會有重大的影響。

58. Accounting Estimates and Judgments (cont'd)

(b) Critical accounting judgments in applying the Group's accounting policies

Certain critical accounting judgments in applying the Group's accounting policies are described below:

Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgment, the Group evaluates its intention and ability to hold such investments till maturity. If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortized cost.

59. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet Effective for the Annual Accounting Year Ended 31 December 2006

Up to the date of issue of the financial statements, the HKICPA has issued a number of amendments, new standards and interpretations and the HKMA has recommended additional disclosures, which are not yet effective for the accounting year ended 31 December 2006 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards, new interpretations and additional disclosures is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

59. 已頒佈但於截至二零零六年十二月三十一日止會計年度尚未實施的修訂、新準則及詮釋的可能影響 (續)

此外，以下準則和規則變化可能引致財務報表須披露新的或經修訂的內容：

59. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet Effective for the Annual Accounting Year Ended 31 December 2006 (cont'd)

In addition, the following developments may result in new or amended disclosures in the financial statements:

		於以下日期或之後開始的會計期間實施 Effective for accounting periods beginning on or after
香港財務報告準則第7號「金融工具：披露」	HKFRS 7, <i>Financial Instruments: disclosures</i>	2007年1月1日 1 January 2007
對香港會計準則第1號「財務報表的列報：資本披露」作出的修訂	Amendments to HKAS 1, <i>Presentation of financial statements: capital disclosure</i>	2007年1月1日 1 January 2007
銀行業（披露）規則	Banking (Disclosure) Rules	2007年1月1日 1 January 2007

— 香港財務報告準則第7號要求在質量和數量上就公允價值及風險管理作出更詳盡的披露。因此，採納此準則預期只會影響披露的詳盡程度，而預期對本公司資產負債表及本集團綜合收益表、綜合資產負債表、綜合權益變動表和綜合現金流量結算表不會構成任何財務影響。

— HKFRS 7 requires more detailed qualitative and quantitative disclosures, primarily in respect of fair values and risk management. The adoption of this standard is therefore only expected to affect the level of detail of the disclosures, and is not expected to have any impact on the Company's balance sheet or the Group's consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity and consolidated cash flow statement.

60. 財務報表核准

本財務報表已於二零零七年三月十五日獲董事會核准並授權發佈。

60. Approval of Financial Statements

The financial statements were approved and authorized for issue by the Board of Directors on 15 March 2007.

(除特別列明外，以港幣為單位)

(Expressed in Hong Kong dollars unless otherwise indicated)

(A) 資本充足比率**(A) Capital Adequacy Ratio**

		二零零六年 2006	二零零五年 2005
於十二月三十一日的 未經調整資本充足比率	Unadjusted capital adequacy ratio as at 31 December	17.09%	16.01%

未經調整資本充足比率是根據香港金融管理局(「金管局」)為監管目的所規定，按本公司及其若干附屬公司的合併基準計算，並符合香港《銀行業條例》附表三的基準計算。

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

(B) 扣除減項後資本基礎**(B) Capital Base After Deductions**

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
核心資本	Core capital		
實繳普通股本	Paid-up ordinary share capital	5,023,422	3,197,859
股份溢價	Share premium	6,474,230	1,840,212
儲備	Reserves	6,722,949	2,953,640
少數股東權益	Minority interests	—	536
扣除：商譽	Deduct: Goodwill	(1,007,749)	(1,007,749)
核心資本總額	Total core capital	17,212,852	6,984,498
合格補助資本	Eligible supplementary capital		
就所持有的非交易用途證券 提撥的重估儲備	Reserves on revaluation of holding of securities not held for trading purposes	461,135	332,076
減值資產的綜合減值準備及 法定儲備	Collective impairment allowances for impaired assets and regulatory reserve	629,686	528,790
永久後償債項	Perpetual subordinated debt	1,958,353	2,016,390
有期後償債項	Term subordinated debt	1,942,973	467,192
合格補助資本總額	Total eligible supplementary capital	4,992,147	3,344,448
扣除減項前總資本基礎	Total capital base before deductions	22,204,999	10,328,946
總資本基礎減項	Deductions from total capital base	(10,811,460)	(950,528)
扣除減項後總資本基礎	Total capital base after deductions	11,393,539	9,378,418

(C) 分部資料

按地區劃分

(C) Segmental Information

By geographical area

		本集團 The Group 二零零六年 2006				
		稅前溢利 Profit before taxation 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	經營收入 Operating income 港幣千元 HK\$'000	或有負債及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	1,250,142	90,309,891	81,395,717	2,106,118	19,449,537
中國	Mainland China	42,798	13,043,465	2,890,442	70,394	140,346
美國	USA	33,199	1,792,687	1,670,814	70,019	896,550
其他	Others	7,505	2,789,290	2,783,338	13,261	1,379,780
分部間項目	Inter-segment items	—	(5,793,608)	(6,830,657)	—	—
		1,333,644	102,141,725	81,909,654	2,259,792	21,866,213

		本集團 The Group 二零零五年 2005				
		稅前溢利 Profit before taxation 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	經營收入 Operating income 港幣千元 HK\$'000	或有負債及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	1,156,927	83,788,186	74,545,299	1,878,501	14,514,746
中國	Mainland China	28,509	2,060,081	1,381,984	36,844	71,978
美國	USA	31,759	1,776,016	1,684,051	54,853	613,328
其他	Others	(1,549)	612,632	614,181	453	13,837
分部間項目	Inter-segment items	—	(3,200,237)	(2,644,690)	—	—
		1,215,646	85,036,678	75,580,825	1,970,651	15,213,889

上述地區分析是根據附屬公司或附屬公司的分行的主要業務所在地予以劃分。

The above geographical analysis is classified by the location of the principal operations of the subsidiaries or branches of its subsidiaries.

(C) 分部資料 (續)

按地區劃分 (續)

(C) Segmental Information (cont'd)

By geographical area (cont'd)

		本集團 The Group					
		二零零六年 2006			二零零五年 2005		
		客戶貸款 及墊款 Loans and advances to customers 港幣千元 HK\$'000	逾期貸款 及墊款 Overdue loans and advances 港幣千元 HK\$'000	減值貸款 及墊款 Impaired loans and advances 港幣千元 HK\$'000	客戶貸款 及墊款 Loans and advances to customers 港幣千元 HK\$'000	逾期貸款 及墊款 Overdue loans and advances 港幣千元 HK\$'000	減值貸款 及墊款 Impaired loans and advances 港幣千元 HK\$'000
香港	Hong Kong	39,910,144	197,448	184,848	34,536,529	473,722	507,111
中國	Mainland China	6,703,093	469,794	469,794	6,534,622	541,945	541,945
美國	USA	1,429,400	—	—	793,891	50,495	50,495
其他	Others	2,642,713	191,997	191,997	1,096,655	—	71,288
		50,685,350	859,239	846,639	42,961,697	1,066,162	1,170,839

上述地區分析已按借款人的所在地劃分，並已考慮風險轉移。由與交易對手不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。

逾期貸款及墊款是指逾期超過三個月的貸款。

減值貸款及墊款主要是個別出現客觀減值證據而須個別評估的貸款。

The above geographical analysis is classified by the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Overdue loans and advances are loans that have been overdue more than three months.

Impaired loans and advances are individually assessed loans which exhibit objective evidence of impairment on an individual basis.

(D) 逾期客戶貸款及墊款

(D) Overdue Loans and Advances to Customers

		本集團 The Group			
		二零零六年 2006		二零零五年 2005	
		港幣千元 HK\$'000	客戶貸款及墊款 百分率 % on total loans and advances to customers	港幣千元 HK\$'000	客戶貸款及墊款 百分率 % on total loans and advances to customers
貸款及墊款總額 已逾期達：	The gross amount of loans and advances has been overdue for periods of:				
— 3個月以上 至6個月	— 6 months or less but over 3 months	36,759	0.07	40,244	0.09
— 6個月以上至 1年	— 1 year or less but over 6 months	258,965	0.51	92,748	0.22
— 1年以上	— over 1 year	563,515	1.11	933,170	2.17
		859,239	1.69	1,066,162	2.48
有抵押逾期貸款 及墊款	Secured overdue loans and advances	767,533		860,601	
無抵押逾期貸款 及墊款	Unsecured overdue loans and advances	91,706		205,561	
		859,239		1,066,162	
持有有抵押逾期 貸款及墊款 抵押品的市值	Market value of collateral held against the secured overdue loans and advances	1,179,363		1,236,616	
個別減值準備	Individual impairment allowance made	70,702		217,950	

(D) 逾期客戶貸款及墊款 (續)

有明確到期日之貸款及墊款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，及／或貸款已超出借款人獲通知的批准限額，而此情況持續超過上述逾期期限，亦列作逾期處理。

於二零零六年十二月三十一日及二零零五年十二月三十一日，本集團並無逾期超過三個月的銀行及其他金融機構墊款。

(D) Overdue Loans and Advances to Customers (cont'd)

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year end, loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 31 December 2006 and 31 December 2005.

(E) 其他逾期資產**(E) Other Overdue Assets**

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
貿易票據總額已逾期達： — 6個月以上至1年 — 1年以上	The gross amount of trade bills which has been overdue for: — 1 year or less but over 6 months — over 1 year	— 1,198	2,725 —
		1,198	2,725
持有至到期投資已逾期達： — 1年以上	Held-to-maturity investments which have been overdue for: — over 1 year	15,553	15,510

(F) 經重組貸款**(F) Rescheduled Loans**

		本集團 The Group			
		二零零六年 2006		二零零五年 2005	
		港幣千元 HK\$'000	佔客戶貸款 及墊款總額 百分率 % on total loans and advances to customers	港幣千元 HK\$'000	佔客戶貸款 及墊款總額 百分率 % on total loans and advances to customers
經重組貸款	Rescheduled loans	16,393	0.03	25,077	0.06

經重組貸款是指借款人因為財政困難或無能力如期還款而經雙方同意達成重組還款計劃的墊款，這些經修訂的還款條件對本集團而言並非一般商業條款。客戶重組貸款已扣除其後逾期超過三個月並於附註(D)滙報的逾期墊款。

於二零零六年十二月三十一日及二零零五年十二月三十一日，本集團並無已重組的銀行及其他金融機構墊款。

Rescheduled loans are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans to customers are stated net of any advances that have subsequently become overdue for over 3 months and reported as overdue advances in note (D).

There were no advances to banks and other financial institutions which were rescheduled as at 31 December 2006 and 31 December 2005.

(G) 取回資產**(G) Repossessed Assets**

		本集團 The Group	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
已計入客戶貸款及墊款 及其他賬項中	Included in loans and advances to customers and other accounts	176,216	207,758

(H) 跨境債權

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

(H) Cross-border Claims

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

		銀行及其他 金融機構 Banks and other financial institutions 港幣千元 HK\$'000	公營機構 Public sector entities 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於二零零六年 十二月三十一日					
香港以外亞太區	Asia and Pacific excluding Hong Kong	8,531,581	93,794	8,001,926	16,627,301
其中澳洲	of which Australia	2,607,386	649	17,401	2,625,436
其中中國	of which Mainland China	2,667,315	92,325	6,604,283	9,363,923
加勒比海	Caribbean	—	—	4,611,483	4,611,483
其中百慕達	of which Bermuda	—	—	840,479	840,479
其中開曼群島	of which Cayman Islands	—	—	3,450,214	3,450,214
西歐	Western Europe	10,491,879	1,880	4,138,607	14,632,366
其中法國	of which France	705,617	—	818,122	1,523,739
其中德國	of which Germany	1,785,231	—	3,963	1,789,194
其中荷蘭	of which Netherlands	912,490	—	828,935	1,741,425
其中英國	of which United Kingdom	2,933,954	734	1,036,088	3,970,776
於二零零五年 十二月三十一日					
香港以外亞太區	Asia and Pacific excluding Hong Kong	7,553,502	441,975	7,753,870	15,749,347
其中澳洲	of which Australia	3,000,177	763	70,118	3,071,058
其中中國	of which Mainland China	2,425,439	391,052	7,021,444	9,837,935
加勒比海	Caribbean	—	—	4,392,838	4,392,838
其中開曼群島	of which Cayman Islands	—	—	3,727,377	3,727,377
西歐	Western Europe	11,118,604	1,791	4,861,642	15,982,037
其中法國	of which France	1,257,160	—	812,763	2,069,923
其中德國	of which Germany	1,423,132	—	113,916	1,537,048
其中荷蘭	of which Netherlands	1,061,821	—	821,618	1,883,439
其中英國	of which United Kingdom	2,492,175	623	1,224,905	3,717,703

(I) 企業管治

本集團致力於保持高企業管治水平，在本年度內及在所有重要的事項上均符合金管局頒布的監管政策手冊內「本地註冊認可機構的企業管治」部分所載的規定。

(J) 董事委員會

本公司董事會已設立以下委員會：

審核委員會

該委員會為獨立機構，協助董事會監察本公司是否符合各項政策、程序以及內部及法定規定；並協助董事會獨立檢討本集團的財務匯報流程及內部控制制度的有效性。該委員會由本公司四名董事組成，其中三名為獨立非執行董事。

提名及薪酬委員會

該委員會為董事會物色及提名合適人選，以委任為本公司董事、行政總裁、替任行政總裁及董事總經理，並協助董事會檢討及批准有關本公司高級行政人員的委任或離任、薪酬或賠償及繼任安排事宜的政策和機制。該委員會由本公司五名董事組成，其中一名為非執行董事。

(I) Corporate Governance

The Group is committed to high standards of corporate governance and has complied, in all material respects, throughout the year with the module on "Corporate Governance of Locally Incorporated Authorized Institutions" under the Supervisory Policy Manual issued by the HKMA.

(J) Board Committees

The Board of Directors of the Company has established the following committees:

Audit Committee

The committee, being an independent body, assists the Board of Directors in monitoring compliance with the policies, procedures, and internal and statutory regulations. It also assists the Board of Directors in providing independent review of the effectiveness of the Group's financial reporting process and internal control systems. The committee comprises four Directors of the Company, three of which are Independent Non-executive Directors.

Nomination and Remuneration Committee

The committee identifies and nominates candidates to the Board of Directors for appointment as Directors, Chief Executive Officer, Alternate Chief Executive Officer and Managing Directors of the Company. It also assists the Board of Directors in reviewing and approving the policies and mechanism in relation to the appointment or termination of, remuneration or compensation to, and the succession plans for the senior executives of the Company. The committee comprises five Directors of the Company, one of which is a Non-executive Director.

(J) 董事委員會 (續)

除上述委員會外，本公司的全資附屬公司—中信嘉華銀行有限公司（「中信嘉華」）的董事會也設立了以下三個委員會：

(i) 審核委員會

該委員會為獨立機構，協助董事會監察中信嘉華是否符合各項政策、程序以及內部及法定規定；並協助董事會獨立檢討中信嘉華的財務匯報流程及內部控制制度的有效性。該委員會由中信嘉華四名董事組成，其中三名為獨立非執行董事。

(ii) 高層人事委員會

該委員會監督中信嘉華的高級行政人員的聘任及離任、薪酬及繼任計劃，也協助中信嘉華董事會挑選及引薦填補董事會空缺的人選。該委員會由中信嘉華四名董事組成。

(iii) 信貸及風險管理委員會

該委員會監督中信嘉華的風險管理策略、政策及機制。有關的風險主要包括信貸、市場、利率、資金流動性、營運、信譽、法律及策略性風險。該委員會通過中信嘉華管理層面的多個委員會監督中信嘉華的風險管理工作，包括信貸委員會、不良貸款委員會、資產及負債委員會以及營運及監控委員會。該委員會由中信嘉華五名董事組成。

(J) Board Committees (cont'd)

Apart from the above committees, the following three committees were established under the Board of Directors of CITIC Ka Wah Bank Limited ("CKWB") which is a major wholly-owned subsidiary of the Company:

(i) Audit Committee

The committee, being an independent body, assists the Board of Directors of CKWB in monitoring compliance with the policies, procedures, and internal and statutory regulations. It also assists the Board of Directors in providing independent review of the effectiveness of CKWB's financial reporting process and internal control systems. The committee comprises four Directors of CKWB, three of which are Independent Non-executive Directors.

(ii) Executive Personnel Committee

The committee provides oversight of the appointment and removal, remuneration, and succession plan of CKWB's senior executives. It also assists the Board of Directors of CKWB in selecting and recommending candidates for vacancy on the Board of Directors of CKWB. The committee comprises four Directors of CKWB.

(iii) Credit & Risk Management Committee

The committee oversees CKWB's risk management strategy, policies and mechanism. The risks concerned primarily include credit, market, interest rate, liquidity, operational, reputation, legal and strategic risks. The committee carries out its oversight function on CKWB's risk management through various committees at CKWB's management level, including: Credit Committee, Non Performing Loan Committee ("NPL Committee"), Asset and Liability Management Committee ("ALCO") and Operations and Control Committee. The committee comprises five Directors of CKWB.

(K) 風險管理

透過董事會的授權和密切監督，本集團主要通過中信嘉華管理各類型的風險。中信嘉華的風險管理部獲授權擔當管理職責，包括集團信貸、銀行同業信貸、市場風險、風險資產管理及政策與資產組合風險管理等職能。本集團持續不斷更新和改進其風險管理政策和系統，務求反映市場、產品、優質管治及監管規定方面的改變。

二零零六年，風險管理部成功重新設定其風險分級制度，並且實施一個專業判斷模式，以便以量化方式分辨不同的信貸風險級別，以及以技術測定客戶違約的可能性。包括信貸風險政策、產品和投資風險承銷、風險額度控制、管理信息系統和風險基本設施等多個小組亦已整頓成為新的「政策及資產組合風險管理組」，以便實施新的風險分級制度。新的分級制度實施後，中信嘉華於二零零六年六月順利完成轉換流程，透過專業判斷模式為所有公司客戶重新分級。

經過過去數年來為實施新巴塞爾資本協定而作出的準備，本集團已於二零零六年九月達到「標準方法」的要求。

(K) Risk Management

The Group manages various types of risks mainly through CKWB under the delegation and close supervision of the Board. The Risk Management Group of the Bank which is entrusted with the responsibilities, consists of group credit, inter-bank credit, market risk, risk asset management and policy and portfolio risk management functions. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products, best practice and regulatory requirements.

In 2006, Risk Management Group successfully revamped its risk grading system and rolled out an expert judgment model that can quantitatively differentiate various levels of credit risk and technically capable of calibrating probability of customer default. Sections of credit risk policy, product and investment risk underwriting, exposure control, management information systems and risk infrastructure were also realigned into a newly formed Policy & Portfolio Risk Management Unit to take ownership of the new risk grading system. Subsequent to the installation of the new grading system, the Bank completed satisfactorily in June 2006 the conversion process in which all corporate customers were re-graded via the expert judgment model.

With the preparation done in the past few years for Basel II, the Group satisfactorily met the requirements of the Standardized Approach in September 2006.

(K) 風險管理 (續)

本集團管理的風險主要包括以下各類：

(i) 信貸風險管理

信貸風險是透過定期分析源自客戶或交易對手不能履行其財務責任所招致的損失的目前及潛在風險來管理。本集團因其放貸、交易及資本市場營運而承受信貸風險。本集團對單一客戶的信貸風險定義為所有因對該客戶營運而可能招致的最大金額損失。這些風險不僅由資產負債表內業務產生，也包括資產負債表外業務，如包括尚待履行的貸款承諾、信用證及財務擔保等。

信貸風險管理是透過監察執行已採納釐定借款人的信貸可信度、信貸風險分類、貸款應用程序及貸款決策程序的信貸政策來進行。本集團對或有負債採用與資產負債表內記錄的金融工具相同的信貸政策，根據貸款審批程序使用限額以減低風險及監察。信貸風險亦透過向借款人及第三者取得以抵押資產形式的抵押品及擔保而減低。

本集團亦制定信貸風險管理操作守則，目的是確保風險評估過程的獨立性和完整性。本集團一般依據借款人的風險特質、還款來源及相關抵押品性質，以進行信貸風險評估，同時亦充分考慮當時借款人所面對的事件和市場的發展。本集團亦根據資產組合的標準以債務人信貸評級、抵押品、產品、行業及地理分布來作信貸資產組合上的風險管理，以避免風險過分集中。

(K) Risk Management (cont'd)

The Group manages the following main types of risks:

(i) Credit risk management

Credit risk is managed by regular analyses of the current and potential risk of loss arising from a customer's or counterparty's inability to meet financial obligations. The Group is exposed to credit risk through its lending, trading and capital markets activities. The Group defines the credit exposure to a customer as the amount of maximum potential loss arising from all these activities. These exposures include both on- and off-balance sheet transactions, including unfunded lending commitments such as loan commitments, letters of credit and financial guarantees.

Credit risk management is effected by monitoring implementation of adopted credit policies that determine the borrower's creditworthiness, credit risks classification, loan application procedure and procedures for making lending decisions. The Group applies the same credit policy in respect of contingent liabilities as in respect of financial instruments recorded on the balance sheet, based on loan approval procedures, use of limits to reduce risk and monitoring. Credit risk is also minimized by obtaining collateral in the form of pledged assets and guarantees from borrowers and third parties.

The Group's credit risk management practices are designed to preserve the independence and integrity of the risk assessment process. The Group assesses credit risk based upon the risk profile of the borrower, the source of repayment and the nature of the underlying collateral after giving consideration to current events and market developments. Credit risk is also managed at portfolio levels in terms of obligor credit rating, collateral, product, industry and geography to manage concentration risk.

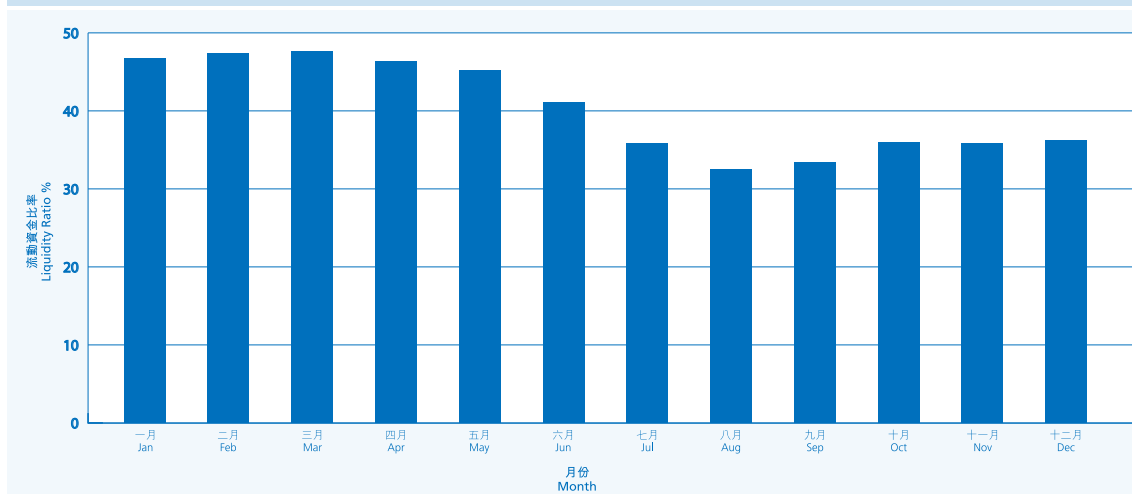
(K) 風險管理 (續)**(ii) 流動資金風險管理**

本集團秉承審慎管理資金和流動資金的政策。本集團在年內維持高流動資金比率，並且定期進行壓力測試，以確保中信嘉華有能力應付不利或無法預計的經濟情況所引致市場流動資金突然流失的情況。在二零零六年，中信嘉華的平均流動資金比率為40.35%（二零零五年：51.07%）。本集團持有期限較短的高素質證券投資組合，必要時可透過購回安排或在二級市場上徹底出售而產生流動資金。本集團亦積極從事批發銀行業務，透過發行一年至五年期美金和港幣存款證來取得穩定的資金來源。本集團在二零零六年度透過多次成功發行存款證而籌得合共港幣2,100,000,000元的資金。

(K) Risk Management (cont'd)**(ii) Liquidity risk management**

It is the Group's policy to exercise prudence in its funding and liquidity management. A high liquidity ratio was maintained throughout the year, and stress tests were performed regularly to ensure that CKWB could handle sudden drains in market liquidity due to adverse or unexpected economic events. In 2006, CKWB's average liquidity ratio was 40.35% (2005: 51.07%). The Group holds a portfolio of high-grade securities with short maturities which can generate liquidity if necessary either through re-purchase arrangements or out-right selling in the secondary market. It is also active in wholesale funding through the issuances of one-year to five-year US dollar and Hong Kong dollar certificates of deposit ("CDs") so as to secure a stable source of funding. In 2006, a total of HK\$2.1 billion was raised through several successful CD issuances.

本集團二零零六年每月平均流動資金比率
The Group's Average Monthly Liquidity Ratio for 2006



(K) 風險管理 (續)**(iii) 市場風險管理**

市場風險是因為匯率、利率及股票和商品價格等市場變數出現變動而引致虧損的風險。本集團的市場風險主要來自中信嘉華，其短期買賣持倉和長期策略性業務均會帶來市場風險。本集團其他附屬公司亦從事投資活動，但規模相對較小。

中信嘉華是按照其信貸及風險管理委員會、資產及負債管理委員會及其授權的子委員會所核准的限額等級制度來管理市場風險。該制度分為三個等級：政策、業務及交易。每個等級包含一系列的風險計量限額，包括損益限額、持倉限額及敏感度限額。一旦風險超過有關的限額，便會向不同層次的管理人員發出預警訊號或促使他們採取充足的相應措施。

中信嘉華的財資部門是在指定限額等級制度下承管市場風險的中心點。

隸屬風險管理部的市場風險管理部門負責履行每日監察及匯報的職能，以確保中信嘉華所承受的市場風險符合指定限額。

中信嘉華是以風險價值來計量其交易用途投資組合的整體市場風險。風險價值是一項統計工具，可用於估計投資組合在一般指定時間和某一信心水平所承受的潛在損失。中信嘉華採用了99%一天風險價值和以往模擬數據來計風險價值數額。模擬流程可反映不同的市場變數之間的以往關係。截至二零零五年十二月三十一日和截至二零零六年十二月三十一日止年度，中信嘉華的交易用途投資組合的平均風險價值分別為港幣1,740,000元和港幣1,889,000元。

(K) Risk Management (cont'd)**(iii) Market risk management**

Market risk is the risk of loss arising from the movements in market variables such as foreign exchange rates, interest rates, equity and commodity prices. The Group's major market risk exposure rests with CKWB. Both short-term trading positions and long-term strategic businesses of the Bank generate market risk exposure. Other subsidiaries of the Group have also engaged in investments but in relatively smaller magnitude.

CKWB manages its market risk within a hierarchy of limits approved by the Bank's Credit and Risk Management Committee ("CRMC"), Asset and Liability Management Committee ("ALCO") and its delegated sub-committees. The hierarchy is composed of limits at 3 levels: policy, business and transaction. Each level in the hierarchy consists of limits on a series of risk measurements, including profit and loss limits, position limits and sensitivity limits. Limit excesses will set off alert signals or trigger adequate actions at different management levels.

CKWB's Treasury is the central point to take and manage market risk exposure within the prescribed limit hierarchy.

Operating as an unit under the Risk Management Group, Market Risk Management is responsible for the daily monitoring and reporting functions to ensure that CKWB's market risk exposure is within the prescribed limits.

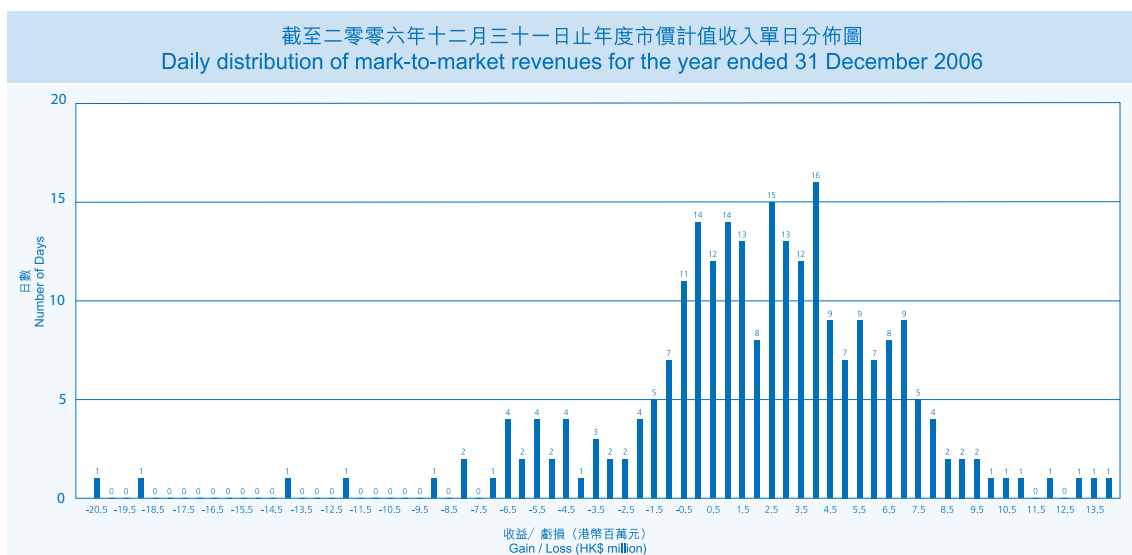
CKWB measures the overall market risk of its trading portfolio in terms of Value-at-Risk (VaR). VaR is a statistical tool to estimate the potential loss of an investment portfolio over a selected time horizon and give a confidence level. CKWB adopts a 99% 1-day VaR and implements historical simulation to compute the VaR figure. The simulating process reflects the historical relationships among different market variables. CKWB's average VaRs for the trading portfolio were HK\$1,740,000 and HK\$1,889,000 for the years ended 31 December 2005 and 31 December 2006, respectively.

(K) 風險管理 (續)**(iii) 市場風險管理 (續)**

截至二零零六年十二月三十一日止年度，本集團進行交易活動和資金投資的平均單日收入為溢利港幣1,736,000元，標準誤差為港幣4,691,000元。下圖為本集團截至二零零六年十二月三十一日止年度單日收入的分佈圖。

(K) Risk Management (cont'd)**(iii) Market risk management (cont'd)**

For the year ended 31 December 2006, the average daily revenue from the Group's trading activities and fund investments was a gain of HK\$1,736,000. The standard deviation of the daily revenue was HK\$4,691,000. The graph below shows a histogram of the Group's daily revenue for the year ended 31 December 2006.



從上圖可見，最高單日收益為港幣13,992,000元及最高單日虧損為港幣20,855,000元。以247個買賣操作天為期，共有174天錄得收益，73天錄得虧損。最常見的單日收入介乎港幣3,500,000元至港幣4,000,000元之間，共出現了16天。

From the graph above, the maximum daily gain was HK\$13,992,000 and the maximum daily loss was HK\$20,855,000. Out of the 247 trading days for the period, there were 174 days with gains and 73 days with losses. The most frequent range of daily revenue was between HK\$3,500,000 and HK\$4,000,000 with the highest occurrence of 16 days.

(K) 風險管理 (續)**(iv) 資本充足管理**

本集團的政策是建立和維持一個雄厚的資本基礎，以支持本集團的業務發展，並符合法定的資本充足比率。如上文附註(A)所披露，本集團於二零零六年十二月三十一日的未經調整資本充足比率為17.09%，遠高於法定最低比率。

本集團的資金是根據各營業實體所承擔的風險分配予各項不同的銀行業務。根據金管局的規定，若干財務附屬公司須受金管局資本要求規限方面的監管。

(v) 外匯風險管理

本集團的外匯風險源自外匯買賣盤、商業交易、外匯證券投資及中信嘉華與其海外分行和附屬公司的營運。中信嘉華的外匯買賣盤限額均須經由資產及負債管理委員會核准。截至二零零六年十二月三十一日止年度，本集團外匯買賣盤的平均單日交易損益為溢利港幣7,000元，標準誤差為港幣264,000元。

(K) Risk Management (cont'd)**(iv) Capital adequacy management**

The Group has structured and maintains a strong capital base to support the development of the Group's businesses and to meet statutory capital adequacy ratios. As disclosed in note (A) above, the Group's unadjusted capital adequacy ratio was 17.09% as at 31 December 2006, well above the statutory minimum ratios.

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

(v) Foreign currency risk management

The Group's foreign exchange risk stems from taking foreign exchange positions, commercial dealings, investments in foreign currency securities and operations of CKWB and its overseas branches and subsidiaries. Foreign exchange positions of CKWB are subject to exposure limits approved by ALCO. For the year ended 31 December 2006, the Group's average daily trading profit and loss from foreign exchange positions was a profit of HK\$7,000 with a standard deviation of HK\$264,000.

(K) 風險管理 (續)**(vi) 利率風險管理**

本集團的利率風險主要來自中信嘉華，而中信嘉華的資產及負債管理委員會負責監控所有由其資產及負債利率組合產生的利率風險。這些利率風險包括到期日差距、息率基點風險、收益率曲線變動、重訂息率風險和內含期權風險(如有)。資產及負債管理委員會通過差距錯配報告、敏感度分析和各種壓力測試來監察中信嘉華的利率風險。為減低利率風險，中信嘉華使用了利率衍生工具(主要是利率掉期)來對可供出售證券及非交易用途負債等資產及負債進行對沖。中信嘉華亦採納了對沖會計原則，以便將可供出售證券／非交易用途負債的公允價值變動，與相應對沖衍生工具互相抵銷。截至二零零六年十二月三十一日止年度，本集團利率倉盤的平均單日交易損益為溢利港幣28,000元，標準誤差為港幣860,000元。

(K) Risk Management (cont'd)**(vi) Interest rate risk management**

The interest rate risk for the Group mainly comes from CKWB. CKWB's ALCO oversees all interest rate risks arising from the interest rate profile of CKWB's assets and liabilities. These interest rate risks are comprised of maturity gaps, basis risks among different interest rate benchmarks, yield curve movements, interest rate re-pricing risks and risks from embedded options, if any. ALCO supervises the interest rate risks of the banking book through gap mismatch reports, sensitivity analyses and various stress testings. To mitigate interest rate risks, CKWB has used interest rate derivatives, mainly interest rate swaps, to hedge both assets and liabilities such as available-for-sale securities ("AFS") and non-trading liabilities ("NTL"). CKWB has also adopted hedge accounting principles, under which the fair value changes of the AFS/NTL securities and the corresponding hedging derivative instruments are offset with each other. For the year ended 31 December 2006, the Group's average daily trading profit and loss from interest rate positions was a profit of HK\$28,000 with a standard deviation HK\$860,000.

(K) 風險管理 (續)**(vii) 其他買賣盤及投資活動**

透過本集團本身、中信嘉華及中信國際資產管理有限公司(「中信國際資產」)，本集團把部分剩餘流動資金投資於海外基金以提升回報。截至二零零六年十二月三十一日止年度，海外基金的收入為平均單日港幣1,706,000元，標準誤差為港幣3,188,000元。本集團的商品和證券收入主要源自中信國際資產，商品(銅和油)錄得平均單日收入港幣6,000元，標準誤差為港幣139,000元。證券則錄得平均單日虧損港幣11,000元，標準誤差為港幣2,340,000元。

本集團的衍生工具倉盤(包括利率和外匯掉期、期貨、外匯遠期和期權合約、股票和商品等)主要來自中信嘉華和中信國際資產。中信嘉華的衍生工具倉盤來自與客戶的交易，以及中信嘉華本身的持倉及對沖活動。中信嘉華涉及的期權衍生工具交易，主要是為滿足客戶對結構性產品的需求。

(viii) 業務操作風險管理

中信嘉華的董事會透過設立信貸及風險管理委員會，以便：

- 知悉其應作為獨立的風險類別加以管理的主要業務操作風險；
- 核准和定期檢討其業務操作風險管理架構；及
- 確保其業務操作風險管理架構已進行有效、全面和獨立的內部審核程序。

(K) Risk Management (cont'd)**(vii) Other trading and investment activities**

The Group, by itself and via CKWB and CITIC International Assets Management Limited ("CIAM"), has invested part of its excess liquidity into external funds to enhance the return. For the year ended 31 December 2006, the average daily revenue from these funds was a gain of HK\$1,706,000 with a standard deviation of HK\$3,188,000. The Group's commodity and equity trading revenues were mainly from CIAM. Commodity trading (copper and oil) had an average daily gain of HK\$6,000 with a standard deviation of HK\$139,000, whereas equity trading had an average daily loss of HK\$11,000 with a standard deviation of HK\$2,340,000.

The Group's derivatives trading positions, including interest rate and foreign exchange swaps, as well as futures, forwards and options in foreign exchange, equities and commodities, are mainly from CKWB and CIAM. CKWB's derivatives trading activities stem from customer transactions as well as position taking and hedging. Option derivative transactions of CKWB mainly come from customers' demands for structured products.

(viii) Operational risk management

CKWB's Board of Directors through the establishment of Credit & Risk Management Committee ("the CRMC"):

- be aware of the major aspects of CKWB's operational risks as a distinct risk category that should be managed;
- approve and periodically review CKWB's operational risk management framework; and
- ensure that CKWB's operational risk management framework is subject to effective, comprehensive and independent internal audit.

(K) 風險管理 (續)**(viii) 業務操作風險管理 (續)**

中信嘉華的高級管理層透過設立業務操作及控制委員會，以確保：

- 業務操作風險管理方面的策略、政策、程序、監察和控制的充足度；
- 確定、評估、監察和控制業務操作風險所用的業務操作風險管理流程的充足度；
- 業務操作風險減低工作的效益，以及突發事件應變和業務延續計劃的素質；及
- 內部檢討和業務操作風險審核的充足度，以及業務操作風險披露工作的充足度。

風險管理部透過設立業務操作風險管理部門，以便：

- 協調中信嘉華內部的業務操作風險管理活動，並且以獨立和集中的職能管理這些風險，包括(如有必要)按照業務操作及控制委員會的授權，對業務操作風險和控制限額作出核准；
- 就業務操作風險管理和控制，設立中信嘉華整體上適用的政策和程序；及
- 確保個別業務類別和職能所用的業務操作風險評估工具和匯報系統在設計和實施方面的充足度。

(K) Risk Management (cont'd)**(viii) Operational risk management (cont'd)**

CKWB's senior management through the establishment of Operations & Control Committee ("the OCC") to ensure:

- adequacy of strategies, policies, procedures, monitoring and control for managing operational risk;
- adequacy of operational risk management process in identifying, assessing, monitoring and controlling operational risk;
- effectiveness of operational risk mitigation efforts and quality of disaster recovery as well as business continuity plans; and
- adequacy of internal review and audit of operational risk as well as sufficiency of public disclosure in relation to operational risk.

Risk Management Group ("RMG") through the establishment of Operational Risk Management Section:

- to coordinate operational risk management activities across CKWB and manage these risks as an independent, centralized function, including approval of operational risk and control limits under authorities delegated by the OCC where necessary;
- to set bank-wide policies and procedures in relation to operational risk management and control; and
- to ensure adequacy of design and implementation of operational risk assessment methodology tool and reporting system within individual business lines and functional units.

(K) 風險管理 (續)**(viii) 業務操作風險管理** (續)

現時，中信嘉華透過不同的方法管理業務操作風險，例如：

- 每年複核及更新業務操作及科技政策和程序手冊，以確保所有程序皆經過充分的考慮和界定。
- 制定人力資源政策及執行守則，以界定員工正確的營運工作行為並加以鼓勵，並且確保員工擁有所需的資歷和培訓。
- 評估新產品和服務，以確保以該新產品或服務在推出前能充分得到相關員工、程序及技術上的支援。
- 每年設定和測試重大突發事件的應變和業務延續計劃。測試事項包括如因失火或其他事項所導致的資料庫嚴重故障、業務操作地點倒塌及由市場傳聞或其他原因而引致的突然大規模擠提等。

中信國際資產的營運風險管理主要由一個受高級管理層督導的獨立監控小組負責，並須接受本集團的內部審核。中信國際資產的主要政策、程序及限額均列載在多份手冊中，以確保業務的延續性，以及為各種突發事件作準備。該小組亦致力確保有關投資及資產管理的決定獲正確執行，並就此作定期匯報。同時，小組亦持續檢討及監控所投資資產的發展情況及表現，並將資料存放在資料庫中及複製備份。中信國際資產亦逐步增聘人手及提升技能，藉以強化業務操作。

(K) Risk Management (cont'd)**(viii) Operational risk management** (cont'd)

The Group currently manages its operational risk through a number of ways:

- Operations and technology policies and manuals are developed and reviewed annually to ensure processes are adequately considered and defined.
- Human resources policies and practices are established to define and encourage proper staff behaviour, and to ensure that staff are qualified and trained for their roles.
- New products and services are evaluated to ensure that staff, processes, and technology can adequately support prior to launching.
- Disaster recovery and business continuity plans are set up and tested annually for major events such as major failure of data centre caused by fire or other events; loss of operating site and sudden and massive customer withdrawal due to market rumors or other reasons.

CIAM's operational risk management is overseen by an independent control team under the supervision of its senior management and assessed by internal audit of the Group. Major policies, procedures and control have been well documented in respective manuals and handbooks to ensure business continuity and to provide for contingencies. Continual review and progress monitoring on the performance of invested assets are ready in place, being maintained in data base and properly backed up. Regular reporting has been made for ensuring proper and effective implementation of investment and asset management decisions. Dedicated workforce is being gradually expanded and technical capabilities being trained up to strengthen the daily operations.

(K) 風險管理 (續)**(ix) 法律風險管理**

本集團緊貼所有適用於其管治及營運的最新法律和監管規定，不斷致力培育員工，以及提升系統和程序，以建立警覺意識和推行必要的變動。本集團亦經常就政策和程序進行檢討。一如以往，二零零六年度本集團法律風險管理的其中一個重點，是為員工就本集團政策、程序及適用的相關法例及規則方面進行持續的培訓，這亦會是二零零七年度的工作重點。

本集團的首席法律總監及合規主任（「法律合規人員」）在集團的運作扮演著極為重要的角色，並為各部門提供法律與合規的意見及支援。在二零零六年，法律及合規人員積極參與集團重要的策略性交易及商業合約，以及為集團處理其遍及不同地域及範疇商業活動的日常事務。在二零零七年，我們將繼續支持法律及合規人員，發揮其在集團肩負重要任務的功能。

(x) 策略及聲譽風險管理

為求與不斷變化的營運及監管環境同步並進，本集團董事會認為當前要務是確保能妥善制定及執行業務和營運策略，並以專業手法及按合適時機進行。本集團致力保護集團的聲譽和充分善用品牌資產。管理委員會定期開會，監察和管理本集團的策略及聲譽風險，並負責執行董事會通過的政策，以識別及評估上述風險，以及改善監控。

(K) Risk Management (cont'd)**(ix) Legal risk management**

The Group remains abreast of all legal and regulatory requirements applicable to its governance and operations, and continuously seeks to develop its people, to enhance its systems and processes to create awareness and to implement necessary change. Policies and procedures remain under constant review. Continuous training of our people in the areas of the Group's policies and procedures as well as applicable laws, rules and regulations remained key to the management of the Group's legal risks in 2006, as in previous years, and will continue to be vital in 2007.

The General Counsel and Compliance Officer of the Group ("Legal and Compliance") have played an important role to the Group in providing legal and compliance advice and support to all parts of the Group. In 2006, Legal and Compliance were actively involve in strategically important transactions and commercial agreements as well as day-to-day matters arising from the business that is diverse both geographically and in scope. In 2007, we will continue to support Legal and Compliance as a critical mission-important function of the Group.

(x) Strategic and reputational risks management

In order to keep pace with the ever-evolving operating and regulatory environment of the Group, the Board places a high priority on ensuring that our business and operational strategies are appropriately defined and executed in a professional and time-relevant manner. Great care is taken to protect our reputation and maximise our brand equity. The Management Committee of the Group meets regularly to monitor and manage the Group's strategic and reputational risks, and is responsible for enforcing high-level policies approved by the Board to identify and assess such risks, as well as to improve controls.



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