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中信國際金融控股有限公司

CITIC INTERNATIONAL FINANCIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 183)

ANNOUNCEMENT PURSUANT TO RULE 13.09

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules in relation to the capital plan for CKWB, raising of CKWB's capital, expansion of CKWB's banking business and general outlook.

This announcement is made by CITIC International Financial Holdings Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Capital Plan for CITIC Ka Wah Bank Limited ("CKWB" or the "Bank")

At the recent meeting of the Board of Directors of the Company (the "Board") held on 16 November 2007, the Board unanimously approved a capital plan for its wholly-owned subsidiary, CKWB, to support the Bank's organic growth as well as its expansion plans in China and regionally.

Raising of Capital

Loan and Capital Injection

The Board approved the obtaining of a loan of up to HK\$2.5 billion by the Company for the purpose of injecting the net proceeds from any such loan into the Bank as capital for funding the expansion of the Bank's banking business and for funding general corporate purposes. The new capital will strengthen the Bank's core capital ratio and total capital adequacy ratio, which stood at 8.8% and 15.3%, respectively, as at 30 June 2007.

The Company is confident that the capital injection will provide a solid capital base for the Bank's planned future growth.

Medium Term Note Programme

The Bank's Board of Directors approved the establishment of a medium term note programme (the "Programme") on 26 November 2007. The Programme will give the Bank added flexibility to tap the capital markets over the life of the Programme. The net proceeds of the Programme will be applied by the Bank for funding the expansion of the Bank's banking business and general corporate purposes.

Expansion of CKWB's Banking Business

Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA")

The partnership with BBVA discussed in previous announcements is one of the strategic building blocks in the establishment of a regional wholesale banking platform for the Bank. Further to the Company's announcements dated 23 November 2006 and 24 July 2007, the Company and BBVA are making steady progress in the second-stage discussions under the memorandum of understanding dated 22 November 2006, which covered a possible equity increase by BBVA, business cooperation and business transfer. Further announcement will be made to update the market on or before 22 December 2007.

China Banking

In its 2007 interim report, the Company reported that the Bank's wholly-owned subsidiary, China International Finance Company Limited (Shenzhen), received formal approval from the China Banking Regulatory Commission to prepare for its restructuring to establish a foreign-invested locally-incorporated bank in mainland China. The restructuring is complete and CKWB is waiting for final approval from the relevant China authorities. The new bank will be named CITIC Ka Wah Bank (China) Limited ("CKWB China") and will be headquartered in Shenzhen with branches in Shanghai and Beijing. CKWB China will serve as the business platform for the Bank's China strategy, which is to provide total banking and financing solutions to customers with cross-border needs into or out of China, and it will initially offer RMB wholesale banking services and related treasury services to mainland China and cross-border corporate clientele. It will also play an important role in offering a flexible structure on which to explore collaborative opportunities with China CITIC Bank and BBVA in China.

General Outlook

With the expansion of its banking business as set out above, the Company continues to build on its core banking business as it steadily creates an international financial services franchise. The capital planning described is one further step in the implementation of the Company's strategic business development plan laid down in 2005, which adopts a two-pronged approach of strengthening its core business capabilities while creating a business framework that can fully leverage the CITIC international financial services brand.

In the latter half of 2007, the global financial services market has faced challenges as global investors have become concerned about investments associated with asset-backed paper, due largely to their association with the U.S. sub-prime mortgage market. By way of information to shareholders of the Company and potential investors, the Bank has invested US\$290 million and Euro40 million (or equivalent to an aggregate of approximately US\$340 million) in the capital notes of four separate independently managed structured investment vehicles or SIVs, which invest largely in diversified high grade portfolios.

The Bank first invested in the capital notes of SIVs in 2004 and is now holding approximately US\$340 million in total investments in these instruments. The Bank confirms that it has not increased its exposure in SIV investments in the past year, and that its current portfolio breakdown is as follows:

SIV Name	Established & Managed by	Investment	Current Rating
Victoria Finance Ltd.	Ceres Capital Partners, LLC	US\$120M	Caa3 Stable [#]
Beta Finance Corporation	Citibank International Plc	US\$120M	Baa1 Negative watch*
Five Finance Corporation	Citibank International Plc	US\$10M	BBB+ Stable**
		Euro40M	BBB+ Stable**
Whistlejacket Capital Ltd.	Standard Chartered Bank	US\$40M	Baa2 Negative watch*

* *Rating by Moody's.*

** *Rating by Standard & Poor's.*

Victoria Finance Ltd. has been restructured since the above rating (see below).

On 21 November 2007, Moody's issued a press release announcing the lowering of the Bank's credit rating to Baa2, which was the Bank's rating prior to 8 May 2007. According to the press release, the downgrading at this particular time follows "Moody's recent rating actions on SIVs, including downgrading certain SIV's capital notes."

The downgrade of certain SIV's capital notes has largely been a function of the insufficient liquidity in the short-term lending markets to finance the long-term investments held by these and other SIVs which has caused or has led to the prospect of SIVs being forced to sell assets at distressed sale prices.

Moody's press release also stated "the bank has some HK\$4.6 billion invested in SIVs and other alternative investments, representing 82% of its fund investments portfolio and 67% of Tier 1 capital.". The Company confirms that the Bank's alternative investments portfolio, mainly consisting of funds of hedge funds investments, has delivered healthy returns year-to-date. The Bank's SIV portfolio accounted for approximately 16.8% of the Bank's total investment portfolio, which consists of the fund investments portfolio and a high grade fixed rate and floating rate debt securities portfolio, and approximately 34.4% of the Bank's share capital.

Moody's press release goes on to state that "if current market conditions prevail, CKWB could have to absorb impairment charges related to its SIVs possibly equivalent to a full year's earnings We have assumed that the capital notes of SIVs rated Caa1 or below may have no value, and haircut all better-rated SIV capital notes by 25% to reflect recent observed average net asset values of major SIVs.". The final impairment charges covering the SIVs has not yet been determined.

A restructuring of Victoria Finance Ltd. ("Victoria") was completed on 23 November 2007. Farmington Finance Ltd. ("Farmington") is a new vehicle created with long-term funding under the restructuring. CKWB exchanged its US\$120 million capital note in Victoria with a US\$120 million capital note issued by Farmington, which is not a SIV but a fully funded vehicle. The fully funded nature of Farmington will immediately stem the pressure of financing in the asset backed commercial paper market and the need to sell assets. Standard & Poor's has rated the long-term funding obtained by Farmington as "AAA" and US\$114 million of the new Farmington capital note given in exchange for the original Victoria capital note as "BBB". The remaining US\$6 million will have no rating.

The three other SIVs in which the Bank holds capital notes have funding in place through to the end of 2007, and the Company is aware of plans already being discussed to address the next steps.

Having taken into account all of the above comments, the restructuring of Victoria, the momentum of the Bank's core business and that for the Company's associates to date, the Company's results and performance in the current financial year remain broadly in line with current market analyst expectations.

The Company is closely monitoring CKWB's investment in SIVs. To the extent appropriate, further announcements will be made in accordance with the Listing Rules.

By Order of the Board
CITIC International Financial Holdings Limited
Kyna Y. C. Wong
Company Secretary

Hong Kong, 26 November 2007

As at the date of this announcement, the Chairman of the Company is Mr. Kong Dan; the Vice Chairman of the Company is Mr. Chang Zhenming; the executive directors of the Company are Mr. Dou Jianzhong, Mrs. Chan Hui Dor Lam Doreen, Mr. Lo Wing Yat Kelvin, Mr. Roger Clark Spyer and Mr. Zhao Shengbiao; the non-executive directors of the Company are Mr. Jose Barreiro, Mr. Chen Xiaoxian, Mr. Fan Yifei, Mr. Feng Xiaozeng, Mr. Manuel Galatas, Mr. Ju Weimin, Mr. Liu Jifu and Mr. Wang Dongming; and the independent non-executive directors of the Company are Mr. Rafael Gil-Tienda, Mr. Lam Kwong Siu and Mr. Tsang Yiu Keung Paul.