

## DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited accounts of International Bank of Asia Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2000.

### PRINCIPAL ACTIVITIES

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

### SUBSIDIARIES

Particulars of the Bank's principal subsidiaries at 31 December 2000 are set out in Note 17 to the accounts.

### COMPLIANCE

The Bank has complied throughout the year with the Code of Best Practice as set out by the Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules.

In addition, the accounts on pages 32 to 70 comply, in all material respects, with the Guideline "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority.

### RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2000 is set out in the consolidated profit and loss account on page 32. The State of the Bank's and the Group's affairs are set out in the accounts on pages 32 to 70.

During the year the Bank paid an interim dividend of 3.00 cents per ordinary share, totaling HK\$35,164,800 (1999: HK\$23,443,000). The Directors recommended the payment of a final dividend of 5.00 cents per ordinary share, totaling HK\$58,608,000 (1999: HK\$35,164,800).

### DIRECTORS

The Directors in office during the year were:

Sheikh Ali Jarrah Al-Sabah

Mohammad M. Murad

Poon Kwok Lim, Steven

Michael K. Ipson

(Resigned on 26 April 2000)

Bachar Samra

(Elected on 26 April 2000)

Shao Zhengkang

Robert James Kenrick

So Yiu Cho, James

Eissa Mohamed Al Suwaidi

Taher D. Makkiyah

Guo You

### ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Mr. Steven Kwok Lim Poon retires and being eligible, offers himself for re-election. Sheikh Ali Jarrah Al-Sabah and Mr. Shao Zhengkang both retire in accordance with the same Article 81 but will not offer themselves for re-election.

### DIRECTORS' INTERESTS IN SHARES

None of the Directors has any interest in, or rights to subscribe for the share capital of the Bank or any associated corporation.

At no time during the year was the Bank or its subsidiaries or its holding company or any of its fellow subsidiaries a party to any arrangements to enable the Directors or chief executive of the Bank, 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 Bank, or any other corporation.

### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Bank which is not determinable by the Bank within one year without payment of compensation, other than normal statutory obligations.

### DIRECTORS' INTERESTS IN CONTRACTS

Except as disclosed in Note 27(b), no contract of significance in relation to the Bank's business to which the Bank or any of its subsidiaries, holding company or fellow subsidiaries was a party and in which the Directors of the Bank had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### SUBSTANTIAL SHAREHOLDERS

At 31 December 2000, the register of substantial shareholders showed that the Bank had been notified of the following interests, being 10% or more of the Bank's issued share capital.

	<b>Ordinary shares HK\$1 each</b>	<b>Percentage of of total shareholding</b>
Arab Banking Corporation (B.S.C.)	644,688,000	55
Tendai Limited (wholly owned subsidiary of China Everbright Limited)	234,432,000	20

### PURCHASE, SALE OR REDEMPTION OF SHARES

The Bank has not redeemed any of its shares during the year. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's shares during the year.

### **FIXED ASSETS**

Movements in fixed assets of the Bank and the Group are set out in Note 18 to the accounts.

### **DONATIONS**

Donations made by the Group for charitable purposes during the year amounted to HK\$532,965 (1999: HK\$673,953).

### **AUDITORS**

The accounts have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

**Sheikh Ali Jarrah Al-Sabah**

*Director*

Hong Kong, 24 February 2001