

# DIRECTORS' REPORT

## DIRECTORS - continued

Mr Tatsuo Tanaka (who was appointed a non-executive director on 16 August 2001), Mr Lau Wai Man and Mr Frank Shui Sang Jin (who were both appointed executive directors on 16 August 2001) shall retire and offer themselves for re-election at the forthcoming annual general meeting in accordance with Article 85 of the Bank's Articles of Association. Executive director Nam Lee Yick resigned on 18 July 2001. Non-executive director Ryoichi Kato resigned on 16 August 2001 and non-executive director Nobuyoshi Iijima resigned on 29 November 2001. Non-executive director Liu Lit To passed away on 21 February 2001.

Article 101 of the Bank's Articles of Association stipulates that, among other things, one-third of the directors for the time being, who have been longest in office since their last election, shall be subject to retirement by rotation and re-election at each annual general meeting. Accordingly, Mr Liu Lit Man, Mr Liu Lit Mo, Mr Liu Lit Chi, Mr Wanchai Chiranakhorn and Mr Wilfred Chun Ning Liu shall retire and offer themselves for re-election at the forthcoming annual general meeting.

No director proposed for re-election at the forthcoming annual general meeting has a service contract, which is not determinable by the Bank within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2001, the interests of the directors in the securities of the Bank and its associated corporations, within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), as recorded in the register maintained by the Bank pursuant to Section 29 of the SDI Ordinance, were as follows:

| Name                 | Number of Ordinary Shares Held |                  |   | Total       |
|----------------------|--------------------------------|------------------|---|-------------|
|                      | Personal Interests             | Family Interests | Corporate Interests                       |             |
| Liu Lit Man          | 3,447,928                      | —                | 236,233,628<br><i>Note (1)</i>            | 239,681,556 |
| Liu Lit Mo           | 1,009,650                      | —                | 236,233,628<br><i>Note (1)</i>            | 237,243,278 |
| Liu Lit Chi          | 313,248                        | —                | 238,496,839<br><i>Notes (1) &amp; (2)</i> | 238,810,087 |
| Peter A L Vine       | 1,200                          | —                | —   | 1,200       |
| Robin Y H Chan       | 48,400                         | —                | 1,018,000<br><i>Note (3)</i>              | 1,066,400   |
| Timothy G Freshwater | 396                            | —                | —   | 396         |
| Liu Lit Chung        | 173,000                        | —                | 236,233,628<br><i>Note (1)</i>            | 236,406,628 |
| Andrew Liu           | 60,000                         | —                | —   | 60,000      |
| Chang Ying Kuang     | 264                            | —                | —   | 264         |
| Dominic B H Lam      | 100,000                        | 600              | —   | 100,600     |
| Don T S Liu          | 15,000                         | —                | —   | 15,000      |

## DIRECTORS' INTERESTS IN SECURITIES - continued

### Notes:

- (1) 236,233,628 shares in the Bank are attributed as follows:
  - (i) 196,233,628 shares held by public listed Liu Chong Hing Investment Limited's wholly-owned subsidiary, Liu Chong Hing Estate Company, Limited ("Liu Chong Hing Estate"), in which each of Messrs Liu Lit Man, Liu Lit Mo, Liu Lit Chi and Liu Lit Chung is deemed under the SDI Ordinance to be interested through Liu's Holdings Limited, a private company holding approximately 45 percent of Liu Chong Hing Investment Limited's issued and fully-paid share capital; and
  - (ii) 40,000,000 shares held by The Bank of Tokyo-Mitsubishi, Ltd. ("Bank of Tokyo-Mitsubishi"). Pursuant to an agreement in 1994, Bank of Tokyo-Mitsubishi has granted an option to Liu Chong Hing Estate exercisable at any time during the term of that agreement to purchase all such shares and Bank of Tokyo-Mitsubishi is required to offer to sell all such shares to Liu Chong Hing Estate in certain circumstances. By virtue of the interests of Messrs Liu Lit Man, Liu Lit Mo, Liu Lit Chi and Liu Lit Chung in Liu Chong Hing Estate through Liu's Holdings Limited, each of them is deemed under the SDI Ordinance to be interested in such shares.
- (2) 2,263,211 shares in the Bank are held by Alba Holdings Limited, shareholders of which include Mr Liu Lit Chi and his associates. Accordingly, Mr Liu Lit Chi is deemed under the SDI Ordinance to be interested in such shares.
- (3) 1,018,000 shares in the Bank are held collectively by Bangkok Mercantile (HK) Company Limited and United Asia Company Limited. These corporations or their directors are accustomed to acting in accordance with Dr Robin Y H Chan's directions or instructions.

Other than those interests disclosed above and certain nominee shares in subsidiaries held by directors in trust for the Bank, as at 31 December 2001, none of the directors and the chief executive, nor their respective associates, had any interests in any securities of the Bank and its associated corporations as defined in the SDI Ordinance, and none of the directors and the chief executive, nor their respective spouses and children under 18 years of age, had been granted any rights to subscribe for the securities of the Bank, much less had any such rights exercised.

# DIRECTORS' REPORT

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2001, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that, other than the interests disclosed above in respect of certain directors, the following shareholders had an interest of 10% or more in the securities of the Bank:

| Name                                   | Number of Ordinary Shares Held | %     |
|--|--------------------------------|-------|
| Liu Chong Hing Estate Company, Limited | 196,233,628<br><i>Note (1)</i> | 45.11 |
| Liu Chong Hing Investment Limited      | 196,233,628<br><i>Note (1)</i> | 45.11 |
| Liu's Holdings Limited                 | 196,233,628<br><i>Note (1)</i> | 45.11 |
| Bauhinia 97 Ltd                        | 87,000,000<br><i>Note (2)</i>  | 20.00 |
| COSCO Pacific Limited                  | 87,000,000<br><i>Note (2)</i>  | 20.00 |
| COSCO (Hong Kong) Group Limited        | 87,000,000<br><i>Note (2)</i>  | 20.00 |
| China Ocean Shipping (Group) Company   | 87,000,000<br><i>Note (2)</i>  | 20.00 |

### Notes:

- (1) These interests are the same as those of certain directors disclosed above under the heading "DIRECTORS' INTERESTS IN SECURITIES" Note (1)(i). Liu Chong Hing Estate Company, Limited is a wholly-owned subsidiary of Liu Chong Hing Investment Limited, a public company listed on The Stock Exchange of Hong Kong Limited. Liu's Holdings Limited, a private company, had interest in about 45 percent of Liu Chong Hing Investment Limited's issued and fully-paid share capital. The references to the 196,233,628 shares concerned all relate to the same block of 196,233,628 shares registered in the name of Liu Chong Hing Estate Company, Limited.
- (2) China Ocean Shipping (Group) Company is the holding company of COSCO (Hong Kong) Group Limited, which is in turn the holding company of COSCO Pacific Limited, a public company listed on The Stock Exchange of Hong Kong Limited. The references to the 87,000,000 shares in question all relate to the same block of 87,000,000 shares registered in the name of Bauhinia 97 Ltd, which is a company wholly-owned by COSCO Pacific Limited.

Other than those interests disclosed above under the SDI Ordinance, the Bank had not been notified of any other interests representing 10% or more in the securities of the Bank as at 31 December 2001.