

# DIRECTORS' REPORT

## DIRECTORS - continued

Mr Christopher Kwun Shing Liu (who was appointed a non-executive director on 11 July 2002), Mr Sun Jiakang (who was appointed a non-executive director on 21 November 2002), Mr Alfred Cheuk Yu Chow (who was appointed an independent non-executive director on 12 February 2003) 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. Non-executive director Liu Lit Chung resigned on 11 July 2002 and non-executive director Shi Qin resigned on 21 November 2002.

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 Peter Alan Lee Vine, Dr Robin Yau Hing Chan, Mr Timothy George Freshwater, Mr Andrew Liu and Mr Dominic Bing Hoi Lam will retire and offer themselves for re-election at the forthcoming annual general meeting. Mr Chang Ying Kuang, who is also subject to retirement by rotation at the forthcoming annual general meeting, will, however, not offer himself for re-election.

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 2002, 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 <i>Note (1)</i>	239,681,556
Liu Lit Mo	1,009,650	—	236,233,628 <i>Note (1)</i>	237,243,278
Liu Lit Chi	313,248	—	238,496,839 <i>Notes (1) &amp; (2)</i>	238,810,087
Don T S Liu	15,000	—	—	15,000
Peter A L Vine	1,200	—	—	1,200
Robin Y H Chan	48,400	—	1,018,000 <i>Note (3)</i>	1,066,400
Timothy G Freshwater	396	—	—	396
Andrew Liu	60,000	—	—	60,000
Chang Ying Kuang	264	—	—	264
Dominic B H Lam	100,000	600	—	100,600

## 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 and Liu Lit Chi 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 and Liu Lit Chi 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 2002, 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 2002, 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 percent or more in the securities of the Bank:

Name	Number of Ordinary Shares Held	%
Liu Chong Hing Estate Company, Limited	196,233,628 <i>Note (1)</i>	45.11
Liu Chong Hing Investment Limited	196,233,628 <i>Note (1)</i>	45.11
Liu's Holdings Limited	196,233,628 <i>Note (1)</i>	45.11
Bauhinia 97 Ltd	87,000,000 <i>Note (2)</i>	20.00
COSCO Pacific Limited	87,000,000 <i>Note (2)</i>	20.00
COSCO (Hong Kong) Group Limited	87,000,000 <i>Note (2)</i>	20.00
China Ocean Shipping (Group) Company	87,000,000 <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 percent or more in the securities of the Bank as at 31 December 2002.