

ADDITIONAL INFORMATION

Directors' interests

As at 30 June 2003 the interests of the Directors in the shares, underlying shares of equity derivatives and debentures of the Bank and its associated corporations (all within the meaning of Part XV of the Securities and Futures Ordinance "SFO") disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") were detailed below.

	Personal Interests (held as beneficial owner)	Family Interests (Interests of spouse or child under 18)	Corporate Interests (Interests of controlled corporation)	Other Interests	Total Interests	Total Interests as % of the relevant issued share capital
Number of Ordinary Shares of HK\$5 each in the Bank						
The Honourable Lee Quo-Wei	1,091,516	1,184,783	350,990 ⁽¹⁾	158,152 ⁽²⁾	2,785,441	0.15
Mr D G Eldon	300	–	–	–	300	0.00
Mr John C C Chan	–	–	–	1,000 ⁽³⁾	1,000	0.00
Dr Ho Tim	3,480,252	–	–	–	3,480,252	0.18
Mr Roger K H Luk	1,983	2,500	–	–	4,483	0.00
Mr W K Mok	1,625	–	–	–	1,625	0.00

Number of Ordinary Shares of US\$0.50 each in HSBC Holdings plc

The Honourable Lee Quo-Wei	1,756,001	1,387,058	77,604 ⁽¹⁾	1,698,906 ⁽²⁾	4,919,569	0.00
Mr D G Eldon	45,331 ⁽⁴⁾	889	–	284,438 ⁽⁷⁾	330,658	0.00
Mr Vincent H C Cheng	34,874	49,620	–	155,669 ⁽⁷⁾	240,163	0.00
Mr John C C Chan	14,283	–	–	3,000 ⁽³⁾	17,283	0.00
Mr S J Glass	255	8,188	–	53,583 ⁽⁷⁾	62,026	0.00
Dr Ho Tim	102,687	–	–	–	102,687	0.00
Mr Jenkin Hui	9,311	24,342	1,031,639 ⁽⁵⁾	–	1,065,292	0.00
Dr the Hon Eric K C Li	–	18,132	79,622 ⁽⁶⁾	–	97,754	0.00
Mr Roger K H Luk	53,279	2,400	–	65,277 ⁽⁷⁾	120,956	0.00
Mr W K Mok	–	–	–	61,732 ⁽⁷⁾	61,732	0.00
Mr Raymond C F Or	62,560	31,877	–	153,573 ⁽⁷⁾	248,010	0.00

Notes:

- (1) The Honourable and Mrs Lee Quo-Wei together were entitled to control 33.33% of the voting power at general meetings of a private company which beneficially held all of those shares referred to above as his corporate interests.
- (2) 1,633,660 shares in HSBC Holdings plc were held by a charitable foundation which is exempt from tax under section 88 of the Inland Revenue Ordinance and of which The Honourable and Mrs Lee Quo-Wei were members of the Board of Trustees. 158,152 shares in the Bank and 65,246 shares in HSBC Holdings plc were held by two trusts of which Mrs Lee was one of the two trustees. Neither The Honourable Lee Quo-Wei nor Mrs Lee was a beneficiary of the shareholdings mentioned in this note.
- (3) 1,000 shares in the Bank and 3,000 shares in HSBC Holdings plc were held by a trust of which Mr and Mrs John C C Chan were beneficiaries.
- (4) These shares are jointly held by Mr and Mrs D G Eldon.
- (5) Mr Jenkin Hui was entitled to fully control the voting power at general meetings of Parc Palais Incorporated, a private company, which beneficially held all of those shares referred to above as his corporate interests.
- (6) Dr the Hon Eric K C Li was entitled to control no less than one-third of the voting power at general meetings of a private company which beneficially held all of those shares referred to above as his corporate interests.
- (7) These represent interests in (i) options granted to Directors under the HSBC share plans to acquire ordinary shares of US\$0.50 each in HSBC Holdings plc and (ii) conditional awards of shares under the HSBC Holdings plc Restricted Share Plan made in favour of Directors and held by a trust for ordinary shares of US\$0.50 each in HSBC Holdings plc, as set against their respective names below:

	<i>Options (please refer to the options table below for details)</i>	<i>Conditional awards of shares under the HSBC Holdings plc Restricted Share Plan</i>	<i>Total</i>
<i>Mr D G Eldon</i>	–	284,438	284,438
<i>Mr Vincent H C Cheng</i>	3,070	152,599	155,669
<i>Mr S J Glass</i>	41,348	12,235	53,583
<i>Mr Roger K H Luk</i>	2,927	62,350	65,277
<i>Mr W K Mok</i>	3,126	58,606	61,732
<i>Mr Raymond C F Or</i>	23,994	129,579	153,573

At 30 June 2003, The Honourable Lee Quo-Wei had a family interest (i.e. interest of spouse) in HK\$2,500,000 Subordinated Collared Floating Rate Notes 2003 issued by The Hongkong and Shanghai Banking Corporation Limited.

At 30 June 2003, the undermentioned Directors held unlisted physically settled options to acquire the number of ordinary shares of US\$0.50 each in HSBC Holdings plc set against their respective names. These options were granted for nil consideration by HSBC Holdings plc.

	Options held at 30 June 2003	Options exercised during the first half of the year (ordinary shares of US\$0.50 each)	Exercise price per share in pence	Date granted	Exercisable from	Exercisable until
Mr D G Eldon	–	36,000 ⁽¹⁾	217.27	7 Mar 1995	7 Mar 1998	7 Mar 2005
	–	40,500 ⁽¹⁾	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
Mr Vincent H C Cheng	3,070	–	534.96	8 May 2003	1 Aug 2008	31 Jan 2009
Mr S J Glass	17,550	–	637.54	29 Mar 1999	3 Apr 2002	29 Mar 2009
	6,500	–	746.00	3 Apr 2000	3 Apr 2003	3 Apr 2010
	7,500	–	871.20	23 Apr 2001	23 Apr 2004	23 Apr 2011
	7,000	–	840.50	7 May 2002	7 May 2005	7 May 2012
	2,798	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006
	<u>41,348</u>					
Mr Roger K H Luk	1,248	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
	1,679	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006
	<u>2,927</u>					
Mr W K Mok	3,126	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
Mr Raymond C F Or	21,000	–	627.67	16 Mar 1998	16 Mar 2001	16 Mar 2008
	1,875	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
	1,119	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006
	<u>23,994</u>					

Note:

(1) At the date of exercise, 27 May 2003, the highest price per share was 712p.

All the interests stated above represent long positions. As at 30 June 2003, no short positions were recorded in the Register of Directors' and Chief Executives' Interests and Short Positions required to be kept under section 352 of the SFO.

Other than those disclosed above, no right to subscribe for equity or debt securities of the Bank has been granted by the Bank to, nor have any such rights been exercised by, any person during the half year ended 30 June 2003.

Substantial interests in share capital

The register maintained by the Bank pursuant to the SFO recorded that, as at 30 June 2003, the following corporations had interests (as defined in that Ordinance) in the Bank set opposite their respective names:

Name of Corporation	Number of Ordinary Shares of HK\$5 each in the Bank (Percentage of total)
The Hongkong and Shanghai Banking Corporation Limited	1,188,057,371 (62.14%)
HSBC Asia Holdings BV	1,188,057,371 (62.14%)
HSBC Asia Holdings (UK)	1,188,057,371 (62.14%)
HSBC Holdings BV	1,188,057,371 (62.14%)
HSBC Finance (Netherlands)	1,188,057,371 (62.14%)
HSBC Holdings plc	1,188,386,548 (62.16%)

The Hongkong and Shanghai Banking Corporation Limited is a wholly-owned subsidiary of HSBC Asia Holdings BV, which is a wholly-owned subsidiary of HSBC Asia Holdings (UK), which in turn is a wholly-owned subsidiary of HSBC Holdings BV. HSBC Holdings BV is a wholly-owned subsidiary of HSBC Finance (Netherlands), which in turn is wholly-owned by HSBC Holdings plc. Accordingly, The Hongkong and Shanghai Banking Corporation Limited's interests are recorded as the interests of HSBC Asia Holdings BV, HSBC Asia Holdings (UK), HSBC Holdings BV, HSBC Finance (Netherlands) and HSBC Holdings plc.

The Directors regard HSBC Holdings plc to be the beneficial owner of 1,188,057,371 ordinary shares in the Bank (62.14%).

All the interests stated above represent long positions. As at 30 June 2003, no short positions were recorded in the Register of Interests in Shares and Short Positions required to be kept under section 336 of the SFO.

Purchase, sale or redemption of the Bank's listed securities

During the six months ended 30 June 2003, there was no purchase, sale or redemption by the Bank, or any of its subsidiaries, of the Bank's listed securities.

Remuneration and staff development

There have been no material changes to the information disclosed in the Annual Report 2002 in respect of the remuneration of employees, remuneration policies and staff development.

Code of best practice

None of the Directors is aware of information that would reasonably indicate that the Bank is not, or was not for any part of the accounting period for the first half of 2003, in compliance with the Code of Best Practice adopted by the Bank, which includes all the guidelines set out in Appendix 14 of the Listing Rules.

Recommendations on interim financial disclosure by authorised institutions incorporated in Hong Kong

The information in the interim report for the half year ended 30 June 2003 complies with the module on “Interim Financial Disclosure by Locally Incorporated Authorised Institutions” under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority in November 2002.

Hong Kong Statement of Standard Accounting Practice 25 “Interim Financial Reporting” (“HKSSAP 25”)

The information in the interim report for the half year ended 30 June 2003 complies with HKSSAP 25.

Register of shareholders

The Register of Shareholders of the Bank will be closed on Tuesday, 26 August 2003 and Wednesday, 27 August 2003, during which no transfer of shares can be registered. In order to qualify for the first interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Bank’s Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4.00 pm on Monday, 25 August 2003. The first interim dividend will be payable on Thursday, 4 September 2003 to shareholders on the Register of Shareholders of the Bank on Wednesday, 27 August 2003.

Copies of the interim report

Further copies of the interim report may be obtained from the Company Secretary Department, Hang Seng Bank Limited, Level 10, 83 Des Voeux Road Central, Hong Kong; or from Hang Seng Bank’s website <http://www.hangseng.com>.

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