

Total Services

全面服務 優質稱心



We at BEA always strive to surpass customer expectations, helping our clients achieve their financial goals in a rapidly changing world. BEA has developed extensive expertise and a diversified network of services to enhance customers' banking and financial experience.

世界瞬息萬變，能隨時配合客戶各種理財需要，甚至超越他們的期望正是東亞銀行不斷向前的動力。我們已發展多項創新及多元化的產品，加上我們豐富而專業的經驗，務求讓客戶真正體驗本行提供的卓越銀行服務。



REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December, 2003.

Principal Activities

The Bank and its subsidiaries (the "Group") are engaged in the provision of banking and related financial services, and business, corporate and investor services.

Profit

The consolidated profit of the Group for the year ended 31st December, 2003, together with particulars of the appropriations which have been made therefrom or which are recommended, and the state of the Bank's and the Group's affairs as at that date are set out in the accounts on pages 76 to 144.

Major Customers

The Directors believe that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

Donations

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$3,881,000 (2002: HK\$2,008,000).

Fixed Assets

Details of the movements in fixed assets are set out in Note 26 on the accounts.

Share Capital

During the year, a sum of HK\$17,261,000 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 6,904,455 shares of HK\$2.50 each which were allotted and issued to shareholders who had elected to receive new shares in lieu of the 2002 final dividend and the 2003 interim dividend.

During the year, 14,204,000 shares of HK\$2.50 each were issued for cash of HK\$217,003,000 on the exercise of options granted under the approved Staff Share Option Schemes.

Convertible Bonds due 2003

In July 2003, the Bank fully redeemed the Convertible Bonds due 2003 (the "Bonds") at par in the amount of HK\$119,621,000 (US\$15,340,000) upon maturity pursuant to the terms and conditions of the Bonds. The Bonds were listed on the Luxembourg Stock Exchange.

Dealings in Listed Securities of the Bank

Save for the redemption of the Convertible Bonds, there was no purchase, sale or redemption by the Bank, or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2003.

Directors

The present Directors of the Bank are shown on page 5.

During the year, George Ho (an Independent Non-executive Director, Chairman of the Remuneration Committee and a member of the Nomination Committee) retired upon conclusion of the Annual General Meeting on 25th March, 2003.

It is with deep sadness that the Board of Directors records that Alan LI Fook-sum (a Non-executive Director and a member of the Audit Committee) passed away on 30th December, 2003.

In accordance with the Articles of Association of the Bank, all Directors, including non-executive Directors, are subject to retirement by rotation and re-election at the Annual General Meeting. Accordingly, Aubrey LI Kwok-sing, Winston LO Yau-lai, KHOO Kay-peng and David LI Kwok-po retire and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on Wednesday, 31st March, 2004.

No Director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Bank or any of its subsidiaries within

董事會報告書

董事會全寅現謹向各股東發表董事會報告書及截至2003年12月31日止年度的已審核的賬項。

主要業務

本銀行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務，以及商務、企業及投資者服務。

溢利

本集團截至2003年12月31日止年度的綜合溢利連同此等溢利的分配或有關建議，及本行和本集團於當日的財政狀況，請參閱本年報第76頁至第144頁。

主要客戶

董事會認為，本集團5位最大客戶所佔是年度本集團利息及其他營業收入總額少於30%。

捐款

本集團本年內所作出的慈善及公益捐款約為港幣3,881,000元(2002年為港幣2,008,000元)。

固定資產

固定資產的變動詳情載於賬項附註26。

股本

年內，本銀行由股份溢價賬項中撥出港幣17,261,000元作為資本，以發行及繳足6,904,455股每股面值港幣2.50元的股份，派發予各選擇以新股份代替2002年度末期股息及2003年度中期股息的股東。

本年內，在認可僱員認股計劃認股權方面，以溢價發行14,204,000股每股面值港幣2.50元的股份，所得現金為港幣217,003,000元。

2003年到期的可換股債券

在2003年7月，本銀行根據有關條款及條件，在到期日全數贖回合共港幣119,621,000元(15,340,000美元)於2003年到期的可換股債券。該等可換股債券在盧森堡證券交易所上市買賣。

買賣本銀行上市證券

除贖回可換股債券外，在截至2003年12月31日止的年度內，本銀行或其任何附屬公司並無購入、出售或贖回本銀行的上市證券。

董事會

本銀行現任董事的名單載於本年報第5頁。

年內，何佐芝(獨立非執行董事、薪酬委員會主席及提名委員會委員)在2003年3月25日舉行的股東周年大會結束後退休。

本銀行董事李福深(非執行董事及審核委員會委員)痛於2003年12月30日逝世，全寅深感惋惜，謹誌哀悼。

按照本銀行組織章程，各董事包括非執行董事須在周年常會上輪值告退及膺選連任。根據此規定，李國星、羅友禮、邱繼炳及李國寶將在2004年3月31日星期三舉行的股東周年常會上輪值告退，並願膺選連任。

one year without payment of compensation, other than normal statutory obligations.

No contracts of significance to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank had a material interest subsisted at the end of the year or at any time during the year.

None of the Directors of the Bank is interested in any business apart from the Bank's business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under the heading "Information on Share Options", and Notes 2(p)(iv) and 38 on the accounts.

The Chairman and each of the Directors, including the Independent Non-executive Directors, received HK\$150,000 and HK\$75,000, respectively, as directors' fees for the year ended 31st December, 2003.

The fee to the Director who retired during the year was paid in accordance with his length of service.

Audit Committee

The composition of the Committee is shown on page 5. LEE Shau-kee resigned as a member of the Committee on 1st January, 2004. All the members are Independent Non-executive Directors, as at the date of this Report.

The Committee is responsible for reviewing and supervising the Group's financial reporting process and internal control systems, including risk management. In respect of the review of the financial reports and the internal control systems, all issues raised have been addressed by management. The work and findings of the Committee have been reported to the Board. During the

year, no issues brought to the attention of management and the Board were of sufficient importance to require disclosure in the Annual Report.

The Committee met three times during 2003. Winston LO Yau-lai attended all three meetings; WONG Chung-hin, LEE Shau-kee, Allan WONG Chi-yun and Thomas KWOK Ping-kwong attended two meetings each.

The Chairman received HK\$20,000 and each of the members of the Committee received HK\$10,000 as remuneration for the year ended 31st December, 2003.

Nomination Committee

The Committee is chaired by Simon LI Fook-sean. The other members are David LI Kwok-po, LI Fook-wo, LEE Shau-kee, Allan WONG Chi-yun and Aubrey LI Kwok-sing.

The Committee is responsible for recommending to the Board all new appointments of Directors, senior management and key personnel of the Bank, and for review of management succession planning for senior management and key personnel of the Bank.

No remuneration was paid to the Chairman or members of the Committee for the year ended 31st December, 2003.

Remuneration Committee

George HO retired as Chairman of the Committee on 25th March, 2003, and was succeeded as Chairman by Allan WONG Chi-yun. The other members are Simon LI Fook-sean, Aubrey LI Kwok-sing, Winston LO Yau-lai (appointed on 25th March, 2003) and Thomas KWOK Ping-kwong.

The Committee is responsible for reviewing and recommending the remuneration packages of senior management and key personnel of the Bank, and for recommending the remuneration policy framework to the Board.

The Chairman received HK\$20,000 and each of the members of the Committee received HK\$10,000 as remuneration for the year ended 31st December, 2003.

董事會報告書（續）

所有擬在即將召開的股東周年常會上膺選連任的董事，並沒有尚未屆滿的服務合約，該等合約屬本行或其附屬公司在一年內不可在不予賠償（法定賠償除外）的情況下終止者。

在年底或本年內凡與本銀行或其任何附屬公司業務有重大關係的合約，本銀行各董事均無佔有任何重大權益。

除本行業務外，本銀行各董事並無在其他業務中佔有權益，而該其他業務直接或間接與本銀行的業務構成競爭或可能構成競爭。

除於下列「認股權資料」項下及賬項附註2(p)(iv)及38所詳載的僱員認股計劃外，本年內本銀行或其任何附屬公司並無簽訂任何合約，以致本銀行各董事或行政總裁或他們的配偶或18歲以下子女從中取得本銀行或其他法人團體的股份或債券而獲益。

本銀行主席及各董事包括獨立非執行董事分別獲港幣150,000元及港幣75,000元作為截至2003年12月31日止財政年度的董事袍金。

在年內退休的董事之袍金則按其服務期支付。

審核委員會

審核委員會的成員名單刊載於本年報第5頁。李兆基於2004年1月1日辭任審核委員會委員一職。在本報告刊發日期，該委員會的所有成員均為獨立非執行董事。

審核委員會負責審查及監察本集團的財務匯報程序及內部監控系統包括風險管理。在審查財務匯報及內部監控系統的過程中發現的事項已交由管理層處理。委員會的工作情況及審閱結果已向董事會報告。在年內，已提交管理層以及董事會所需留意的事項，其重要性不足以需在年報內披露。

該委員會在2003年內共舉行了三次會議。羅友禮出席所有會議；黃頌顯、李兆基、黃子欣及郭炳江各出席兩次會議。

該委員會的主席及各委員分別獲港幣20,000元及港幣10,000元作為截至2003年12月31日止年度的酬金。

提名委員會

提名委員會的主席為李福善，其他成員包括李國寶、李福和、李兆基、黃子欣及李國星。

該委員會負責向董事會提出委任董事、高層管理人員及主要職員的建議；以及審議高層管理人員及主要職員的繼任安排。

該委員會的主席及各成員在2003年12月31日止的年度內並無獲支付任何薪酬。

薪酬委員會

何佐芝在2003年3月25日退任薪酬委員會主席一職，由黃子欣接任為主席。其他成員包括李福善、李國星、羅友禮（於2003年3月25日獲委任）及郭炳江。

該委員會負責審議本行高層管理人員及主要職員的薪酬方案及提出有關建議；以及就薪酬政策架構向董事會提出建議。

該委員會的主席及各成員分別獲港幣20,000元及港幣10,000元作為截至2003年12月31日止年度的酬金。

Other Committees

There are ten other specialised committees formed under the Board, namely Sealing Committee, Executive Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, Operational and Other Risks Management Committee, Investment Committee, Policy Committee, Crisis Management Committee and Steering Committee for the Basel Project. The roles, functions and composition of these committees are disclosed in Point (6) of Unaudited Supplementary Financial Information.

Directors' and Chief Executive's Interests

As at 31st December, 2003, interests and short positions of the Directors and Chief Executive in the shares, underlying shares and debentures of the Bank or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") were as follows:

I. Long positions in shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued share capital
David LI Kwok-po	Beneficial owner	17,645,918	18,285,254 ¹	1.25
	Interest of spouse	639,336		
LI Fook-wo	Beneficial owner	1,235,804	32,191,182 ²	2.19
	Founder of discretionary trust	30,955,378		
WONG Chung-hin	Beneficial owner	46,810	390,941 ³	0.03
	Interest of spouse	344,131		
LEE Shau-kee	Beneficial owner	647,985	1,647,985 ⁴	0.11
	Interest of corporation	1,000,000		
Simon LI Fook-sean	Beneficial owner	894,000	46,840,690 ⁵	3.19
	Interest of spouse	3,113,000		
	Founder of discretionary trust	42,833,690		
Allan WONG Chi-yun	Interest of spouse	124	10,483,025 ⁶	0.71
	Founder of discretionary trust	10,482,901		
Aubrey LI Kwok-sing	Beneficial owner	23,093	31,011,301 ⁷	2.11
	Interest of spouse	32,830		
	Beneficiary of discretionary trust	30,955,378		
Joseph PANG Yuk-wing	Beneficial owner	204,318	204,318	0.01
William MONG Man-wai	Beneficial owner	776,349	6,019,010 ⁸	0.41
	Interest of corporation	5,242,661		
CHAN Kay-cheung	Beneficial owner	218,610	218,610	0.01
Winston LO Yau-lai	Trustee of trust	258,390	258,390 ⁹	0.02
KHOO Kay-peng	Interest of corporation	1,000,000	1,000,000 ¹⁰	0.07
Thomas KWOK Ping-kwong	–	–	Nil	Nil
Richard LI Tzar-kai	–	–	Nil	Nil

其他委員會

其他10個由董事會成立的專責委員會包括印章委員會、執行委員會、風險管理委員會、信貸委員會、資產負債管理委員會、營運及其他風險管理委員會、投資委員會、政策委員會、危機管理委員會及巴塞爾項目督導委員會。該等委員會的角色、職能及組織載於未經審核補充財務資料第(6)項下。

董事及行政總裁權益

根據《香港聯合交易所有限公司證券上市規則》（「上市規則」）公布的各董事及行政總裁於2003年12月31日所持有本行及其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證中的權益及淡倉的詳情如下：

I. 本行股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行股本的百分率
李國寶	實益擁有人	17,645,918	18,285,254 ¹	1.25
	配偶的權益	639,336		
李福和	實益擁有人	1,235,804	32,191,182 ²	2.19
	酌情信託的成立人	30,955,378		
黃頌顯	實益擁有人	46,810	390,941 ³	0.03
	配偶的權益	344,131		
李兆基	實益擁有人	647,985	1,647,985 ⁴	0.11
	法團的權益	1,000,000		
李福善	實益擁有人	894,000	46,840,690 ⁵	3.19
	配偶的權益	3,113,000		
	酌情信託的成立人	42,833,690		
黃子欣	配偶的權益	124	10,483,025 ⁶	0.71
	酌情信託的成立人	10,482,901		
李國星	實益擁有人	23,093	31,011,301 ⁷	2.11
	配偶的權益	32,830		
	酌情信託的受益人	30,955,378		
彭玉榮	實益擁有人	204,318	204,318	0.01
蒙民偉	實益擁有人	776,349	6,019,010 ⁸	0.41
	法團的權益	5,242,661		
陳棋昌	實益擁有人	218,610	218,610	0.01
羅友禮	信託的受託人	258,390	258,390 ⁹	0.02
邱繼炳	法團的權益	1,000,000	1,000,000 ¹⁰	0.07
郭炳江	—	—	無	無
李澤楷	—	—	無	無

REPORT OF THE DIRECTORS (continued)

Notes:

- 1 David LI Kwok-po was the beneficial owner of 17,645,918 shares and he was deemed to be interested in 639,336 shares through the interests of his spouse, Penny POON Kam-chui.
- 2 LI Fook-wo was the beneficial owner of 1,235,804 shares. The remaining 30,955,378 shares were held by The Fook Wo Trust, of which LI Fook-wo was the founder, but he had no influence on how the trustee exercises his discretion. The disclosure of these 30,955,378 shares was made on a voluntary basis. Aubrey LI Kwok-sing was also interested in this same block of 30,955,378 shares as one of the discretionary beneficiaries of the trust (please refer to note 7 below).
- 3 WONG Chung-hin was the beneficial owner of 46,810 shares and he was deemed to be interested in 344,131 shares through the interests of his spouse, LAM Mei-lin.
- 4 LEE Shau-kee was the beneficial owner of 647,985 shares.
LEE Shau-kee was deemed to be interested in 1,000,000 shares held through Superfun Enterprises Limited ("Superfun"). Superfun was wholly owned by The Hong Kong and China Gas Company Limited which was 36.72% held by Henderson Investment Limited which in turn was 73.48% held by Kingslee S.A., a wholly-owned subsidiary of Henderson Land Development Company Limited ("Henderson Land").
Henderson Land was 61.87% held by Henderson Development Limited ("Henderson Development"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of Henderson Development. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by LEE Shau-kee.
- 5 Simon LI Fook-sean was the beneficial owner of 894,000 shares and he was deemed to be interested in 3,113,000 shares through the interests of his spouse, YANG Yen-ying. The remaining 42,833,690 shares were held by two discretionary trusts, Settlement of Dr. Simon F.S. Li and The Longevity Trust, of which Simon LI Fook-sean was the founder, but he had no influence on how the trustee exercises his discretion. The disclosure of these 42,833,690 shares was made on a voluntary basis.
- 6 Allan WONG Chi-yun was deemed to be interested in 124 shares through the interests of his spouse, Margaret KWOK Chi-wai. He was also deemed to be interested in 10,482,901 shares held by a discretionary trust, The Wong Chung Man 1984 Trust, of which Allan WONG Chi-yun was a founder.
- 7 Aubrey LI Kwok-sing was the beneficial owner of 23,093 shares and he was deemed to be interested in 32,830 shares through the interests of his spouse, Elizabeth WOO. The remaining 30,955,378 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing was one of the discretionary beneficiaries. LI Fook-wo had also made disclosure in respect of the same block of 30,955,378 shares as founder of the discretionary trust (please refer to note 2 above).
- 8 William Mong Man-wai was the beneficial owner of 776,349 shares. Of the remaining 5,242,661 shares, (i) 4,502,798 shares were held through Shun Hing Electronic Trading Co. Ltd., (ii) 668,323 shares were held through Shun Hing Technology Co. Ltd., and (iii) 71,540 shares were held through Shun Hing Advertising Co. Ltd. Such corporations are accustomed to act in accordance with the directions or instructions of William MONG Man-wai who is the Chairman of these corporations.
- 9 Winston LO Yau-lai was deemed to be interested in 258,390 shares which were held by K.S. Lo Foundation of which he was a trustee.
- 10 KHOO Kay-peng was deemed to be interested in 1,000,000 shares which were held through Bonham Industries Limited, a company beneficially owned by him.

II. Long positions in (in respect of equity derivatives) underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Joseph PANG Yuk-wing and CHAN Kay-cheung pursuant to the approved Staff Share Option Schemes. Information in relation to these shares options during the year ended 31st December, 2003 was shown in the following section under the heading "Information on Share Options".

附註：

- 1 李國寶為17,645,918股的實益擁有人。由於其配偶潘金翠擁有639,336股之權益，他亦被視為擁有該等股份。
- 2 李福和為1,235,804股的實益擁有人。餘下之30,955,378股由The Fook Wo Trust持有，李福和為該信託的成立人，惟他不可以影響受託人如何行使其酌情權。披露該30,955,378股出於自願性質。李國星作為該信託其中一位酌情受益人，亦擁有該30,955,378股的權益（請參閱下列附註7）。
- 3 黃頌顯為46,810股的實益擁有人。由於其配偶林美蓮擁有344,131股之權益，他亦被視為擁有該等股份。
- 4 李兆基為647,985股的實益擁有人。

李兆基被視為擁有由Superfun Enterprises Limited（「Superfun」）持有之1,000,000股。Superfun由香港中華煤氣有限公司（「中華煤氣」）全資擁有。由Kingslee S.A.持有73.48%股權的恒基兆業發展有限公司持有中華煤氣36.72%股權。而Kingslee S.A.是恒基兆業地產有限公司（「恒基地產」）的全資附屬公司。

恒基兆業有限公司（「恒基兆業」）持有恒基地產61.87%股權。Hopkins (Cayman) Limited（「Hopkins」），作為一個單位信託（「該單位信託」）的受託人，擁有恒基兆業的全部已發行普通股股份。Rimmer (Cayman) Limited（「Rimmer」）及Riddick (Cayman) Limited（「Riddick」），分別為不同全權信託的受託人，持有該單位信託的單位。李兆基擁有Hopkins、Rimmer及Riddick的全部已發行股份。

- 5 李福善為894,000股的實益擁有人。由於其配偶楊延茵擁有3,113,000股之權益，他亦被視為擁有該等股份。餘下之42,833,690股由兩個酌情信託Settlement of Dr. Simon F.S. Li及The Longevity Trust持有，李福善為該兩個酌情信託的成立人，惟他不可以影響受託人如何行使其酌情權。披露該42,833,690股出於自願性質。
- 6 由於其配偶郭志蕙擁有124股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託The Wong Chung Man 1984 Trust的成立人，他亦被視為擁有該酌情信託所持有的10,482,901股。
- 7 李國星為23,093股的實益擁有人。由於其配偶吳伊莉擁有32,830股之權益，他亦被視為擁有該等股份。餘下之30,955,378股由一個酌情信託The Fook Wo Trust持有，李國星為該信託的其中一位酌情受益人。作為該酌情信託的成立人，李福和亦已就該等30,955,378股作出披露（請參閱上列附註2）。
- 8 蒙民偉為776,349股的實益擁有人。餘下的5,242,661股當中：(i) 4,502,798股由信興電器貿易有限公司持有；(ii) 668,323股由信興科技有限公司持有；及(iii) 71,540股由信興廣告有限公司持有。蒙民偉為該等法團的主席。該等法團慣於按照蒙民偉的指令或指示行事。
- 9 由於羅友禮為K.S. Lo Foundation的一位受託人，他被視為擁有K.S. Lo Foundation持有之258,390股。
- 10 邱繼炳被視為擁有由他實益擁有的Bonham Industries Limited持有之1,000,000股。

II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本銀行的認可僱員認股計劃，李國寶、彭玉榮及陳棋昌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交付的期權。有關此等認股權在截至2003年12月31日止期間的資料，見於下列「認股權資料」項下。

III. Short positions in shares and (in respect of equity derivatives) underlying shares of the Bank:

None

IV. Long and short positions in shares and (in respect of equity derivatives) underlying shares of associated corporation(s) of the Bank:

None

V. Interests in debentures of the Bank:

None

VI. Interests in debentures of the associated corporation of the Bank:

Name	Issuer	Capacity and nature	Amount of debentures	Total
LEE Shau-kee	East Asia Financial Holding (BVI) Limited	Interest of corporation	US\$5,000,000	US\$5,000,000 ¹
Simon LI Fook-sean	East Asia Financial Holding (BVI) Limited	Beneficial owner Founder of discretionary trust	US\$1,000,000 <u>US\$1,000,000</u>	US\$2,000,000 ²

Notes:

- LEE Shau-kee was deemed to be interested in the debentures of East Asia Financial Holding (BVI) Limited ("EAFH (BVI)") (a wholly-owned subsidiary of the Bank) in the amount of US\$5,000,000 held through Glorious Asia S.A. Glorious Asia S.A. was wholly owned by Henderson Development Limited ("Henderson Development"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of Henderson Development. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by LEE Shau-kee.*
- Simon LI Fook-sean was the beneficial owner of the debentures of EAFH (BVI) in the amount of US\$1,000,000 and he was deemed to be interested in the debentures of EAFH (BVI) in the amount of US\$1,000,000 held by a discretionary trust, Settlement of Dr. Simon F.S. Li, of which Simon LI Fook-sean was the founder, but he had no influence on how the trustee exercises his discretion. The disclosure of the US\$1,000,000 debentures held by the discretionary trust was made on a voluntary basis.*

Save as disclosed above, as at 31st December, 2003, none of the Directors or the Chief Executive of the Bank had, under Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Bank or any associated corporations (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register kept by the Bank pursuant to section 352 of the SFO or any interests which are required to be notified to the Bank and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules.

III. 本行股份及（就股本衍生工具而言）相關股份的淡倉：

無

IV. 本行相關法團的股份及（就股本衍生工具而言）相關股份的好倉及淡倉：

無

V. 本行債權證權益：

無

VI. 本行相關法團債權證權益：

姓名	發行人	身分及性質	債權證數額	總數
李兆基	East Asia Financial Holding (BVI) Limited	法團的權益	5,000,000美元	5,000,000美元 ¹
李福善	East Asia Financial Holding (BVI) Limited	實益擁有人 酌情信託的成立人	1,000,000美元 <u>1,000,000美元</u>	2,000,000美元 ²

附註：

- 1 李兆基被視為擁有由Glorious Asia S.A. 持有之5,000,000美元債權證。該等債權證由East Asia Financial Holding (BVI) Limited (「EAFH (BVI)」) (本行的全資附屬公司) 發行。Glorious Asia S.A. 由恒基兆業有限公司 (「恒基兆業」) 全資擁有。Hopkins (Cayman) Limited (「Hopkins」) 作為一個單位信託 (「該單位信託」) 的受託人，擁有恒基兆業的全部已發行普通股股份。Rimmer (Cayman) Limited (「Rimmer」) 及Riddick (Cayman) Limited (「Riddick」) 分別為不同全權信託的受託人，持有該單位信託的單位。李兆基擁有Hopkins、Rimmer及Riddick的全部已發行股份。
- 2 李福善實益擁有為數1,000,000美元由EAFH (BVI) 發行的債權證，而他亦被視為擁有由一個酌情信託Settlement of Dr. Simon F.S. Li持有為數1,000,000美元由EAFH (BVI) 發行的債權證。李福善為該酌情信託的成立人，惟他不可以影響受託人如何行使其酌情權。披露該等由酌情信託持有之1,000,000美元債權證出於自願性質。

除上文所披露者外，於2003年12月31日，本行各董事或行政總裁概無根據《證券及期貨條例》第XV部第7及第8分部於本行或其任何相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份或債權證中擁有(或根據《證券及期貨條例》的有關規定被認為或被視作擁有)任何權益或淡倉，或任何必須列入本行根據《證券及期貨條例》第352條予以存置的登記冊內的權益，或任何根據上市規則所載上市公司董事進行證券交易的標準守則必須向本行及香港聯合交易所有限公司申報的權益。

REPORT OF THE DIRECTORS (continued)

Information on Share Options

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2003:

Name	Date of Grant ^a	Number of Share Options				Outstanding At 31/12/2003
		Outstanding At 1/1/2003	Granted	Exercised	Lapsed	
David LI Kwok-po	20/4/1998	133,800	–	–	133,800	Nil
	21/4/1999	145,000	–	–	–	145,000
	20/4/2000	145,000	–	–	–	145,000
	19/4/2001	850,000	–	–	–	850,000
	18/4/2002	850,000	–	–	–	850,000
	02/5/2003	–	1,000,000 ^b	–	–	1,000,000
Joseph PANG Yuk-wing	20/4/1998	119,400	–	–	119,400	Nil
	21/4/1999	130,000	–	–	–	130,000
	20/4/2000	130,000	–	–	–	130,000
	19/4/2001	400,000	–	–	–	400,000
	18/4/2002	400,000	–	–	–	400,000
	02/5/2003	–	500,000 ^b	–	–	500,000
CHAN Kay-cheung	20/4/1998	119,400	–	–	119,400	Nil
	21/4/1999	130,000	–	–	–	130,000
	20/4/2000	130,000	–	–	–	130,000
	19/4/2001	400,000	–	–	–	400,000
	18/4/2002	400,000	–	–	–	400,000
	02/5/2003	–	500,000 ^b	–	–	500,000
Aggregate of other Employees*	20/4/1998	4,988,600	–	–	4,988,600	Nil
	21/4/1999	4,105,000	–	3,764,000 ^c	10,000	331,000
	20/4/2000	10,723,000	–	6,990,000 ^c	440,000	3,293,000
	19/4/2001	3,710,000	–	1,665,000 ^c	260,000	1,785,000
	18/4/2002	3,855,000	–	1,785,000 ^c	270,000	1,800,000
	02/5/2003	–	13,525,000 ^b	–	360,000	13,165,000

* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

董事會報告書（續）

認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2003年12月31日止年度內認股權的變動：

姓名	授予日期 ^a	認股權數目				
		於1/1/2003日 尚未行使	授出	行使	失效	於31/12/2003日 尚未行使
李國寶	20/4/1998	133,800	–	–	133,800	無
	21/4/1999	145,000	–	–	–	145,000
	20/4/2000	145,000	–	–	–	145,000
	19/4/2001	850,000	–	–	–	850,000
	18/4/2002	850,000	–	–	–	850,000
	02/5/2003	–	1,000,000 ^b	–	–	1,000,000
彭玉榮	20/4/1998	119,400	–	–	119,400	無
	21/4/1999	130,000	–	–	–	130,000
	20/4/2000	130,000	–	–	–	130,000
	19/4/2001	400,000	–	–	–	400,000
	18/4/2002	400,000	–	–	–	400,000
	02/5/2003	–	500,000 ^b	–	–	500,000
陳棋昌	20/4/1998	119,400	–	–	119,400	無
	21/4/1999	130,000	–	–	–	130,000
	20/4/2000	130,000	–	–	–	130,000
	19/4/2001	400,000	–	–	–	400,000
	18/4/2002	400,000	–	–	–	400,000
	02/5/2003	–	500,000 ^b	–	–	500,000
其他僱員 的總數*	20/4/1998	4,988,600	–	–	4,988,600	無
	21/4/1999	4,105,000	–	3,764,000 ^c	10,000	331,000
	20/4/2000	10,723,000	–	6,990,000 ^c	440,000	3,293,000
	19/4/2001	3,710,000	–	1,665,000 ^c	260,000	1,785,000
	18/4/2002	3,855,000	–	1,785,000 ^c	270,000	1,800,000
	02/5/2003	–	13,525,000 ^b	–	360,000	13,165,000

* 按香港《僱傭條例》所指的「連續合約」工作的僱員

REPORT OF THE DIRECTORS (continued)

(2) No share options were cancelled during the year ended 31st December, 2003.

(3) The accounting policy adopted for share options is set out in Note 2(p)(iv) on the accounts.

Notes:

a Particulars of share options:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
20/4/1998	20/4/1998 - 19/4/1999	20/4/1999 - 20/4/2003	15.30
21/4/1999	21/4/1999 - 20/4/2000	21/4/2000 - 21/4/2004	12.09
20/4/2000	20/4/2000 - 19/4/2001	20/4/2001 - 20/4/2005	16.46
19/4/2001	19/4/2001 - 18/4/2002	19/4/2002 - 19/4/2006	16.96
18/4/2002	18/4/2002 - 17/4/2003	18/4/2003 - 18/4/2007	15.80
02/5/2003	02/5/2003 - 01/5/2004	02/5/2004 - 02/5/2008	14.90

b (i) The closing price of the shares of the Bank immediately before 2nd May, 2003 on which the options were granted was HK\$14.45.

(ii) Value of share options granted during the year ended 31st December, 2003:

The Directors consider that it is not appropriate to disclose the value of options granted during the year ended 31st December, 2003, since any valuation of the options would be subject to a number of assumptions that would be subjective and uncertain. The Directors believe that the evaluation of options based upon speculative assumptions would not be meaningful and would be misleading to shareholders.

c Annual weighted average ("AWA") closing price of the shares of the Bank immediately before the date on which the Options were exercised during the year ended 31st December, 2003:

Date of Grant	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
21/4/1999	3,764,000	12.09	19.78
20/4/2000	6,990,000	16.46	22.45
19/4/2001	1,665,000	16.96	23.62
18/4/2002	1,785,000	15.80	21.37

Save as disclosed above, as at 31st December, 2003, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

董事會報告書（續）

(2) 截至2003年12月31日止年度內並無認股權被註銷。

(3) 有關認股權的會計政策載於賬項附註2(p)(iv)。

附註：

a 認股權詳情：

授予日期	有效期	行使期	每股行使價 港幣(元)
20/4/1998	20/4/1998 - 19/4/1999	20/4/1999 - 20/4/2003	15.30
21/4/1999	21/4/1999 - 20/4/2000	21/4/2000 - 21/4/2004	12.09
20/4/2000	20/4/2000 - 19/4/2001	20/4/2001 - 20/4/2005	16.46
19/4/2001	19/4/2001 - 18/4/2002	19/4/2002 - 19/4/2006	16.96
18/4/2002	18/4/2002 - 17/4/2003	18/4/2003 - 18/4/2007	15.80
02/5/2003	02/5/2003 - 01/5/2004	02/5/2004 - 02/5/2008	14.90

b (i) 本銀行股份在緊接2003年5月2日授出認股權當日之前的收市價為港幣14.45元。

(ii) 在截至2003年12月31日止年度內授出認股權的價值：

董事會認為評估認股權的價值涉及多方面主觀及不肯定的假設，因此不宜披露於截至2003年12月31日止年度內授出之認股權的價值。董事會相信基於揣測性的假設以評估認股權的價值意義不大，且對股東有所誤導。

c 在截至2003年12月31日止年度內本銀行股份在緊接有關認股權行使日期之前的全年加權平均收市價：

授予日期	行使認股權數目	每股行使價 港幣(元)	全年加權平均收市價 港幣(元)
21/4/1999	3,764,000	12.09	19.78
20/4/2000	6,990,000	16.46	22.45
19/4/2001	1,665,000	16.96	23.62
18/4/2002	1,785,000	15.80	21.37

除上述所披露外，於2003年12月31日，本銀行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利，以認購本銀行或其任何聯繫公司的股本或債務證券。

Information on Share Option Scheme

The following is a summary of the Staff Share Option Scheme 2002 which was adopted on 26th March, 2002 (the "Scheme") disclosed in accordance with the Listing Rules:

1 Purpose of the Scheme:

- (a) The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- (b) The Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

2 Participants of the Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Chief Executive of the Group.

3 Total number of shares available for issue under the Scheme and % of issued share capital at 31st December, 2003:

The number of shares available for issue under the Scheme is 71,696,959 shares representing 4.89% of the issued share capital at 31st December, 2003.

4 Maximum entitlement of each participant under the Scheme:

No options may be granted to any eligible persons which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the Scheme or any other schemes of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme.

5 The period within which the shares must be taken up under an option:

Beginning on the first anniversary of the Date of Grant of such options and ending on the fifth anniversary thereof.

6 The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the first anniversary thereof.

7 The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

N/A

8 The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

- (a) the closing price of the Bank's shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options;
- (b) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options; and
- (c) the nominal value of the Bank's shares.

9 The remaining life of the Scheme:

The Scheme Period will end on 25th March, 2007.

認股權計劃資料

根據上市規則披露的有關於2002年3月26日採納的僱員認股計劃2002（「計劃」）的摘要如下：

1 計劃的目的：

- (a) 本計劃屬於一項股份獎勵計劃，設立的目的在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 本計劃為合資格人士提供機會持有本銀行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

2 計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和行政總裁，授予認股權。

3 計劃中可予發行的股份數目及其於2003年12月31日佔已發行股本的百分率：

計劃中可予發行的股份數目為71,696,959股，佔本行於2003年12月31日已發行股本的4.89%。

4 計劃中每名參與人可獲授權益上限：

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日（包括當日）止十二個月內，因行使已經根據或將會根據本計劃及本銀行任何其他計劃獲授的認股權（包括已行使、已註銷及尚未行使的認股權）時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於該計劃的規則內的若干規定所約束。

5 可根據認股權認購股份的期限：

由該認股權授予日的第一周年開始截至授予日的第五周年止。

6 認股權行使之前必須持有的最短期限：

由認股權授出之日起直至授予日的第一周年之前一日。

7 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

不適用

8 行使價的釐定基準：

行使價由董事會釐定，但不少於下列的較高價：

- (a) 於授出有關認股權當日，本銀行股份於聯交所日報表的收市價；
- (b) 相等於緊接授出有關認股權當日之前五個營業日，本銀行股份於聯交所日報表的平均收市價；及
- (c) 本銀行股份的面值。

9 計劃尚餘的有效期：

計劃期間將於2007年3月25日終止。

REPORT OF THE DIRECTORS (continued)

Interests of Substantial Shareholders and Other Persons

Save as disclosed below, as at 31st December, 2003, the Directors were not aware of any person (other than a Director or Chief Executive of the Bank or his respective associate(s)) who had an interest or short position in the shares or underlying shares of the Bank which would fall to be disclosed to the Bank under Divisions 2 and 3 of Part XV of the SFO:

I. Long positions in shares of the Bank:

Name	Capacity and nature	No. of shares	% on issued share capital
East Asia International Trustees Limited	Trustee	94,710,382*	6.45

* East Asia International Trustees Limited was deemed to be interested in these 94,710,382 shares held by various trusts of which this company was the trustee.

II. Long positions in (in respect of equity derivatives) underlying shares of the Bank:

None

III. Short positions in shares and (in respect of equity derivatives) underlying shares of the Bank:

None

Compliance

(1) In preparing the accounts for 2003, the Bank has fully complied with the guideline set out in the Supervisory Policy Manual "Financial Disclosure by Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority.

(2) The Bank has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year ended 31st December, 2003.

Auditors

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

David LI Kwok-po

Chairman and Chief Executive

Hong Kong, 10th February, 2004

大股東及其他人士的權益

除下文所披露者外，董事並不知悉有任何其他人士（本行的董事或行政總裁或其各自的聯繫人士除外）於2003年12月31日在本行的股份或相關股份中，擁有根據《證券及期貨條例》第XV部第2及第3分部必須向本行披露的權益或淡倉。

I. 本行權益股份的好倉：

姓名	身分及性質	股份數目	佔已發行股本的百分率
East Asia International Trustee Limited	受託人	94,710,382*	6.45

* 該等股份由多個信託持有，East Asia International Trustee Limited為該等信託的受託人，因而被視為擁有該等94,710,382股股份。

II. 本行（就股本衍生工具而言）相關股份的好倉：

無

III. 本行股份及（就股本衍生工具而言）相關股份的淡倉：

無

符合指引

(1) 本銀行已完全按照香港金融管理局於2002年11月8日所頒布的監管政策手冊《本地註冊認可機構披露財務資料》所載的指引編製2003年度賬目。

(2) 在截至2003年12月31日止年度內本銀行已遵守上市規則附錄14所載的「最佳應用守則」。

核數師

在即將召開的股東周年常會中，將提請通過再聘畢馬威會計師事務所為本銀行核數師的議案。

主席兼行政總裁

李國寶

香港，2004年2月10日