

中國工商銀行(亞洲)有限公司(「本銀行」)董事會謹此提呈本銀行及本集團(本銀行連同其附屬公司統稱「本集團」)截至二零零三年十二月三十一日止年度之年報及經審核賬目。

主要業務及分部業務分析

本銀行之主要業務為提供銀行、財務及其他相關服務，而各附屬公司之主要業務則載於賬目附註25。

本集團於本年度按業務種類及市場劃分之業績分析載於賬目附註37。

業績及分派

本集團截至二零零三年十二月三十一日止年度之業績載於第61頁之綜合損益表。

董事已宣佈並於二零零三年九月十九日派發每股普通股及每股可轉換優先股0.12港元之中期股息，股息總額為99,191,000港元。

董事建議派發每股普通股及每股可轉換優先股0.26港元之末期股息，股息總額為247,382,000港元。

儲備

本集團及本銀行之儲備於年內之變動詳情載於賬目附註34。

捐款

本集團於本年度內之慈善及其他捐款總額為41,000港元。

固定資產

本集團及本銀行之固定資產變動詳情載於賬目附註27。

股本及借入資本

本銀行之股本變動詳情載於賬目附註33。

本銀行於年內已發行合共120,000,000美元之後償浮息票據。該等票據之詳情載於賬目附註32。

於二零零四年二月九日，本銀行之最終控股公司中國工商銀行(「中國工商銀行」)持有之124,874,000股每股面值2.00港元現有普通股按每股11.25港元配售予獨立投資者，而相同數目之新普通股獲中國工商銀行按每股11.25港元認購，即每股溢價9.25港元。該等股份與現有股份享有同等權益。此項結算日後事項之其他詳情於賬目附註43披露。

The Directors of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") have pleasure in submitting their annual report together with the audited accounts of the Bank and the Group (the Bank together with its subsidiaries hereinafter referred to as the "Group") for the year ended 31st December 2003.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activities of the Bank are the provision of banking, financial and other related services. The principal activities of the subsidiaries are shown in Note 25 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 37 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2003 are set out in the consolidated profit and loss account on page 61.

The Directors have declared an interim dividend of HK\$0.12 per ordinary and convertible preference share, totalling HK\$99,191,000 which was paid on 19th September 2003.

The Directors recommend the payment of a final dividend of HK\$0.26 per ordinary and convertible preference share, totalling HK\$247,382,000.

RESERVES

Movements in the reserves of the Group and of the Bank during the year are set out in Note 34 to the accounts.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$41,000.

FIXED ASSETS

Details of the movements in fixed assets of the Group and of the Bank are set out in Note 27 to the accounts.

SHARE CAPITAL AND LOAN CAPITAL

Details of the movements in share capital of the Bank are set out in Note 33 to the accounts.

The Bank has issued subordinated floating rate notes totalling US\$120,000,000 during the year. Details of these notes are set out in Note 32 to the accounts.

On 9th February 2004, 124,874,000 existing ordinary shares of HK\$2.00 each held by The Industrial and Commercial Bank of China ("ICBC"), the ultimate holding company, were placed to independent investors at HK\$11.25 each, and the same number of new ordinary shares were subscribed by ICBC at HK\$11.25 each, representing a premium of HK\$9.25 each. These shares rank pari passu with the existing shares. Further details of this subsequent event are disclosed in Note 43 to the accounts.

可供分派儲備

本銀行於二零零三年十二月三十一日根據香港公司條例第79B條計算之可供分派儲備為1,238,348,000港元。

五年財務摘要

以下為本集團過去五個財政年度之業績、資產及負債概要。

DISTRIBUTABLE RESERVES

Distributable reserves of the Bank at 31st December 2003, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$1,238,348,000.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out below.

業績	Results	2003 千港元 HK\$'000	重報			
			As restated 2002 千港元 HK\$'000	2001 千港元 HK\$'000	2000 千港元 HK\$'000	1999 千港元 HK\$'000
股東應佔盈利/ (虧損)	Profit/(loss) attributable to shareholders	522,130	474,635	330,412	150,063	(545,010)
資產及負債	Assets and liabilities					
資產總額	Total assets	75,319,624	62,261,989	43,497,229	20,656,987	19,158,247
負債總額	Total liabilities	65,224,015	53,100,345	37,217,910	18,073,674	16,728,550
資本來源	Capital resources	10,095,609	9,161,644	6,279,319	2,583,313	2,429,697
		75,319,624	62,261,989	43,497,229	20,656,987	19,158,247

購買、出售或贖回本銀行上市證券

本銀行於年內概無贖回任何上市證券，而本銀行及各附屬公司於年內亦無買賣本銀行之上市證券。

董事會

本銀行董事會於本年度及直至本報告刊發日期之成員如下：

姜建清博士(主席)
王麗麗女士(副主席)
朱琦先生(董事總經理暨行政總裁)
陳愛平先生
郭鍵雄先生
王岩先生(於二零零三年七月十七日獲委任)
王于漸教授, S.B.S., 太平紳士*
徐耀華先生*
袁金浩先生*(於二零零三年四月二十四日獲委任)
馮華健先生, 資深大律師*(於二零零三年四月二十四日辭任)
趙京芬女士(於二零零三年七月十七日辭任)

* 獨立非執行董事

PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES

During the year, the Bank has not redeemed any of its listed securities. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's listed securities.

DIRECTORS

The Directors of the Bank during the year and up to the date of this report are:

Dr. Jiang Jianqing (Chairman)
Ms. Wang Lili (Vice-Chairman)
Mr. Zhu Qi (Managing Director and Chief Executive Officer)
Mr. Chen Aiping
Mr. Kwok Kin Hung
Mr. Wang Yan (appointed on 17th July 2003)
Professor Wong Yue Chim, Richard, S.B.S. J.P.*
Mr. Tsui Yiu Wa, Alec*
Mr. Yuen Kam Ho, George* (appointed on 24th April 2003)
Mr. Fung Daniel Richard, SC* (resigned on 24th April 2003)
Ms. Zhao Jingfen (resigned on 17th July 2003)

* Independent Non-Executive Directors

董事會 (續)

根據本銀行之組織章程細則第93條，王岩先生及袁金浩先生將退任，而根據本銀行之組織章程細則第94(1)及94(2)條規定，王于漸教授，S.B.S.，太平紳士及徐耀華先生將依章輪值告退。所有退任董事願意於應屆股東週年大會上膺選連任。

王于漸教授，S.B.S.，太平紳士、徐耀華先生及袁金浩先生作為本銀行獨立非執行董事之任期將如本銀行之組織章程細則第94(1)及94(2)條規定於須依章輪值告退時終止。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事與本銀行概無訂立或擬訂立於一年內屆滿或終止而須予支付賠償(一般法定賠償除外)之服務合約。

董事之合約權益

本銀行、其控股公司、附屬公司或同系附屬公司並無參與訂立於本年度結算日或本年度任何時間內生效而本銀行董事直接或間接擁有重大權益之重大合約。

持續關連交易

年內及於一般業務過程中，本集團曾進行董事認為根據香港聯合交易所有限公司證券上市規則(「上市規則」)屬持續關連交易之多宗交易。該等與最終控股公司中國工商銀行及同系附屬公司進行之交易之詳情如下：

1. 銀行同業借貸交易

於最終控股公司及同系附屬公司存放銀行同業存款及向彼等提供銀行同業貸款，乃本銀行日常業務之一部分。於二零零三年十二月三十一日，本銀行於最終控股公司及同系附屬公司之銀行同業存款約為7,435,072,000港元(二零零二年：8,900,628,000港元)。二零零三年，該等存款及貸款應計之利息收入約為58,133,000港元(二零零二年：38,298,000港元)。

DIRECTORS (continued)

Mr. Wang Yan and Mr. Yuen Kam Ho, George retire in accordance with Article 93 of the Bank's Articles of Association and Professor Wong Yue Chim, Richard, S.B.S. J.P. and Mr. Tsui Yiu Wa, Alec retire by rotation at the forthcoming annual general meeting in accordance with Articles 94(1) and 94(2) of the Bank's Articles of Association. All retiring Directors, being eligible, offer themselves for re-election.

The terms of appointments of the Bank's Independent Non-Executive Directors, being Professor Wong Yue Chim, Richard, S.B.S. J.P., Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George, will expire when they are required to retire by rotation in accordance with Articles 94(1) and 94(2) of the Bank's Articles of Association.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has any existing or proposed service contract with the Bank which is not expiring or terminable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Bank or any of its holding company, subsidiaries, or fellow subsidiaries was a party and in which a director 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.

ONGOING CONNECTED TRANSACTIONS

During the year and in the normal course of business, the Group entered into a number of transactions which in the opinion of the Directors constitute ongoing connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The transactions were with ICBC, the ultimate holding company, and the fellow subsidiaries, and the details of these transactions are as follows:

1. Inter-bank lending and borrowing transactions

As part of the Bank's day-to-day business, inter-bank deposits are placed with, and inter-bank loans are made to, the ultimate holding company and fellow subsidiaries. Approximately HK\$7,435,072,000 (2002: HK\$8,900,628,000) of inter-bank deposits were placed by the Bank to the ultimate holding company and fellow subsidiaries as at 31st December 2003. The interest income attributable to these placements and loans in 2003 was approximately HK\$58,133,000 (2002: HK\$38,298,000).

持續關連交易 (續)

1. 銀行同業借貸交易 (續)

於二零零三年十二月三十一日，最終控股公司及同系附屬公司於本銀行存放之銀行同業存款約為20,390,459,000港元(二零零二年：11,507,647,000港元)。此項結餘包括一筆為數12,025,197,000港元(二零零二年：2,105,676,000港元)之款項，乃最終控股公司授予本銀行作營運資金用途之備用信貸1,635,000,000美元(二零零二年：6,000,000,000港元)中已被動用之數額。二零零三年，該等存款應計之利息支出約為153,097,000港元(二零零二年：153,044,000港元)。

2. 衍生工具交易

本銀行按背對背基準與最終控股公司訂立多宗利率掉期，以對沖本銀行向最終控股公司收購之若干資產。

本銀行亦已就資產負債表及／或利率風險管理之目的或因應客戶要求，與最終控股公司及同系附屬公司進行多宗衍生工具交易，包括利率掉期及各類期權合約。

於二零零三年十二月三十一日，本銀行與最終控股公司及同系附屬公司進行之尚未平倉衍生工具交易名義數值約為6,782,743,000港元(二零零二年：8,427,159,000港元)。於二零零三年，該等交易之應計利息收入及支出分別約為268,560,000港元(二零零二年：307,313,000港元)及295,211,000港元(二零零二年：345,375,000港元)。該等交易於二零零三年之應計期權溢價收入淨額約為8,886,000港元及二零零二年之應計期權溢價支出淨額約為782,000港元。

3. 外匯交易

本銀行亦已就外匯風險管理的目的及因應客戶要求，按與上述衍生工具交易類似之方式，與最終控股公司及同系附屬公司訂立外匯合約。於二零零三年十二月三十一日，本銀行與最終控股公司及同系附屬公司進行之未完成外匯交易(包括現貨、遠期及掉期交易)之名義數值總額約為11,380,921,000港元(二零零二年：8,154,000,000港元)。

ONGOING CONNECTED TRANSACTIONS (continued)

1. Inter-bank lending and borrowing transactions (continued)

Approximately HK\$20,390,459,000 (2002: HK\$11,507,647,000) of inter-bank deposits were placed with the Bank by the ultimate holding company and fellow subsidiaries as at 31st December 2003. Included in this balance is an amount of HK\$12,025,197,000 (2002: HK\$2,105,676,000) representing utilisation of a standby credit facility of US\$1,635,000,000 (2002: HK\$6,000,000,000) granted by the ultimate holding company to the Bank for working capital purposes. The interest expense attributable to these deposits in 2003 was approximately HK\$153,097,000 (2002: HK\$153,044,000).

2. Derivatives transactions

The Bank entered into interest rate swaps on a back-to-back basis with the ultimate holding company for hedging against certain assets acquired by the Bank from the ultimate holding company.

The Bank also entered into various derivatives transactions with the ultimate holding company and fellow subsidiaries, including interest rate swaps and various types of options contracts, for the purpose of balance sheet and/or interest rate risk management or as a result of customer-driven transactions.

The total notional amount of the outstanding derivatives transactions between the Bank and the ultimate holding company and fellow subsidiaries as at 31st December 2003 was approximately HK\$6,782,743,000 (2002: HK\$8,427,159,000). The interest income and expense attributable to these transactions in 2003 were approximately HK\$268,560,000 (2002: HK\$307,313,000) and HK\$295,211,000 (2002: HK\$345,375,000) respectively. Net option premium income attributable to these transactions in 2003 was approximately HK\$8,886,000 and the net option premium expense in 2002 was approximately HK\$782,000.

3. Foreign exchange transactions

The Bank also entered into foreign exchange contracts with the ultimate holding company and fellow subsidiaries in response to foreign exchange risk management and customer-driven transactions in a similar fashion as mentioned above for derivatives transactions. The total notional amount of the outstanding foreign exchange transactions with the ultimate holding company and fellow subsidiaries as at 31st December 2003, including spot, forward and swap transactions, was approximately HK\$11,380,921,000 (2002: HK\$8,154,000,000).

持續關連交易 (續)

4. 銀行同業資本市場交易

本銀行與最終控股公司及同系附屬公司訂立以下各類交易：

- (a) 在一手及二手市場與最終控股公司及同系附屬公司買賣債券(由獨立第三者、最終控股公司或同系附屬公司發行)；及
- (b) 代表最終控股公司及同系附屬公司買賣債券。

於二零零三年，本銀行於一手及二手市場向最終控股公司及同系附屬公司購買之債券約為139,002,000港元(二零零二年：749,529,000港元)，售予最終控股公司及同系附屬公司之債券約為1,700,719,000港元(二零零二年：2,548,323,000港元)。於二零零三年，源自本銀行之該等交易所應計之收入不大(二零零二年：無)。

5. 資本市場交易

本銀行與最終控股公司之香港分行(「分行」)、最終控股公司及同系附屬公司訂立各類資本市場交易，其中包括安排、參與／從屬參與銀團貸款、買賣貸款(包括銀團貸款)權益、認購及／或發行債券及節稅型融資。於二零零三年，本銀行向分行、最終控股公司及同系附屬公司出售之貸款(包括銀團貸款)權益約為6,430,380,000港元(二零零二年：7,940,249,000港元)，購買之分行貸款(包括銀團貸款)權益約為1,925,371,000港元(二零零二年：1,451,000,000港元)。於二零零三年，本銀行就上述交易向分行支付費用3,055,000港元(二零零二年：無)。

本銀行已發行(由最終控股公司認購)面值為400,000,000美元及700,000,000港元(二零零二年：700,000,000港元)之定息存款證。於二零零三年，該等存款證之應計利息支出約為18,065,000港元(二零零二年：13,304,000港元)。

此外，本銀行已於二零零三年發行後償浮息票據合共120,000,000美元(二零零二年：2,045,916,000港元)，並由最終控股公司悉數認購。該等票據於二零零三年之應計利息支出約為60,036,000港元(二零零二年：38,263,000港元)。

ONGOING CONNECTED TRANSACTIONS (continued)

4. Inter-bank capital markets transactions

The Bank entered into the following types of transactions with the ultimate holding company and fellow subsidiaries:

- (a) buying and selling debt securities (either issued by independent third parties, the ultimate holding company or fellow subsidiaries) from and to the ultimate holding company and fellow subsidiaries in the primary and secondary markets; and
- (b) buying and selling debt securities on behalf of the ultimate holding company and fellow subsidiaries.

Approximately HK\$139,002,000 (2002: HK\$749,529,000) of debt securities were purchased from the ultimate holding company and fellow subsidiaries and approximately HK\$1,700,719,000 (2002: HK\$2,548,323,000) of debt securities were sold to the ultimate holding company and fellow subsidiaries, in primary and secondary markets in 2003. Immaterial fee attributable to the above transactions was received from the Bank in 2003 (2002: HK\$Nil).

5. Capital markets transactions

The Bank entered into various capital markets transactions with the Hong Kong branch of the ultimate holding company (the "Branch"), the ultimate holding company and fellow subsidiaries, which include arranging of, participation/sub-participation in syndicated loans, acquiring and disposing of interests in loans including syndicated loans, subscription and/or issuance of debt securities and tax efficient financing. Approximately HK\$6,430,380,000 (2002: HK\$7,940,249,000) of the Bank's interest in loans including syndicated loans were disposed to the Branch, the ultimate holding company and fellow subsidiaries and approximately HK\$1,925,371,000 (2002: HK\$1,451,000,000) of the Branch's interest in loans including syndicated loans were purchased by the Bank in 2003. Fee attributable to the above transactions of HK\$3,055,000 was paid to the Branch in 2003 (2002: HK\$Nil).

The Bank issued and subscribed by the ultimate holding company fixed rate certificates of deposit with nominal value of US\$400,000,000 and HK\$700,000,000 (2002: HK\$700,000,000). The interest expense attributable to these certificates of deposit in 2003 was approximately HK\$18,065,000 (2002: HK\$13,304,000).

In addition, the Bank issued subordinated floating rate notes totaling US\$120,000,000 (2002: HK\$2,045,916,000) in 2003 and were fully subscribed by the ultimate holding company. The interest expense attributable to these notes in 2003 was approximately HK\$60,036,000 (2002: HK\$38,263,000).

持續關連交易 (續)

6. 管理服務及物業支出

本銀行與最終控股公司及分行訂立以下各類協議：

- (a) 向分行提供會計及預算、內部審核、市場推廣及後台清算及結算等服務；及
- (b) 就分行之信用卡業務提供管理、行政及市場推廣等服務；及
- (c) 接受最終控股公司提供之銀行網絡、系統及電腦操作等服務；及
- (d) 使用分行所租用之部分樓面面積。

於二零零三年，本銀行就上文(a)及(b)向分行收取之總服務費收入約為7,705,000港元(二零零二年：4,545,000港元)，而就上文(c)向最終控股公司支付之服務費支出則約為4,411,000港元(二零零二年：3,502,000港元)。於二零零三年，本銀行向分行支付之總物業支出約為6,113,000港元(二零零二年：5,926,000港元)。

聯交所已於二零零二年三月、二零零二年十二月及二零零三年二月授出三項有條件豁免，批准本銀行與其最終控股公司及同系附屬公司進行之關連交易毋須遵守上市規則之披露及股東批准規定。

獨立非執行董事已審閱該等獲聯交所授出之三項有條件豁免所涉及之關連交易，並確認該等交易乃以下列方式進行：

- (1) 該等交易乃：
 - (i) 由本銀行在一般及日常業務過程中訂立；
 - (ii) 按公平基準(如適用)訂立；
 - (iii) (a)按正常商業條款；或(b)如無可資比較之交易以判斷該等交易是否按正常商業條款訂立，則按對本銀行及獨立股東而言屬公平合理之條款進行；及
 - (iv) (a)按規管該等交易之協議條款；或(b)(倘無上述協議)按不遜於給予獨立第三者或獲獨立第三者授予之條款(如適用)訂立。
- (2) 各相關類別之關連交易之年度總值並未超過年度上限或指定限額(如適用)。

ONGOING CONNECTED TRANSACTIONS (continued)

6. Management services and premises expenses

The Bank entered into the following types of agreements with the ultimate holding company and the Branch:

- (a) providing services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing to the Branch; and
- (b) providing services such as management, administrative and marketing functions in respect of credit card business of the Branch; and
- (c) receiving services such as banking network, system and computer operations from the ultimate holding company; and
- (d) using a portion of floor area rented by the Branch.

The total service fee income received from the Branch in respect of (a) & (b) above in 2003 was approximately HK\$7,705,000 (2002: HK\$4,545,000). The service fee expenses paid to the ultimate holding company in respect of (c) above in 2003 was approximately HK\$4,411,000 (2002: HK\$3,502,000). The total premises expense paid to the Branch in 2003 was approximately HK\$6,113,000 (2002: HK\$5,926,000).

Three conditional waivers for disclosure and shareholders' approval requirements for the above ongoing connected transactions between the Bank, its ultimate holding company and the fellow subsidiaries under the Listing Rules have been granted by the Stock Exchange in March 2002, December 2002 and February 2003.

The Independent Non-Executive Directors have reviewed and confirmed that the connected transactions to which three conditional waivers have been granted by the Stock Exchange were conducted in the following manner:

- (1) Such transactions were:
 - (i) entered into by the Bank in the ordinary and usual course of its business;
 - (ii) entered into on an arm's length basis, as applicable;
 - (iii) conducted either (a) on normal commercial terms; or (b) if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms that are fair and reasonable so far as the Bank and the independent shareholders are concerned; and
 - (iv) entered into either (a) in accordance with the terms of the agreements governing such transactions; or (b) (where there are no such agreements) on terms that are no less favourable than those available to or from independent third parties, as applicable.
- (2) The annual aggregate value of each of the relevant categories of the connected transactions had not exceeded the annual upper limit or specified threshold, as applicable.

持續關連交易 (續)

本銀行已接獲核數師於二零零四年三月二十二日發出之函件，當中確認下列各項：(i)該等交易已經管理層批准；(ii)該等交易乃按照符合本銀行有關價格及／或定價政策（已於年報作出披露）之價格訂立；(iii)該等交易乃遵照規管該等交易之有關協議條款訂立；(iv)該等交易之年度總值並未超過有關年度上限或指定限額（如適用）；及(v)上文6(c)段所指之交易乃按不遜於給予其他獨立第三者或獲其他獨立第三者授予之條款（如適用）訂立。

董事及行政總裁持有股份、相關股份及債券之權益及淡倉

於二零零三年十二月三十一日，據本銀行根據證券及期貨條例（「證券及期貨條例」）第XV部第352條須存置之董事及行政總裁之權益及淡倉登記冊所載，當日在職之董事及行政總裁於本銀行、其控股公司、附屬公司及其他相聯法團（定義見證券及期貨條例）之股份中擁有下列權益：

本銀行每股面值2港元之普通股數目

董事名稱	Name of Director	個人權益 Personal interests	持有股份 總數 Total number of shares held	佔全部已 發行股本 百分比 % of total issued shares
朱琦先生	Mr. Zhu Qi	50,000	50,000	0.008%

上述全部權益皆為好倉。根據本銀行按證券及期貨條例第XV部第352條而存置之董事及行政總裁權益及淡倉登記冊所示，於二零零三年十二月三十一日，並無淡倉記錄。

董事收購股份之權利

本銀行、其控股公司、各附屬公司或各同系附屬公司於年內任何時間概無訂立任何安排，致使本銀行董事可藉收購本銀行或任何其他法人團體之股份或債券而獲益。

ONGOING CONNECTED TRANSACTIONS (continued)

A letter dated 22nd March 2004 was received from the auditors of the Bank who were not aware of any exceptions that (i) the transactions received the approval of the management; (ii) the transactions had been entered into at amounts in accordance with the relevant prices and/or pricing policies of the Bank as disclosed in the annual report; (iii) the transactions had been entered into in accordance with the terms of the relevant agreements governing such transactions; (iv) the annual aggregate value of the transactions had not exceeded the relevant annual upper limits or specified threshold, as applicable; and (v) the transactions as specified in 6(c) above had been entered into on terms no less favourable than terms available to or from independent third parties, as applicable.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors and Chief Executive of the Bank who held office at 31st December 2003 had the following interests in the shares of the Bank, its holding company, subsidiaries and other associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the Register of Directors' and Chief Executives' Interests and Short Positions required to be kept under section 352 of Part XV of the SFO:

Ordinary shares of HK\$2 each in the Bank

董事名稱	Name of Director	個人權益 Personal interests	持有股份 總數 Total number of shares held	佔全部已 發行股本 百分比 % of total issued shares
朱琦先生	Mr. Zhu Qi	50,000	50,000	0.008%

All the interests stated above represent long positions. As at 31st December 2003, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept under Section 352 of Part XV of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Bank or any of its holding company, subsidiaries, or fellow subsidiaries a party to any arrangement to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

主要股東及其他人士持有股份及相關股份之權益及淡倉

於二零零三年十二月三十一日，本銀行與富通集團及Generale Belgian Holding B.V. (「GBH」) 訂立買賣協議 (「買賣協議」)，據此，本銀行同意於售回除外資產 (定義見買賣協議) 後，根據買賣協議之條件及條款從GBH購入華比富通銀行全部已發行股本 (「該收購」)。作為該收購之部份代價，於完成日期，本銀行將發行其股本中之入賬列作繳足股款新股份予GBH，佔本銀行經此發行擴大後之全部已發行股本9%。待買賣協議之先決條件獲按其條款達成 (或 (如適用) 獲豁免) 後，買賣協議將於二零零四年四月三十日完成，或倘全部條件均未能於二零零四年四月三十日前達成或獲豁免，則於買賣協議所指定之若干條件達成 (或 (如適用) 獲豁免) 之首個營業日後第三個營業日或可由各訂約方另行協定之其他日期 (但不得遲於二零零四年六月三十日) 完成。該收購之其他詳情於賬目附註39披露。

上述所有權益均代表好倉，且須根據證券及期貨條例第XV部第336條記錄於股份及相關股份權益及淡倉登記冊內。

據本銀行根據證券及期貨條例設存之登記冊所載，於二零零三年十二月三十一日，下列法團各自於本銀行持有之權益 (定義見證券及期貨條例) 如下：

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

On 31st December 2003, the Bank entered into a sale and purchase agreement (the "SPA") with Fortis Bank and Generale Belgian Holding B.V. ("GBH") pursuant to which the Bank has agreed to purchase the entire issued share capital of Fortis Bank Asia HK from GBH, following a carve-out of the Excluded Assets (as defined in the SPA), subject to the conditions and on the terms of the SPA (the "Acquisition"). As partial consideration for the Acquisition, new shares in the capital of the Bank will be issued, credited as fully paid, representing 9% of the total issued share capital of the Bank as enlarged by its issue, to GBH as at the completion date. Subject to satisfaction (or waived, if applicable) of the conditions precedent to the SPA in accordance with its terms, completion of the SPA shall take place on 30th April 2004, or, if all of the conditions have not been satisfied or waived by 30th April 2004, on the third business day after the first business day on or by which certain of the conditions specified in the SPA have been fulfilled (or waived, if applicable) or such other date as may be agreed otherwise by the parties (but which shall be no later than 30th June 2004). Further details of the Acquisition are disclosed in Note 39 to the accounts.

All the interests stated above represent long positions which are required to be recorded in the Register of Interests and Short Positions in Shares and Underlying Shares under section 336 of Part XV of the SFO.

The register maintained by the Bank pursuant to the SFO recorded that, as at 31st December 2003, the following corporations had interests (as defined in the SFO) in the Bank set opposite their respective names:

股東名稱	Name of shareholder	持有之股份 總數 Total number of shares held	佔全部 已發行股本 百分比 % of total issued shares
本銀行每股面值2港元之 普通股數目 Number of ordinary shares of HK\$2 each in the Bank			
中國工商銀行	The Industrial and Commercial Bank of China	398,489,478	63.82%
Fortis Bank SA/NV (附註)	Fortis Bank SA/NV (Note)	56,193,687	9.00%
Fortis Brussels SA/NV	Fortis Brussels SA/NV	56,193,687	9.00%
Fortis N.V.	Fortis N.V.	56,193,687	9.00%
Fortis SA/NV	Fortis SA/NV	56,193,687	9.00%
本銀行每股面值5港元之 可轉換非累計 優先股數目 Number of convertible non-cumulative preference shares of HK\$5 each in the Bank			
中國工商銀行	The Industrial and Commercial Bank of China	202,219,218	100.00%

主要股東及其他人士持有股份及相關股份之權益及淡倉(續)

於二零零三年十二月三十一日，登記冊並無錄得淡倉權益。

附註：GBH為Fortis Bank SA/NV之全資附屬公司。

管理合約

年內並無訂立或訂有任何涉及本銀行全部或大部份業務之管理及行政合約。

主要客戶

本集團本年度最大五名客戶佔本集團之利息收入及其他營運收入總和少於30%。

遵照上市規則最佳應用守則

董事會認為，本集團於本年度一直遵守上市規則附錄十四所列之最佳應用守則，惟非執行董事及獨立非執行董事並無特定任期，但須根據本銀行之組織章程細則於股東週年大會上輪值告退及膺選連任。

遵照「本地註冊認可機構披露財務資料」指引

本銀行已全面遵守香港金融管理局於二零零二年十一月八日頒佈之「本地註冊認可機構披露財務資料」監管政策手冊所載之披露規定。

審核委員會

關於審核委員會之權力及職責之明文規定乃參考香港會計師公會頒佈之「成立審核委員會之指引」而訂立。

審核委員會為董事會與本銀行核數師就本集團核數事宜之重要聯繫。此外，審核委員會亦負責評估本銀行之外部及內部核數事宜、內部監控及風險評估。委員會成員包括非執行董事陳愛平先生及王于漸教授，S.B.S.，太平紳士、徐耀華先生及袁金浩先生三位獨立非執行董事。於本財政年度，審核委員會曾分別舉行兩次會議。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

As at 31st December 2003, no short positions were recorded in the register.

Note: GBH is a wholly-owned subsidiary of Fortis Bank SA/NV.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Bank were entered into or existed during the year.

MAJOR CUSTOMERS

During the year, 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.

COMPLIANCE WITH THE CODE OF BEST PRACTICE OF THE LISTING RULES

In the opinion of the Directors, the Group has complied with the Code of Best Practice as set out in Appendix 14 of the Listing Rules throughout the year, except that the Non-Executive Directors and the Independent Non-Executive Directors are not appointed for specific terms but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bank's Articles of Association.

COMPLIANCE WITH THE GUIDELINE ON "FINANCIAL DISCLOSURE BY LOCALLY INCORPORATED AUTHORIZED INSTITUTIONS"

The Bank has fully complied with the disclosure requirements set out in the Supervisory Policy Manual entitled "Financial Disclosure by Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority on 8th November 2002.

AUDIT COMMITTEE

The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to "A Guide for the Formation of An Audit Committee" published by the Hong Kong Society of Accountants.

The Audit Committee provides an important link between the Board and the Bank's auditors in matters coming within the scope of the Group audit. It also reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation. The Committee comprises Mr. Chen Aiping, Non-Executive Director and the three Independent Non-Executive Directors, namely Professor Wong Yue Chim, Richard, S.B.S. J.P., Mr. Tsui Yiu Wa, Alec, and Mr. Yuen Kam Ho, George. Two meetings were held during the current financial year.

董事於競爭性業務之權益

以下為根據上市規則第8.10(2)段須予披露之資料：

朱琦先生為工商東亞金融控股有限公司之董事及工商國際金融有限公司之主席。

陳愛平先生為廈門國際銀行及工商東亞金融控股有限公司之董事。

郭鍵雄先生及王岩先生為分行之副總經理。

核數師

賬目由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所將任滿告退，惟符合資格並願重選連任。

承董事會命
姜建清博士
主席

香港，二零零四年三月二十二日

DIRECTORS' INTEREST IN COMPETING BUSINESS

Set out below is information disclosed pursuant to paragraph 8.10(2) of the Listing Rules:

Mr. Zhu Qi is the Director of ICEA Finance Holdings Limited and the Chairman of Industrial and Commercial International Capital Limited.

Mr. Chen Aiping is the Director of Xiamen International Bank and ICEA Finance Holdings Limited.

Mr. Kwok Kin Hung and Mr. Wang Yan are the Deputy General Managers of the Branch.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Dr. Jiang Jianqing
Chairman

Hong Kong, 22nd March 2004