

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」)截至二零零四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、財務及其他財務相關服務，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38。

業績及分派

本集團截至二零零四年十二月三十一日止年度之業績載於第62頁之綜合損益表。

董事已宣佈並於二零零四年九月十七日派發每股普通股0.14港元之中期股息，股息總額為146,715,000港元。

董事建議派發每股普通股0.31港元之末期股息，股息總額為324,869,000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35。

捐款

本集團於本年度內之慈善及其他捐款總額為448,000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34。

本銀行於年內已發行合共150,000,000美元之後償浮息票據。該等票據之詳情載於賬目附註33。

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 2004.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activities of the Bank are the provision of banking, financial and other financial 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 38 to the accounts.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st December 2004 are set out in the consolidated profit and loss account on page 62.

The Directors have declared an interim dividend of HK\$0.14 per ordinary share, totalling HK\$146,715,000 which was paid on 17th September 2004.

The Directors recommend the payment of a final dividend of HK\$0.31 per ordinary share, totalling HK\$324,869,000.

RESERVES

Movements in the reserves of the Group and of the Bank during the year are set out in Note 35 to the accounts.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$448,000.

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 34 to the accounts.

The Bank has issued subordinated floating rate notes totalling US\$150,000,000 during the year. Details of these notes are set out in Note 33 to the accounts.

可供分派儲備

本銀行於二零零四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1,129,301,000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。

		重報 As restated				
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2001 千港元 HK\$'000	2000 千港元 HK\$'000
業績	Results					
股東應佔盈利	Profit attributable to shareholders	760,391	522,130	474,635	330,412	150,063
資產及負債	Assets and liabilities					
資產總額	Total assets	99,343,650	75,319,624	62,261,989	43,497,229	20,656,987
負債總額	Total liabilities	85,454,003	65,224,015	53,100,345	37,217,910	18,073,674
資本來源	Capital resources	13,889,647	10,095,609	9,161,644	6,279,319	2,583,313
		99,343,650	75,319,624	62,261,989	43,497,229	20,656,987

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其上市證券，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
黃遠輝先生 (於二零零四年八月十八日獲委任)
Damis Jacobus Ziengs先生
(又名Dennis Jacobus Ziengs)
(於二零零四年五月一日獲委任)
王于漸教授, S.B.S., 太平紳士*
徐耀華先生*
袁金浩先生*
郭健雄先生 (於二零零四年八月十八日辭任)
王岩先生 (於二零零五年一月十五日辭任)

* 獨立非執行董事

DISTRIBUTABLE RESERVES

Distributable reserves of the Bank at 31st December 2004, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$1,129,301,000.

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.

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. Wong Yuen Fai (appointed on 18th August 2004)
Mr. Damis Jacobus Ziengs
(also known as Dennis Jacobus Ziengs)
(appointed on 1st May 2004)
Professor Wong Yue Chim, Richard, S.B.S. J.P.*
Mr. Tsui Yiu Wa, Alec*
Mr. Yuen Kam Ho, George*
Mr. Kwok Kin Hung (resigned on 18th August 2004)
Mr. Wang Yan (resigned on 15th January 2005)

* Independent Non-executive Directors

董事會 (續)

根據本銀行之組織章程細則第93條，黃遠輝先生及Damis Jacobus Ziengs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，姜建清博士及王麗麗女士將依章輪值告退。所有退任董事願意於應屆股東週年大會上膺選連任。

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。

關連交易

(a) 收購華商銀行

本銀行與中國工商銀行(「工商銀行」)(最終控股公司)及中信嘉華銀行有限公司(「中信嘉華」)於二零零四年十二月三十日訂立收購協議，據此，工商銀行及中信嘉華已分別同意出售及轉讓彼等各自於華商銀行(「華商銀行」)之75%及25%股權，而本銀行已同意購買及接納轉讓華商銀行之全部100%股權，惟須受收購協議之條款及條件所規限。

華商銀行是一間於中國註冊成立之中外股份合資銀行，主要於中國深圳從事非人民幣銀行業務。於完成後，本銀行計劃促使華商銀行申請人民幣銀行業務牌照，並於獲發牌照後，按照該牌照之銀行規定於中國深圳展開經營人民幣銀行業務。

DIRECTORS (continued)

Mr. Wong Yuen Fai and Mr. Damis Jacobus Ziengs will retire in accordance with Article 93 of the Bank's Articles of Association and Dr. Jiang Jianqing and Ms. Wang Lili will 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.

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.

CONNECTED TRANSACTIONS

(a) Acquisition of Chinese Mercantile Bank

On 30th December 2004, the Bank entered into an Acquisition Agreement with The Industrial and Commercial Bank of China ("ICBC"), the ultimate holding company, and CITIC Ka Wah Bank Limited ("CITIC Ka Wah") pursuant to which ICBC and CITIC Ka Wah have agreed to sell and transfer their 75% and 25% equity interest in Chinese Mercantile Bank ("CMB") respectively and the Bank has agreed to purchase and accept the transfer of the entire 100% equity interest in CMB, subject to the terms and conditions of the Acquisition Agreement.

CMB is a sino-foreign equity joint venture bank incorporated in the PRC and is principally engaged in non-Renminbi banking business in Shenzhen, the PRC. After Completion, the Bank intends to procure CMB to apply for a Renminbi banking business licence and to commence Renminbi banking business in Shenzhen, the PRC upon receipt of, and in accordance with, such licence.

關連交易 (續)

(a) 收購華商銀行 (續)

根據收購協議，應付工商銀行之代價，相等於華商銀行於完成日期之經審核資產淨值（經參考完成賬目後釐定）之1.1倍。由於中信嘉華實際上是代表工商銀行持有該權益，故中信嘉華將不會就轉讓其於華商銀行之25%股權而收取任何代價。應付工商銀行之代價將會以下列方式支付：

- (i) 於完成時，按(a)未經審核代價價值除以(b)代價股份價格後釐定之該代價股份數目，將由本銀行配發及發行予工商銀行；及
- (ii) 於完成及釐定華商銀行於完成時之經審核資產淨值後，倘若未經審核代價價值與實際代價價值兩者間之價值有任何差異，則本銀行或工商銀行（視情況而定）將會於發出完成賬目起計30日內，向對方支付一筆相當於該經審核資產淨值之不足之數或多出款項之現金（須以美元支付）。

以華商銀行於二零零四年十一月三十日之未經審核資產淨值為基準計算，未經審核代價價值為96,060,000美元（相等於約749,300,000港元）及可能於完成時發行合共67,759,057股代價股份予工商銀行。

(b) 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。於二零零四年十二月三十一日，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6,027,959,000港元（二零零三年：7,435,072,000港元）。二零零四年，該等存款之利息收入約為84,689,000港元（二零零三年：58,133,000港元）。

CONNECTED TRANSACTIONS (continued)

(a) Acquisition of Chinese Mercantile Bank (continued)

According to the Acquisition Agreement, the Consideration to be paid to ICBC shall be an amount equal to 1.1 times of the audited net asset value of CMB as at the Completion Date as determined by reference to the Completion Accounts. CITIC Ka Wah will receive no consideration for the transfer of its 25% equity interest in CMB as it in effect held that interest on behalf of ICBC. The Consideration payable to ICBC shall be satisfied in the following manner:

- (i) at Completion, such number of Consideration Shares determined by dividing (a) the Unaudited Consideration Value by (b) the Consideration Shares Price, will be allotted and issued by the Bank to ICBC; and
- (ii) following Completion and determination of the audited net asset value of CMB as at Completion, to the extent that there is any difference in value between the Unaudited Consideration Value and the Actual Consideration Value, an amount in cash (payable in US Dollars) representing the shortfall or excess to such audited net asset value will be paid by the Bank or ICBC (as the case may be) to the other within 30 days of the issuance of the Completion Accounts.

On the basis of the unaudited net asset value of CMB as at 30 November 2004, the Unaudited Consideration Value would amount to approximately US\$96.06 million (equivalent to approximately HK\$749.30 million) and a total of 67,759,057 Consideration Shares would be issued to ICBC at Completion.

(b) 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 placements are made to and inter-bank deposits are taken from the ultimate holding company and fellow subsidiaries. Approximately HK\$6,027,959,000 (2003: HK\$7,435,072,000) of inter-bank placements were made by the Bank to the ultimate holding company and fellow subsidiaries as at 31st December 2004. The interest income attributable to these placements in 2004 was approximately HK\$84,689,000 (2003: HK\$58,133,000).

關連交易 (續)

(b) 持續關連交易 (續)

1. 銀行同業借貸交易 (續)

於二零零四年十二月三十一日，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15,237,812,000港元 (二零零三年：20,390,459,000港元)。此項結餘包括一筆為數11,109,332,000港元 (二零零三年：12,025,197,000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 (二零零三年：1,635,000,000美元) 中已被動用之數額。二零零四年，該等存款之利息支出約為202,906,000港元 (二零零三年：153,097,000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／或利率風險管理為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。

於二零零四年十二月三十一日，本銀行與最終控股公司及同系附屬公司進行之尚未平仓衍生工具交易名義數值約為10,807,885,000港元 (二零零三年：6,782,743,000港元)。於二零零四年，該等交易之應計利息收入及支出分別約為372,906,000港元 (二零零三年：268,560,000港元) 及276,236,000港元 (二零零三年：295,211,000港元)。該等交易於二零零四年之應計期權溢價支出淨額約為766,000港元及二零零三年之應計期權溢價收入淨額約為8,886,000港元。

3. 外匯交易

本銀行亦已就外匯風險管理為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。於二零零四年十二月三十一日，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) 之合約數值總額約為5,590,626,000港元 (二零零三年：11,380,921,000港元)。

CONNECTED TRANSACTIONS (continued)

(b) Ongoing connected transactions (continued)

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

Approximately HK\$15,237,812,000 (2003: HK\$20,390,459,000) of inter-bank deposits were placed with the Bank by the ultimate holding company and fellow subsidiaries as at 31st December 2004. Included in this balance is an amount of HK\$11,109,332,000 (2003: HK\$12,025,197,000) representing utilisation of a standby credit facility of US\$1,635,000,000 (2003: US\$1,635,000,000) granted by the ultimate holding company to the Bank for working capital purposes. The interest expense attributable to these deposits in 2004 was approximately HK\$202,906,000 (2003: HK\$153,097,000).

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 2004 was approximately HK\$10,807,885,000 (2003: HK\$6,782,743,000). The interest income and expense attributable to these transactions in 2004 were approximately HK\$372,906,000 (2003: HK\$268,560,000) and HK\$276,236,000 (2003: HK\$295,211,000) respectively. Net option premium expense attributable to these transactions in 2004 was approximately HK\$766,000 and the net option premium income in 2003 was approximately HK\$8,886,000.

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 contractual amount of the outstanding foreign exchange transactions with the ultimate holding company and fellow subsidiaries as at 31st December 2004, including spot, forward and swap transactions, was approximately HK\$5,590,626,000 (2003: HK\$11,380,921,000).

關連交易 (續)

(b) 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。

於二零零四年，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出售之債券約為1,131,000,000港元(二零零三年：1,700,719,000港元)。本年度，並無向最終控股公司及同系附屬公司購買任何債券(二零零三年：139,002,000港元)。

本銀行向最終控股公司發行而最終控股公司認購面值500,000,000美元(二零零三年：400,000,000美元及700,000,000港元)之定息存款證。有關存款證於二零零四年之利息開支約為85,751,000港元(二零零三年：18,065,000港元)。

此外，本銀行發行合共495,000,000美元及1,500,000,000港元(二零零三年：345,000,000美元及1,500,000,000港元)之後償浮息票據，並由最終控股公司全數認購。有關票據於二零零四年之利息支出約為80,714,000港元(二零零三年：60,036,000港元)。

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。於二零零四年，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1,552,106,000港元(二零零三年：6,430,380,000港元)，向分行購買之貸款(包括銀團貸款)權益約為610,000,000港元(二零零三年：1,925,371,000港元)。於二零零四年，本銀行就上述交易向分行支付費用2,083,000港元(二零零三年：3,055,000港元)。

CONNECTED TRANSACTIONS (continued)

(b) 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\$1,131,000,000 (2003: HK\$1,700,719,000) of debt securities were sold to the ultimate holding company and fellow subsidiaries, in primary and secondary markets in 2004. In the current year, no debt securities were purchased from the ultimate holding company and fellow subsidiaries (2003: HK\$139,002,000).

The Bank issued and subscribed by the ultimate holding company fixed rate certificates of deposit with nominal value of US\$500,000,000 (2003: US\$400,000,000 and HK\$700,000,000). The interest expense attributable to these certificates of deposit in 2004 was approximately HK\$85,751,000 (2003: HK\$18,065,000).

In addition, the Bank issued subordinated floating rate notes totaling US\$495,000,000 and HK\$1,500,000,000 (2003: US\$345,000,000 and HK\$1,500,000,000) and were fully subscribed by the ultimate holding company. The interest expense attributable to these notes in 2004 was approximately HK\$80,714,000 (2003: HK\$60,036,000).

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\$1,552,106,000 (2003: HK\$6,430,380,000) 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\$610,000,000 (2003: HK\$1,925,371,000) of the Branch's interest in loans including syndicated loans were purchased by the Bank in 2004. Fee attributable to the above transactions of HK\$2,083,000 was paid to the Branch in 2004 (2003: HK\$3,055,000).

關連交易 (續)

(b) 持續關連交易 (續)

6. 信用證賣斷交易

本銀行與最終控股公司及同系附屬公司訂立信用證賣斷交易，買賣僅涉及以信用證抵押之匯票之若干貿易融資產品權益。

7. 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) 就分行之信用咭業務提供管理、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。

於二零零四年，本銀行就上文(a)及(b)向分行收取之總服務費收入約為7,983,000港元(二零零三年：7,705,000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5,173,000港元(二零零三年：4,411,000港元)。於二零零四年，本銀行向分行支付之總物業支出約為6,113,000港元(二零零三年：6,113,000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。

CONNECTED TRANSACTIONS (continued)

(b) Ongoing connected transactions (continued)

6. Forfeiting transactions

The Bank entered into forfeiting transactions with the ultimate holding company and fellow subsidiaries to buy and sell interests in certain trade finance products only in relation to bills of exchange secured under letters of credit.

7. 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 2004 was approximately HK\$7,983,000 (2003: HK\$7,705,000). The service fee expenses paid to the ultimate holding company in respect of (c) above in 2004 was approximately HK\$5,173,000 (2003: HK\$4,411,000). The total premises expense paid to the Branch in 2004 was approximately HK\$6,113,000 (2003: HK\$6,113,000).

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.

關連交易 (續)

(b) 持續關連交易 (續)

7. 管理服務及物業支出 (續)

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)。

本銀行已接獲核數師於二零零五年三月七日發出之函件，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 7(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。

CONNECTED TRANSACTIONS (continued)

(b) Ongoing connected transactions (continued)

7. Management services and premises expenses (continued)

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.

A letter dated 7th March 2005 was received from the auditors of the Bank which stated that the auditors were not aware of any exceptions to (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 7(c) above had been entered into on terms no less favourable than terms available to or from independent third parties, as applicable.

董事及行政總裁持有股份、相關股份及債券之權益及淡倉

於二零零四年十二月三十一日，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條存置之董事及行政總裁之權益及淡倉登記冊所載，或本銀行及香港聯合交易所有限公司根據《上市公司董事進行證券交易的標準守則》所得悉，當日在職之董事及行政總裁於本銀行及其相聯法團（定義見證券及期貨條例）（「相聯法團」）之股份、相關股份及債券中擁有之權益如下：

本銀行每股面值2港元之普通股數目 Ordinary shares of HK\$2 each in the Bank

董事名稱：	Name of Director:	個人權益 Personal interests	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
姜建清博士	Dr. Jiang Jianqing	10,000	10,000	0.001%
朱琦先生	Mr. Zhu Qi	50,000	50,000	0.005%
徐耀華先生	Mr. Tsui Yiu Wa, Alec	100,000	100,000	0.01%
袁金浩先生	Mr. Yuen Kam Ho, George	50,000	50,000	0.005%

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，於二零零四年十二月三十一日，並無淡倉記錄。

除上述者外，於二零零四年十二月三十一日，本銀行各董事或行政總裁或彼等之配偶或18歲以下之子女概無獲授或行使可認購本銀行或其任何相聯法團之任何股份或債券之權利。

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。

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

As at 31st December 2004, the interests of the Directors and Chief Executive in the shares, underlying shares and debentures of the Bank and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) ("Associated Corporations") as recorded in the Register of Directors' and Chief Executives' Interests and Short Positions required to be kept under section 352 of the SFO or as otherwise 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 were as follows:

個人權益 Personal interests	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
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All the interests stated above represent long positions. As at 31st December 2004, 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.

Save as disclosed above, as at 31st December 2004, none of the Directors or Chief Executive of the Bank nor their spouses or children under 18 years of age were granted, or had exercised, any rights to subscribe for any equity or debt securities of the Bank or any of its Associated Corporations.

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

於二零零四年十二月三十一日，就董事會所知，根據本銀行按證券及期貨條例第XV部第336條而存置之股份及相關股份權益及淡倉登記冊所示，下列人士（本銀行董事或行政總裁以外）擁有本銀行5%或以上之已發行股本：

本銀行每股面值2港元之普通股數目
Ordinary shares of HK\$2 each in the Bank

股東名稱：	Name of shareholders:	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
中國工商銀行	The Industrial and Commercial Bank of China	602,888,957	57.53%
Fortis N.V.*	Fortis N.V.*	94,317,000	9.00%
Fortis SA/NV*	Fortis SA/NV*	94,317,000	9.00%
Fortis Brussels SA/NV*	Fortis Brussels SA/NV*	94,317,000	9.00%
Fortis Bank SA/NV*	Fortis Bank SA/NV*	94,317,000	9.00%

* Fortis N.V.及Fortis SA/NV分別有權行使或有控制權行使Fortis Brussels SA/NV股東大會上三分之一或以上投票權。Fortis Brussels SA/NV有權行使或有控制權行使Fortis Bank SA/NV股東大會上三分之一或以上投票權。Fortis Bank SA/NV有權行使或有控制權行使Generale Belgian Holding B.V.（「GBH」）股東大會上三分之一或以上投票權。GBH為Fortis Bank SA/NV全資附屬公司，並為本銀行94,317,000股普通股之合法擁有人。

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

As at 31st December 2004, so far as the Directors were aware, the following persons (other than a Director or Chief Executive of the Bank) were interested in 5% or more of the issued share capital of the Bank as recorded in the Register of Interests and Short Positions in Shares and Underlying Shares required to be kept under section 336 of Part XV of the SFO.

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
602,888,957	57.53%
94,317,000	9.00%
94,317,000	9.00%
94,317,000	9.00%
94,317,000	9.00%

* Each of Fortis N.V. and Fortis SA/NV is entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Fortis Brussels SA/NV. Fortis Brussels SA/NV is entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Fortis Bank SA/NV. Fortis Bank SA/NV is entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Generale Belgian Holding B.V. ("GBH"). GBH is a wholly-owned subsidiary of Fortis Bank SA/NV and is the legal owner of 94,317,000 ordinary shares of the Bank.

上述全部權益皆為好倉。根據本銀行按證券及期貨條例第336條而存置之股份及相關股份權益及淡倉登記冊所示，於二零零四年十二月三十一日，並無淡倉記錄。

All the interest stated above represent long positions. As at 31st December 2004, no short positions were recorded in the Register of Interests and Short Positions in Shares and Underlying Shares required to be kept under section 336 of the SFO.

除上述者外，於二零零四年十二月三十一日，本銀行概無獲悉任何人士擁有本銀行5%或以上已發行股本而須根據證券及期貨條例作出披露。

Save as disclosed above, as at 31st December 2004, the Bank had not been notified of any interest accounting to 5% or more of the issued share capital of the Bank which is required to be disclosed pursuant to the SFO.

管理合約

MANAGEMENT CONTRACTS

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。

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.

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%。

遵守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。

遵守「本地註冊認可機構披露財務資料」監管政策手冊

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六次會議。

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副董事長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。

Damis Jacobus Ziengs先生為富通之亞洲區行政總裁。

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 SUPERVISORY POLICY MANUAL ENTITLED "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 Institute of Certified Public 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. Six meetings were held during the current financial year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

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

Mr. Zhu Qi is the Deputy Chairman 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. Damis Jacobus Ziengs is the Chief Executive Officer of Fortis Asia.

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
主席
姜建清博士

香港，二零零五年三月七日

AUDITORS

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

On behalf of the Board
Dr. Jiang Jianqing
Chairman

Hong Kong, 7th March 2005