

董事會報告

Report of the Directors

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」)截至二零零五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30。

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5。

法定合併

根據香港法例第1178章中國工商銀行(亞洲)有限公司(合併)條例，華比銀行香港分行之所有業務轉歸本銀行，由二零零五年十月十日起生效。

業績及分派

本集團截至二零零五年十二月三十一日止年度之業績載於第69頁之綜合損益表。

董事已宣佈並於二零零五年九月十六日派發每股普通股0.18港元之中期股息，股息總額為201,827,000港元。

董事建議派發每股普通股0.35港元之末期股息，股息總額為392,441,000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38。

捐款

本集團於本年度內之慈善及其他捐款總額為892,000港元。

物業及設備

本集團及本銀行之物業及設備變動詳情載於賬目附註28。

借入資本及股本

本集團及本銀行之借入資本及股本變動詳情載於賬目附註36及37。

可供分派儲備

本銀行於二零零五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1,693,813,000港元。

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 31 December 2005.

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 30 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 5 to the accounts.

LEGAL MERGER

Pursuant to the Industrial and Commercial Bank of China (Asia) Limited (Merger) Ordinance (Chapter 1178), all the undertakings of Belgian Bank, Hong Kong Branch, were transferred to and vested in the Bank with effect from 10 October 2005.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2005 are set out in the consolidated profit and loss account on page 69.

The Directors have declared an interim dividend of HK\$0.18 per ordinary share, totaling HK\$201,827,000 which was paid on 16 September 2005.

The Directors recommend the payment of a final dividend of HK\$0.35 per ordinary share, totaling HK\$392,441,000.

RESERVES

Movements in the reserves of the Group and of the Bank during the year are set out in Note 38 to the accounts.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$892,000.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group and of the Bank are set out in Note 28 to the accounts.

LOAN CAPITAL AND SHARE CAPITAL

Details of the movements in loan capital and share capital of the Group and of the Bank are set out in Notes 36 and 37 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Bank at 31 December 2005, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$1,693,813,000.

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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。

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.

		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	重報 As restated 2002 千港元 HK\$'000	2001 千港元 HK\$'000
業績	Results					
股東應佔盈利	Profit attributable to the equity holders of the Group	980,601	760,391	522,130	474,635	330,412
資產及負債	Assets and liabilities					
資產總額	Total assets	115,399,323	99,343,650	75,319,624	62,261,989	43,497,229
負債總額	Total liabilities	100,190,694	85,454,003	65,224,015	53,100,345	37,217,910
歸屬於本集團 股東權益 總額	Capital and reserve attributable to the Group's equity holders	15,208,629	13,889,647	10,095,609	9,161,644	6,279,319
		115,399,323	99,343,650	75,319,624	62,261,989	43,497,229

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。

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.

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
張懿先生(於二零零五年三月十五日獲委任)
Damis Jacobus Ziengs先生(又名Dennis Jacobus Ziengs)
王于漸教授，S.B.S.，太平紳士*
徐耀華先生*
袁金浩先生*
王岩先生(於二零零五年一月十五日辭任)

* 獨立非執行董事

根據本銀行之組織章程細則第93條，張懿先生將退任，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、徐耀華先生及袁金浩先生將於應屆之股東週年大會依章輪值告退。根據企業管治常規守則之守則條文第A.4.2條，本銀行之董事總經理朱琦先生於應屆股東週年大會上自願退任。所有退任董事均願意於應屆股東週年大會上膺選連任。

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 & Chief Executive Officer)
Mr. Chen Aiping
Mr. Wong Yuen Fai
Mr. Zhang Yi (appointed on 15 March 2005)
Mr. Damis Jacobus Ziengs (also known as Dennis Jacobus Ziengs)
Professor Wong Yue Chim, Richard, S.B.S., J.P.*
Mr. Tsui Yiu Wa, Alec*
Mr. Yuen Kam Ho, George*
Mr. Wang Yan (resigned on 15 January 2005)

* Independent Non-executive Directors

Mr. Zhang Yi will retire in accordance with Article 93 of the Bank's Articles of Association and Professor Wong Yue Chim, Richard, S.B.S., J.P., Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George 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. In compliance with the Code Provision A.4.2 of the Code on Corporate Governance Practices, Mr. Zhu Qi, the Managing Director of the Bank, will offer him for retirement at the forthcoming annual general meeting. All retiring Directors, being eligible, offer themselves for re-election.

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董事會 (續)

本銀行之非執行董事及獨立非執行董事並無指定任期，但須根據本銀行之組織章程細則於股東週年大會上輪席告退及膺選連任。

獨立非執行董事之獨立性

本銀行已收到各獨立非執行董事根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條規定就其獨立性發出之年度確認書，本銀行並認為所有獨立非執行董事均屬獨立人士。

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

本銀行或其控股公司、附屬公司或同系附屬公司並無參與訂立與本集團業務有重大關係而於本年度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

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股份有限公司(簡稱「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。於二零零五年十二月三十一日，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4,370,016,000港元(二零零四年：6,027,959,000港元)。二零零五年，該等存款之利息收入約為159,706,000港元(二零零四年：84,689,000港元)。

於二零零五年十二月三十一日，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20,625,934,000港元(二零零四年：15,237,812,000港元)。此項結餘包括一筆為數11,826,528,000港元(二零零四年：11,109,332,000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1,575,000,000美元(二零零四年：1,635,000,000美元)中已被動用之數額。二零零五年，該等存款之利息支出約為569,206,000港元(二零零四年：202,906,000港元)。

DIRECTORS (continued)

The Non-executive Directors and the Independent Non-executive Directors of the Bank are not appointed for specific term but subject to the retirement by rotation and re-election at the annual general meetings in accordance with the Bank's Articles of Association.

STATUS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Bank has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and the Bank considers all of its Independent Non-executive Directors to be independent.

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

Continuing 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 continuing connected transactions under the Listing Rules. The transactions were with Industrial and Commercial Bank of China Limited (formerly known as The Industrial and Commercial Bank of China, "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. As at 31 December 2005, approximately HK\$4,370,016,000 (2004: HK\$6,027,959,000) of inter-bank placements were made by the Bank to the ultimate holding company and fellow subsidiaries. The interest income attributable to these placements in 2005 was approximately HK\$159,706,000 (2004: HK\$84,689,000).

As at 31 December 2005, approximately HK\$20,625,934,000 (2004: HK\$15,237,812,000) of inter-bank deposits were placed with the Bank by the ultimate holding company and fellow subsidiaries. Included in this balance is an amount of HK\$11,826,528,000 (2004: HK\$11,109,332,000) representing utilisation of a standby credit facility of US\$1,575,000,000 (2004: 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 2005 was approximately HK\$569,206,000 (2004: HK\$202,906,000).

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關連交易 (續)

持續關連交易 (續)

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。

於二零零五年十二月三十一日，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10,753,668,000港元（二零零四年：10,807,885,000港元）。於二零零五年，該等交易之應計利息收入及支出分別約為381,392,000港元（二零零四年：372,906,000港元）及352,427,000港元（二零零四年：276,236,000港元）。該等交易於二零零五年之應計期權溢價支出淨額約為271,000港元（二零零四年：766,000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。於二零零五年十二月三十一日，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6,124,861,000港元（二零零四年：5,590,626,000港元）。

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項交易：

(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。

於二零零五年，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1,443,549,000港元（二零零四年：1,131,000,000港元）。另一方面，本銀行向最終控股公司及同系附屬公司購買之債券約為65,931,000港元（二零零四年：無）。

本銀行向最終控股公司發行而最終控股公司認購名義數值500,000,000美元（二零零四年：500,000,000美元）之定息存款證。有關存款證於二零零五年之利息開支約為175,886,000港元（二零零四年：85,751,000港元）。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

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 31 December 2005 was approximately HK\$10,753,668,000 (2004: HK\$10,807,885,000). The interest income and expense attributable to these transactions in 2005 were approximately HK\$381,392,000 (2004: HK\$372,906,000) and HK\$352,427,000 (2004: HK\$276,236,000) respectively. Net option premium expense attributable to these transactions in 2005 was approximately HK\$271,000 (2004: HK\$766,000).

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 31 December 2005, including spot, forward and swap transactions, was approximately HK\$6,124,861,000 (2004: HK\$5,590,626,000).

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\$1,443,549,000 (2004: HK\$1,131,000,000) of debt securities were sold to the ultimate holding company and fellow subsidiaries, in primary and secondary markets in 2005. On the other hand, approximately HK\$65,931,000 (2004: nil) debt securities were purchased from the ultimate holding company and fellow subsidiaries.

The Bank issued and subscribed by the ultimate holding company fixed rate Certificates of deposit with nominal value of US\$500,000,000 (2004: US\$500,000,000). The interest expense attributable to these certificates of deposit in 2005 was approximately HK\$175,886,000 (2004: HK\$85,751,000).

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關連交易 (續)

持續關連交易 (續)

此外，本銀行發行合共495,000,000美元及1,500,000,000港元(二零零四年：495,000,000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。有關票據於二零零五年之利息支出約為188,117,000港元(二零零四年：80,714,000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。於二零零五年，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4,815,203,000港元(二零零四年：1,552,106,000港元)，向分行購買之貸款(包括銀團貸款)權益約為1,348,854,000港元(二零零四年：610,000,000港元)。於二零零五年，本銀行就上述交易向分行支付費用約為2,700,000港元(二零零四年：2,083,000港元)。

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、物業收入及物業支出

本銀行與最終控股公司、分行及同系附屬公司訂立以下各類協議：

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

In addition, the Bank issued subordinated floating rate notes totaling US\$495,000,000 and HK\$1,500,000,000 (2004: US\$495,000,000 and HK\$1,500,000,000) and were fully subscribed by the ultimate holding company. The interest expense attributable to these notes in 2005 was approximately HK\$188,117,000 (2004: HK\$80,714,000).

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\$4,815,203,000 (2004: HK\$1,552,106,000) 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\$1,348,854,000 (2004: HK\$610,000,000) of the Branch's interest in loans including syndicated loans were purchased by the Bank in 2005. Fees attributable to the above transactions of approximately HK\$2,700,000 (2004: HK\$2,083,000) was paid to the Branch in 2005.

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, premises incomes and premises expenses

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

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持續關連交易 (續)

7. 管理服務、物業收入及物業支出 (續)

- (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；及
- (e) 提供中國工商銀行大廈2501-2單位，26樓及28樓之部分樓面面積予分行及同系附屬公司使用。

於二零零五年，本銀行就上文(a)及(b)向分行收取之總服務費收入約為7,441,000港元(二零零四年：7,983,000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8,407,000港元(二零零四年：5,173,000港元)。於二零零五年，本銀行就上文(d)向分行支付之總物業支出約為3,631,000港元(二零零四年：6,113,000港元)。本銀行就上文(e)自分行及同系附屬公司收取之總物業收入約為5,906,000港元(二零零四年：無)。

聯交所已於二零零二年三月、二零零三年二月及二零零五年四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持續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。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

7. Management services, premises incomes and premises expenses (continued)

- (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; and
- (e) suits 2501-2, 26th and portion of floor area of 28th floor of ICBC Tower used by to the Branch and a fellow subsidiary.

The total service fee income received from the Branch in respect of (a) and (b) above in 2005 was approximately HK\$7,441,000 (2004: HK\$7,983,000). The service fee expense paid to the ultimate holding company in respect of (c) above in 2005 was approximately HK\$8,407,000 (2004: HK\$5,173,000). In respect of (d) above, the total premises expense paid to the Branch in 2005 was approximately HK\$3,631,000 (2004: HK\$6,113,000). In respect of (e) above, the total premises incomes received from the Branch and a fellow subsidiary was HK\$5,906,000 (2004: nil).

Three conditional waivers for disclosure and shareholders' approval requirements for the above continuing 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, February 2003 and April 2005 respectively.

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.

董事會報告

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- (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二零零六年三月二十一日發出之函件，當中確認下列各項：(i)持續關連交易乃於本銀行一般及日常業務過程中訂立；(ii)持續關連交易乃按照本銀行同樣適用於與第三方進行之交易之政策及程序獲批准；(iii)持續關連交易乃介乎同樣適用於與第三方進行之交易之管理層控制限額、及管理層為遵守香港銀行業條例及上市規則有關關連交易之規定而設定之特定控制限額內；(iv)於任何時間點對並未於香港註冊為或視為認可機構之中國工商銀行集團任何成員公司之未清交易總額不超過有關年度上限或指定限額(如適用)及(v)持續關連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

於二零零五年十二月三十一日，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條存置之登記冊所載，或本銀行及聯交所根據《上市發行人董事進行證券交易的標準守則》所得悉，本銀行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第XV部)(「相聯法團」)之股份、有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

董事名稱：	Name of Director
姜建清博士	Dr. Jiang Jianqing
朱琦先生	Mr. Zhu Qi
張懿先生	Mr. Zhang Yi
袁金浩先生	Mr. Yuen Kam Ho, George

上述全部權益皆為好倉。根據本銀行按證券及期貨條例第352條而存置之登記冊所示，於二零零五年十二月三十一日，並無淡倉記錄。

除上述者外，於二零零五年十二月三十一日，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。

- (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 21 March 2006 was received from the auditors of the Bank which stated that the auditors were not aware of any exceptions to (i) Continuing Connected Transactions are entered into in the ordinary and usual course of the Bank's business; (ii) Continuing Connected Transactions are approved in accordance with the Bank's policies and procedures which also apply to transactions entered into with third parties; (iii) Continuing Connected Transactions are within the management control limits which also apply to transactions with third parties, and the specific control limits which management have put into place for the purpose of complying with requirements of the Hong Kong Banking Ordinance and the Listing Rules on the connected transactions; (iv) the aggregated outstanding exposure to any member of the ICBC Group which is not registered or regarded as an authorized institution in Hong Kong at any point of time does not exceed relevant annual upper limits or specified threshold, as applicable and (v) Continuing Connected Transactions are 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

As at 31 December 2005, the interests of the Directors and Chief Executive of the Bank 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 (the "SFO")) (the "Associated Corporations") as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Bank and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Ordinary shares of HK\$2 each in the Bank

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
14,000	14,000	0.001%
50,000	50,000	0.004%
2,000	2,000	0.0002%
50,000	50,000	0.004%

All the interests stated above represent long positions. As at 31 December 2005, no short positions were recorded in the register required to be kept under Section 352 of the SFO.

Save as disclosed above, as at 31 December 2005, none of the Directors or Chief Executive of the Bank or 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.

董事會報告

Report of the Directors

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。

主要股東持有股份及相關股份之權益及淡倉

於二零零五年十二月三十一日，就董事會所知，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或根據證券及期貨條例第XV部第2及3分部須向本銀行作出披露或根據證券及期貨條例第336條須存置之本銀行股份或相關股份之淡倉：

本銀行每股面值2港元之普通股數目

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
中國工商銀行股份有限公司 (簡稱中國工商銀行)	Industrial and Commercial Bank of China Limited (formerly known as The Industrial and Commercial Bank of China)	669,587,059	59.72%
Fortis Bank SA/NV*	Fortis Bank SA/NV*	100,913,330	9.00%
Fortis N.V.*	Fortis N.V.*	100,913,330	9.00%
Fortis SA/NV*	Fortis SA/NV*	100,913,330	9.00%
Fortis Brussels SA/NV*	Fortis Brussels SA/NV*	100,913,330	9.00%

* Fortis Bank SA/NV為本銀行100,913,330股普通股之合法擁有人。由於Fortis N.V.及Fortis SA/NV各自有權於Fortis Brussels SA/NV之股東大會上行使或控制行使三分之一或以上之投票權，而Fortis Brussels SA/NV有權於Fortis Bank SA/NV之股東大會上行使或控制行使三分之一或以上之投票權，故Fortis N.V.、Fortis SA/NV及Fortis Brussels SA/NV持有該等股份之權益。

* Fortis Bank SA/NV is the legal owner of 100,913,330 ordinary shares of the Bank. Each of Fortis N.V., Fortis SA/NV and Fortis Brussels SA/NV is interested in such shares as a result of Fortis N.V. and Fortis SA/NV being entitled to exercise, or control the exercise of, one-third or more of the voting power at the general meetings of Fortis Brussels SA/NV and Fortis Brussels SA/NV being entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Fortis Bank SA/NV.

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條而存置之登記冊所示，於二零零五年十二月三十一日，並無淡倉記錄。

除上述所披露者外，於二零零五年十二月三十一日，概無任何人士（本銀行之董事及最高行政人員以外）曾知會本銀行，擁有根據證券及期貨條例第XV部之條文須向本銀行披露或記載於本銀行按證券及期貨條例第336條存置之登記冊內之本銀行股份或相關股份之權益或淡倉。

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。

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.

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

As at 31 December 2005, 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 or short positions in 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 or which were required to be kept under Section 336 of the SFO:

Ordinary shares of HK\$2 each in the Bank

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
669,587,059	59.72%
100,913,330	9.00%
100,913,330	9.00%
100,913,330	9.00%
100,913,330	9.00%

* Fortis Bank SA/NV is the legal owner of 100,913,330 ordinary shares of the Bank. Each of Fortis N.V., Fortis SA/NV and Fortis Brussels SA/NV is interested in such shares as a result of Fortis N.V. and Fortis SA/NV being entitled to exercise, or control the exercise of, one-third or more of the voting power at the general meetings of Fortis Brussels SA/NV and Fortis Brussels SA/NV being entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Fortis Bank SA/NV.

All the interests stated above represent long positions. As at 31 December 2005, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

Save as disclosed above, as at 31 December 2005, the Bank had not been notified by any persons (other than Directors and Chief Executive of the Bank) who had interest in or short positions in the shares or underlying shares of the Bank which would fall to be disclosed to the Bank under the provisions of Part XV of the SFO or which were required to be kept under Section 336 of the SFO.

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.

董事會報告

Report of the Directors

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業收入總和少於30%。

公眾持股量

根據本銀行從公開途徑所得之資料及據本銀行董事會所知悉，本銀行截至本報告日期一直維持上市規則所訂明之公眾持股量。

企業管治

本銀行致力維持高標準之企業管治常規，並遵守香港金融管理局於二零零一年九月二十一日頒佈之《本地註冊認可機構的企業管治》監管政策手冊所載之標準。本銀行企業管治常規之詳情載於二零零五年年報第58至67頁之企業管治報告。

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。

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先生為富通保險之亞洲區行政總裁。

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於本銀行應屆股東週年大會任滿告退，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，二零零六年三月二十一日

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.

PUBLIC FLOAT

As at the date of this report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors of the Bank.

CORPORATE GOVERNANCE

The Bank is committed to maintain high standards of corporate governance practices and also follows the module set out in the Supervisory Policy Manual entitled "Corporate Governance of Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority on 21 September 2001. Details of the Bank's corporate governance practices are set out in the Corporate Governance Report on pages 58 to 67 of its 2005 Annual Report.

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 8 November 2002.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Set out below is information disclosed pursuant to Rule 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, Asia of Fortis Insurance International.

AUDITORS

The accounts have been audited by PricewaterhouseCoopers who will retire at the forthcoming annual general meeting of the Bank and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Dr. Jiang Jianqing
Chairman

Hong Kong, 21 March 2006