

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31st December, 2002.

### 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, 2002, 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 70 to 137.

### 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\$2,008,000 (2001: HK\$2,519,000).

### SHARE CAPITAL

During the year, a sum of HK\$29,809,000 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 11,923,284 shares of HK\$2.50 each which were allotted and issued to shareholders who had elected to receive new shares in lieu of the 2001 final dividend and the 2002 interim dividend.

During the year, 937,200 shares of HK\$2.50 each were issued for cash at premium totalling HK\$12,678,000 on the exercise of options granted under the approved Staff Share Option Schemes.

### CONNECTED TRANSACTION

On 26th June, 2002, the Bank entered into a memorandum of agreement for the sale and purchase of 406,660 sq.ft. in "Millennium City 5" (the "Property"), a proposed new building to be erected in Kwun Tong, with Garudia Limited and Lunalite Company Limited, both wholly-owned subsidiaries of Sun Hung Kai Properties Limited ("SHKP"). The Property comprises 15 entire levels, a portion of a further level, a portion of the roof and 40 car-parking spaces. Upon the satisfaction of the condition stated in the memorandum of agreement, the parties entered into a formal sale and purchase agreement on 9th August, 2002. The consideration was HK\$1,333,844,800 (subject to final adjustments and inclusive of stamp duty). As Garudia Limited and Lunalite Company Limited are wholly-owned subsidiaries of SHKP, their obligations under the sale and purchase agreement are guaranteed by SHKP.

Thomas KWOK Ping-kwong, an Independent Non-executive Director of the Bank, is also an executive director of SHKP. Mr. Kwok, together with his family interests taken together, is directly or indirectly interested in more than 30% of the voting powers of SHKP and therefore the transaction constitutes a connected transaction for the Bank, details of which were set out in the announcement dated 26th June, 2002 issued by the Bank.

董事會仝寅現謹向各股東發表董事會報告書及截至2002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2002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70頁至第137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總利息及其他營業收入少於30%。

### 捐款

本集團本年內所作出的慈善及公益捐款約為港幣2,008,000元(2001年：港幣2,519,000元)。

### 股本

在2002年內，本銀行由股份溢價賬項中撥出港幣29,809,000元作為資本，以發行及繳足 11,923,284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2001年度末期股息及2002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937,200股每股面值港幣2.50元的股份，所得現金為港幣12,678,000元。

### 關連交易

於2002年6月26日，本行與其異有限公司及Lunalite Company Limited簽訂一項買賣協議備忘錄，涉及的物業位於觀塘將建成的新大廈「創紀之城第5期」共406,660平方呎(「該物業」)。

該兩間公司均為新鴻基地產發展有限公司(「新鴻基地產」)的間接全資附屬公司。該物業包括15層全層，另一層部分面積，天台部分面積及40個車位。於2002年8月9日，在該協議備忘錄所述的條件達成時，買賣雙方簽訂正式的買賣協議。該物業的代價為港幣1,333,844,800元(有待最後調整作準，並已包括印花稅)。由於其異有限公司及Lunalite Company Limited同屬新鴻基地產的全資附屬公司，因此該兩間公司根據買賣協議的責任將由新鴻基地產擔保。

本行的獨立非執行董事郭炳江亦為新鴻基地產的執行董事。郭先生個人連同其家族權益直接或間接控制超過30%新鴻基地產的投票權，因此該項交易構成本銀行的關連交易，有關詳情已載於本行2002年6月26日刊登的通告內。

### CONVERTIBLE BONDS DUE 2003

In 2002, the Bank repurchased HK\$197,315,000 (US\$25,300,000) of the Convertible Bonds due 2003 ("Bonds") from the market and such Bonds were cancelled upon settlement. During the year ended 31st December, 2002, no Bonds were converted or redeemed by the Bondholders, and there were HK\$119,637,000 (US\$15,340,000) of the Bonds outstanding at 31st December, 2002. The Bonds are listed on the Luxembourg Stock Exchange.

### DEALINGS IN LISTED SECURITIES OF THE BANK

Save for the repurchase of HK\$197,315,000 (US\$25,300,000) 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, 2002.

### DIRECTORS

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

On 1st August, 2002, Arthur LI Kwok-cheung resigned as a Director of the Bank.

In accordance with the Articles of Association of the Bank, apart from the Chief Executive, all the Directors including Non-executive Directors are subject to retirement by rotation and re-election at the Annual General Meeting. Accordingly, George HO, WONG Chung-hin, LEE Shau-kee, Simon LI Fook-sean and Allan WONG Chi-yun retire and, with the exception of George HO who does not seek re-appointment, all the other retiring Directors, being eligible, offer themselves for re-election at the Annual General Meeting to be held on Tuesday, 25th March, 2003.

None of the Directors of the Bank has a service contract with the Bank.

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, which 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(s)(iv) and 34 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, 2002. The fee to the Director who resigned during the year was paid in accordance with his length of service.

## 2003年到期的可換股債券

2002年內，本行在市場購回合共港幣197,315,000元(25,300,000美元)於2003年到期的可換股債券並在交收日註銷。截至2002年12月31日止的年度內，並無債券持有人將債券兌換股份，亦無債券被贖回。而可換股債券仍然懸欠的款額為港幣119,637,000元(15,340,000美元)。該等債券在盧森堡證券交易所上市買賣。

## 買賣本銀行上市證券

除購回及註銷合共港幣197,315,000元(25,300,000美元)可換股債券外，在截至2002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

本年度董事會全寅名單載於本年報第5頁。

李國章於2002年8月1日辭任本銀行董事。

按照本銀行組織章程，除行政總裁外，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，何佐芝、黃頌顯、李兆基、李福善及黃子欣將在2003年3月25日星期二舉行的股東周年常會上輪值告退，除何佐芝之外，其餘告退董事均願膺選連任。

本銀行各董事並未有與本銀行簽訂任何服務合約。

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實質上的權益。

除本行業務外，本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(s)(iv)及34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，致使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得港幣150,000元及港幣75,000元作為截至2002年12月31日止財政年度的董事袍金。在年內辭任的董事之袍金則按其服務期支付。

## AUDIT COMMITTEE

The composition of the Committee is shown on page 5. On 28th November, 2002, Winston LO Yau-lai succeeded Alan LI Fook-sum as Chairman; Alan LI Fook-sum remains as a member of the Committee. Thomas KWOK Ping-kwong was appointed a member on 6th February, 2002. As the majority of the members, including the Chairman, are Independent Non-executive Directors, the Committee is independent of management.

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 financial reports and internal controls, issues raised have been addressed by management. The work and findings of the Committee have been reported to the Board. No issues brought to the attention of management and the Board are of sufficient importance to require disclosure in the Annual Report.

The Committee met three times during 2002. Winston LO Yau-lai and Allan WONG Chi-yun attended all three meetings; WONG Chung-hin and Alan LI Fook-sum attended two meetings each; Thomas KWOK Ping-kwong attended one meeting (out of two meetings held following his appointment to the Audit Committee); LEE Shau-kee was unable to attend scheduled meetings during the year.

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, 2002.

## NOMINATION COMMITTEE

The Committee is chaired by Simon LI Fook-sean and the other members are David LI Kwok-po, LI Fook-wo, George HO (will retire on 25th March, 2003), 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 the review of the management succession planning for senior management and key personnel of the Bank.

No remuneration was paid to the Chairman or the members of the Committee for the year ended 31st December, 2002.

## REMUNERATION COMMITTEE

The Committee is chaired by George HO (will retire on 25th March, 2003) and the other members are Simon LI Fook-sean, Allan WONG Chi-yun, Aubrey LI Kwok-sing and Thomas KWOK Ping-kwong (appointed on 11th February, 2003).

The Committee is responsible for reviewing and recommending the remuneration packages of senior management and key personnel of the Bank and also to recommend 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, 2002.

## OTHER COMMITTEES

There are seven other specialised committees formed under the Board, namely Sealing Committee, Executive Committee, Credit Committee, Asset and Liability Management Committee, Investment Committee, Policy Committee and Crisis Management Committee. The roles, functions and composition of these committees are disclosed in Point (7) of Unaudited Supplementary Financial Information.

## 審核委員會

審核委員會的成員名單刊載於本年報第5頁。在2002年11月28日，羅友禮接替李福深出任主席；李福深留任為委員。郭炳江在2002年2月6日獲委任為委員。審核委員會的大部分成員，包括主席在內，均為獨立非執行董事，其運作獨立於管理層。

審核委員會負責審查及監察本集團的財務匯報程序，內部監控系統包括風險管理。在審查財務匯報及內部監控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。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2002年內共舉行了3次會議。羅友禮及黃子欣出席所有會議；黃頌顯及李福深各出席兩次會議；郭炳江在其獲委任後舉行的兩次會議之中出席了1次會議；李兆基未能出席年內舉行的會議。

審核委員會主席及各成員分別獲得港幣20,000元及港幣10,000元作為截至2002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、何佐芝(將於2003年3月25日退休)、李兆基、黃子欣及李國星。

該委員會負責向董事會提出建議委任本行董事、高層管理人員及主要職員的新人選；以及審議本行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截至2002年12月31日止的年度內，並無收取任何薪酬。

## 薪酬委員會

薪酬委員會的主席為何佐芝(將於2003年3月25日退休)，其他成員包括李福善、黃子欣、李國星及郭炳江(於2003年2月11日獲委任)。

該委員會負責檢討本行高層管理人員及主要職員的薪酬待遇；以及就薪酬政策綱要向董事會提出建議。

該委員會的主席及各成員分別獲得港幣20,000元及港幣10,000元作為截至2002年12月31日止的年度的酬金。

## 其他委員會

其他7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、信貸委員會、資產負債管理委員會、投資委員會、政策委員會及危機管理委員會。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(7)項下。

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2002, the beneficial interests of the Directors and Chief Executive in the share capital of the Bank 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:

Name	Number of Ordinary Shares Held				Total Interests
	Personal Interests	Family Interests	Corporate Interests	Other Interests	
David LI Kwok-po	17,437,894	639,336	–	–	18,077,230 <sup>d</sup>
LI Fook-wo	1,235,804	–	–	–	1,235,804
George HO	891,250	–	8,197,856 <sup>a</sup>	–	9,089,106
WONG Chung-hin	46,810	344,131	–	–	390,941
Alan LI Fook-sum	6,994,329	–	30,227,922 <sup>a</sup>	–	37,222,251
LEE Shau-kee	647,985	–	1,000,000 <sup>a</sup>	–	1,647,985
Simon LI Fook-sean	894,000	3,113,000	–	–	4,007,000
Allan WONG Chi-yun	–	124	–	10,269,870 <sup>b</sup>	10,269,994
Aubrey LI Kwok-sing	22,277	31,670	–	30,955,378 <sup>c</sup>	31,009,325
Joseph PANG Yuk-wing	204,318	–	–	–	204,318 <sup>d</sup>
William MONG Man-wai	748,906	–	–	–	748,906
CHAN Kay-cheung	218,610	–	–	–	218,610 <sup>d</sup>
Winston LO Yau-lai	–	–	–	–	Nil
KHOO Kay-peng	–	–	1,000,000 <sup>a</sup>	–	1,000,000
Thomas KWOK Ping-kwong	–	–	–	–	Nil
Richard LI Tzar-kai	–	–	–	–	Nil

*Notes:*

- (a) Such shares were held through corporations in which the respective Directors control one-third or more of the voting power.
- (b) Such shares were held through discretionary trusts in which family members of Allan WONG Chi-yun are beneficiaries.
- (c) Such shares were held through a discretionary trust in which Aubrey LI Kwok-sing is one of the beneficiaries.
- (d) Apart from the shares as disclosed herein, share options to subscribe for ordinary shares of the Bank have been 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 their share options during the year ended 31st December, 2002 is shown in the following section under the heading "Information on Share Options".

## 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2002年12月31日所持有本行實質利益如下：

姓名	所持普通股數目				總權益
	個人權益	家族權益	公司權益	其他權益	
李國寶	17,437,894	639,336	—	—	18,077,230 <sup>d</sup>
李福和	1,235,804	—	—	—	1,235,804
何佐芝	891,250	—	8,197,856 <sup>a</sup>	—	9,089,106
黃頌顯	46,810	344,131	—	—	390,941
李福深	6,994,329	—	30,227,922 <sup>a</sup>	—	37,222,251
李兆基	647,985	—	1,000,000 <sup>a</sup>	—	1,647,985
李福善	894,000	3,113,000	—	—	4,007,000
黃子欣	—	124	—	10,269,870 <sup>b</sup>	10,269,994
李國星	22,277	31,670	—	30,955,378 <sup>c</sup>	31,009,325
彭玉榮	204,318	—	—	—	204,318 <sup>d</sup>
蒙民偉	748,906	—	—	—	748,906
陳棋昌	218,610	—	—	—	218,610 <sup>d</sup>
羅友禮	—	—	—	—	無
邱繼炳	—	—	1,000,000 <sup>a</sup>	—	1,000,000
郭炳江	—	—	—	—	無
李澤楷	—	—	—	—	無

附註：

- 該等股份由有關董事擁有三份之一或以上投票權的公司持有。
- 該等股份由全權信託基金持有，而黃子欣的家族成員是該基金的受益人。
- 該等股份由一個全權信託基金持有，而李國星是該基金其中1位受益人。
- 除本報告披露的股份權益外，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認購本行普通股股份。他們所持有的認股權的資料見於下列「認股權資料」項下。



## INFORMATION ON SHARE OPTIONS

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

(1) Movement of share options during the year ended 31st December, 2002:

Name	Date of Grant <sup>1</sup>	Number of Share Options				Outstanding at 31/12/2002
		Outstanding at 1/1/2002	Granted	Exercised	Lapsed	
David LI Kwok-po	29/4/1997	136,800	–	–	136,800	–
	20/4/1998	133,800	–	–	–	133,800
	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 <sup>2</sup>	–	–	850,000
Joseph PANG Yuk-wing	29/4/1997	122,400	–	–	122,400	–
	20/4/1998	119,400	–	–	–	119,400
	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 <sup>2</sup>	–	–	400,000
CHAN Kay-cheung	29/4/1997	122,400	–	–	122,400	–
	20/4/1998	119,400	–	–	–	119,400
	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 <sup>2</sup>	–	–	400,000
Aggregate of other Employees*	29/4/1997	13,013,400	–	–	13,013,400	–
	20/4/1998	5,410,600	–	286,200 <sup>3</sup>	135,800	4,988,600
	21/4/1999	4,658,000	–	553,000 <sup>3</sup>	–	4,105,000
	20/4/2000	11,295,000	–	98,000 <sup>3</sup>	474,000	10,723,000
	19/4/2001	3,870,000	–	–	160,000	3,710,000
	18/4/2002	–	3,975,000 <sup>2</sup>	–	120,000	3,855,000

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

- (2) No share options were cancelled during the year ended 31st December, 2002.
- (3) The accounting policy adopted for share options is set out in Note 2(s)(iv) on the accounts.

## 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2002年12月31日止年度內認股權的變動：

姓名	授予日期 <sup>1</sup>	認股權數目				於2002年 12月31日 尚未行使
		於2002年 1月1日 尚未行使	授出	行使	失效	
李國寶	29/4/1997	136,800	—	—	136,800	—
	20/4/1998	133,800	—	—	—	133,800
	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 <sup>2</sup>	—	—	850,000
彭玉榮	29/4/1997	122,400	—	—	122,400	—
	20/4/1998	119,400	—	—	—	119,400
	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 <sup>2</sup>	—	—	400,000
陳棋昌	29/4/1997	122,400	—	—	122,400	—
	20/4/1998	119,400	—	—	—	119,400
	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 <sup>2</sup>	—	—	400,000
僱員的總數*	29/4/1997	13,013,400	—	—	13,013,400	—
	20/4/1998	5,410,600	—	286,200 <sup>3</sup>	135,800	4,988,600
	21/4/1999	4,658,000	—	553,000 <sup>3</sup>	—	4,105,000
	20/4/2000	11,295,000	—	98,000 <sup>3</sup>	474,000	10,723,000
	19/4/2001	3,870,000	—	—	160,000	3,710,000
	18/4/2002	—	3,975,000 <sup>2</sup>	—	120,000	3,855,000

\* 按香港《僱傭條例》所指的「連續合約」工作的僱員

(2) 截至2002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(s)(iv)。

Notes:

1. Particulars of share options:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
29/4/1997	29/4/1997 – 28/4/1998	29/4/1998 – 29/4/2002	24.59
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

2. (i) The closing price of the shares of the Bank immediately before 18th April, 2002 on which the options were granted was HK\$15.60.

(ii) Value of share options granted during the year ended 31st December, 2002:

The Directors consider that it is not appropriate to disclose the value of options granted during the year ended 31st December, 2002, 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.

3. 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, 2002:

Date of Grant	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
20/4/1998	286,200	15.30	16.43
21/4/1999	553,000	12.09	16.04
20/4/2000	98,000	16.46	16.89

Save as disclosed above, as at 31st December, 2002, 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.

附註：

1. 認股權詳情：

授予日期	有效期	行使期	每股行使價 港幣(元)
29/4/1997	29/4/1997 - 28/4/1998	29/4/1998 - 29/4/2002	24.59
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

2. (i) 本銀行股份於認股權授出當日即2002年4月18日之前一日的收市價為港幣15.60元。

(ii) 截至2002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2002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。

3. 截至2002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)
20/4/1998	286,200	15.30	16.43
21/4/1999	553,000	12.09	16.04
20/4/2000	98,000	16.46	16.89

除上述所披露外，於2002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

At the 2002 Annual General Meeting of the Bank held on 26th March, 2002, the Bank adopted the Staff Share Option Scheme 2002 (the "Scheme") and, at the same time, terminated the Staff Share Option Scheme 1999.

The following is a summary of the Scheme disclosed in accordance with the Listing Rules:

<b>1. Purpose of the Scheme:</b>	(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.
<b>2. Participants of the Scheme:</b>	The Board may at its discretion grant options to any employees including Executive Directors and Chief Executive of the Group.
<b>3. Total number of shares available for issue under the Scheme and % of issued share capital at 31st December, 2002:</b>	The number of shares available for issue under the Scheme is 71,696,959 shares representing 4.96% of the issued share capital at 31st December, 2002.
<b>4. Maximum entitlement of each participant under the Scheme:</b>	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.
<b>5. The period within which the shares must be taken up under an option:</b>	Beginning on the first anniversary of the Date of Grant of such options and ending on the fifth anniversary thereof.
<b>6. The minimum period for which an option must be held before it can be exercised:</b>	From the Date of Grant of such options up to the day immediately before the first anniversary thereof.
<b>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:</b>	Not applicable.
<b>8. The basis of determining the exercise price:</b>	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.
<b>9. The remaining life of the Scheme:</b>	The Scheme Period will end on 25th March, 2007.

## 認股權計劃資料

本銀行於2002年3月26日舉行的股東周年常會上採納了僱員認股計劃2002(「計劃」)，同時終止僱員認股計劃1999。

根據《上市規則》披露有關於2002年3月26日採納的計劃摘要如下：

1.	<b>計劃的目的：</b> (a) 本計劃屬於一項股份獎勵計劃，設立的目的是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.	<b>計劃的參與人：</b> 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.	<b>計劃中可予發行的股份數目及其於2002年12月31日佔已發行股本的百分率：</b> 計劃中可予發行的股份數目為71,696,959股，佔本行於2002年12月31日已發行股本的4.96%。
4.	<b>計劃中每名參與人可獲授權益上限：</b> 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12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.	<b>可根據認股權認購股份的期限：</b> 由該認股權授予日的第1周年開始截至授予日的第5周年止。
6.	<b>認股權行使之前必須持有的最短期限：</b> 由認股權授出之日起直至授予日的第1周年之前1日。
7.	<b>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：</b> 不適用
8.	<b>行使價的釐定基準：</b> 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5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.	<b>計劃尚餘的有效期：</b> 計劃期間將於2007年3月25日終止。

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

So far as is known to the Directors, none of the shareholders of the Bank was interested in 10% or more of the issued share capital of the Bank which was required to be recorded in the Register of Interests pursuant to Section 16(1) of the Hong Kong Securities (Disclosure of Interests) Ordinance as at 31st December, 2002.

## COMPLIANCE

- (1) In preparing the accounts for 2002, the Bank has fully complied with the module set out in the Supervisory Policy Manual "Financial Disclosure by Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority on 8th November, 2002.
- (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, 2002.

## 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, 11th February, 2003

## 主要股東權益

就董事會所知，本銀行並無股東於2002年12月31日持有本行10%或以上已發行股本，而須根據香港《證券(披露權益)條例》第16條(1)款記錄於權益登記冊內。

## 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日所發出的監管政策手冊《本地註冊認可機構披露財務資料》所載的標準編製2002年度賬目。
- (2) 在截至2002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，2003年2月11日