



ICBC TOWER

中國工商銀行大廈

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Company Profile

Industrial and Commercial Bank of China (Asia) Limited

Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)"), a group member of The Industrial and Commercial Bank of China ("ICBC")*, enjoys ample support in various areas such as funding, settlement, information technology and credit card business.

ICBC (Asia), formerly known as Union Bank of Hong Kong Limited, was established in Hong Kong in 1964 and publicly listed in 1973 (stock code: 0349). Over the years, the Bank offered new and diversified banking services to its customers. Following the Bank's change of name to "Industrial and Commercial Bank of China (Asia) Limited" on 21 August 2000, the Bank has become a member of ICBC.

In July 2001, ICBC injected the commercial banking business of its Hong Kong Branch into ICBC (Asia). By doing so, it expanded ICBC (Asia)'s customer base, improved its deposits and loans portfolio as well as diversified its product mix. Such transfer of business therefore led to a substantial enhancement of the competitive edge of ICBC (Asia). The Bank has since become the flagship of ICBC in developing overseas business.

ICBC (Asia) and Fortis Group completed the Sale and Purchase Agreement on 30 April 2004, whereby ICBC (Asia) acquired Fortis Bank Asia HK's retail and commercial banking operations. Fortis Bank Asia HK has been renamed Belgian Bank and become a wholly-owned subsidiary of ICBC (Asia). Subsequent to the completion of the acquisition, ICBC (Asia) ranked sixth in terms of total assets among listed banks in Hong Kong as compared to its previous tenth position.

ICBC (Asia) was assigned A2/Prime-1 long-term/short-term deposit ratings and D Bank Financial Strength Rating (BFSR) by Moody's Investor Services on 16 April 2004.

With the nationwide branch network, leadership and expertise provided by ICBC, ICBC (Asia) will continue to offer a range of banking and financial services, including various types of deposits and loans, trade finance, remittance, settlement, commercial and industrial finance, syndicated loans, inward and outward bills of exchange, China business advisory and financial services, securities business and bullion brokerage services as well as insurance agency services.

* The Industrial and Commercial Bank of China ("ICBC") is the largest commercial bank (in terms of total assets) in the Mainland China. By the end of 2003, its total assets amounted to approximately RMB5,300 billion, which is equivalent to 19% of total assets of all financial institutions within Mainland banking industry and enabled the Group to keep the largest market share in all major commercial banking business areas of China. ICBC has over 24,000 domestic outlets and established a global branch network in Hong Kong, Singapore, Tokyo, Seoul, Busan, Frankfurt, Luxembourg and Macau, subsidiary banks in Almaty (Kazakhstan) and London as well as representative offices in New York, Sydney and Moscow.

In 2004, ICBC was awarded "Best Bank of China" by "The Banker" and "Euromoney". At the same year, "Global Finance" presented ICBC with the award of "Best Consumer Internet Bank of China".

Corporate Information

Board of Directors

Jiang Jianqing (*Chairman*)
Wang Lili (*Vice Chairman*)
Zhu Qi (*Managing Director & Chief Executive Officer*)
Chen Aiping (*Non-executive Director*)
Wong Yuen Fai
(*Director & Deputy General Manager*)
Zhang Yi (*Director & Deputy General Manager*)
Damis Jacobus Ziengs (*Non-executive Director*)
Wong Yue Chim, Richard, S.B.S., J.P.
(*Independent Non-executive Director*)
Tsui Yiu Wa, Alec
(*Independent Non-executive Director*)
Yuen Kam Ho, George, FHKIoD
(*Independent Non-executive Director*)

Company Secretary

Lai Wing Nga

Audit Committee

Wong Yue Chim, Richard, S.B.S., J.P.
(*Independent Non-executive Director & Chairman*)
Yuen Kam Ho, George, FHKIoD
(*Independent Non-executive Director & Alternate Chairman*)
Tsui Yiu Wa, Alec
(*Independent Non-executive Director*)
Chen Aiping (*Non-executive Director*)

Remuneration Committee

Yuen Kam Ho, George, FHKIoD
(*Independent Non-executive Director & Chairman*)
Wong Yue Chim, Richard, S.B.S., J.P.
(*Independent Non-executive Director*)
Tsui Yiu Wa, Alec
(*Independent Non-executive Director*)
Chen Aiping (*Non-executive Director*)
Damis Jacobus Ziengs (*Non-executive Director*)

Nomination Committee

Tsui Yiu Wa, Alec
(*Independent Non-executive Director & Chairman*)
Yuen Kam Ho, George, FHKIoD
(*Independent Non-executive Director*)
Chen Aiping (*Non-executive Director*)

Senior Management

Zhu Qi (*Managing Director & Chief Executive Officer*)
Wong Yuen Fai
(*Director & Deputy General Manager*)
Zhang Yi (*Director & Deputy General Manager*)
Tang Kam Sun (*Assistant General Manager & Chief Financial Officer*)
Fong Yuen Kwai (*Assistant General Manager*)
Kwan King Chi, George
(*Assistant General Manager & Chief Operation Officer*)

Solicitors

Herbert Smith
23/F., Gloucester Tower
11 Pedder Street
Hong Kong
Telephone: 2845 6639
Facsimile: 2845 9099

Auditors

PricewaterhouseCoopers
22/F., Prince's Building
Central
Hong Kong
Telephone: 2289 8888
Facsimile: 2810 9888

Registrar

Tengis Limited
G/F., Bank of East Asia Harbour View Centre
56 Gloucester Road
Wanchai
Hong Kong
Telephone: 2980 1888
Facsimile: 2810 8185

Registered Office

33/F., ICBC Tower
3 Garden Road, Central
Hong Kong
Telephone: 2588 1188
Facsimile: 2805 1166
Telex: 73264 ICBCA HX
Post Box: GPO Box 872
SWIFT: UBHKHKHH

English version of this Annual Report can be accessed through the internet at: <http://www.icbcasia.com/html/eng/info.html>

財務概況 Financial Performance

二零零四年財務摘要 2004 Financial Highlights

全年 (百萬港元)	For the Year (in HK\$ million)	2004	2003	變動百分比 % Change
淨利息收入	Net Interest Income	1,275	823	+55
其他營運收入	Other Operating Income	370	321	+15
營運支出	Operating Expenses	690	314	+120
呆壞賬(回撥)／撥備	(Write-back of)/Charge for Bad and Doubtful Debts	(22)	129	-117
除稅前盈利	Profit before Taxation	937	645	+45
稅項	Taxation	176	123	+43
股東應佔盈利	Profit Attributable to Shareholders	760	522	+46

於年結日 (百萬港元)	At Year End (in HK\$ million)	2004	2003	變動百分比 % Change
貸款及墊款	Loans and Advances	62,740	41,811	+50
資產總額	Total Assets	99,344	75,320	+32
存款總額	Total Deposits	63,404	42,307	+50
股東資金	Shareholders' Funds	8,541	5,917	+44

財務比率	Financial Ratios	2004	2003
資本充足比率(經調整)	Capital Adequacy (Adjusted)	17.4%	16.7%
全年平均流動資金比率	Average Liquidity for the Year	37.8%	41.3%
成本對收入比率	Cost to Income	41.9%	27.4%
貸款對存款比率	Loans to Deposits	94.9%	96.0%

財務誌要	Financial Calendar		
公佈末期業績	Final Results Announcement	二零零五年三月七日	7th March 2005
年報寄發日期	Posting Date for Annual Report	二零零五年三月二十三日	23rd March 2005
暫停股份登記期間	Share Register Closing Period	二零零五年四月七日至十四日	7th-14th April 2005
股東週年大會日期	Date of Annual General Meeting	二零零五年四月十四日	14th April 2005
股息派發日期	Dividend Payment Date	二零零五年五月四日	4th May 2005

財務概況 Financial Performance

五年財務概況

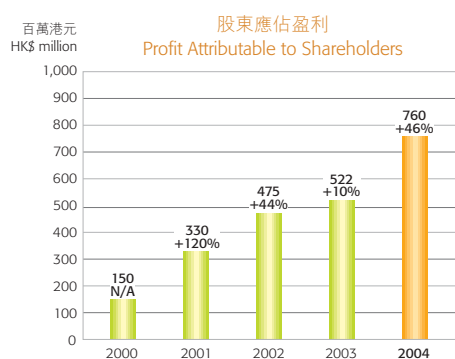
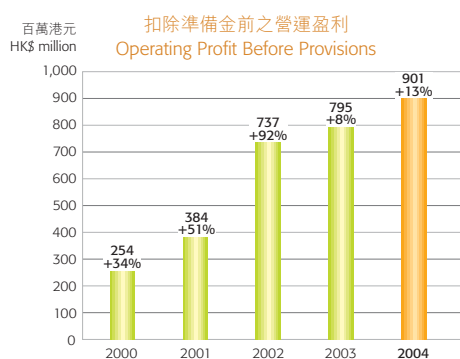
Five Year Summary

		重報 As restated				
全年 (百萬港元)	For the Year (in HK\$ million)	2004	2003	2002	2001	2000
淨利息收入	Net Interest Income	1,275	823	689	488	386
其他營運收入	Other Operating Income	370	321	391	203	98
營運支出	Operating Expenses	690	314	307	289	230
呆壞賬(回撥)/撥備	(Write-back of)/Charge for Bad and Doubtful Debts	(22)	129	182	66	156
除稅前盈利	Profit before Taxation	937	645	571	331	150
稅項	Taxation	176	123	96	1	-
股東應佔盈利	Profit Attributable to Shareholders	760	522	475	330	150

		重報 As restated				
每股計 (港元)	Per Share (in HK\$)	2004	2003	2002	2001	2000
每股基本盈利	Basic Earnings per Share	0.80	0.71	0.69	0.56	0.33
每股股息	Dividends per Share	0.45	0.38	0.35	0.27	0.13

		重報 As restated				
於年結日 (百萬港元)	At Year End (in HK\$ million)	2004	2003	2002	2001	2000
貸款及墊款	Loans and Advances	62,740	41,811	32,874	28,452	13,673
資產總額	Total Assets	99,344	75,320	62,262	43,497	20,657
存款總額	Total Deposits	63,404	42,307	40,180	29,705	16,281
股東資金	Shareholders' Funds	8,541	5,917	5,907	5,071	2,583

		重報 As restated				
財務比率	Financial Ratios	2004	2003	2002	2001	2000
資本充足比率(經調整)	Capital Adequacy (Adjusted)	17.4%	16.7%	17.8%	16.1%	17.8%
全年平均流動資金比率	Average Liquidity for the Year	37.8%	41.3%	35.9%	39.7%	43.3%
貸款對存款比率	Loans to Deposits	94.9%	96.0%	80.0%	92.0%	74.0%
貸款對資產總額比率	Loans to Total Assets	63.2%	55.5%	52.8%	65.4%	66.2%
不履約貸款比率	NPL ratio	1.3%	1.7%	2.3%	6.8%	23.2%
一般撥備覆蓋率	General Provision Coverage	0.8%	0.8%	0.9%	0.8%	0.9%
成本對收入比率	Cost to Income	41.9%	27.4%	28.5%	41.9%	47.5%
派息比率	Dividend Payout	62.0%	66.4%	61.0%	59.9%	39.1%
平均資產回報率	Return on Average Assets	0.9%	0.8%	1.0%	1.1%	0.8%
平均普通股股本回報率	Return on Average Common Equity	10.3%	10.2%	10.2%	9.3%	5.9%



財務概況 Financial Performance

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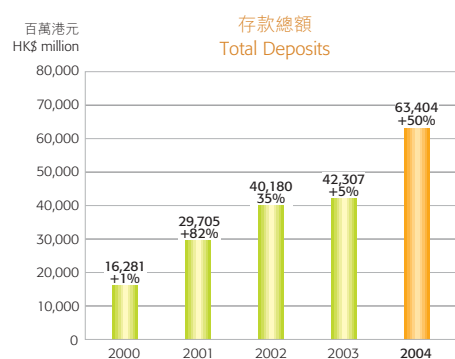
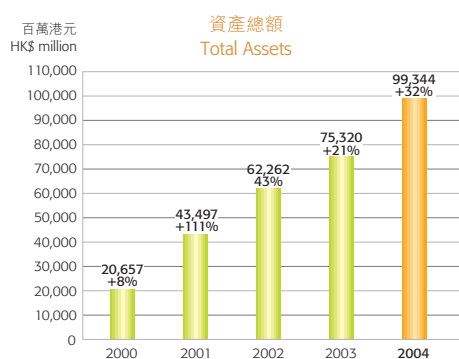
Deposits

1. 按類別劃分	1. By Type	2004	2003
活期	Current	6.1%	3.0%
儲蓄	Savings	19.3%	13.2%
定期	Fixed	74.6%	83.8%
合計	Total	100.0%	100.0%
2. 按剩餘到期日劃分	2. By Remaining Maturity	2004	2003
須於要求時即時償還	Repayable on Demand	25.6%	16.5%
三個月或以下	Three Months or Less	70.9%	80.1%
一年或以下但超過三個月	One Year or Less, but Over Three Months	2.7%	3.4%
五年或以下但超過一年	Five Years or Less, but Over One Year	0.8%	0.0%
合計	Total	100.0%	100.0%
3. 按貨幣劃分	3. By Currency	2004	2003
港元	HKD	48.5%	52.2%
美元	USD	41.9%	41.2%
其他	Others	9.6%	6.6%
合計	Total	100.0%	100.0%

其他營運收入

Other Operating Income

		2004	2003
淨收費及佣金收入	Net Fees and Commission Income	73.2%	81.6%
外匯交易收益淨額	Net Gain from Foreign Exchange Activities	10.8%	3.1%
買賣證券收益淨額	Net Gain from Trading Securities	1.8%	0.4%
投資證券之股息收入	Dividend Income from Investments in Securities	2.0%	2.4%
其他	Others	12.2%	12.5%
合計	Total	100.0%	100.0%



財務概況 Financial Performance

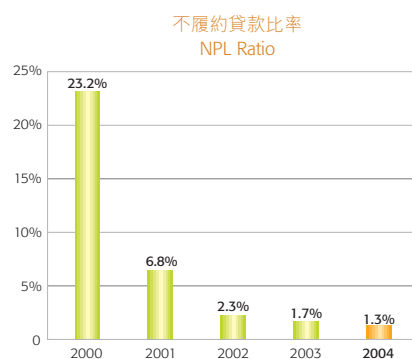
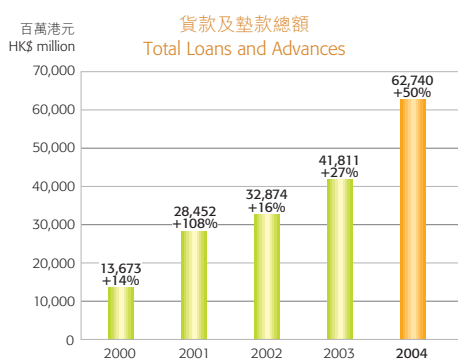
貸款組合[#]

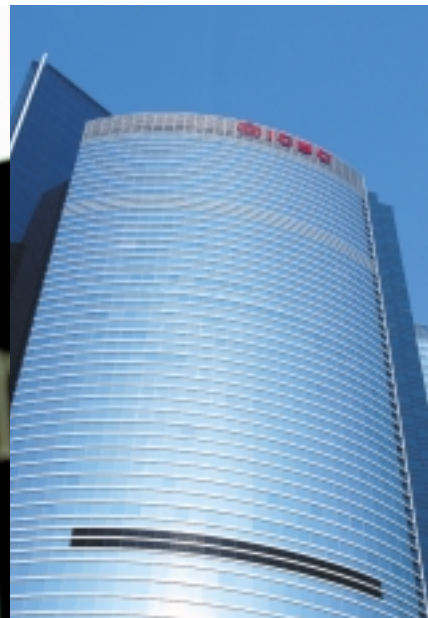
Loan Portfolio[#]

1. 按行業劃分	1. By Industry Sectors	2004	2003
在香港使用之貸款	Loans for Use in Hong Kong		
工商及金融	Industry, Commercial and Financial		
物業發展	Property Development	4.5%	6.4%
物業投資	Property Investment	13.9%	11.3%
金融企業	Financial Concerns	6.7%	11.6%
股票經紀	Stockbrokers	—	0.1%
批發及零售業	Wholesale and Retail Trade	3.8%	2.9%
土木工程	Civil Engineering Works	1.1%	2.4%
製造業	Manufacturing	10.6%	8.2%
運輸及運輸設備	Transport and Transport Equipment	14.2%	15.0%
電力、煤氣及通訊	Electricity, Gas and Telecommunications	2.3%	3.2%
酒店、住宿及飲食	Hotels, Boarding House & Catering	3.4%	2.6%
其他	Others	8.0%	10.1%
個人	Individuals		
購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇之貸款	Loans for the purchases of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Schemes	0.2%	0.2%
購買其他住宅物業之貸款	Loans for the purchase of Other Residential Properties	20.8%	19.6%
信用卡貸款	Credit Card Advances	0.1%	—
其他	Others	1.7%	1.5%
貿易融資	Trade Finance	7.6%	3.9%
在香港以外使用之貸款	Loans for Use outside Hong Kong	1.1%	1.0%
合計	Total	100.0%	100.0%
2. 按剩餘到期日劃分	2. By Remaining Maturity	2004	2003
須於要求時即時償還	Repayable on Demand	3.3%	3.5%
一年或以下	One Year or Less	18.7%	14.0%
五年或以下但超過一年	Five Years or Less, but Over One Year	44.0%	47.5%
超過五年	Over Five Years	31.4%	33.4%
並無限期	Undated	2.6%	1.6%
合計	Total	100.0%	100.0%
3. 按貨幣劃分	3. By Currency	2004	2003
港元	HKD	82.0%	82.6%
美元	USD	14.2%	14.3%
其他	Others	3.8%	3.1%
合計	Total	100.0%	100.0%

不包括商業票據及銀行同業及其他金融機構貸款

Excluding Trade Bills and Advances to Banks and Other Financial Institutions





> 深遠
承諾
Deepening
Commitment





成立中國工商銀行大廈新總部及全面更新核心銀行業務系統，反映中國工商銀行（亞洲）對本港銀行業務前景的信心，並凸顯本行在港持續發展的承諾。

The establishment of our new headquarters in ICBC Tower and the implementation of our new Core Banking System underscore the confidence of ICBC (Asia) in the prospect of Hong Kong's banking industry and our commitment to sustained development in the region.



Chairman's Statement



Dr. Jiang Jianqing *Chairman*

In 2004, the further implementation of the “Mainland and Hong Kong Closer Economic Partnership Arrangement”, the persistent development of the Renminbi business and the individual traveller policy all contributed to boost tourist arrivals. This led to the growing demand for the consumer goods of Hong Kong as well as the gradual rebound in the Hong Kong economy. The unemployment rate and the deflation rate have also seen a decline. Despite the betterment of our economic environment and the improvement in the operating environment of the banking industry, there are still immense challenges faced by the Group, such as the intensified competition in the industry and the further narrowing of interest margin. Nevertheless, under the joint efforts of the management and the staff of the Group, we managed to achieve outstanding advancement in the scale of operation, financial results, business structure, market positioning and corporate governance.

For the year 2004, the Group's audited consolidated profit after tax increased 46% to HK\$760 million. The Group has been making great efforts to improve the quality of its assets and implement stringent credit control policies. The non-performing loans ratio dropped from 1.7% to 1.3%. The consolidated total assets grew by 32% to HK\$99.3 billion. By adopting successful marketing strategies, our retail and commercial banking divisions recorded a growth of 65% and 264% in loans portfolio respectively. The Group also engaged actively in bond investment. Our investments were concentrated on quality bonds with ratings of BBB- and above.

Chairman's Statement

In February, ICBC (Asia) successfully placed approximately 125,000,000 ordinary shares in the market. The placement was actively subscribed by independent professional, institutional and individual investors. The proceeds from the placement amounted to over HK\$1.4 billion. This reflected the Bank fully exploited the potential of the securities market. In addition, the Bank was assigned A2 long-term credit ratings by Moody's Investor Services, an international credit ratings company, in April. Such positive ratings reflected that the Group possesses a strong and healthy financial position with a stable prospect, which allows us to lay a solid foundation in such a competitive environment in Hong Kong.

For the first time, ICBC (Asia) issued a 5 year Eurodollar bond in September. The issue received extremely strong demand, leveraged on the brand name of the ICBC Group and the unique positioning among the industry players. Subscription amount exceeded US\$1,400 million, which was 4.7 times oversubscribed. As a response, the final amount issued was increased from US\$300 million to US\$400 million.

In November, the core banking integrated business system newly developed by the Bank was officially put into operation. The system provides a better operating platform for the overall development of the Bank. To keep pace with the development of the Group, we relocated our office at the end of 2004 to a prestigious commercial building, with a gross floor area of over 100,000 square feet, in Garden Road situated at the heart of Central. The building is named "ICBC Tower", which marks a new symbol of ICBC in Hong Kong.

Following the successful completion of the acquisition of Belgian Bank at the end of April, the two banks underwent a smooth integration and it is expected that the merger would be completed in October 2005. Furthermore, the Bank announced the acquisition of the Chinese Mercantile Bank at the end of 2004. It marks a new era for the Group to explore the PRC market and expand its business in the Great China region. It also recognizes gradually our competitive edge among the customers in the Mainland, Hong Kong and Europe.

Looking forward to 2005, with the recovery of the Hong Kong economy and closer economic links between Hong Kong and the Mainland, we expect a rapid increase in the demand of financial services and ample development opportunities for the banking industry. We will continue to capitalize on the reputation and resources of our parent company, implement excellent marketing strategy by our professional team, and interact closely with ICBC branches in the Mainland to further expand our corporate banking service, as well as our commercial and retail banking activities and wealth management services in order to enhance our competitive edge. ICBC (Asia) also endeavours to become one of the leadings banks in Hong Kong and to maximize return for our customers and shareholders.

I wish to take this opportunity to extend my sincere gratitude to our customers, business partners and shareholders for their enormous support, and express my heartfelt thanks to the hard work of all members of our staff.

Dr. Jiang Jianqing

Chairman

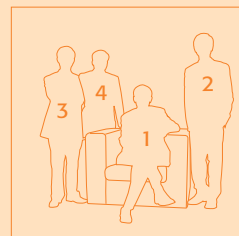
7 March 2005



高層管理人員 Senior Management

1. 朱琦 (董事總經理暨行政總裁)
2. 黃遠輝 (董事暨副總經理)
3. 張懿 (董事暨副總經理)
4. 鄧錦新 (助理總經理暨財務總監)

1. Zhu Qi (Managing Director & Chief Executive Officer)
2. Wong Yuen Fai (Director & Deputy General Manager)
3. Zhang Yi (Director & Deputy General Manager)
4. Tang Kam Sun (Assistant General Manager & Chief Financial Officer)



Management's Discussion & Analysis

Overview

The year 2004 continued to be a challenging year for the Hong Kong banking industry, as banks grappled with high liquidity in the banking system and weak loan demand. Nevertheless, with the strong rebound in the retail sector, property and stock markets, the confidence of Hong Kong people revived as well as the unemployment rate going down, which made the overall asset quality of retail banking business improved in 2004. However, due to the forthcoming implementation of new Basel Capital Accord and Financial Reporting Standards, banks will continue to devote more resources to strengthen their overall risk management and internal reporting systems in order to well prepare for meeting the new requirements and challenges in year 2005.

Financial Review

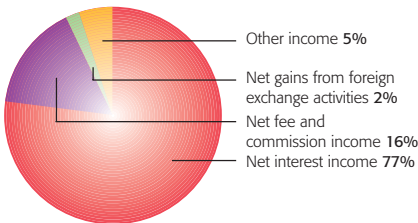
Despite the challenges and opportunities presented in 2004, the Group recorded substantial growth in profitability during the year. Consolidated profit attributable to shareholders reached HK\$760 million, representing an increase of 46% over the HK\$522 million achieved in 2003. The remarkable growth in earnings was due to significant growth in net interest income. Interest-bearing assets increased from HK\$61.3 billion to HK\$85.5 billion. Earnings per share was HK\$0.80 (2003: HK\$0.71). Return on average assets and return on average common equity were 0.9 % and 10.3% respectively (2003: 0.8% and 10.2%).

Net interest income for the year 2004 surged by 55% to HK\$1,275 million, mainly due to 50% surge in total loans, representing an increase of HK\$20.9 billion from HK\$41.8 billion in 2003 to HK\$62.7 billion in 2004 as well as the net interest margin having widened by 14 basis points from 1.32% to 1.46%.

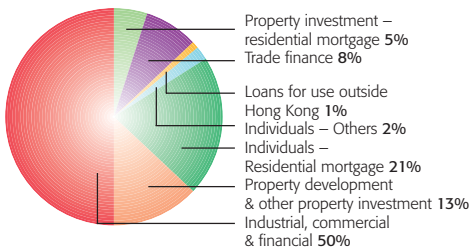
Other operating income also recorded an increase of HK\$49 million to HK\$370 million. The Group will continue materializing the revenue synergy from the acquisition of Belgian Bank. The proportion of non-interest income to total operating income was 23% (2003: 28%).

Operating expenses increased HK\$376 million to HK\$690 million (2003: HK\$314 million) mainly due to inclusion of the Belgian Bank. Hence, the cost to income ratio (excluding amortization of goodwill of HK\$54 million) increased from 27.4% in 2003 to 41.9% in 2004. The Group's total number of staff was 1,345 as at 31 December 2004, compared with 591 at the end of 2003.

Income Composition 2004



Loans Composition 2004



Management's Discussion & Analysis

As a result of the recovering economy and our prudent credit assessment policies, the Group recorded a HK\$22 million net write-back of bad and doubtful debts for the year 2004, among which HK\$57 million general provision was made as the loan book expanded and HK\$79 million specific provision was written back. Compared with last year, net specific provision reduced significantly by HK\$141 million, or 229%, mainly due to strong rebound in the market price of property collaterals for mortgage loans.

Total exceptional income was HK\$55 million, including HK\$40 million mainly arising from disposal and revaluation of the bank premises, of which profit from sale and leaseback of the ICBC Asia Building and write-back of impairment loss were HK\$32 million and HK\$8 million respectively and profit from sale of held-to-maturity and non-trading securities was HK\$15 million.

In November 2004, the Bank's equity interest in The Tai Ping Insurance Company, Limited ("Tai Ping") had been diluted from 24.9% to 12.45% since the Bank had renounced all its rights to participate in the additional capital injection of Tai Ping. Accordingly, the investment was classified as non-trading securities. Nevertheless, the Bank has an option to increase its equity interest in Tai Ping from 12.45% to 24.9% within six months from the date of the Option Deed entered into between the Bank and the other shareholders of Tai Ping, or such later date as the parties may extend pursuant to the terms of the Option Deed.

Balance Sheet

Following the successful completion of the acquisition of Belgian Bank on 30 April 2004, the total assets of the Group were increased to HK\$99.3 billion as at 31 December 2004, a 32% rise when compared with 31 December 2003. As at 31 December 2004, total loan outstanding amounted to HK\$62.7 billion. Compared with HK\$41.8 billion over the same period last year, it recorded an increase of 50% or HK\$20.9 billion. The additional new loans were mainly derived from blue chip and PRC companies, resulting in an improvement in the quality of loans. In addition, residential mortgages, trade finance, hire purchase and leasing also contributed to the assets growth.

Additional debt securities were secured in order to achieve higher return of our assets portfolio. As at 31 December 2004, total investment in debt securities increased 25% to HK\$17.1 billion, representing 17% of total assets. Our investments were concentrated on quality bonds with ratings of BBB- and above.

In line with our business development efforts and in order to improve our loans to deposits ratio, the Group has issued HK\$7.35 billion Certificates of Deposit in total. For the first time, the Group issued a 5-year US\$400 million Eurodollar bond in September 2004. The issue received extremely strong demand, attributable to the brand name of the ICBC Group and "A2" long term credit rating given by Moody's. Subscription amount topped US\$1,400 million, which was 4.7 times the amount initially offered. As a response, the final amount issued was increased from US\$300 million to US\$400 million.

Management's Discussion & Analysis

Capital and Liquidity Management

The capital base was augmented via the issuance of new ordinary shares and subordinated floating rate notes. In February 2004, the Bank issued 124,874,000 new ordinary shares at a price of HK\$11.25 per share through placement. Moreover, the Bank issued US\$150 million subordinated floating rate notes to the ultimate holding company in April, in order to further strengthen the capital base for coping with future business development.

At the end of 2004, the adjusted consolidated capital adequacy ratio for the Group was 17.4%, up 0.7% when compared with the same ratio of 16.7% at the end of December 2003, which was a healthy level when compared with International Settlements' minimum requirement of 8%. The Group maintained an adequate level of capital in 2004 and the average liquidity ratio amounted to 37.8% (2003: an average of 41.3%), which was well above the statutory requirement of 25%.

Asset Quality

Non-performing loans as at 31 December 2004 amounted to HK\$765 million (2003: HK\$668 million). Non-performing loan ratio decreased further from 1.7% as at 31 December 2003 to 1.3% as at 31 December 2004.

As at 31 December 2004, provisions for bad and doubtful debts aggregated HK\$836 million, which included HK\$333 million of specific provisions and general provisions of HK\$503 million.

As a matter of fact, overdue loans decreased from HK\$512 million as at 31 December 2003 to HK\$479 million as at 31 December 2004.

Credit Ratings from Moody's

In April 2004, Moody's assigned first-time ratings to the Bank. Long-term deposit ratings of A2, stable outlook; Short-term deposit ratings of Prime-1, stable outlook; Bank financial strength rating of D, positive outlook.

Retail Banking

With the continuous supports from the Central Government by introducing various policies, including "Pan-PRD Regional Cooperation Agreement" besides the "CEPA", "Individual Traveler" and "Renminbi business arrangement", it had stimulated the economic recovery of Hong Kong and obviously boomed the climate of retail business sector. The property market, stock market and the whole economy showed strong ascending sign while the overall business-operating environment of 2004 was relatively stable under the continuous capital inflow with the expectation of revaluation of Renminbi.



ICBC (Asia) is committed to better its branch network. The new Yaumatei Branch allows the customers to enjoy full banking services at larger premises.

Management's Discussion & Analysis

In the area of residential mortgage business, our revenue performance was significantly improved. The low interest rate environment and continuous price rise of property market had led to improvement of negative-equity cases and the confidence of Hong Kong people to purchase residential property. However, as the accumulative price rise became significant, purchase transactions started to slow down. Banks were shifting to mortgage re-financing business and the interest spread for mortgage loan had further tightened. During the year, we had co-operated with several main estate developers to provide tailor-made mortgage loan plans to homebuyers. Although the competition was fierce, our total mortgage loans outstanding increased by 58% to HK\$12.64 billion as at 31 December 2004 compared with last year. The Group shall also strive to keep the portfolio stable by proactively monitoring the market situation and adjusting our business strategies accordingly.



ICBC (Asia) is among the first lot of Hong Kong banks to launch personal RMB business in February 2004.

Following the green light shed by the People's Bank of China, the Group was among the first lot of banks in Hong Kong providing personal Renminbi banking services in February 2004, including Savings Account, Fixed Deposit, Exchange and Remittance services. To continue providing our customers with innovative and value-added services, the Group launched Personal Predetermined-Rate Remittance Service, 95588 Phone Banking Roaming Service and Mortgage Plus - Auto Remittance for Mainland Mortgage Payment ("Mortgage Plus") for repayment of mortgage loan of Mainland property in Hong Kong.

For 2004, "Mortgage Plus", our mortgage product for Mainland China, had successfully lined up 8 quality projects with developers located mainly in Shanghai and Beijing. The performance was outstanding compared with last year; there were totally 210 loan applications and HK\$276 million loan booked.

On the insurance side, two more insurance companies were lined up and various insurance products such as Super Life Retirement Plan, Prosperous Life Insurance Plan, HospitalCare Protection Plan, HospitalCash Protection Plan and Accidental Emergency Medical Insurance, were launched in 2004.

We shall broaden our e-channels and provide more cost-efficient and value-added services by further using innovative technology. By adopting the Customer Relationship Management System, we shall strengthen the customer relationships, increase product cross-selling and non-interest income.

In order to provide a comprehensive services to our customers, we shall keep on upgrading and expanding our domestic branch network progressively through reformation and rationalization. In September 2004, our Yaumatei branch was relocated and expanded with new additional services such as ATM, safe deposit box and securities investment center. At the end of 2004, our branch network had increased to 42 retail branches (including those currently operating under the name of "Belgian Bank") in Hong Kong.



ICBC (Asia) acts as an agent of "ICBC Xplore VISA" launched by ICBC Hong Kong Credit Card Centre.

Management's Discussion & Analysis

Besides, the Group has embarked on a retail network enhancement program to relocate certain branches to more convenient locations and to expand further in 2005 by following our planning schedule in order to rationalise the branch network.

Although we were facing keen competition, business result of Hire Purchase and Leasing was out-performed with good quality loans and volume growth by over 50% in 2004. As of 30 September 2004, the Group's market share of taxi and public light bus increased to 11.8% and ranked top 5 in the market. We expect intense competition will continue in the coming year. Nonetheless, we are committed to render excellent customer services and obtain quality loan with reasonable profitability to achieve targeted business growth.

For 2005, we shall keep on promoting residential mortgage loans and hire purchase and leasing businesses along the track to increase our market share and return. We still look forward to the markets of Shanghai and Beijing in future, with target on high-end customers. We also expect a remarkable growth in the area of being IPO receiving bank and IPO financing business for mainland enterprises going for listing in Hong Kong.

In branch rationalization, we expect to relocate and expand several branches, in order to provide a more comfortable environment as well as diversified services such as securities trading and safe deposit box services to our customers.

In order to provide advanced and comprehensive services to our respective customers, we will continue to provide professional training for our staff, reinforce our marketing oriented culture, transplant Customer Relationship Management System, enhance cross-selling and sales management, strengthen wealth management business capability, rationalize branch network, and speed up product development. Through these initiatives, we shall be able to build up a more solid, massive and profitable retail customer base, strengthen our economy of scale, and improve our operational efficiency and profitability.

Treasury and Markets

For the Treasury products and activities, during 2004, the Bank acted as one of the co-managers for the institutional tranche of the "Hong Kong Link" bonds issued by the Government. The tranche, totalled HK\$3.8 billion, was well-received by the market and was finally over-subscribed by 4 times.

On the funding side, the Group issued the first Eurodollar bond for international investors in September 2004. Attributable to the brand name of ICBC Group and "A2" long term rating given by Moody's, the issue received extremely strong demand, which topped US\$1,400 million and was over-subscribed by 4.7 times. The final amount issued was increased from US\$300 million to US\$400 million.



The first Euro dollar bond of ICBC (Asia) was well received by international investors.

Management's Discussion & Analysis

In order to take advantage of the low interest rate environment, the Group issued HK\$4.97 billion equivalent structural certificates of deposit to institutional investors and HK\$1.02 billion equivalent structural certificates of deposit to retail customers during the year to lock in the long-term low-cost funding.

Treasury and Markets endeavours to keep customers abreast of latest market development and offered a number of new financial products to retail and corporate customers. These new products provided customers with more investment choices and enhanced their hedging and liability management capabilities. Fee income from these products also provided the Group another source of revenue. Furthermore, the addition of Belgian Bank's branch network to our sales channel further enhanced our marketing capability.

The Group also strives to keep its risk management and control capability in line with business development. The new deal capturing and risk management system - Kondor+ has been fully implemented during the year and a Value-at-risk (VaR) risk measurement methodology has been adopted to measure the risk of our debt securities portfolio. Policies and guidelines were established for better risk and operational control.

2005 will be another year of challenge for Treasury and Markets. Interest rates are poised to rise further after US hiked rates five times by 1.25% in 2004 and rising interest rates will render the investment environment more difficult. Nevertheless, the team of professionals in Treasury and Markets will continue to position the Group in a strategic manner to maximize return on a risk-adjusted basis.

Commercial Banking

Overall performance from Commercial Banking has exceeded market average and recorded growth of approximately 300% for 2004 benefited from the increase in loan demand among local small and medium enterprises ("SME") and favorable global economy. Recognition of our stable lending policy among SME sector and strong network of the Bank's ultimate holding company – The Industrial and Commercial Bank of China ("ICBC") in China are two main factors contributed to our remarkable result. After our acquisition of Belgian Bank, the expanded customer base and additional product range should give us solid foundation for business growth in 2005.

Corporate Banking

The year 2004 had been a challenging year for Hong Kong corporate bankers, with Hong Kong wholesale loan market saw only modest volume recovery yet pricing fell further, in some cases, to unattractive levels. Our expansion to overseas markets, which offers higher yield on risk basis, has been fruitful. For example, during the year, we won the Group's first mandate in Australia, providing US\$360 million syndicated aircraft finance for Qantas Airways. We also won the Group's first syndication mandate in Korea, providing US\$86 million syndicated ship finance for SK Shipping. Furthermore, we successfully co-arranged a US\$150 million syndicated loan for Chunghwa Picture Tubes, a Taiwan based corporation.



The office in headquarters has been given an open office design to enhance communication between staff members and facilitate the sharing of space and facilities.

The Group strives to be among the major arrangers of financier for aircraft, ships, mergers and acquisitions as well as infrastructure projects, which posed a high demand on our professional skill and execution capability.

Management's Discussion & Analysis

During the year, the Group arranged finance for Dragonair to acquire two new A-320-200 aircrafts and Qantas Airways to acquire four new A-330S aircrafts. The Group also financed the leveraged buyout of the world's largest model train manufacturer, the world's largest provider of electricity meters and Australia's largest private hospital chain. Furthermore, acting as Joint Mandated Arranger, the Group financed the construction of the LNG pipeline from the Malaysia-Thailand Joint Development Zone to Thailand and Malaysia.

The Group's achievements so far are encouraging. Meanwhile, the Group has continued to strengthen our relationship with top tier corporations in Hong Kong by providing unreserved support as well as delivering practical investment and risk management advices. The Group's tailor-made structured investment products to enhance investment return for our clients have resulted in a stable corporate deposit base for the Group at a reasonable cost. Our expertise in interest and currency risk management has also resulted in a win-win scenario for the Group and our customers.

The Group's enhanced retail platform over the last few years also allows us to serve our corporate clients better. Looking ahead, a strong foundation is in place to take advantage of opportunities that may arise in 2005 and thereafter.

Financial Institutions

Backed by ICBC's nationwide branch network in Mainland China, Financial Institutions Department had a record year in terms of Cash Management business and Trade Finance business growth. The Risk Participation business recorded an accumulated turnover amount of US\$505 million in the year, which represented 426% increase over year 2003 and all transactions were paid in due course. Cash Management business also had significant development in which we provided tailor-made PRC Remittance Service for other financial institutions that fulfilled their customer needs. Trade Finance and cash management specialists of Financial Institutions Department know the market very well and can guarantee the Bank's competitive edge and service standard in these two businesses. Hence, Financial Institutions Department will continue to explore the opportunities to expand these two businesses in 2005.

Credit Card Business

In 2004, resulting from the successful marketing strategies, ICBC Hong Kong Credit Card Centre attained a very remarkable achievement by having 200% growth in new card issuance and 300% growth in sales volume, including both Hong Kong Dollar and Renminbi sales. The credit card products were widened with the introduction of Hong Kong's first "Dual Currency VISA Card" (HKD and RMB) targeting frequent travelers between Hong Kong and China for business or leisure, "ICBC Xplore VISA" targeting youth segment and co-brand "Yan Oi Tong VISA Card" for charity purpose.



ICBC Hong Kong Credit Card Centre joined force with charity organisation – Yan Oi Tong to launch "Yan Oi Tong VISA Card" in November 2004.

Management's Discussion & Analysis

Core Banking System

In November 2004, the successful completion and implementation of the upgrade of ICBC (Asia)'s core banking system is matching for its rapidly expanding business. The investment in the entire upgrade programme is nearly HK\$130 million. The upgrade enables ICBC (Asia) to enhance its competitiveness and move further towards its goal of becoming one of the five major banks in Hong Kong within the next few years.



ICBC (Asia) staff organised celebration party to mark the successful implementation of new core banking system.

The core banking system upgrade enables ICBC (Asia) to offer more personalised products and services through centralized analysis of customer database. With the collective control on credit risk and real-time risk management, the Bank can further strengthen credit risk management and internal control. The new system also supports the sales business and increases cross-selling opportunities that facilitates one-stop banking services. In addition, the Bank can respond to market changes more quickly and accurately and develop more multifaceted financial products with the powerful real-time computing mechanism.

Headquarters established

The Group officially named its new headquarters on 3 Garden Road as "ICBC Tower" on 20 January 2005 and invited Dr Jiang Jianqing, Chairman of the Group, to officiate the naming ceremony. The establishment of new headquarters signifies the commitment of ICBC to the development of its business in Hong Kong and also marks a new era of the Group and its ongoing role as the flagship of ICBC's overseas business.



Chairman Jiang Jianqing officiated the naming ceremony of ICBC Tower.

Occupying six floors of the ICBC Tower, the Group's new 100,000-sq.ft. headquarters, the Group has invested over HK\$20 million in the fitting out of and removal to the new premises which is designed in an open office set-up to enhance communication and resources sharing between staff members. The open-plan design also reflects the Group's congruous and new proactive management concepts.

Management's Discussion & Analysis

Human Resources

Following the integration with Belgian Bank, the number of staff increased to a total of 1,345 as at 31 December 2004, in which ICBC (Asia) accounted for 651 and Belgian Bank for 694. The management believes that superior staff are our greatest asset. As a result, the Group aims at attracting talents and retaining outstanding employees. We also implemented an effective incentive system that is in line with the Bank's profitability, the department's performance and the performance of individuals, so as to encourage our staff to dedicate to the Bank's objectives.



The first Annual Dinner jointly organised by ICBC (Asia) and Belgian Bank.

The Group highly values the training and development of our staff. Through a variety of training programmes, the Group actively enhanced the professional knowledge and marketing skills of our staff, promoted marketing initiatives, ensured that all of our employees observe regulatory requirements and effectively achieved the staff's potential. During the year, the Group introduced a knowledge sharing programme, namely "KS Friday", to encourage our staff to share a wide variety of knowledge and interest.



The 61 participants of "The World Famous Cities of China - Now and Then" met Chairman Jiang Jianqing at ICBC Headquarters.

In addition, to ensure the smooth integration with Belgian Bank, the Group, through a highly transparent communication mechanism, was committed to boost the morale of the staff, harmonize the value and philosophy of the staff and establish a new corporate culture.

To foster a sense of belonging and team spirit among staff members, the Group has the Recreation Committee to organize and promote various activities for the staff, including staff picnics, basketball matches, Taichi classes and film shows. In January 2005, our staff members enjoyed a delightful night on the Group's Annual Dinner with various amusements and lucky draw.

During the year, the Group organized "The World Famous Cities of China - Now and Then" eight-day tour and sponsored Hong Kong students and customers to visit Mainland China. The participants had invaluable insights into Beijing and Xian and they also met Chairman Jiang Jianqing at ICBC Headquarters. The tour confirmed the Group's commitment to the ongoing education and development of students in the community, the leaders of tomorrow.



➤ 雄厚 **實力**
Enhancing
Strength





中國工商銀行(亞洲)憑藉母公司中國工商銀行－中國最大商業銀行(以資產總額計)的龐大分行網絡、領導地位及豐富經驗，將繼續開拓廣泛的銀行及財務服務。

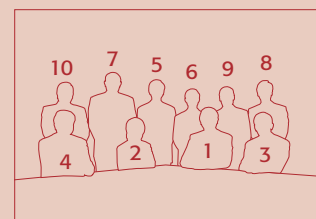
With the nationwide branch network, leadership and expertise provided by ICBC – the largest commercial bank (in terms of total assets) in the Mainland China, ICBC (Asia) will continue to offer a wide range of banking and financial services.





Board of Directors

1. Jiang Jianqing (*Chairman*)
2. Wang Lili (*Vice Chairman*)
3. Zhu Qi (*Managing Director & Chief Executive Officer*)
4. Chen Aiping (*Non-executive Director*)
5. Wong Yuen Fai (*Director & Deputy General Manager*)
6. Zhang Yi (*Director & Deputy General Manager*)
7. Damis Jacobus Ziengs (*Non-executive Director*)
8. Wong Yue Chim, Richard, S.B.S., J.P. (*Independent Non-executive Director*)
9. Tsui Yiu Wa, Alec (*Independent Non-executive Director*)
10. Yuen Kam Ho, George, FHKIoD (*Independent Non-executive Director*)



Biographical Details of Directors & Senior Management

Dr. Jiang Jianqing (*Chairman*)

Dr. Jiang, aged 52, was appointed as the Chairman and Director of the Bank in June 2000. Dr. Jiang graduated from Shanghai Jiaotong University with a Doctor's Degree in Business Administration and was awarded a Certificate of Competence for Professor in the banking field. Dr. Jiang has over 26 years of banking experience and he is the Chairman and President of The Industrial and Commercial Bank of China.

Ms. Wang Lili (*Vice Chairman*)

Ms. Wang, aged 53, was appointed as the Vice Chairman and a Director of the Bank in December 2002. Ms. Wang is a member of the Board of Directors and an Executive Vice President of The Industrial and Commercial Bank of China and looks over international business, overseas business, corporate banking, institutional business, treasury and legal affairs. Ms. Wang graduated from Nankai University with a Bachelor's Degree and obtained a Master's Degree in Business Administration in international banking and finance from University of Birmingham, U.K.. Ms. Wang has over 29 years of banking experience and was awarded a Certificate of Competence for Professor in the banking field. She is also the Chairman of the Board of Directors of ICBC (London) Limited.

Mr. Zhu Qi (*Managing Director and Chief Executive Officer*)

Mr. Zhu, aged 44, was appointed as a Director of the Bank in June 2000 and the Managing Director and Chief Executive Officer of the Bank in October 2001. He was also appointed as the Chairman of Belgian Bank, a subsidiary of the Bank, in April 2004. Mr. Zhu is a Director of certain other subsidiaries of the Bank, namely, ICBC (Asia) Futures Limited, ICBC (Asia) Bullion Company Limited and ICBC (Asia) Nominee Limited. He is also a Director of China Ping An Insurance (Hong Kong) Company Limited, an associated company of the Bank, and the Deputy Chairman of ICEA Finance Holdings Limited and the Chairman of Industrial and Commercial International Capital Limited. Mr. Zhu graduated from Middle China Economy and Financial University with a Bachelor's Degree and a Master's Degree in Economics. He has over 18 years of banking experience.

Mr. Chen Aiping (*Non-executive Director*)

Mr. Chen, aged 46, was appointed as a Director of the Bank in December 2002. Mr. Chen holds a Bachelor of Arts Degree from Wuhan University and a Master of Business Administration (International) Degree from The University of Hong Kong. He has over 19 years of banking experience and is the General Manager of the International Business Department of The Industrial and Commercial Bank of China and a Director of Xiamen International Bank and ICEA Finance Holdings Limited.

Biographical Details of Directors & Senior Management

Mr. Wong Yuen Fai (*Director, Deputy General Manager and Alternate Chief Executive*)

Mr. Wong, aged 49, joined the Bank as a Deputy General Manager in July 2004 and was appointed as a Director and an Alternate Chief Executive of the Bank in August 2004. Mr. Wong was also appointed as a Director of ICBC (Asia) Futures Limited, ICBC (Asia) Bullion Company Limited and ICBC (Asia) Nominee Limited, wholly-owned subsidiaries of the Bank, and a Director of China Ping An Insurance (Hong Kong) Company Limited, an associated company of the Bank, in July 2004. Mr. Wong is an associate member of The Chartered Institute of Bankers (UK) and The Institute of Chartered Secretaries and Administrators (UK). He holds a Master's Degree in Applied Finance from the Macquarie University, Australia. Mr. Wong has 31 years of banking experience. Prior to joining the Bank, Mr. Wong was the Chief Executive Officer of Standard Chartered Bank, China from January 2001 to June 2003. Mr. Wong is currently a member of the Hong Kong Town Planning Board and a member of the Finance Committee under the Hong Kong Housing Authority.

Mr. Zhang Yi (*Director, Deputy General Manager and Alternate Chief Executive*)

Mr. Zhang, aged 42, joined the Bank as an Assistant General Manager in January 2003 and was promoted as a Deputy General Manager of the Bank in December 2003. Mr. Zhang was appointed as a Director and an Alternate Chief Executive of the Bank in March 2005. Mr. Zhang graduated from Shanghai University of Finance & Economics with a Master's Degree in Money & Banking and qualified as a Senior Economist. Prior to joining the Bank, Mr. Zhang was the General Manager of Financial Planning Department of The Industrial and Commercial Bank of China, Shanghai Municipal Branch.

Mr. Damis Jacobus Ziengs (*Non-executive Director*)

Mr. Damis Jacobus Ziengs (also known as Dennis Jacobus Ziengs), aged 55, was appointed as a Director of the Bank in May 2004. Mr. Ziengs is currently the Chief Executive Officer of Fortis Asia and is responsible for the strategic development and management of Fortis' banking and insurance activities in Asia. He is also a Non-executive Director of a number of companies associated with Fortis. He has over 31 years' experience in international banking, having held various management and executive positions in major American and European financial institutions, including Deutsche Bank AG, Rabobank Group, ABN-AMRO Group and Continental Bank Group. Before joining Fortis in 2002, Mr. Ziengs was a member of the Divisional Board ("Bereichsvorstand") of the Corporates and Real Estate Division of Deutsche Bank AG in Frankfurt, Germany. Mr. Ziengs holds a Master's and a Bachelor's Degrees in Business Administration from the University of Oregon, USA and a Degree in Business from The Netherlands School of Business.

Professor Wong Yue Chim, Richard, S.B.S., J.P. (*Independent Non-executive Director*)

Professor Wong, aged 52, was appointed as an Independent Non-executive Director of the Bank in July 2000. Professor Wong graduated from University of Chicago with a Bachelor's and a Master's Degrees in Economics and also a Doctorate in Economics. Professor Wong is the Deputy Vice-Chancellor and Chair of Economics of The University of Hong Kong. He has been active in advancing economic research on policy issues in Hong Kong and the PRC. Professor Wong was awarded the Silver Bauhinia Star in 1999 by the Government of the HKSAR for his contributions in education, housing, industry and technology development.

Biographical Details of Directors & Senior Management

Mr. Tsui Yiu Wa, Alec (*Independent Non-executive Director*)

Mr. Tsui, aged 55, was appointed as an Independent Non-executive Director of the Bank in August 2000. Mr. Tsui graduated from University of Tennessee, USA with a Bachelor of Science Degree and a Master of Engineering Degree in Industrial Engineering. He has completed the Program for Senior Managers in Government at the John F. Kennedy School of Government at Harvard University. Mr. Tsui is currently the Chief Executive of WAG Financial Services Group Limited and also the Vice Chairman of China Mergers and Acquisitions Association. He is also a Member of the Investment Sub-Committee of the Government Committee of the Beat Drugs Fund Association. Prior to his current appointment, he was the Adviser and Council Member of the Shenzhen Stock Exchange from July 2001 to June 2002 and was the Chief Executive of Regent Pacific Group Limited, a Hong Kong listed investment company, from August 2000 to February 2001. Mr. Tsui was the Chairman of Hong Kong Securities Institute from December 2001 to December 2004. He joined The Stock Exchange of Hong Kong Limited in 1994 as an Executive Director of the Finance and Operations Services Division and became the Chief Executive from 1997 to 2000. He was also the Chief Operating Officer of Hong Kong Exchanges and Clearing Limited from March 2000 to July 2000 and the Assistant Director of Securities and Futures Commission of Hong Kong from 1989 to 1993. Mr. Tsui also involved in numerous government and community activities, including being a former Chairman of the Supervisory Committee of Tracker Fund of Hong Kong and the Organizing Committee of Independent Commission Against Corruption Professional Ethics Programme for the Securities, Futures and Investments Sectors, a former member of the Standing Committee on Company Law Reform, the Hong Kong Trade Development Council Financial Services Advisory Committee, The Community Chest of Hong Kong Corporate and Employee Contribution Programme Organizing Committee Banking and Finance Group, and the Banking and Finance Industry Training Board of the Vocational Training Council.

Mr. Yuen Kam Ho, George, FHKIoD (*Independent Non-executive Director*)

Mr. Yuen, aged 60, was appointed as an Independent Non-executive Director of the Bank in April 2003. Mr. Yuen is currently the Chief Executive of The Better Hong Kong Foundation. He graduated from The University of Hong Kong with a Bachelor's Degree (Honors) in Economics and Political Science. Mr. Yuen has attended post-graduate studies in marketing management at the International Marketing Institute, Cambridge Massachusetts, U.S.A. and has completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in public administration and the International Executive Program in international relations at Oxford University and INSEAD, France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organized by Kennedy School of Government, Harvard University. Besides, Mr. Yuen took part in the "Corporate Governance" symposium organized by Stanford University, U.S.A. in June 2004. Prior to his joining The Better Hong Kong Foundation, Mr. Yuen was the Assistant Director/Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen is a member of the British Institute of Management and the Institute of Marketing, U.K. Mr. Yuen plays an active role in organizing significant business conferences in Hong Kong and also involves in numerous government and community activities, including being the Chairman of the International Relations Committee of the Asia Pacific Academy for Productivity and Innovation, a board member of the East-West Strategic Development Commission and a member of the Central Policy Unit ("CPU") of the HKSAR Government and sits on the CPU Panel on the Pan-Pearl River Delta Panel. Mr. Yuen is a Fellow of the Hong Kong Institute of Directors and was commended by the U.S. President, George W. Bush for his efforts in support of coalition's campaign against global terrorism.

Biographical Details of Directors & Senior Management

Mr. Tang Kam Sun *(Assistant General Manager and Chief Financial Officer)*

Mr. Tang, aged 45, joined the Bank as an Assistant General Manager and the Chief Financial Officer since August 2002. Mr. Tang was also appointed as a Director of ICBCA (C.I.) Limited, a wholly-owned subsidiary of the Bank, in June 2004. Mr. Tang is the committee member of The HKCEA Financial and Accounting Affairs Steering Committee. He holds a Master's Degree in Business Administration from University of Abertay Dundee, UK and a Master's Degree in Applied Finance from Charles Sturt University, Australia. Mr. Tang is a Certified Public Accountant and a member of Hong Kong Securities Institute and The Chartered Management Institute (UK). He is also an associate member of The Chartered Institute of Bankers (UK), The Institute of Chartered Secretaries and Administrators (UK), The Institute for the Management of Information Systems (UK) and a Certified Finance and Treasury Professional in The Finance and Treasury Association (Australia). Mr. Tang has over 25 years of banking experience specialized in financial management in multinational bank and financial institutions.

Mr. Fong Yuen Kwai *(Assistant General Manager)*

Mr. Fong, aged 46, joined the Bank as an Assistant General Manager and the Head of Retail Banking since September 2002. Mr. Fong was also appointed as a Director of ICBC (Asia) Nominee Limited, a wholly-owned subsidiary of the Bank, in October 2002. Mr. Fong graduated from The Chinese University of Hong Kong with a Bachelor's Degree in Social Science (Economics) and a Master's Degree in Business Administration. Mr. Fong has over 20 years of banking experience. Prior to joining the Bank, he was the Assistant General Manager and the Head of Strategy and Business Planning Division, Retail Banking Department of Bank of China (Hong Kong) Limited.

Mr. Kwan King Chi, George *(Assistant General Manager and Chief Operation Officer)*

Mr. Kwan, aged 55, joined the Bank as an Assistant General Manager and the Chief Operation Officer since September 2004. Mr. Kwan has over 30 years banking and financial institutions experience, specialized in operations management and control. Mr. Kwan served in several major financial institutions. Prior to joining the Bank, he was the Senior Vice President and the Head of Operations of International Bank of Asia Limited.

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

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.

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

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倉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

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。

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.

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

致中國工商銀行(亞洲)有限公司
全體股東之核數師報告
(於香港註冊成立之有限公司)

本核數師已完成審核第62至129頁之賬目，該等賬目乃按照香港普遍採納之會計原則編製。

董事及核數師各自之責任

香港公司條例規定董事須編製真實兼公平之賬目。在編製該等真實兼公平之賬目時，董事必須採用適當之會計政策，並且貫徹應用該等會計政策。

本核數師之責任是根據審核之結果，對該等賬目出具獨立意見，並按照香港公司條例第141條僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負責或承擔任何責任。

意見之基礎

本核數師已按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬目所載數額及披露事項有關之憑證，亦包括評審董事於編製賬目時所作之重大估計及判斷，所採用之會計政策是否適合貴銀行與貴集團之具體情況，及有否貫徹應用並足夠披露該等會計政策。

本核數師在策劃和進行審核工作時，均以取得所有本核數師認為必需之資料及解釋為目標，以便獲得充分憑證，就該等賬目是否存在重大錯誤陳述，作出合理之確定。在作出意見時，本核數師亦已評估該等賬目所載之資料在整體上是否足夠。本核數師相信我們之審核工作已為下列意見提供合理之基礎。

意見

本核數師認為，上述之賬目足以真實兼公平地顯示貴銀行與貴集團於二零零四年十二月三十一日結算時之財務狀況，及貴集團截至該日止年度之盈利及現金流量，並按照香港公司條例妥為編製。

羅兵咸永道會計師事務所
香港執業會計師

香港，二零零五年三月七日

AUDITORS' REPORT TO THE SHAREHOLDERS OF
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the accounts set out on pages 62 to 129 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Bank and the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the Bank and the Group as at 31st December 2004 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 7th March 2005

綜合損益表 Consolidated Profit and Loss Account

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

		附註 Note	2004 千港元 HK\$'000	2003 千港元 HK\$'000
利息收入	Interest income	3	2,311,367	1,617,989
利息支出	Interest expense		(1,036,529)	(794,842)
淨利息收入	Net interest income		1,274,838	823,147
其他營運收入	Other operating income	4	370,427	321,340
營運收入	Operating income		1,645,265	1,144,487
營運支出	Operating expenses	5	(689,716)	(314,055)
商譽攤銷	Amortisation of goodwill	26	(54,593)	(35,498)
扣除準備金前之營運盈利	Operating profit before provisions		900,956	794,934
呆壞賬回撥／(撥備)	Write-back of/(charge for) bad and doubtful debts	6	21,557	(129,236)
營運盈利	Operating profit		922,513	665,698
出售固定資產之溢利淨額	Net gain from disposal of fixed assets		31,504	1,411
銀行房產減值虧損 回撥／(撥備)	Write-back of/(charge for) impairment loss on bank premises	7	8,612	(11,858)
出售及贖回持至到期 之證券及非持作買賣 用途之證券之溢利淨額	Net gain on disposal and redemption of held-to-maturity securities and non-trading securities	8	15,567	16,164
非持作買賣用途之證券之 減值虧損	Impairment loss on non-trading securities		(200)	–
持作可出售物業之 準備回撥	Write-back of provision on property available for sale		–	5,369
			977,996	676,784
應佔聯營公司之虧損淨額	Share of net losses of associated companies	24	(41,225)	(31,621)
出售聯營公司虧損	Loss on disposal of an associated company	24	(92)	–
除稅前盈利	Profit before taxation		936,679	645,163
稅項	Taxation	10	(176,288)	(123,033)
股東應佔盈利	Profit attributable to shareholders	11	760,391	522,130
股息	Dividends	12	471,584	346,573
每股盈利	Earnings per share	13		
– 基本	– Basic		HK\$0.80	HK\$0.71
– 攤薄	– Diluted		HK\$0.76	HK\$0.63

綜合資產負債表

Consolidated Balance Sheet

二零零四年十二月三十一日
As at 31st December 2004

		附註 Note	2004 千港元 HK\$'000	2003 千港元 HK\$'000
資產	Assets			
現金及短期資金	Cash and short-term funds	15	13,845,905	13,551,535
一至十二個月內到期 之銀行同業及其他 金融機構之存款	Placements with banks and other financial institutions maturing between one and twelve months	16	5,132,657	4,718,871
商業票據	Trade bills	17	1,859,246	789,998
所持存款證	Certificates of deposit held	18	6,564,527	7,554,710
持至到期之證券	Held-to-maturity securities	19	7,662,886	4,675,928
貸款及其他賬項	Advances and other accounts	20	61,366,802	41,465,577
非持作買賣用途之證券	Non-trading securities	22	1,535,710	1,344,174
遞延稅項資產淨額	Deferred tax assets, net	23	27,403	8,026
於聯營公司之投資	Investments in associated companies	24	28,332	161,467
無形資產	Intangible assets	26	998,054	621,212
固定資產	Fixed assets	27	322,128	428,126
資產總額	Total assets		99,343,650	75,319,624
負債	Liabilities			
銀行同業及其他金融 機構之存款及結餘	Deposits and balances of banks and other financial institutions	28	17,520,277	22,251,182
客戶存款	Deposits from customers	29	56,058,169	35,392,938
已發行存款證	Certificates of deposit issued	30	7,345,360	6,913,873
已發行債券	Issued debt securities	31	3,095,423	—
現行稅項負債	Current tax liabilities		14,553	14,075
其他賬項及準備金	Other accounts and provisions	32	1,420,221	651,947
負債總額	Total liabilities		85,454,003	65,224,015
資本來源	Capital resources			
借入資本	Loan capital	33	5,348,229	4,178,304
股本	Share capital	34	2,095,930	2,259,845
儲備(包括擬派末期 股息324,869,000港元· 二零零三年: 247,382,000港元)	Reserves (including proposed final dividend of HK\$324,869,000; 2003: HK\$247,382,000)	35	6,445,488	3,657,460
資本來源總額	Total capital resources		13,889,647	10,095,609
負債及資本來源總額	Total liabilities and capital resources		99,343,650	75,319,624

姜建清
主席

朱琦
董事總經理

Jiang Jianqing
Chairman

Zhu Qi
Managing Director

資產負債表

Balance Sheet

二零零四年十二月三十一日
As at 31st December 2004

	附註 Note	2004 千港元 HK\$'000	2003 千港元 HK\$'000	
資產	Assets			
現金及短期資金	Cash and short-term funds	15	12,317,117	13,551,535
一至十二個月內到期之 銀行同業及其他 金融機構之存款	Placements with banks and other financial institutions maturing between one and twelve months	16	5,132,657	4,718,871
商業票據	Trade bills	17	1,060,805	789,998
所持存款證	Certificates of deposit held	18	6,564,527	7,554,710
持至到期之證券	Held-to-maturity securities	19	5,785,100	4,819,553
貸款及其他賬項	Advances and other accounts	20	46,075,625	41,367,879
非持作買賣用途之證券	Non-trading securities	22	1,531,913	1,343,667
遞延稅項資產淨額	Deferred tax assets, net	23	7,990	8,026
於聯營公司之投資	Investments in associated companies	24	14,508	191,660
於附屬公司之投資	Investments in subsidiaries	25	2,711,204	15,212
無形資產	Intangible assets	26	711,360	621,212
固定資產	Fixed assets	27	301,302	428,126
資產總額	Total assets		82,214,108	75,410,449
負債	Liabilities			
銀行同業及其他 金融機構之存款及結餘	Deposits and balances of banks and other financial institutions	28	16,468,037	22,251,182
客戶存款	Deposits from customers	29	38,636,457	35,448,208
已發行存款證	Certificates of deposit issued	30	12,720,979	6,913,873
現行稅項負債	Current tax liabilities		–	14,075
其他賬項及準備金	Other accounts and provisions	32	1,049,415	688,726
負債總額	Total liabilities		68,874,888	65,316,064
資本來源	Capital resources			
借入資本	Loan capital	33	5,348,229	4,178,304
股本	Share capital	34	2,095,930	2,259,845
儲備(包括擬派末期 股息324,869,000港元， 二零零三年： 247,382,000港元)	Reserves (including proposed final dividend of HK\$324,869,000; 2003: HK\$247,382,000)	35	5,895,061	3,656,236
資本來源總額	Total capital resources		13,339,220	10,094,385
負債及資本來源總額	Total liabilities and capital resources		82,214,108	75,410,449

姜建清
主席

朱琦
董事總經理

Jiang Jianqing
Chairman

Zhu Qi
Managing Director

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

		附註 Note	2004 千港元 HK\$'000	2003 千港元 HK\$'000
於一月一日之權益總額	Total equity as at 1st January		5,917,305	5,906,914
銀行房產減值損失 回撥／(撥備)	Write-back of/(charge for) impairment loss on bank premises	35	64,069	(224,616)
非持作買賣用途之 證券公平值變動	Change in fair value of non-trading securities	35	(79,905)	(19,729)
應佔聯營公司持有之 投資物業重估收益	Share of revaluation gain of investment properties held by an associated company	35	39	–
解除遞延稅項負債	Releases of deferred tax liabilities	35	16,260	44,056
出售海外聯營公司而 實現之外匯儲備	Exchange reserve realised on disposal of a foreign associated company	35	239	–
換算海外聯營公司財務 報表產生之匯兌差額	Exchange difference arising on translation of results of a foreign associated company	35	–	(218)
換算海外附屬公司財務 報表產生之匯兌差額	Exchange difference arising on translation of results of a foreign subsidiary	35	122	–
未於損益表內確認之 盈利／(虧損)淨額	Net profits/(losses) not recognised in the profit and loss account		824	(200,507)
股東應佔盈利	Profit attributable to shareholders	35	760,391	522,130
出售非持作買賣用途之 證券而實現之投資 重估儲備	Investment revaluation reserve realised on disposal of non-trading securities	35	(3,069)	(5,393)
股息	Dividends	35	(394,664)	(305,839)
發行普通股	Issue of ordinary shares	34 & 35	2,286,696	–
發行股份支出	Share issue expenses	35	(26,035)	–
增加法定普通股股本 之資本稅	Capital duty for the increase in authorised ordinary share capital	35	(30)	–
於十二月三十一日之 權益總額	Total equity as at 31st December		8,541,418	5,917,305

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
除稅前盈利	Profit before taxation	936,679	645,163
呆壞賬(回撥)/撥備	(Write-back of)/charge for bad and doubtful debts	(21,557)	129,236
無形資產攤銷	Amortisation of intangible assets	59,103	35,498
借入資本利息支出	Interest paid on loan capital	80,714	60,036
折舊	Depreciation	30,752	20,712
收回過往年度已撇銷貸款	Recoveries of advances written off in previous years	42,425	24,668
出售固定資產之溢利淨額	Net gain from disposal of fixed assets	(31,504)	(1,411)
銀行房產減值虧損(回撥)/撥備	(Write-back of)/charge for impairment loss on bank premises	(8,612)	11,858
非持作買賣用途之證券之減值虧損	Impairment loss on non-trading securities	200	-
出售聯營公司虧損	Loss on disposal of an associated company	92	-
應佔聯營公司之虧損淨額	Share of net losses of associated companies	41,225	31,621
來自上市投資之股息收入	Dividend received from listed investments	(1,512)	(3,401)
來自非上市投資之股息收入	Dividend received from unlisted investments	(5,893)	(4,451)
營運資金變動前之營運盈利	Operating profit before working capital changes	1,122,112	949,529
營運資產(增加)/減少： 為期三個月以上之庫券	(Increase)/decrease in operating assets: Treasury bills maturing beyond three months	(889,989)	(43,346)
為期三個月以上之銀行同業及其他金融機構之存款	Placements with banks and other financial institutions maturing beyond three months	(1,851,369)	(1,785,536)
商業票據	Trade bills	(466,608)	(688,604)
所持存款證	Certificates of deposit held	1,379,102	(5,623,531)
持至到期之證券	Held-to-maturity securities	(582,211)	1,843,328
持作買賣用途之證券	Trading securities	-	38,525
非持作買賣用途之證券	Non-trading securities	(182,404)	654,344
貸款及其他賬項	Advances and other accounts	(5,577,236)	(8,345,666)
營運負債增加/(減少)： 為期三個月以上之銀行同業及其他金融機構之存款及結餘	Increase/(decrease) in operating liabilities: Deposits and balances of banks and other financial institutions maturing beyond three months	(4,000,823)	15,065,603
客戶存款	Deposits from customers	486,718	(3,358,092)
已發行存款證	Certificates of deposit issued	431,487	5,484,871
已發行債券	Issued debt securities	3,095,423	-
其他賬項及準備金	Other accounts and provisions	439,263	177,599
除稅前營運活動之現金(流出)/流入淨額	Net cash (outflow)/inflow from operating activities before taxation	(6,596,535)	4,369,024
已繳香港利得稅淨額	Net Hong Kong profits tax paid	(275,131)	(184,773)
海外稅款退回淨額	Net overseas tax refund	173	-
營運活動之現金(流出)/流入淨額	Net cash (outflow)/inflow from operating activities	(6,871,493)	4,184,251

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

	附註 Note	2004 千港元 HK\$'000	2003 千港元 HK\$'000
投資活動	Investing activities		
購買附屬公司， 扣除所收購現金及 等同現金項目	Purchase of a subsidiary, net of cash and cash equivalent acquired	43(b) 3,843,901	—
購買無形資產	Purchase of intangible assets	(129,235)	—
購買固定資產	Purchase of fixed assets	(18,671)	(10,545)
出售固定資產之收益	Proceeds from sale of fixed assets	227,807	41,124
來自上市投資之股息收入	Dividend received from listed investments	1,512	3,401
來自非上市投資之 股息收入	Dividend received from unlisted investments	5,893	4,451
來自聯營公司之股息收入	Dividend received from an associated company	3,750	—
投資活動之現金流入淨額	Net cash inflow from investing activities	3,934,957	38,431
融資活動	Financing activities		
發行借入資本	Issue of loan capital	33 1,169,955	935,916
發行股本	Issue of share capital	34(a) & 35 1,404,832	—
發行股份支出	Share issue expenses	35 (26,035)	—
增加法定普通股股本 之資本稅	Capital duty for the increase in authorised ordinary share capital	35 (30)	—
借入資本利息支出	Interest paid on loan capital	(80,714)	(60,036)
支付普通股之股息	Dividend paid on ordinary shares	(394,664)	(231,018)
支付可轉換非累計 優先股之股息	Dividend paid on convertible non-cumulative preference shares	—	(74,821)
融資活動之現金 流入淨額	Net cash inflow from financing activities	43(a) 2,073,344	570,041
匯兌差額之影響	Effects of foreign exchange differences	4,020	(12,342)
現金及等同現金項目 之(減少)/增加	Net (decrease)/increase in cash and cash equivalents	(859,172)	4,780,381
於一月一日之現金及 等同現金項目	Cash and cash equivalents at 1st January	9,302,481	4,522,100
於十二月三十一日之 現金及等同現金項目	Cash and cash equivalents at 31st December	43(c) 8,443,309	9,302,481

賬目附註

Notes to the Accounts

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

1 主要業務

本銀行之主要業務為提供銀行、財務及其他財務相關服務。各附屬公司之主要業務載於賬目附註25。

2 主要會計政策

(a) 編製基準

本賬目乃根據香港普遍採納之會計準則及香港會計師公會所頒佈之會計準則之規定，按歷史成本慣例編製，並已就若干銀行房產、物業及證券投資之重估作出調整。

於本年度，香港會計師公會頒佈若干新訂及經修訂香港財務報告準則及香港會計準則（「新香港財務報告準則」），自二零零五年一月一日起或之後會計期間生效。

本集團於截至二零零四年十二月三十一日止年度並無提早於其賬目內採納新香港財務報告準則。本集團已開始評估新香港財務報告準則之影響，惟目前尚未可就新香港財務報告準則是否對本集團之營運業績及財務狀況造成重大影響作出聲明。

(b) 綜合賬目

綜合賬目包括本銀行及其附屬公司截至十二月三十一日之賬目。附屬公司為本集團控制董事會之組成、超過半數投票權或持有過半數已發行股本之公司。年內所收購或出售之附屬公司之業績已自收購生效日起或截至出售生效日為止（如適用）計入綜合損益表內。

本集團成員公司間所有重大交易及結餘已在綜合賬目內對銷。

出售附屬公司之盈虧乃指出售所得款項與本集團應佔資產淨值及任何計入儲備而未曾於綜合損益表扣除或確認之商譽或負商譽之差額。

在本銀行的資產負債表中，於附屬公司之投資按成本減任何減值虧損撥備列賬。附屬公司的業績按已收及應收股息為基準入賬。

1 PRINCIPAL ACTIVITIES

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.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain bank premises and properties, and investments in securities, and in accordance with accounting principles generally accepted in Hong Kong and comply with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

In the current year, HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting period beginning on or after 1st January 2005.

The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

(b) Consolidation

The consolidated accounts include the accounts of the Bank and its subsidiaries made up to 31st December. Subsidiaries are those entities in which the Group controls the composition of the Board of Directors, controls more than half of the voting power or holds more than half of the issued share capital. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

In the Bank's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Bank on the basis of dividends received and receivable.

賬目附註

Notes to the Accounts

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

2 主要會計政策 (續)

(c) 聯營公司

聯營公司為附屬公司以外，而本集團持有其股權作長期投資，且對其管理有重大影響力之公司。

綜合損益表已包括本集團於該年度應佔聯營公司之業績，而綜合資產負債表已包括本集團應佔聯營公司之資產淨值及收購產生的商譽(扣除累計攤銷)。

在本銀行的資產負債表中，於聯營公司之投資按成本減任何減值虧損撥備列賬。聯營公司的業績按已收及應收股息為基準入賬。

當聯營公司的投資賬面值為零時，除非本集團就有關聯營公司負有責任或擔保責任，否則便不再採用權益會計法入賬。

(d) 收益確認

利息收入在應計時在損益表確認，惟呆賬的利息則撥入暫記賬，並與資產負債表內的相關結餘對銷。

收費及佣金收入在賺取時確認，惟假若有關交易涉及超逾本集團會計期間的利率或其他風險，則按有關交易限期攤銷。

股息收入於確立收取股息權利時確認。

(e) 向客戶、銀行同業及其他金融機構貸款

向客戶、銀行同業及其他金融機構提供的貸款均按未償還本金額扣減呆壞賬撥備計入資產負債表。向銀行同業及其他金融機構提供的貸款包括存放於銀行同業及其他金融機構超過一年之存款。有關住宅按揭貸款之現金回贈均已資本化，並以直線法按不超過三年之提早還款懲罰期攤銷。

所有貸款均於現金貸予借款人時確認。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of the associated companies for the year. The consolidated balance sheet includes the Group's share of the net assets of the associated companies including goodwill (net of accumulated amortisation) on acquisition.

In the Bank's balance sheet the investments in associated companies are stated at cost less provision for impairment losses. The results of the associated companies are accounted for by the Bank on the basis of dividends received and receivable.

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(d) Revenue recognition

Interest income is recognised in the profit and loss account as it accrues, except in the case of doubtful debts where interest is credited to a suspense account which is netted in the balance sheet against the relevant balances.

Fees and commission income are recognised when earned, unless they relate to transactions involving an interest rate risk or other risks which extend beyond the current period, in which case they are amortised over the relevant period.

Dividend income is recognised when the right to receive payment is established.

(e) Advances to customers, banks and other financial institutions

Advances to customers, banks and other financial institutions are reported on the balance sheet at the principal amount outstanding net of provisions for bad and doubtful debts. Advances to banks and other financial institutions include placements with banks and other financial institutions for more than one year. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised on a straight-line basis over the prepayment penalty period not exceeding three years.

All advances are recognised when cash is advanced to borrowers.

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2 主要會計政策 (續)

(f) 呆壞賬撥備

當董事對最終能否全數收回本息存疑時，將就該貸款作出撥備。董事會按個別情況對該等貸款之潛在虧損進行評估，經扣除任何抵押品後，將資產之賬面值減至預期的可變現淨值。倘不能可靠地評估虧損時，則本集團會以預先釐定之撥備水平按本集團之貸款分類程序就貸款之無抵押部份作出撥備。

本集團內部將貸款分成五個主要類別：合格、關注、次級、呆滯及虧損。貸款之分類主要根據借款人還款能力及本息收回程度作出評估。分類之評定亦已考慮其本息之逾期情況。

此外，本銀行亦已提撥呆壞賬一般撥備金。於作出一般撥備時，就向具備對外信貸評級之客戶作出之貸款及墊款，會考慮到其所獲對外信貸評級評定之拖欠可能性及該等借款人之過往虧損模式。專項及一般撥備金均於資產負債表自「貸款及其他賬項」及「商業票據」中扣除。

倘無望收回貸款，則撇銷其未償還債務。

(g) 收回資產

透過收回抵押品以作變現的資產繼續列為貸款。倘收回資產的預期變現淨值不足以償付有關的未償還貸款，有關差額將作出撥備。

(h) 外幣換算

以外幣為本位幣的交易，均按交易當日之匯率換算。於結算日以外幣定值之貨幣資產及負債則按結算日之匯率換算，所產生的換算差額計入損益表。

以外幣列賬之聯營公司的資產負債表按結算日之匯率換算，而損益表則按期間之平均匯率換算，所產生的匯兌差額列作儲備變動入賬。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Provisions for bad and doubtful debts

Provisions are made against specific loans and advances as and when the Directors have doubts on the ultimate recoverability of principal or interest in full. Specific provision is made to reduce the carrying value of the asset, net of any collateral, to the expected net realisable value based on the Directors' assessment of the potential losses on those identified loans and advances on a case-by-case basis. Where it is not possible to reliably estimate the loss, the Group applies pre-determined provisioning levels to the unsecured portion of loans and advances based on the Group's loan classification procedures.

The Group internally classifies loans and advances into five main categories: pass, special mention, substandard, doubtful and loss. The classification of loans and advances is largely based on the assessment of the borrower's capacity to repay and on the degree of doubt about the collectibility of interest and/or principal. The periods that payments of interest and/or principal have been overdue are also taken into account when classifying the loans and advances.

In addition, amounts have been set aside as a general provision for bad and doubtful debts. For loans and advances to customers with external credit ratings, probabilities of default based on the external credit rating to which the borrowers belong and historical pattern of losses of these borrowers are considered when making general provision. Both specific and general provisions are deducted from "Advances and other accounts" and "Trade bills" in the balance sheet.

When there is no realistic prospect of recovery, the outstanding debt is written off.

(g) Repossessed assets

Assets acquired by repossession of collateral for realisation continue to be reported as advances. Provision is made on the shortfall between the expected sales proceeds from realisation of the repossessed assets and the outstanding advances.

(h) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheet of an associated company expressed in foreign currencies is translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate for the period. Exchange differences are dealt with as a movement in reserves.

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2 主要會計政策 (續)

(i) 固定資產

(i) 銀行房產及物業

銀行房產及物業乃按成本值或估值減累計減值及折舊入賬。折舊按下列估計可使用年期以直線法攤銷：

租約土地	尚餘租期
樓宇	租期或50年，取兩者之較短者
租賃物業	10年
裝修	

獨立估值會定期進行。估值乃按個別物業之公開市場基準進行。董事會審閱銀行房產及物業之賬面值，倘彼等認為出現重大變動時，則作出調整。重估增值計入銀行房產重估儲備，減值則先對銷同一項物業早前之估值增值，其後自損益表中扣除。其後任何增值將記入營運收益，惟以先前扣除之金額為限。出售銀行房產及物業時，解除有關此前估值實現之重估儲備部分，並由重估儲備轉撥至保留盈利。

(ii) 傢俬及設備

傢俬及設備乃按成本值減累計減值及折舊入賬。折舊按資產之估計可使用年期4至10年以直線法攤銷。

(iii) 減值及出售固定資產之盈虧

在每年結算日，本集團會考慮內部及外界資料以評估銀行房產及物業、傢俬及設備有否減值。倘有跡象顯示該等資產出現減值，則估計其可收回價值及將有關減值虧損入賬（如適用），使該等資產值減至可收回之價值。該等減值於損益表入賬，惟該資產以估值列賬，而減值並不超過該資產之重估盈餘，此等虧損則列作重估減值。

出售銀行房產及物業之盈虧乃指出售所得淨額與有關資產賬面值之差額，並於損益表確認入賬。有關資產之重估儲備結餘會轉撥至保留盈餘，列作儲備之變動。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Fixed assets

(i) Bank premises and properties

Bank premises and properties are stated at cost or valuation less accumulated impairment losses and less depreciation calculated to write off the assets over their estimated useful lives on a straight-line basis as follows:

Leasehold land	Unexpired terms of the lease
Buildings	Lesser of period of lease and 50 years
Leasehold improvements	10 years

Independent valuations are performed regularly. The valuations are on an open market basis related to individual properties. Directors review the carrying amount of bank premises and properties and adjustment is made where they consider that there has been a material change. Increases in valuation are credited to bank premises revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations in respect of the same asset and thereafter are debited to the profit and loss account. Any subsequent increases are credited to operating profit up to the amount previously debited. Upon disposal of bank premises and properties, the relevant portion of the revaluation reserve realised in respect of previous valuations is released and transferred from the revaluation reserve to retained earnings.

(ii) Furniture and equipment

Furniture and equipment is stated at cost less accumulated impairment losses and depreciation calculated to write off the assets on a straight-line basis over their estimated useful lives of between 4 and 10 years.

(iii) Impairment and gain or loss on disposal of fixed assets

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that bank premises and properties, and furniture and equipment are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

The gain or loss on disposal of a fixed asset is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

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2 主要會計政策 (續)

(j) 證券投資

(i) 持至到期之證券

持至到期之證券乃本集團有明確意圖及有能力持至到期日之有期債券。該等證券乃按成本值(就購入時之溢價或折讓按到期期間攤銷而調整)並扣除非暫時性的減值撥備入賬。倘本集團預期無法收回賬面值，則會作出撥備，並於產生時在損益表確認為支出。

購入有期債券產生之溢價及折讓攤銷列作利息收入及利息支出。出售持至到期之證券時產生之盈虧於產生時在損益表入賬。

(iii) 非持作買賣用途之證券

非持作買賣用途之證券包括主要為維持流動資金比率(定義見香港銀行業條例附表四)而持有作流動資金目的之債券及其他非持作買賣用途之債券及股份。非持作買賣用途之證券乃按公平值於資產負債表入賬。公平值指於具流通性的市場上交投活躍之證券之市場報價。就交投不活躍或非上市之證券，公平值乃透過多種定價技巧(包括貼現現金流量及股息率分析)估計。

非持作買賣用途之證券之公平值之變動會於投資重估儲備中確認，直至非持作買賣用途之證券出售或被確定為減值為止。屆時，累計盈虧(即出售所得淨額與有關證券之賬面值加上投資重估儲備轉撥之盈虧差額)會計入損益表。

(k) 無形資產

(i) 商譽

商譽乃指收購當日之收購成本超過日本集團所估之已購入附屬公司及聯營公司淨資產公平值之差額。出售實體時之盈虧將計入有關該出售實體之商譽之面值。商譽以直線法按不超過20年的估計可使用期攤銷。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Investments in securities

(i) Held-to-maturity securities

Held-to-maturity securities are dated debt securities which the Group has the expressed intention and ability to hold to maturity. These securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for diminution in their value other than temporary. Provisions are made for the amount of the carrying value which the Group does not expect to recover and are recognised as an expense in the profit and loss account as they arise.

The amortisation of premiums and discounts arising on acquisition of dated debt securities is included as part of interest income and interest expense. Profits or losses on realisation of held-to-maturity securities are accounted for in the profit and loss account as they arise.

(ii) Non-trading securities

Non-trading securities include debt securities held for liquidity purposes which are held primarily to maintain the liquidity ratio as defined in the Fourth Schedule of the Hong Kong Banking Ordinance and other debt and equity securities which are not held for trading purposes. Non-trading securities are stated at fair value on the balance sheet. Fair value represents the quoted market price for securities that are actively traded in a liquid market. For securities which are not actively traded or are unlisted, fair value is estimated by way of various pricing techniques including discounted cash flow and dividend yield analyses.

Changes in fair value of non-trading securities are recognised in the investment revaluation reserve until the security is sold, or is determined to be impaired, at which time the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the profit and loss account.

(k) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary and associated company at the date of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is amortised on a straight-line basis over its estimated useful life not exceeding 20 years.

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2 主要會計政策 (續)

(k) 無形資產 (續)

(ii) 電腦軟件

與可確認及獨家電腦軟件(由本集團控制生產,且經濟效益將超逾成本及多於一年者)直接相關之成本確認為無形資產。直接成本包括軟件開發顧問費用及僱員成本。確認為資產之電腦軟件開發成本按不超過4年之估計可使用年期以直線法攤銷。

(iii) 交易權利

收購交易權利產生之開支將資本化,並按不超過20年之估計可使用年期以直線法攤銷。

(l) 遞延稅項

遞延稅項乃就賬目中資產及負債之稅基與賬目上彼等賬面值之間產生之暫時差額,以負債法全數確認入賬。遞延稅項採用在結算日已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃於未來將有可能產生應課稅溢利以致可動用暫時差額以作抵銷時方予確認。

遞延稅項負債乃就固定資產折舊、物業重估及非持作買賣用途之證券投資之重估而產生之暫時差額確認入賬,惟倘暫時差額之撥回時間可以控制及暫時差額有可能無法於可見將來撥回除外。

(m) 融資及經營租賃

(i) 融資租賃及租購合約

有關租購及融資租賃合約之客戶欠款乃按投資淨額於資產負債表列作「貸款及其他賬項」,即租購合約及融資租賃之應收租金總額減未賺取之財務收入數額。應收租金所隱含之財務收入,經減除債務成本後,即攤分列入租購期間或租賃期間之損益表內,使每個會計期間之淨投資回報盡可能相同。租購合約及融資租賃之已付經紀佣金按租期以直線法攤銷。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(k) Intangible assets (continued)

(ii) Computer software

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include software development consultancy fees and employee costs. Computer software development costs recognised as assets are amortised using the straight-line method over their estimated useful lives not exceeding 4 years.

(iii) Trading rights

Expenditure on acquired trading rights is capitalised and amortised using the straight-line method over their estimated useful lives not exceeding 20 years.

(l) Deferred taxation

Deferred taxation is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on temporary differences arising from depreciation of fixed assets, revaluation of properties and revaluation of investments in non-trading securities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(m) Finance and operating leases

(i) Finance leases and hire purchase contracts

The amounts due from customers in respect of hire purchase contracts and finance leases are included in "Advances and other accounts" in the balance sheet at the amounts of net investments, which represent the total rentals receivable under hire purchase contracts and finance leases less unearned finance income. Finance income implicit in the rentals receivable less loan origination costs is credited to the profit and loss account over the hire period or the lease period as appropriate so as to produce an approximately constant periodic rate of return on the net investment for each accounting period. Dealer commission paid for hire purchase contracts or finance leases is amortised on a straight-line basis over the terms of the leases.

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2 主要會計政策 (續)

(m) 融資及經營租賃 (續)

(ii) 經營租賃

經營租賃指擁有的所有風險及回報實質上由出租公司保留的租賃。經營租賃的租金在扣除向出租公司收取之任何回扣金後，以直線法於租賃期內自損益表支銷。

倘本集團或本銀行為經營租約出租人，所出租之資產乃納入資產負債表之「固定資產」內。該等租賃資產乃按其預計可用年期按與同類自置固定資產相若之基準計算折舊。租金收入(扣除任何給予承租人之誘金)乃按租賃年期以直線法確認入賬。

(n) 資產負債表外的金融工具

資產負債表外的金融工具乃來自本集團於外匯、利率、股票及其他市場進行之期貨、遠期、掉期、期權及其他交易中產生的衍生工具。此等工具的會計方法視乎進行有關交易目的是否為了買賣或對沖風險而定。

除用於對沖風險者外，衍生金融工具均視為持作買賣用途。

用作買賣用途之交易將以其公平值列賬。公平值需定期從各類來源取得，其中包括開列市價、折現現金流量模式及期權定價模式(如適用)。所產生之盈虧均於損益表內確認。

按市值列賬的買賣衍生工具所產生的未變現收益列入「貸款及其他賬項」內。按市值列賬交易所產生的未變現虧損則列入「其他賬項及準備金」內。

訂立衍生合約當日，本集團可指定若干衍生交易作對沖用途。凡符合下列標準之衍生交易一概列為對沖交易：

- (i) 備有正式紀錄以證明有關對沖工具、所對沖項目及其對沖關係；及
- (ii) 對沖交易備有文件記錄，顯示預期該對沖交易在整個報告期間內將可有效減低對沖項目之價格或利率風險。

指定作對沖之交易按所對沖之資產、負債或持倉淨額以相同之基準入賬。所有盈虧亦以相關之資產、負債或持倉淨額之相同基準確認。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Finance and operating leases (continued)

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases net of any incentives received from the lessor are charged to the profit and loss account on a straight-line basis over the lease term.

Where the Group or the Bank is a lessor under operating leases, assets leased out are included in "Fixed assets" in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned fixed assets. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(n) Off-balance sheet financial instruments

Off-balance sheet financial instruments include derivatives, such as futures, forwards, swaps, options and other transactions undertaken by the Group in the foreign exchange, interest rate, equity and other markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

Derivative financial instruments other than those transacted to hedge risk are deemed to be held for trading purposes.

Transactions undertaken for trading purposes are re-measured to their fair value. Fair values are obtained periodically from various sources, including quoted market prices, discounted cash flow models and option pricing models as appropriate. The gain or loss arising is recognised in the profit and loss account.

Unrealised gains on trading derivatives which are marked to market are included in "Advances and other accounts". Unrealised losses on transactions which are marked to market are included in "Other accounts and provisions".

On the date a derivative contract is entered into, the Group may designate certain derivative transactions as hedges. Derivatives are classified as a hedge when the following criteria are met:

- (i) formal documentation of the hedging instrument, hedged item, and hedging relationship is prepared; and
- (ii) the hedge is documented showing that it is expected to be highly effective in reducing the price or interest rate risk in the hedged item throughout the reporting period.

Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is recognised in the profit and loss account on the same basis as that arising from the related assets, liabilities or net positions.

賬目附註

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2 主要會計政策 (續)

- (n) 資產負債表外的金融工具 (續)
倘衍生交易不再符合上述對沖交易要求，該衍生交易將視為持作買賣用途並按上文所載之方式入賬。

衍生交易僅會在本集團有能力透過訂立統一淨額結算協議或其他可依法強制執行之安排等途徑，實現淨額清償之情況下抵銷。實現或然性淨額清償之任何權利，僅會在本集團確實有能力在其他各方違約(包括任何簽約方無力償債)之情況下實現淨額清償時考慮。

除非相關清償貨幣屬同一種貨幣或以在活躍市場有報價匯率之可自由兌換貨幣定值，否則衍生交易將不會抵銷。

- (o) 撥備
在本集團因過去事件構成現行法定或推定責任而可能須撥出資源以履行有關責任，且有關數額可靠估算之情況下，本集團會確認撥備。

當經濟利益可能消耗且數額能可靠估算時，本集團會作出撥備。

- (p) 僱員福利

- (i) 僱員假期
僱員應享有之年假及長期服務假期會於確立時確認。根據僱員截至結算日已提供的服務而估算的未享用年假及長期服務假期已作出撥備。

- (ii) 退休金責任
本集團根據職業退休計劃條例及強制性公積金計劃條例為合資格及選擇參與之集團員工提供定額供款退休金計劃。職業退休計劃之供款乃根據合資格員工基本薪金之某個百分比計算，而強制性公積金計劃之供款則根據合資格員工有關收入(定義見強制性公積金計劃條例)計算。該等供款會於產生時列作支出。本集團前員工在可全數取得僱主供款前離開而被沒收之供款，可由本集團用作減低僱主供款。上述計劃之資產乃由獨立管理之基金持有，與本集團之資產分開管理。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

- (n) **Off-balance sheet financial instruments (continued)**
If the derivative transaction no longer meets the criteria for a hedge set out above, the derivative is deemed to be held for trading purposes and is accounted for as set out above.

Derivative transactions are offset only when the Group has the ability to insist on net settlement such as by means of entering into a master netting agreement or other legally enforceable arrangements. Any right to insist on a net settlement that is contingent is only taken into account when the Group is able to enforce net settlement in all situations of default by the other party or parties including insolvency of any parties to the contract, and the ability to insist on a net settlement is assured beyond doubt.

Derivative transactions are not offset unless the related settlement currencies are the same, or are denominated in freely convertible currencies for which quoted exchange rates are available in an active market.

- (o) **Provisions**
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision is made when it is probable that an outflow of economic benefits will arise and the amounts can be reliably estimated.

- (p) **Employee benefits**

- (i) *Employee leave entitlements*
Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

- (ii) *Pension obligations*
The Group operates a defined contribution retirement scheme under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and another defined contribution retirement scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") for those employees of the Group who are eligible and have elected to participate in the schemes. The Group's contributions to the ORSO Scheme are made based on a percentage of the eligible employees' basic salaries and those made to the MPF Scheme are made based on a percentage of the eligible employees' relevant income as defined in the MPF Scheme. These contributions are expensed as incurred and are reduced by contributions forfeited by those employees of the Group who leave the schemes prior to vesting fully in the contributions. The assets of the schemes are held separately from those of the Group in independently administered funds.

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2 主要會計政策 (續)

(q) 分部報告

分部指本集團可辨認的組成部分，而且從事提供服務(業務分部)或在某一經濟地區提供服務(地區分部)，而所承擔之風險及回報與其他分部不同。若分部之大部份收益來自向外界客戶提供服務，而其收益、業績或資產相等於所有分部10%或以上，該等分部將分開呈報。

根據本集團之內部財務報告，本集團決定按業務分類為主要申報形式，而按地區分類則為次要之申報形式。

分部業務間之交易乃按一般商業條款及條件進行。資金一般於各業務間重新分配，並於營運收入披露為資金成本流轉。各分部業務間並無其他主要收入與支出項目分部。分部資產及負債包括營運資產及負債，即資產負債表大部份項目，但不包括稅項。

分部資本開支為於年內購買預期使用超過一個財政年度之分部資產(有形及無形資產)的總成本。

業務及地區分類之說明載於賬目附註38。

(r) 或然負債及或然資產

或然負債乃因過去事件而可能引起的責任，而該責任之存在只能於非本集團能完全控制之一件或多件未來不確定事件之出現而確認。或然負債亦可能為因過去事件而引致之現存責任，惟因該項責任可能不需要消耗經濟資源或其數額未能可靠估算而未予以確認。

或然負債不會被確認，但會於賬目附註中披露。倘經濟資源外流之可能性改變致使可能出現資源外流，則該或然負債將被確認為撥備。

或然資產乃因過去事件而可能產生之資產，而該資產之存在只能於非本集團能完全控制之一件或多件未確定事件之出現而確認。

或然資產不會被確認，但如有可能收到經濟利益，則會於賬目附註中披露。倘經濟利益流入被肯定，該或然資產將予以確認。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment) or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segments with a majority of revenue earned from services provided to external customers and whose revenue, results or assets are 10 per cent or more of all the segments are reported separately.

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's funding cost. There are no other material items of income or expense between the business segments. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet but excluding taxation.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one financial year.

Descriptions of business and geographical segments are set out in Note 38.

(r) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

賬目附註 Notes to the Accounts

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2 主要會計政策 (續)

- (s) **現金及等同現金項目**
就綜合現金流量表而言，現金及等同現金項目包括於購入時起計三個月內到期的結餘，包括現金、銀行同業及其他金融機構之結存、庫券、其他合資格票據及存款證。
- (t) **關連人士**
在編製本賬目時，與本集團有關連之人士是指本集團能直接或間接控制該人士的財務或經營決策，或可發揮重大影響力(反之亦然)；或本集團及該人士均受到共同控制或在共同重大影響力下。關連人士可以是個人或其他實體。

3 利息收入

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
上市投資利息收入	Interest income on listed investments	277,668	199,140
非上市投資利息收入	Interest income on unlisted investments	326,280	267,234
其他利息收入	Other interest income	1,707,419	1,151,615
		2,311,367	1,617,989

4 其他營運收入

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
收費及佣金收入	Fees and commission income	277,746	264,833
減：收費及佣金支出	Less: Fees and commission expense	(6,427)	(2,620)
淨收費及佣金收入	Net fees and commission income	271,319	262,213
外滙交易收益淨額	Net gain from foreign exchange activities	40,019	9,787
買賣證券收益淨額	Net gain from trading securities	6,665	1,353
投資證券之股息收入	Dividend income from investments in securities		
– 上市投資	– Listed investments	1,512	3,401
– 非上市投資	– Unlisted investments	5,893	4,451
其他	Others	45,019	40,135
		370,427	321,340

2 PRINCIPAL ACCOUNTING POLICIES (continued)

- (s) **Cash and cash equivalents**
For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit.
- (t) **Related parties**
For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial or operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

3 INTEREST INCOME

4 OTHER OPERATING INCOME

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4 其他營運收入 (續)

本集團曾進行一項息票分拆交易，當中涉及一家本集團作為主要普通合夥人的特別用途合夥企業。合夥企業乃專為投資債券息票而設，並透過於交易進行初訂立之認沽及認購期權安排而於短期內出售，故並無納入本集團之綜合賬目。於二零零四年十二月三十一日，本集團於該合夥企業之投資額為44,379,000港元(二零零三年：55,838,000港元)，並列入資產負債表內「貸款及其他賬項」。合夥企業於二零零四年十二月三十一日之資產及負債總額分別為199,825,000港元及129,886,000港元(二零零三年：分別為253,045,000港元及164,479,000港元)。

此項投資之回報相等於應佔合夥企業稅務虧損之稅務得益及出售投資之預計收益。截至二零零四年十二月三十一日止年度，該項回報之數額為9,324,000港元(二零零三年：11,234,000港元)，並列入「其他營運收入」項下之「其他」。賬目附註10所載本集團本年度之香港利得稅支出，乃未計應佔合夥企業稅務虧損得益前之稅項支出。

5 營運支出

4 OTHER OPERATING INCOME (continued)

The Group has entered into coupon strip transaction involving a special purpose partnership in which the Group is the majority general partner. The partnership is set up solely to invest in bond interest coupons and held exclusively with a view to its subsequent disposal in the near future through put and call option arrangement put in place at the outset of the transaction. Accordingly, the partnership is not consolidated in the Group's accounts. As at 31st December 2004, the Group's investment in such partnership amounting HK\$44,379,000 (2003: HK\$55,838,000) is included in "Advances and other accounts" in the balance sheet. The total assets and liabilities of the partnership are amounted to HK\$199,825,000 and HK\$129,886,000 respectively as at 31st December 2004 (2003: HK\$253,045,000 and HK\$164,479,000 respectively).

The return from this investment represented tax benefits in the form of a share of tax losses of the partnership and the expected gain on disposal of the investment and is included in "Others" of "Other operating income" amounted to HK\$9,324,000 for the year ended 31st December 2004 (2003: HK\$11,234,000). The Group's Hong Kong profits tax for the year set out in Note 10 is the gross tax figure before taking into account the benefit of the share of tax losses of the partnership.

5 OPERATING EXPENSES

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
員工支出	Staff costs		
— 薪金及其他支出	— Salaries and other costs	363,302	179,940
— 遣散費	— Redundancy payment	—	144
— 退休金支出(附註14)	— Retirement benefit costs (Note 14)	23,707	11,735
		387,009	191,819
物業及設備支出 (不包括折舊)	Premises and equipment expenses, excluding depreciation		
— 物業租金	— Rental of premises	70,000	13,037
— 其他	— Others	55,390	22,854
		125,390	35,891
折舊	Depreciation	30,752	20,712
電腦軟件攤銷	Amortisation of computer software	3,590	—
交易權利攤銷	Amortisation of trading rights	920	—
核數師酬金	Auditors' remuneration	3,213	1,855
其他營運支出	Other operating expenses	138,842	63,778
		689,716	314,055

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6 呆壞賬(回撥)／撥備

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
專項撥備	Specific provisions		
– 新增撥備	– new provisions	32,140	99,032
– 撥回	– releases	(68,834)	(12,938)
– 收回	– recoveries	(42,425)	(24,668)
一般撥備	General provisions	(79,119)	61,426
		57,562	67,810
於損益表(撥回)／支銷 淨額(附註21)	Net (release)/charge to profit and loss account (Note 21)	(21,557)	129,236

7 銀行房產減值虧損回撥／(撥備)

年內銀行房產減值虧損回撥已確認為8,612,000港元(二零零三年:撥備為11,858,000港元)。減值虧損回撥主要因該等銀行房產之估計可收回金額增加所致。

8 出售及贖回持至到期之證券及非持作買賣用途之證券之溢利淨額

附註:
年內,本銀行出售攤銷成本約為218,922,000港元(二零零三年:227,988,000港元)之持至到期之證券,以更好控制與證券發行者有關之信貸集中風險。

6 (WRITE-BACK OF)/CHARGE FOR BAD AND DOUBTFUL DEBTS

7 WRITE-BACK OF/(CHARGE FOR) IMPAIRMENT LOSS ON BANK PREMISES

A write-back of impairment loss of HK\$8,612,000 on bank premises was recognised during the year (2003: a charge of HK\$11,858,000) as a result of an increase in the estimated recoverable amount of these bank premises.

8 NET GAIN ON DISPOSAL AND REDEMPTION OF HELD-TO-MATURITY SECURITIES AND NON-TRADING SECURITIES

Note:
During the year, the Bank sold held-to-maturity securities with amortised costs of approximately HK\$218,922,000 (2003: HK\$227,988,000) to better control concentration of credit risk related to the issuers of the securities.

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9 董事及高層管理人員酬金

(a) 董事酬金

本銀行年內應付董事之酬金總額如下：

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
袍金	Fees	810	731
其他酬金：	Other emoluments:		
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowances, other allowances and benefits-in-kind	7,180	6,895
不定額花紅	Discretionary bonuses	3,729	4,240
就董事而作出之公積金供款	Contributions to pension schemes for Directors	594	637
		12,313	12,503

上文披露之董事酬金包括付予獨立非執行董事之袍金480,000港元(二零零三年：451,000港元)。

董事酬金之幅度如下：

酬金幅度	Emolument bands	董事人數 Number of Directors	
		2004	2003
無 – 1,000,000港元	HK\$Nil – HK\$1,000,000	7	8
2,000,001港元 – 2,500,000港元	HK\$2,000,001 – HK\$2,500,000	1	–
2,500,001港元 – 3,000,000港元	HK\$2,500,001 – HK\$3,000,000	2	1
3,500,001港元 – 4,000,000港元	HK\$3,500,001 – HK\$4,000,000	1	1
4,000,001港元 – 4,500,000港元	HK\$4,000,001 – HK\$4,500,000	–	1

於年內並無董事放棄或同意放棄任何酬金之安排。

(b) 五名最高薪酬人士

於年內本集團五名最高薪酬人士其中兩名為董事(二零零三年：三名)，其酬金詳情已於上文披露。其餘三名(二零零三年：兩名)非董事之人士於年內之酬金如下：

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowances, other allowances and benefits-in-kind	5,655	2,354
不定額花紅	Discretionary bonuses	3,505	1,550
公積金計劃供款	Contributions to pension schemes	626	197
		9,786	4,101

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The aggregate amounts of emoluments payable to the Directors of the Bank during the year are as follows:

Directors' fees disclosed above include HK\$480,000 (2003: HK\$451,000) paid to Independent Non-Executive Directors.

The emoluments of the Directors fall within the following bands:

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two Directors (2003: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining three (2003: two) individuals during the year are as follows:

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9 董事及高層管理人員酬金 (續)

(b) 五名最高薪酬人士 (續)
酬金之幅度如下：

酬金幅度	Emolument bands	人數	
		2004	2003
1,500,001港元–2,000,000港元	HK\$1,500,001 – HK\$2,000,000	–	1
2,000,001港元–2,500,000港元	HK\$2,000,001 – HK\$2,500,000	–	1
2,500,001港元–3,000,000港元	HK\$2,500,001 – HK\$3,000,000	1	–
3,000,001港元–3,500,000港元	HK\$3,000,001 – HK\$3,500,000	1	–
3,500,001港元–4,000,000港元	HK\$3,500,001 – HK\$4,000,000	1	–

10 稅項

香港利得稅乃根據本年度估計應課稅盈利按稅率17.5%(二零零三年：17.5%)計算。

於綜合損益表中支賬之稅項如下：

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
當期稅項	Current taxation		
– 香港利得稅	– Hong Kong profits tax	171,960	137,140
– 海外稅項	– Overseas taxation	75	–
– 過往年度撥備 (剩餘)/不足	– (Over)/under recognitions in prior years	(10,195)	585
因暫時差額產生及 贖回之遞延稅項(附註23)	Deferred taxation relating to the origination and reversal of temporary differences (Note 23)	14,448	(12,818)
因稅率增加而新增 遞延稅項(附註23)	Deferred taxation resulting from an increase in the tax rate (Note 23)	–	(1,874)
		176,288	123,033

本集團有關除稅前盈利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
除稅前盈利	Profit before taxation	936,679	645,163
按稅率17.5%(二零零三年： 17.5%)計算之稅項	Calculated at a taxation rate of 17.5% (2003: 17.5%)	163,919	112,904
不同國家稅率之影響	Effect of different taxation rates in other countries	37	–
無須課稅之收入	Income not subject to taxation	(10,913)	(2,359)
不可扣稅之支出	Expenses not deductible for taxation purposes	33,440	13,777
因調高稅率對年初 遞延稅項負債之減少	Decrease in opening net deferred tax liabilities resulting from an increase in tax rates	–	(1,874)
過往年度撥備(剩餘)/不足	(Over)/under recognitions in prior years	(10,195)	585
稅項支出	Taxation charge	176,288	123,033

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals (continued)
The emoluments fall within the following bands:

10 TAXATION

Hong Kong profits tax has been calculated at the rate of 17.5% (2003: 17.5%) on the estimated assessable profits for the year.

The amount of taxation charged to the consolidated profit and loss account represents:

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the current taxation rate as follows:

賬目附註

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11 股東應佔盈利

計入本銀行賬目之股東應佔盈利為211,588,000港元(二零零三年:553,736,000港元)指總盈利529,967,000港元減外匯合約之公平值產生之匯兌虧損318,379,000港元。外匯合約乃就對沖海外附屬公司之風險而訂立。本銀行之匯兌虧損及海外附屬公司之匯兌收益於綜合損益表中對銷。

12 股息

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
中期股息每股普通股0.14港元 (二零零三年:0.12港元)	Interim, paid of HK\$0.14 (2003: HK\$0.12) per ordinary share	146,715	74,925
中期股息每股可轉換優先股 零港元(二零零三年:0.12港元)	Interim, paid of HK\$Nil (2003: HK\$0.12) per convertible preference share	-	24,266
擬派末期股息每股普通股0.31港元 (二零零三年:0.26港元)(附註)	Final, proposed of HK\$0.31 (2003: HK\$0.26) per ordinary share (Note)	324,869	194,805
擬派末期股息每股可轉換優先股 零港元(二零零三年:0.26港元)	Final, proposed of HK\$Nil (2003: HK\$0.26) per convertible preference share	-	52,577
		471,584	346,573

附註:

於二零零五年三月七日會議上,董事宣派每股普通股0.31港元之末期股息。有關擬派股息於該等賬目中並非列作應付股息,惟將列作截至二零零五年十二月三十一日止年度之保留盈餘分派。

13 每股盈利

每股基本盈利乃按年內股東應佔盈利760,391,000港元(二零零三年:522,130,000港元)扣除可轉換優先股應付股息零港元(二零零三年:76,843,000港元)及年內已發行普通股股份之加權平均數950,121,952股(二零零三年:624,374,304股)計算。

每股攤薄盈利乃按年內股東應佔盈利760,391,000港元(二零零三年:522,130,000港元)及年內已發行普通股及可轉換優先股股份之加權平均數1,003,163,059股(二零零三年:826,593,522股)計算。

11 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Bank to the extent of HK\$211,588,000 (2003: HK\$553,736,000), representing gross profit of HK\$529,967,000 less exchange loss of HK\$318,379,000 arising from the fair value of foreign exchange contracts entered to hedge the exposure of a foreign subsidiary. The exchange loss of the Bank is offset by the exchange gain of the foreign subsidiary in the consolidated profit and loss account.

12 DIVIDENDS

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
中期股息每股普通股0.14港元 (二零零三年:0.12港元)	Interim, paid of HK\$0.14 (2003: HK\$0.12) per ordinary share	146,715	74,925
中期股息每股可轉換優先股 零港元(二零零三年:0.12港元)	Interim, paid of HK\$Nil (2003: HK\$0.12) per convertible preference share	-	24,266
擬派末期股息每股普通股0.31港元 (二零零三年:0.26港元)(附註)	Final, proposed of HK\$0.31 (2003: HK\$0.26) per ordinary share (Note)	324,869	194,805
擬派末期股息每股可轉換優先股 零港元(二零零三年:0.26港元)	Final, proposed of HK\$Nil (2003: HK\$0.26) per convertible preference share	-	52,577
		471,584	346,573

Note:

At a meeting held on 7th March 2005, the Directors proposed a final dividend of HK\$0.31 per ordinary share. These proposed dividends are not reflected as dividends payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2005.

13 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$760,391,000 (2003: HK\$522,130,000) less dividends payable on convertible preference shares of HK\$Nil (2003: HK\$76,843,000) and on 950,121,952 (2003: 624,374,304) shares, being the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit attributable to shareholders of HK\$760,391,000 (2003: HK\$522,130,000) and on 1,003,163,059 (2003: 826,593,522) shares, being the weighted average number of ordinary shares and convertible preference shares in issue during the year.

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14 退休金支出

自損益表扣除之退休金支出指本集團根據職業退休金計劃條例計劃及強積金計劃(「計劃」)須作出之供款。

根據計劃，本集團之員工在符合資格全數取得僱主供款前退出計劃，本集團可沒收供款以扣減應付之供款。年內已動用合共3,258,000港元(二零零三年：1,010,000港元)之沒收供款，於結算日尚餘96,000港元(二零零三年：45,000港元)留作日後扣減供款之用。

於結算日並無應付之計劃供款(二零零三年：無)。計劃之資產由基金獨立持有與本集團之資產分開管理。

15 現金及短期資金

14 RETIREMENT BENEFIT COSTS

The retirement benefit scheme cost charged to the profit and loss account represents contributions payable by the Group to the ORSO Scheme and the MPF Scheme (the "Schemes").

Under the Schemes, the Group's contributions are reduced by contributions forfeited by those employees who leave the Schemes prior to vesting fully in the contributions. Forfeited contributions totalling HK\$3,258,000 (2003: HK\$1,010,000) were utilised during the year leaving HK\$96,000 (2003: HK\$45,000) available at the year-end to reduce future contributions.

No contributions were payable to the Schemes at the year-end (2003: HK\$Nil). The assets of the Schemes are held separately from those of the Group in independently administered funds.

15 CASH AND SHORT-TERM FUNDS

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
庫存現金及銀行同業 與其他金融機構之 結存	Cash and balances with banks and other financial institutions	1,420,330	200,126	912,911	200,126
短期通知存款	Money at call and short notice	11,053,837	13,189,509	10,762,477	13,189,509
庫券(包括外匯 基金票據)	Treasury bills (including Exchange Fund Bills)	1,371,738	161,900	641,729	161,900
		13,845,905	13,551,535	12,317,117	13,551,535

持有之庫券分析如下：

An analysis of treasury bills held is as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
持至到期，按攤銷成本	Held-to-maturity, at amortised cost				
— 於香港上市	— Listed in Hong Kong	—	78,909	—	78,909
— 非上市	— Unlisted	841,697	82,991	641,729	82,991
		841,697	161,900	641,729	161,900
持作買賣用途之證券， 按公平值	Trading securities, at fair value				
— 非上市	— unlisted	530,041	—	—	—
		1,371,738	161,900	641,729	161,900
上市庫券之市值	Market value of listed treasury bills	—	80,132	—	80,132

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15 現金及短期資金 (續)

庫券按十二月三十一日至到期日止剩餘期間之期限分析如下：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
三個月或以下	Three months or less	1,199,881	20,004	519,859	20,004
一年或以下但超過三個月	One year or less, but over three months	171,857	141,896	121,870	141,896
		1,371,738	161,900	641,729	161,900

16 一至十二個月內到期之銀行同業及其他金融機構之存款

一至十二個月內到期之銀行同業及其他金融機構之存款按十二月三十一日至到期日止剩餘期間之期限分析如下：

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
三個月或以下	Three months or less	2,411,687	3,166,231
一年或以下但超過三個月	One year or less, but over three months	2,720,970	1,552,640
		5,132,657	4,718,871

17 商業票據

17 TRADE BILLS

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
商業票據	Trade bills	1,869,961	797,978	1,071,520	797,978
呆壞賬一般撥備 (附註21)	General provision for bad and doubtful debts (Note 21)	(10,715)	(7,980)	(10,715)	(7,980)
		1,859,246	789,998	1,060,805	789,998

賬目附註 Notes to the Accounts

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18 所持存款證

18 CERTIFICATES OF DEPOSIT HELD

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
持至到期，按攤銷成本：	Held-to-maturity, at amortised cost:		
– 於香港上市	– Listed in Hong Kong	531,985	710,874
– 於香港以外地區上市	– Listed outside Hong Kong	2,209,537	2,159,162
– 非上市	– Unlisted	2,642,634	3,171,454
		5,384,156	6,041,490
非持作買賣用途之證券， 按公平值：	Non-trading securities, at fair value:		
– 於香港上市	– Listed in Hong Kong	144,672	140,604
– 於香港以外地區上市	– Listed outside Hong Kong	505,858	489,857
– 非上市	– Unlisted	529,841	882,759
		1,180,371	1,513,220
		6,564,527	7,554,710
所持上市存款證市值	Market value of listed certificates of deposit held	3,423,951	3,530,201

所持存款證按十二月三十一日至到期日止剩
餘期間之期限分析如下：

The maturity profile of certificates of deposit held analysed by the
remaining period as at 31st December to the contractual maturity
dates is as follows:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
三個月或以下	Three months or less	461,037	77,981
一年或以下但超過三個月	One year or less, but over three months	321,444	829,925
五年或以下但超過一年	Five years or less, but over one year	4,696,225	5,247,855
超過五年	Over five years	1,085,821	1,398,949
		6,564,527	7,554,710

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19 持至到期之證券

19 HELD-TO-MATURITY SECURITIES

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
上市證券，按攤銷成本	Listed securities, at amortised cost				
— 於香港上市	— Listed in Hong Kong	586,308	235,182	586,308	235,182
— 於香港以外 地區上市	— Listed outside Hong Kong	2,091,461	1,374,287	2,091,461	1,374,287
		2,677,769	1,609,469	2,677,769	1,609,469
非上市證券， 按攤銷成本 減值撥備	Unlisted securities, at amortised cost Provision for diminution in value	4,985,117 —	3,066,459 —	3,137,541 (30,210)	3,271,293 (61,209)
		4,985,117	3,066,459	3,107,331	3,210,084
		7,662,886	4,675,928	5,785,100	4,819,553
上市證券之市值	Market value of listed securities	2,823,780	1,760,392	2,823,780	1,760,392

持至到期之證券按十二月三十一日至合約到期日止剩餘期間之期限分析如下：

The maturity profile of held-to-maturity securities analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
三個月或以下	Three months or less	382,167	—	200,000	—
一年或以下 但超過三個月	One year or less, but over three months	956,504	90,411	566,515	90,411
五年或以下 但超過一年	Five years or less, but over one year	3,893,849	3,148,013	2,958,559	3,291,638
超過五年	Over five years	2,430,366	1,437,504	2,060,026	1,437,504
		7,662,886	4,675,928	5,785,100	4,819,553

持至到期之證券按發行者之分析如下：

Held-to-maturity securities are analysed by issuer as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
中央政府及 中央銀行	Central governments and central banks	1,762,592	149,782	153,176	149,782
銀行同業及其他 金融機構	Banks and other financial institutions	1,419,094	1,846,976	1,419,094	1,846,976
企業	Corporate entities	4,481,200	2,679,170	4,212,830	2,822,795
		7,662,886	4,675,928	5,785,100	4,819,553

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20 貸款及其他賬項

20 ADVANCES AND OTHER ACCOUNTS

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
客戶貸款	Advances to customers	60,190,657	40,375,437	44,929,735	40,122,059
呆壞賬撥備	Provisions for bad and doubtful debts (Note 21)				
(附註21)					
— 一般	— General	(492,820)	(334,311)	(379,574)	(334,084)
— 專項	— Specific	(332,544)	(308,459)	(106,718)	(145,295)
		59,365,293	39,732,667	44,443,443	39,642,680
銀行同業及其他 金融機構貸款	Advances to banks and other financial institutions	679,016	637,502	679,016	637,502
應計利息	Accrued interest	568,715	338,232	484,087	336,164
其他賬項	Other accounts	753,871	757,801	469,172	752,158
應計利息及其他 賬項專項撥備 (附註21)	Specific provision against accrued interest and other accounts (Note 21)	(93)	(625)	(93)	(625)
		1,322,493	1,095,408	953,166	1,087,697
		61,366,802	41,465,577	46,075,625	41,367,879

於二零零三年十二月三十一日，本集團及本銀行之其他賬項包括出售可出售物業而應收非關連第三方之194,220,000港元。該項出售已於二零零四年三月十六日完成，而餘額亦於同日由買方悉數償付。

不履約貸款總額(即利息暫記或停止計息之客戶貸款)之分析如下：

Other accounts of the Group and the Bank as at 31st December 2003 included a receivable from an unrelated third party of HK\$194,220,000 from disposal of a property available for sale. The disposal was completed and the balance was settled in full by the purchaser on 16th March 2004.

The gross amount of non-performing loans, which represents advances on which interest is being placed in suspense or on which interest accrual has ceased, is analysed as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
不履約貸款	Non-performing loans	764,877	668,397	261,619	436,292
不履約貸款 之專項撥備	Specific provision made in respect of such advances	332,544	308,406	106,718	145,242
暫記利息	Amount of interest in suspense	69,176	117,679	20,427	38,695

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20 貸款及其他賬項 (續)

於二零零四年十二月三十一日，本集團並無有關銀行同業及其他金融機構之不履約貸款（二零零三年：無）。

本集團及本銀行之不履約貸款分別佔本集團及本銀行客戶貸款之1.3%（二零零三年：1.7%）及0.6%（二零零三年：1.1%）。

釐定上述專項撥備時已計及有關貸款之抵押品價值。

客戶貸款包括融資租賃及租購合約之投資，其分析如下：

20 ADVANCES AND OTHER ACCOUNTS (continued)

At 31st December 2004, there were no non-performing loans in respect of advances to banks and other financial institutions (2003: HK\$Nil).

Non-performing loans of the Group and the Bank represent 1.3% (2003: 1.7%) and 0.6% (2003: 1.1%) of the advances to customers of the Group and the Bank respectively.

The above specific provisions were made after taking into account the value of collateral in respect of such advances.

Advances to customers include investment in finance lease receivables and hire purchase contracts, analysed as follows:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
應收投資總額：	Gross investment, receivable:		
一年以下	Not later than one year	383,280	289,863
一年以上但五年以下	Later than one year and not later than five years	1,402,377	1,016,617
五年以上	Later than five years	4,445,290	2,882,179
		6,230,947	4,188,659
未賺取之財務收入	Unearned future finance income	(1,147,429)	(1,002,230)
投資淨額	Net investment	5,083,518	3,186,429

融資租賃及租購合約之投資淨額分析如下：

The net investment in finance lease receivables and hire purchase contracts may be analysed as follows:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
一年以下	Not later than one year	271,810	186,970
一年以上但五年以下	Later than one year and not later than five years	1,020,041	666,265
五年以上	Later than five years	3,791,667	2,333,194
投資淨額	Net investment	5,083,518	3,186,429

計入上述融資租賃及租購合約之投資總額之無擔保餘值並不重大。

The unguaranteed residual value included in the gross investment in finance lease receivables and hire purchase contracts above was considered to be immaterial.

於二零零四年十二月三十一日之貸款撥備，包括融資租賃及租購合約之投資呆壞賬撥備479,000港元（二零零三年：無）。

The allowance for uncollectible investment in finance lease receivables and hire purchase contracts included in the provision for loan losses amounted to HK\$479,000 as at 31st December 2004 (2003: Nil).

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20 貸款及其他賬項 (續)

貸款及其他賬項按十二月三十一日至合約到期日止剩餘期間之期限分析如下：

本集團 Group		客戶貸款		銀行同業及其他 金融機構貸款		應計利息 及其他賬項	
		Advances to customers		Advances to banks and other financial institutions		Accrued interest and other accounts	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	1,996,570	1,399,038	-	-	6,710	2,390
三個月或以下	Three months or less	6,428,776	3,172,496	77,742	222,500	725,871	709,987
一年或以下	One year or less,						
但超過三個月	but over three months	4,825,462	2,476,420	349,653	20,000	317,224	364,470
五年或以下	Five years or less,						
但超過一年	but over one year	26,505,361	19,187,983	251,621	395,002	85,311	11,044
超過五年	Over five years	18,893,045	13,470,067	-	-	-	-
並無限期	Undated	1,541,443	669,433	-	-	187,470	8,142
		60,190,657	40,375,437	679,016	637,502	1,322,586	1,096,033

20 ADVANCES AND OTHER ACCOUNTS (continued)

The maturity profile of advances and other accounts analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

本銀行 Bank		客戶貸款		銀行同業及其他 金融機構貸款		應計利息 及其他賬項	
		Advances to customers		Advances to banks and other financial institutions		Accrued interest and other accounts	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	1,820,987	1,399,038	-	-	6,710	2,390
三個月或以下	Three months or less	2,813,666	3,172,496	77,742	222,500	617,613	705,922
一年或以下	One year or less,						
但超過三個月	but over three months	3,255,546	2,471,338	349,653	20,000	276,400	362,872
五年或以下	Five years or less,						
但超過一年	but over one year	22,280,663	19,171,792	251,621	395,002	45,536	11,044
超過五年	Over five years	14,497,247	13,470,067	-	-	-	-
並無限期	Undated	261,626	437,328	-	-	7,000	6,094
		44,929,735	40,122,059	679,016	637,502	953,259	1,088,322

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21 呆壞賬撥備

21 PROVISIONS FOR BAD AND DOUBTFUL DEBTS

本集團	Group	2004			
		呆壞賬撥備 Provisions for bad and doubtful debts	呆壞賬撥備 Provisions for bad and doubtful debts	呆壞賬撥備 Provisions for bad and doubtful debts	暫記 利息 Suspended interest
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000
於一月一日之結餘	Balance as at 1st January	309,084	342,291	651,375	117,679
轉撥自收購 附屬公司	Transferred from acquisition of a subsidiary	111,812	100,540	212,352	2,594
撇銷數額	Amounts written off	(51,534)	–	(51,534)	(49,003)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	42,425	–	42,425	–
年內(回撥)/撥備 (附註6)	(Write-back)/charge for the year (Note 6)	(79,119)	57,562	(21,557)	–
本年度暫記利息	Interest suspended during the year	–	–	–	35,010
收回暫記利息	Suspended interest recovered	–	–	–	(37,137)
匯兌及其他調整	Exchange and other adjustments	(31)	3,142	3,111	33
於十二月三十一日 之結餘	Balance as at 31st December	332,637	503,535	836,172	69,176
扣減自：	Deducted from:				
商業票據(附註17)	Trade bills (Note 17)	–	10,715	10,715	
客戶貸款(附註20)	Advances to customers (Note 20)	332,544	492,820	825,364	
應計利息及其他 賬項(附註20)	Accrued interest and other accounts (Note 20)	93	–	93	
		332,637	503,535	836,172	

		2003			
		呆壞賬撥備 Provisions for bad and doubtful debts	呆壞賬撥備 Provisions for bad and doubtful debts	呆壞賬撥備 Provisions for bad and doubtful debts	暫記 利息 Suspended interest
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000
於一月一日之結餘	Balance as at 1st January	271,569	274,481	546,050	157,980
撇銷數額	Amounts written off	(48,579)	–	(48,579)	(21,516)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	24,668	–	24,668	–
年內撥備(附註6)	Charge for the year (Note 6)	61,426	67,810	129,236	–
本年度暫記利息	Interest suspended during the year	–	–	–	67,416
收回暫記利息	Suspended interest recovered	–	–	–	(86,098)
匯兌及其他調整	Exchange and other adjustments	–	–	–	(103)
於十二月三十一日 之結餘	Balance as at 31st December	309,084	342,291	651,375	117,679
扣減自：	Deducted from:				
商業票據(附註17)	Trade bills (Note 17)	–	7,980	7,980	
客戶貸款 (附註20)	Advances to customers (Note 20)	308,459	334,311	642,770	
應計利息及其他 賬項(附註20)	Accrued interest and other accounts (Note 20)	625	–	625	
		309,084	342,291	651,375	

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21 呆壞賬撥備 (續)

21 PROVISIONS FOR BAD AND DOUBTFUL DEBTS

(continued)

本銀行	Bank	2004			
		呆壞賬撥備 Provisions for bad and doubtful debts			暫記 利息 Suspended interest
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000
於一月一日之結餘	Balance as at 1st January	145,920	342,064	487,984	38,695
撇銷數額	Amounts written off	(12,617)	–	(12,617)	(12,344)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	17,671	–	17,671	–
年內(回撥)/撥備	(Write-back)/charge for the year	(44,163)	48,225	4,062	–
本年度暫記利息	Interest suspended during the year	–	–	–	20,316
收回暫記利息	Suspended interest recovered	–	–	–	(26,242)
匯兌及其他調整	Exchange and other adjustments	–	–	–	2
於十二月三十一日 之結餘	Balance as at 31st December	106,811	390,289	497,100	20,427
扣減自：	Deducted from:				
商業票據(附註17)	Trade bills (Note 17)	–	10,715	10,715	
客戶貸款(附註20)	Advances to customers (Note 20)	106,718	379,574	486,292	
應計利息及其他賬項 (附註20)	Accrued interest and other accounts (Note 20)	93	–	93	
		106,811	390,289	497,100	

		2003			
		呆壞賬撥備 Provisions for bad and doubtful debts			暫記 利息 Suspended interest
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000
於一月一日之結餘	Balance as at 1st January	131,112	272,822	403,934	49,719
撇銷數額	Amounts written off	(25,875)	–	(25,875)	(5,073)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	10,819	–	10,819	–
年內撥備	Charge for the year	29,864	69,242	99,106	–
本年度暫記利息	Interest suspended during the year	–	–	–	33,985
收回暫記利息	Suspended interest recovered	–	–	–	(39,933)
匯兌及其他調整	Exchange and other adjustments	–	–	–	(3)
於十二月三十一日 之結餘	Balance as at 31st December	145,920	342,064	487,984	38,695
扣減自：	Deducted from:				
商業票據(附註17)	Trade bills (Note 17)	–	7,980	7,980	
客戶貸款(附註20)	Advances to customers (Note 20)	145,295	334,084	479,379	
應計利息及其他賬項 (附註20)	Accrued interest and other accounts (Note 20)	625	–	625	
		145,920	342,064	487,984	

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22 非持作買賣用途之證券

22 NON-TRADING SECURITIES

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
按公平值：	At fair value:				
債券	Debt securities				
— 於香港以外 地區上市	— Listed outside Hong Kong	121,421	45,392	121,421	45,392
— 非上市	— Unlisted	913,824	794,568	912,412	794,068
		1,035,245	839,960	1,033,833	839,460
股票	Equity securities				
— 於香港上市	— Listed in Hong Kong	403,088	497,561	403,088	497,561
— 非上市	— Unlisted	97,377	6,653	94,992	6,646
		500,465	504,214	498,080	504,207
		1,535,710	1,344,174	1,531,913	1,343,667
上市證券之市值	Market value of listed securities	524,509	542,953	524,509	542,953

非持作買賣用途之債券按十二月三十一日至
合約到期日止期間之期限分析如下：

The maturity profile of non-trading debt securities analysed by the
remaining period as at 31st December to the contractual maturity
dates is as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
按公平值：	At fair value:				
一年或以下， 但超過三個月	One year or less, but over three months	117,196	155,140	117,196	155,140
五年或以下 但超過一年	Five years or less, but over one year	769,063	634,821	769,063	634,821
超過五年	Over five years	143,467	45,392	143,467	45,392
並無限期	Undated	5,519	4,607	4,107	4,107
		1,035,245	839,960	1,033,833	839,460

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22 非持作買賣用途之證券 (續)

非持作買賣用途之證券按發行者之分析如下：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
銀行同業及其他 金融機構	Banks and other financial institutions	684,191	851,654	684,191	851,654
企業	Corporate entities	850,595	491,396	847,098	491,389
其他	Others	924	1,124	624	624
		1,535,710	1,344,174	1,531,913	1,343,667

22 NON-TRADING SECURITIES (continued)

Non-trading securities are analysed by issuer as follows:

23 遞延稅項

遞延稅項採用負債法就暫時差額按主要稅率17.5%計算(二零零三年: 17.5%)。

遞延稅項資產/(負債)之變動如下：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
於一月一日	At 1st January	8,026	(50,722)	8,026	(50,722)
轉撥自收購附屬公司 (附註43(b))	Transferred from acquisition of a subsidiary (Note 43(b))	17,565	-	-	-
在損益表(支賬)/記賬 (附註10)	(Charged)/credited to profit and loss account (Note 10)	(14,448)	14,692	(16,296)	14,692
在權益記賬	Credited to equity	16,260	44,056	16,260	44,056
於十二月三十一日	At 31st December	27,403	8,026	7,990	8,026

23 DEFERRED TAXATION

Deferred tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2003: 17.5%).

The movement on the deferred tax assets/(liabilities) account is as follows:

年內權益記賬之遞延稅項如下：

The deferred tax credited to equity during the year is as follows:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
股東權益之公平值儲備	Fair value reserves in shareholders' equity		
— 銀行房產(附註35)	— Bank premises (Note 35)	1,743	40,158
— 非持作買賣用途之證券 (附註35)	— Non-trading securities (Note 35)	14,517	3,898
		16,260	44,056

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23 遞延稅項 (續)

年內遞延稅項資產及負債(與同一稅務機關之結餘抵銷前)之變動如下:

遞延稅項資產

		本集團 Group						總額 Total	
		一般撥備 General provision		投資重估儲備 Investment revaluation reserves		加速稅項折舊 Accelerated tax depreciation			
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
於一月一日	At 1st January	43,698	29,103	-	-	-	-	43,698	29,103
轉撥自收購 附屬公司 在損益表記賬	Transferred from acquisition of a subsidiary Credited to profit and loss account	7,370	-	-	-	10,195	-	17,565	-
在權益記賬	Credited to equity	9,361	14,595	-	-	895	-	10,256	14,595
		-	-	13,060	-	-	-	13,060	-
於十二月三十一日	At 31st December	60,429	43,698	13,060	-	11,090	-	84,579	43,698

		本銀行 Bank						總額 Total	
		一般撥備 General provision		投資重估儲備 Investment revaluation reserves					
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
於一月一日	At 1st January	43,698	29,103	-	-	43,698	29,103	43,698	29,103
在損益表記賬	Credited to profit and loss account	8,408	14,595	-	-	8,408	14,595	8,408	14,595
在權益記賬	Credited to equity	-	-	13,060	-	13,060	-	13,060	-
於十二月三十一日	At 31st December	52,106	43,698	13,060	-	65,166	-	65,166	43,698

賬目附註

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23 遞延稅項 (續)

遞延稅項負債

		本集團及本銀行 Group and Bank							
		銀行房產重估儲備 Bank premises revaluation reserve		投資重估儲備 Investment revaluation reserves		加速稅項折舊 Accelerated tax depreciation		總額 Total	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
於一月一日	At 1st January	25,204	65,362	1,457	5,355	9,011	9,108	35,672	79,825
在損益表支賬/(記賬)	Charged/(credited) to profit and loss account	-	-	-	-	24,704	(97)	24,704	(97)
在權益記賬	Credited to equity	(1,743)	(40,158)	(1,457)	(3,898)	-	-	(3,200)	(44,056)
於十二月三十一日	At 31st December	23,461	25,204	-	1,457	33,715	9,011	57,176	35,672

遞延稅項資產及負債只有對現行稅項資產及負債有合法權利抵銷及遞延稅項為同一稅務機關下，才作出抵銷。以下是在綜合資產負債表抵銷後之金額：

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
遞延稅項資產	Deferred tax assets	84,579	43,698	65,166	43,698
遞延稅項負債	Deferred tax liabilities	(57,176)	(35,672)	(57,176)	(35,672)
		27,403	8,026	7,990	8,026
於資產負債表列賬之金額包括：	The amounts shown in the balance sheet include the following:				
超過十二個月後收回之遞延稅項資產	Deferred tax assets to be recovered after more than 12 months	84,579	43,698	65,166	43,698
超過於十二個月後償還之遞延稅項負債	Deferred tax liabilities to be settled after more than 12 months	(51,367)	(33,953)	(51,367)	(33,953)

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24 於聯營公司之投資

24 INVESTMENTS IN ASSOCIATED COMPANIES

		本集團 Group	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
分佔資產淨值	Share of net assets	28,332	95,678
收購商譽減攤銷	Goodwill on acquisition less amortisation	-	65,789
		28,332	161,467

二零零四年十一月，由於本銀行已放棄參與太平保險有限公司（「太平」）之額外資本注資，故本銀行於太平之股權由24.9%攤薄至12.45%。據此，按成本值列作非持作買賣用途之證券投資相等於本銀行於攤薄日應佔太平之資產淨值及未攤銷商譽。相關累計滙兌差額92,000港元於綜合損益表內確認為出售聯營公司之虧損。本銀行可選擇自本銀行及太平其他股東訂立選擇權契據之日起計六個月內或雙方按選擇權契據之條款延長之其他日期內將其於太平之股權由12.45%增持至24.9%。

In November 2004, the Bank's equity interest in The Tai Ping Insurance Company, Limited ("Tai Ping") has been diluted from 24.9% to 12.45% due to the Bank has renounced all its rights to participate in the additional capital injection of Tai Ping. Accordingly, the investment is classified as non-trading securities at cost equivalent to the Bank's share of net assets of the Tai Ping and unamortized goodwill at the date of dilution. The related accumulated foreign currency translation difference of HK\$92,000 is recognized as a loss on disposal of an associated company in the consolidated profit and loss account. The Bank has an option to increase its equity interest in Tai Ping from 12.45% to 24.9% within six months from the date of the Option Deed entered into between the Bank and other shareholders of Tai Ping, or such later date as the parties may extend pursuant to the terms of the Option Deed.

		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
投資，按成本值非上市股份	Investments at cost, unlisted shares	14,508	191,660

於二零零四年十二月三十一日之聯營公司載列如下：

The following is the detail of the associated company at 31st December 2004:

公司名稱 Name	註冊成立地點 Place of incorporation	主要業務及營業地點 Principal activity and place of operation	持有已發行股份之詳情 Particulars of issued shares held	持有之權益 Interest held
中國平安保險(香港)有限公司	香港	於香港提供一般保險	200,000股每股面值100港元之普通股	
China Ping An Insurance (Hong Kong) Company Limited	Hong Kong	General insurance in Hong Kong	200,000 ordinary shares of HK\$100 each	25.0%

25 於附屬公司之投資

25 INVESTMENTS IN SUBSIDIARIES

		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
投資，按成本值非上市股份	Investments at cost, unlisted shares	2,711,204	15,212

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25 於附屬公司之投資 (續)

本銀行於二零零四年四月三十日以2,695,992,000港元之成本收購華比富通銀行(「華比富通」)100%權益，該成本以現金及配發股份之方式支付(附註43(b))。華比富通於二零零四年五月一日改名為華比銀行。

以下為本銀行於二零零四年十二月三十一日持有之附屬公司：

25 INVESTMENTS IN SUBSIDIARIES (continued)

The Bank acquired 100% interest of Fortis Bank Asia HK ("FBAHK") on 30th April 2004 for a cost of HK\$2,695,992,000, which was satisfied by cash and allotment of shares (Note 43(b)). FBAHK was renamed as Belgian Bank on 1st May 2004.

The following is a list of subsidiaries at 31st December 2004 held by the Bank:

公司名稱 Name	註冊成立地點 Place of incorporation	主要業務 Principal activities	持有已發行股份之詳情 Particulars of issued shares held	持有之權益 Interest held	
				2004	2003
華比銀行* Belgian Bank	比利時 Belgium	提供銀行、金融及其他金融 相關服務 Provision of banking, financial and other financial related services	415,879股每股面值 580.18歐元之普通股 415,879 ordinary shares of EUR580.18 each	100% ¹	—
工銀亞洲金業 有限公司 ICBC (Asia) Bullion Company Limited	香港 Hong Kong	不活躍 Inactive	6,000,000股每股面值 1港元之普通股 6,000,000 ordinary shares of HK\$1 each	100% ¹	100% ¹
工銀亞洲期貨 有限公司 ICBC (Asia) Futures Limited	香港 Hong Kong	不活躍 Inactive	26,000,000股每股面值 1港元之普通股 26,000,000 ordinary shares of HK\$1 each	100% ¹	100% ¹
ICBC (Asia) Nominee Limited	香港 Hong Kong	提供代理人服務 Provision of nominee services	100股每股面值100港元 之普通股 100 ordinary shares of HK\$100 each	100% ¹	100% ¹
工銀亞洲証券有限公司 ICBC (Asia) Securities Limited	香港 Hong Kong	提供證券經紀服務 Provision of securities brokerage services	12,000,000股每股面值1港元 之普通股 12,000,000 ordinary shares of HK\$1 each	100%	—
ICBC (Asia) Wa Pei Nominees Limited	香港 Hong Kong	不活躍 Inactive	100股每股面值1港元 之普通股 100 ordinary shares of HK\$1 each	100%	—
ICBCA (C.I.) Limited	開曼群島 Cayman Islands	發行債券之特設公司 Being a special-purpose vehicle for bond issuance	1股每股面值1美元之普通股 1 ordinary share of US\$1 each	100% ¹	—
友聯中國業務管理 有限公司 UB China Business Management Co. Ltd.	英屬維爾京 群島 British Virgin Islands	管理本銀行之內地不履約 貸款組合(附註32) Management of the Bank's PRC NPL Portfolio (Note 32)	1股每股面值1美元之普通股 1 ordinary share of US\$1 each	100% ¹	100% ¹

* 僅供識別
1 股份由本銀行直接持有。

* for identification purpose only
1 Shares held directly by the Bank.

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
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26 無形資產

26 INTANGIBLE ASSETS

		本集團 Group			
		商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	交易權利 Trading rights 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值	Cost				
於二零零四年一月一日	At 1st January 2004	709,957	-	-	709,957
購自附屬公司(附註43(b))	Acquired from a subsidiary (Note 43(b))	24,612	-	6,900	31,512
添置(附註(i)及(ii))	Additions (Note (i) and (ii))	284,670	129,235	-	413,905
於二零零四年十二月三十一日	At 31st December 2004	1,019,239	129,235	6,900	1,155,374
累計攤銷	Accumulated amortisation				
於二零零四年一月一日	At 1st January 2004	88,745	-	-	88,745
購自附屬公司(附註43(b))	Acquired from a subsidiary (Note 43(b))	5,387	-	4,085	9,472
本年度折舊	Charge for the year	54,593	3,590	920	59,103
於二零零四年十二月三十一日	At 31st December 2004	148,725	3,590	5,005	157,320
賬面淨值	Net book value				
於二零零四年十二月三十一日	At 31st December 2004	870,514	125,645	1,895	998,054
於二零零三年十二月三十一日	At 31st December 2003	621,212	-	-	621,212

		商譽 Goodwill 千港元 HK\$'000	本銀行 Bank 電腦軟件 Computer software 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值	Cost			
於二零零四年一月一日	At 1st January 2004	709,957	-	709,957
添置(附註(ii))	Additions (Note (ii))	-	129,235	129,235
於二零零四年十二月三十一日	At 31st December 2004	709,957	129,235	839,192
累計攤銷	Accumulated amortisation			
於二零零四年一月一日	At 1st January 2004	88,745	-	88,745
本年度折舊	Charge for the year	35,497	3,590	39,087
於二零零四年十二月三十一日	At 31st December 2004	124,242	3,590	127,832
賬面淨值	Net book value			
於二零零四年十二月三十一日	At 31st December 2004	585,715	125,645	711,360
於二零零三年十二月三十一日	At 31st December 2003	621,212	-	621,212

附註

Note

- (i) 本集團已於二零零四年四月三十日完成收購華比富通銀行(自二零零四年五月一日起重新命名為華比銀行)。收購成本超逾華比銀行於收購日期之資產淨值公平值之數額於綜合資產負債表確認為商譽。
- (ii) 已於二零零四年十一月採用的銀行通用之電腦系統，包括軟件開發顧問費用及僱員成本之直接成本已於二零零四年十二月三十一日確認為無形資產。
- (i) The Group has completed the acquisition of Fortis Bank Asia HK (renamed to Belgian Bank effective from 1st May 2004) on 30th April 2004. The excess of the acquisition cost over the fair value of the net assets of Belgian Bank at the date of acquisition is recognised as goodwill on the consolidated balance sheet.
- (ii) A bank-wide computer system was implemented in November 2004 with direct costs including software development consultancy fees and employee costs recognised as intangible asset as at 31st December 2004.

賬目附註

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27 固定資產

27 FIXED ASSETS

		本集團 Group			
		銀行房產 及物業 Bank premises and properties 千港元 HK\$'000	租賃 物業裝修 Leasehold improve- ments 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零四年 一月一日	At 1st January 2004	591,375	79,936	115,393	786,704
購自附屬公司 (附註43(b))	Acquired from a subsidiary (Note 43(b))	–	40,602	83,656	124,258
添置	Additions	–	1,717	16,954	18,671
重估(附註(i))	Revaluation (Note (i))	(147,425)	–	–	(147,425)
出售(附註(ii))	Disposals (Note (ii))	(195,750)	(7,049)	(2,919)	(205,718)
於二零零四年 十二月三十一日	At 31st December 2004	248,200	115,206	213,084	576,490
累計折舊 及減值	Accumulated depreciation and impairment				
於二零零四年 一月一日	At 1st January 2004	216,375	57,274	84,929	358,578
購自附屬公司 (附註43(b))	Acquired from a subsidiary (Note 43(b))	–	23,264	71,289	94,553
本年度折舊	Charge for the year	4,248	11,936	14,568	30,752
重估	Revaluation	(220,106)	–	–	(220,106)
出售	Disposals	(517)	(6,208)	(2,690)	(9,415)
於二零零四年 十二月三十一日	At 31st December 2004	–	86,266	168,096	254,362
賬面淨值	Net book value				
於二零零四年 十二月三十一日	At 31st December 2004	248,200	28,940	44,988	322,128
於二零零三年 十二月三十一日	At 31st December 2003	375,000	22,662	30,464	428,126
上述資產之成本或 估值分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零零四年 十二月三十一日	At 31st December 2004				
按成本值	At cost	–	115,206	213,084	328,290
按二零零四年 十二月專業估值	At professional valuation in December 2004	248,200	–	–	248,200
		248,200	115,206	213,084	576,490
於二零零三年 十二月三十一日	At 31st December 2003				
按成本值	At cost	44,277	79,936	115,393	239,606
按一九九四年十二月 專業估值	At professional valuation in December 1994	547,098	–	–	547,098
		591,375	79,936	115,393	786,704

賬目附註

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截至二零零四年十二月三十一日止年度
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27 固定資產 (續)

27 FIXED ASSETS (continued)

		銀行房產 及物業 Bank premises and properties 千港元 HK\$'000	租賃 物業裝修 Leasehold improve- ments 千港元 HK\$'000	本銀行 Bank 傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零四年 一月一日	At 1st January 2004	591,375	79,936	115,367	786,678
添置	Additions	–	1,347	15,223	16,570
重估(附註(i))	Revaluation (Note (i))	(147,425)	–	–	(147,425)
出售(附註(ii))	Disposals (Note (ii))	(195,750)	(1,072)	(2,919)	(199,741)
於二零零四年 十二月三十一日	At 31st December 2004	248,200	80,211	127,671	456,082
累計折舊 及減值	Accumulated depreciation and impairment				
於二零零四年 一月一日	At 1st January 2004	216,375	57,274	84,903	358,552
本年度折舊	Charge for the year	4,248	6,147	10,078	20,473
重估	Revaluation	(220,106)	–	–	(220,106)
出售	Disposals	(517)	(932)	(2,690)	(4,139)
於二零零四年 十二月三十一日	At 31st December 2004	–	62,489	92,291	154,780
賬面淨值	Net book value				
於二零零四年 十二月三十一日	At 31st December 2004	248,200	17,722	35,380	301,302
於二零零三年 十二月三十一日	At 31st December 2003	375,000	22,662	30,464	428,126
上述資產之成本或 估值分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零零四年 十二月三十一日	At 31st December 2004				
按成本值	At cost	–	80,211	127,671	207,882
按二零零四年 十二月專業估值	At professional valuation in December 2004	248,200	–	–	248,200
		248,200	80,211	127,671	456,082
於二零零三年 十二月三十一日	At 31st December 2003				
按成本值	At cost	44,277	79,936	115,367	239,580
按一九九四年十二月 專業估值	At professional valuation in December 1994	547,098	–	–	547,098
		591,375	79,936	115,367	786,678

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
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27 固定資產 (續)

附註：

- (i) 銀行房產已於二零零四年十二月三十一日根據獨立物業顧問韋堅信測量師行提供之公開市值進行重估。

倘本集團及本銀行之房產及物業以成本減累計折舊入賬，則其賬面值為91,577,000港元(二零零三年：218,597,000港元)。

- (ii) 本銀行於二零零四年十二月三十一日向一名第三者出售其中一項銀行房產時，訂立一項售後租回交易，並按3年期租回。售價超過該銀行房產公平值(由獨立物業顧問釐定)之數額乃作遞延及按租期攤銷。

銀行房產及物業之成本值分析如下：

27 FIXED ASSETS (continued)

Note

- (i) The bank premises were revalued at 31st December 2004 based on the open market value by A.G. Wilkinson & Associates, independent property consultant.

The carrying amount of the bank premises and properties of the Group and the Bank would have been HK\$91,577,000 (2003: HK\$218,597,000) had they been stated at cost less accumulated depreciation.

- (ii) The Bank entered into a sale and leaseback transaction with a third party on 31st December 2004 to sell one of its bank premises which was leased back for a tenor of 3 years. The excess of the sale price over the fair value of the bank premises, determined by an independent property consultant, is deferred and amortised over the tenor of the lease.

The net book value of bank premises and properties is analysed as follows:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
於香港，以下列方式持有： In Hong Kong, held on:			
– 長期租約(超過50年)	– Long-term leases (over 50 years)	185,000	318,400
– 中期租約(介乎10至50年)	– Medium-term leases (between 10 to 50 years)	63,200	56,600
		248,200	375,000

28 銀行同業及其他金融機構之存款及結餘

銀行同業及其他金融機構之存款及結餘按十二月三十一日至合約到期日止期間之期限分析如下：

28 DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

The maturity profile of deposits and balances of banks and other financial institutions analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	1,420,630	1,782,781	1,281,939	1,782,781
三個月或以下	Three months or less	9,755,771	14,312,136	9,042,221	14,312,136
一年或以下 但超過三個月	One year or less, but over three months	6,343,876	6,156,265	6,143,877	6,156,265
		17,520,277	22,251,182	16,468,037	22,251,182

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
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29 客戶存款

29 DEPOSITS FROM CUSTOMERS

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
活期存款及 往來戶口	Demand deposits and current accounts	3,415,738	1,052,903	1,288,495	1,052,875
儲蓄存款	Savings deposits	10,843,446	4,674,028	4,503,618	4,684,930
定期及通知存款	Time, call and notice deposits	41,798,985	29,666,007	32,844,344	29,710,403
		56,058,169	35,392,938	38,636,457	35,448,208

客戶存款按十二月三十一日至合約到期日止
期間之期限分析如下：

The maturity profile of deposits from customers analysed by the
remaining period as at 31st December to the contractual maturity
dates is as follows:

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	14,346,645	5,837,396	5,878,750	5,848,270
三個月或以下	Three months or less	39,735,118	28,360,575	28,300,612	28,404,971
一年或以下 但超過三個月	One year or less, but over three months	1,535,242	1,182,304	1,037,897	1,182,304
五年或以下 但超過一年	Five years or less, but over one year	441,164	12,663	3,419,198	12,663
		56,058,169	35,392,938	38,636,457	35,448,208

30 已發行存款證

30 CERTIFICATES OF DEPOSIT ISSUED

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
已發行存款證	Certificates of deposit issued	7,363,005	6,951,115	12,738,624	6,951,115
購回已發行存款證	Repurchase of certificates of deposit issued	(17,645)	(37,242)	(17,645)	(37,242)
		7,345,360	6,913,873	12,720,979	6,913,873

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
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30 已發行存款證 (續)

已發行存款證按十二月三十一日至合約到期日止期間之期限分析如下：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
三個月或以下	Three months or less	175,006	200,000	5,357,813	200,000
一年或以下 但超過三個月	One year or less, but over three months	5,242,034	1,682,897	5,434,846	1,682,897
五年或以下 但超過一年	Five years or less, but over one year	1,928,320	5,030,976	1,928,320	5,030,976
		7,345,360	6,913,873	12,720,979	6,913,873

31 已發行債券

已發行債券按十二月三十一日至合約到期日止期間之期限分析如下：

		本集團 Group	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
五年或以下 但超過一年	Five years or less, but over one year	3,095,423	—

於二零零四年九月，本銀行之全資附屬公司ICBCA (C.I.) Limited發行總本金額為400,000,000美元之票據，年息票率4.125%，並於二零零九年九月十六日到期。有關票據由本銀行無條件及不可撤回擔保。

30 CERTIFICATES OF DEPOSIT ISSUED (continued)

The maturity profile of certificates of deposit issued analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

31 ISSUED DEBT SECURITIES

The maturity profile of issued debt securities analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

In September 2004, ICBCA (C.I.) Limited, a wholly-owned subsidiary of the Bank, issued notes with an aggregate principal amount of US\$400,000,000 at coupon rate of 4.125% per annum maturing on 16th September 2009. The notes are unconditionally and irrevocably guaranteed by the Bank.

賬目附註 Notes to the Accounts

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32 其他賬項及準備金

其他賬項及準備金按十二月三十一日至合約到期日止期間之期限分析如下：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	81,384	47,975	81,384	47,975
三個月或以下	Three months or less	827,870	497,126	668,495	533,945
一年或以下	One year or less,				
但超過三個月	but over three months	302,854	104,207	244,998	104,167
五年或以下	Five years or less,				
但超過一年	but over one year	57,312	2,639	54,538	2,639
並無限期	Undated	150,801	–	–	–
		1,420,221	651,947	1,049,415	688,726

本集團之「其他賬項及準備金」包括由友聯中國業務管理有限公司（「友聯中國業務管理」）發行之次等履約票據，並已全數撤銷如下：

32 OTHER ACCOUNTS AND PROVISIONS

The maturity profile of other accounts and provisions analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

Included in “Other accounts and provisions” of the Group are Junior performance linked notes (PLNs) issued by UB China Business Management Co. Ltd. (“UBCBM”) which have been fully written down as follows:

		本集團 Group	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
次等履約票據	Junior PLNs	600,952	600,952
減：內地不履約貸款組合 所需之撥備之撤銷	Less: Write-down in the light of the provisions required on the PRC NPL Portfolio	(600,952)	(600,952)
		–	–

友聯中國業務管理為本銀行於二零零零年成立之全資附屬公司。作為一間特別設立之資產管理公司，旨在五年內盡量追收本銀行內地不履約貸款組合（「內地不履約貸款組合」）。友聯中國業務管理透過按面值發行兩組履約票據來取得購買內地不履約貸款組合所需之資金。優先履約票據由本銀行全數認購，以作為轉讓內地不履約貸款組合之部分代價，並在本銀行之資產負債表內列為「持至到期之證券」，於二零零四年十二月三十一日之數額為101,969,000港元（二零零三年：143,625,000港元）。優先履約票據所產生之一切財務影響已於本集團之賬目中對銷。本銀行向全體股東徵求認購次等履約票據，並獲招商局集團（香港）有限公司包銷。認購完成後，本銀行收得現金600,952,000港元。由於次等履約票據須首先承擔內地不履約貸款組合虧損之風險，而董事認為於五年期限屆滿前償還次等履約票據款項之機會不大，故次等履約票據之贖回金額已作全數撇減。

UBCBM is a wholly-owned subsidiary established by the Bank in 2000 as a special purpose asset management company for the purpose of maximising the level of recovery of certain classified loans of the Bank which were extended towards Mainland China related business (the “PRC NPL Portfolio”) over a five-year term. UBCBM funded the purchase of the PRC NPL Portfolio by issuing two tranches of PLNs at par value. The Senior PLNs were subscribed for in full by the Bank as partial consideration for the transfer of the PRC NPL Portfolio and are included in the Bank's balance sheet as “Held-to-maturity securities” amounting HK\$101,969,000 as at 31st December 2004 (2003: HK\$143,625,000). All financial effects associated with the Senior PLNs were eliminated in the Group accounts. The Junior PLNs were offered for subscription to all shareholders and underwritten by China Merchants Holdings (Hong Kong) Company Limited. The Bank received cash funds of HK\$600,952,000 immediately upon completion. Since the Junior PLNs were to bear the first risk of loss against the PRC NPL Portfolio, the redemption amount of the Junior PLNs was fully written down as the Directors are of the opinion that the possibility of any repayment of the Junior PLNs at the end of the five-year term is remote.

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32 其他賬項及準備金 (續)

履約票據發行人友聯中國業務管理之經營業績已綜合至本集團損益表，載列如下：

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
利息收入	Interest income	4,507	6,682
利息支出	Interest expenses	–	–
淨利息收入	Net interest income	4,507	6,682
其他營運收入	Other operating income	1,167	2,591
營運收入	Operating income	5,674	9,273
營運支出	Operating expenses	(126)	(653)
扣除準備金前之營運盈利	Operating profit before provisions	5,548	8,620
呆壞賬回撥／ (撥備)－專項	Write-back of/(charge for) bad and doubtful debts – specific	25,272	(31,545)
呆壞賬回撥 －一般	Write-back of bad and doubtful debts – general	178	1,432
營運盈利／(虧損)	Operating profit/(loss)	30,998	(21,493)

32 OTHER ACCOUNTS AND PROVISIONS (continued)

The operating results of the UBCBM, issuer of the PLNs, which have been consolidated into the Group's profit and loss accounts, are as follows:

33 借入資本

33 LOAN CAPITAL

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
後償浮息票據	Subordinated floating rate notes		
－最終於二零一一年 七月二日到期	－ with a final maturity on 2nd July 2011	584,820	584,820
－最終於二零一一年 十二月十二日到期	－ with a final maturity on 12th December 2011	623,808	623,808
－最終於二零一二年 三月二十六日到期	－ with a final maturity on 26th March 2012	545,916	545,916
－最終於二零一二年 十二月八日到期	－ with a final maturity on 8th December 2012	500,000	500,000
－最終於二零一四年 四月二十八日到期	－ with a final maturity on 28th April 2014	1,169,955	–
－永久	－ perpetual	1,935,916	1,935,916
匯兌調整	Exchange adjustment	(12,186)	(12,156)
		5,348,229	4,178,304

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33 借入資本 (續)

借入資本乃由本銀行籌集作業務拓展用途，並由最終控股公司全數認購。根據銀行業條例附表三，該等票據合資格並已列入本銀行之附加資本。

年內，本銀行已發行可贖回浮息後償票據合共150,000,000美元。倘本銀行於二零零九年四月二十八日期權贖回日並無行使認購期權以贖回全部票據，則首五年按六個月倫敦銀行同業拆放利率加年利率0.5%計息，其後按六個月倫敦銀行同業拆放利率加年利率1.0%計息。發行票據旨在擴闊於二零零四年四月三十日收購華比銀行生效後本銀行之資本基礎。

34 股本

(a) 普通股

		每股面值2港元之普通股 Ordinary shares of HK\$2.00 each	
		股份數目 Number of shares	千港元 HK\$'000
法定：	Authorised:		
於二零零三年一月一日及 十二月三十一日，及 二零零四年一月一日	At 1st January and 31st December 2003, and 1st January 2004	1,000,000,000	2,000,000
截至二零零四年十二月 三十一日止年度增加	Increase during the year ended 31st December 2004	1,000,000,000	2,000,000
於二零零四年 十二月三十一日	At 31st December 2004	2,000,000,000	4,000,000

根據股東於二零零四年四月二十二日舉行之股東週年大會上通過之特別決議案，本銀行之法定普通股股本透過增設額外1,000,000,000股每股面值2.00港元之新普通股，已增至4,000,000,000港元，分為2,000,000,000股每股面值2.00港元之普通股。

33 LOAN CAPITAL (continued)

Loan capital was raised by the Bank for the development and expansion of business and have been fully subscribed by the ultimate holding company. These notes qualify for and have been included as the Bank's supplementary capital in accordance with the Third Schedule to the Banking Ordinance.

During the year, the Bank issued callable floating rate subordinated notes totalling US\$150,000,000 which are interest bearing at 0.5% per annum over six-month LIBOR for the first five years and then 1.0% per annum over six-month LIBOR thereafter should the call option is not exercised by the Bank to redeem the notes in whole on the option redemption date as at 28th April 2009. The notes were issued to expand the capital base of the Bank after the acquisition of Belgian Bank effective as at 30th April 2004.

34 SHARE CAPITAL

(a) Ordinary shares

Pursuant to a special resolution passed by shareholders in the annual general meeting held on 22nd April 2004, the authorised ordinary share capital of the Bank increased to HK\$4,000,000,000 divided into 2,000,000,000 ordinary shares of HK\$2.00 each by the creation of an additional 1,000,000,000 new ordinary shares of HK\$2.00 each.

賬目附註

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34 股本 (續)

(a) 普通股 (續)

		每股面值2港元之普通股 Ordinary shares of HK\$2.00 each	
		股份數目 Number of shares	千港元 HK\$'000
已發行及繳足：	Issued and fully paid:		
於二零零三年一月一日及 十二月三十一日，及 二零零四年一月一日	At 1st January and 31st December 2003, and 1st January 2004	624,374,304	1,248,749
配發新股份予最終 控股公司(附註(i))	Allotment of new shares to the ultimate holding company (Note (i))	124,874,000	249,748
將可轉換非累計優先股 轉換為普通股(附註(b))	Conversion of convertible non-cumulative preference shares to ordinary shares (Note (b))	204,399,479	408,799
配發新股份予GBH作為收購 華比富通銀行之代價股份 (附註(ii))	Allotment of new shares to GBH as Consideration Shares for the acquisition of FBAHK (Note (ii))	94,317,000	188,634
於二零零四年 十二月三十一日	At 31st December 2004	1,047,964,783	2,095,930

附註：

(i) 於二零零四年二月九日，根據日期為二零零四年二月四日之配售協議，最終控股公司持有之124,874,000股每股面值2.00港元之現有普通股按每股11.25港元配售予獨立投資者。最終控股公司其後根據日期為二零零四年二月四日之認購協議，按每股11.25港元認購合共124,874,000股每股面值2.00港元之新普通股，錄得溢價每股9.25港元(「認購事項」)。此等股份與現有股份享有同等權益。

本銀行已將認購事項之所得款項淨額用作支付收購華比富通銀行代價之現金部分。

(ii) 如就收購華比富通銀行(「華比富通銀行」)而訂立之買賣協議規定，Fortis Bank之全資附屬公司Generale Belgian Holding B.V.(「GBH」)已獲配發及發行94,317,000股新普通股，作為代價股份。

34 SHARE CAPITAL (continued)

(a) Ordinary shares (continued)

		每股面值2港元之普通股 Ordinary shares of HK\$2.00 each	
		股份數目 Number of shares	千港元 HK\$'000
已發行及繳足：	Issued and fully paid:		
於二零零三年一月一日及 十二月三十一日，及 二零零四年一月一日	At 1st January and 31st December 2003, and 1st January 2004	624,374,304	1,248,749
配發新股份予最終 控股公司(附註(i))	Allotment of new shares to the ultimate holding company (Note (i))	124,874,000	249,748
將可轉換非累計優先股 轉換為普通股(附註(b))	Conversion of convertible non-cumulative preference shares to ordinary shares (Note (b))	204,399,479	408,799
配發新股份予GBH作為收購 華比富通銀行之代價股份 (附註(ii))	Allotment of new shares to GBH as Consideration Shares for the acquisition of FBAHK (Note (ii))	94,317,000	188,634
於二零零四年 十二月三十一日	At 31st December 2004	1,047,964,783	2,095,930

Note

(i) On 9th February 2004, 124,874,000 existing ordinary shares of HK\$2.00 each held by the ultimate holding company were placed to independent investors at HK\$11.25 each pursuant to the Placing Agreement dated 4th February 2004. A total of 124,874,000 new ordinary shares of HK\$2.00 each were later subscribed by the ultimate holding company pursuant to the Subscription Agreement dated 4th February 2004 at HK\$11.25 each, representing a premium of HK\$9.25 each ("the Subscription"). These shares rank pari passu with the existing shares.

The Bank has applied the net proceeds from the Subscription to satisfy the cash portion of the consideration for the acquisition of Fortis Bank Asia HK.

(ii) As stipulated in the sale and purchase agreement entered into for the acquisition of Fortis Bank Asia HK ("FBAHK"), 94,317,000 new ordinary shares were allotted and issued as Consideration Shares to Generale Belgian Holding B.V. ("GBH"), a wholly owned subsidiary of Fortis Bank.

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截至二零零四年十二月三十一日止年度
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34 股本 (續)

(b) 可轉換非累計優先股

		每股面值5港元之 可轉換非累計優先股 Convertible non-cumulative preference shares of HK\$5.00 each	
		股份數目 Number of shares	千港元 HK\$'000
法定：	Authorised:		
於二零零三年一月一日及 十二月三十一日，及 二零零四年一月一日	At 1st January and 31st December 2003, and 31st December 2004	232,000,000	1,160,000
已發行及繳足：	Issued and fully paid:		
於二零零三年一月一日及 十二月三十一日，及 二零零四年一月一日	At 1st January and 31st December 2003, and 1st January 2004	202,219,218	1,011,096
截至二零零四年十二月 三十一日止年度減少(附註)	Decrease during the year ended 31st December 2004 (Note)	(202,219,218)	(1,011,096)
於二零零四年 十二月三十一日	At 31st December 2004	—	—

附註：

於二零零四年四月六日，202,219,218股可轉換非累計優先股(即全部已發行可轉換非累計優先股，並由最終控股公司持有)根據可轉換非累計優先股之條款按經調整轉換價7.42港元轉換為204,399,479股每股面值2.00港元之普通股。轉換優先股時須予配發之普通股面值差額合共489,370,000港元於可轉換優先股溢價賬中抵銷。此等股份與現有股份享有同等權益。

轉換後，所有可轉換非累計優先股已被註銷，而最終控股公司並無持有其他可轉換為本銀行普通股之證券，亦無持有可認購本銀行任何普通股之未行使購股權。

Note:

On 6th April 2004, 202,219,218 convertible non-cumulative preference shares, being all of the convertible non-cumulative preference shares in issue and held by the ultimate holding company, were converted into 204,399,479 ordinary shares of HK\$2.00 each at the adjusted conversion price of HK\$7.42 in accordance with the terms of the convertible non-cumulative preference shares. The shortfall of the nominal value of ordinary shares required to be allotted upon conversion of the preference share totaling HK\$489,370,000 is dealt with in the convertible preference share premium. These shares rank pari passu with the existing shares.

Following the conversion, all the convertible non-cumulative preference shares were cancelled and the ultimate holding company holds no other securities convertible into ordinary shares of the Bank and no outstanding option to subscribe for any ordinary shares of the Bank.

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34 股本 (續)

(c) 購股權

- (i) *僱員購股權計劃*
年內並無授出購股權，而於二零零四年十二月三十一日，並無任何尚未行使之購股權。
- (ii) *就發行次等履約票據而發行購股權*
就友聯中國業務管理發行次等履約票據而言，本銀行股東於二零零零年三月二十八日舉行之股東特別大會上通過一項決議案，批准於次等履約票據之五年期限屆滿時發行可認購本銀行股份之購股權，惟須符合若干條件後方可作實。倘若發行該等購股權，則次等履約票據持有人可按7.78港元之行使價認購本銀行之股份。然而，若內地不履約貸款組合於次等履約票據五年期限屆滿後所收回之內地不履約貸款組合低於1,211,063,000港元，則不會發行任何購股權。

34 SHARE CAPITAL (continued)

(c) Share options

- (i) *Employee share option scheme*
During the year, no option has been granted and at 31st December 2004, there were no options outstanding.
- (ii) *Issue of options in connection with the issue of Junior PLNs*
In connection with the issue of Junior PLNs by UBCBM, the shareholders of the Bank had by a resolution passed at the Extraordinary General Meeting held on 28th March 2000 approved the issue of options to subscribe for shares of the Bank at the end of the five-year term of the Junior PLNs subject to the fulfillment of certain conditions. These options, if issued, will allow the holders of the Junior PLNs to subscribe for shares in the Bank at an exercise price of HK\$7.78. However, no options will be issued if total recoveries of the PRC NPL Portfolio at the end of the five-year term of the Junior PLNs are below HK\$1,211,063,000.

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35 儲備

35 RESERVES

本集團	Group	2004							總計 Total 千港元 HK\$'000
		普通股溢價 Ordinary share premium 千港元 HK\$'000	可轉換非累計 優先股溢價 Convertible non- cumulative preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	外匯儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	
於二零零四年一月一日	At 1st January 2004	1,786,686	505,496	118,816	6,080	(239)	219,200	1,021,421	3,657,460
發行股份 (附註34(a))	Issue of shares (Note 34(a))	1,155,084	-	-	-	-	-	-	1,155,084
發行代價股份予CBH (附註34(a)及43(b))	Issue of Consideration shares to GBH (Note 34(a) & 43(b))	693,230	-	-	-	-	-	-	693,230
股份發行支出	Share issue expenses	(26,035)	-	-	-	-	-	-	(26,035)
增加法定股本之 資本稅(附註34(a))	Capital duty for the increase in authorised share capital (Note 34(a))	(30)	-	-	-	-	-	-	(30)
將可轉換非累計優先股 轉換為普通股 (附註34(b))	Conversion of convertible non-cumulative preference shares to ordinary shares (Note 34(b))	1,091,667	(489,370)	-	-	-	-	-	602,297
非持作買賣用途之 證券公平值變動	Change in fair value of non-trading securities	-	-	-	(79,905)	-	-	-	(79,905)
出售非持作買賣 用途之證券	Disposal of non-trading securities	-	-	-	(3,069)	-	-	-	(3,069)
出售銀行房產	Disposal of bank premises	-	-	(74,029)	-	-	-	74,029	-
重估銀行房產	Revaluation of bank premises	-	-	64,069	-	-	-	-	64,069
應估聯營公司持有之 投資物業重估收益	Share of revaluation gain of investment properties held by an associated company	-	-	39	-	-	-	-	39
出售聯營公司 (附註24)	Disposal of an associated company (Note 24)	-	-	-	-	239	-	-	239
匯兌差額	Exchange differences	-	-	-	-	122	-	-	122
本年度盈利	Profit for the year	-	-	-	-	-	-	760,391	760,391
解除遞延稅項負債 (附註23)	Releases of deferred tax liabilities (Note 23)	-	-	1,743	14,517	-	-	-	16,260
已付二零零三年 末期股息	2003 final dividends paid	-	-	-	-	-	-	(247,949)	(247,949)
已付二零零四年 中期股息(附註12)	2004 interim dividends paid (Note 12)	-	-	-	-	-	-	(146,715)	(146,715)
於二零零四年 十二月三十一日	At 31st December 2004	4,700,602	16,126	110,638	(62,377)	122	219,200	1,461,177	6,445,488
代表： 本銀行及附屬公司 聯營公司	Representing: Bank and subsidiaries Associated company	4,700,602 -	16,126 -	110,599 39	(61,569) (808)	122 -	219,200 -	1,447,012 14,165	6,432,092 13,396
於二零零四年 十二月三十一日	At 31st December 2004	4,700,602	16,126	110,638	(62,377)	122	219,200	1,461,177	6,445,488

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35 儲備 (續)

- (a) 一般儲備包括過往年度自保留盈餘轉撥之款項，並可供分派。
- (b) 董事建議派發末期股息324,869,000港元，有關事項將反映作為截至二零零五年十二月三十一日止年度保留盈餘之分配(附註12)。

本銀行 Bank

35 RESERVES (continued)

- (a) The general reserve comprised of previous year's transfers from retained earnings and is distributable.
- (b) The Directors proposed a final dividend of HK\$324,869,000 after the year-end which will be reflected as an appropriation of retained earnings for the year ending 31st December 2005 (Note 12).

		2004						
		可轉換非累計 優先股溢價 Convertible non- cumulative preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000	
於二零零四年一月一日	At 1st January 2004	1,786,686	505,496	118,816	6,890	219,200	1,019,148	3,656,236
發行股份 (附註34(a))	Issue of shares (Note 34(a))	1,155,084	-	-	-	-	-	1,155,084
發行代價股份予GBH (附註34(a)及43(b))	Issue of Consideration shares to GBH (Note 34(a) & 43(b))	693,230	-	-	-	-	-	693,230
股份發行支出	Share issue expenses	(26,035)	-	-	-	-	-	(26,035)
增加法定股本之 資本稅(附註34(a))	Capital duty for the increase in authorised share capital (Note 34(a))	(30)	-	-	-	-	-	(30)
將可轉換非累計優先股 轉換為普通股 (附註34(b))	Conversion of convertible non-cumulative preference shares to ordinary shares (Note 34(b))	1,091,667	(489,370)	-	-	-	-	602,297
非持作買賣用途之證券 公平值變動	Change in fair value of non-trading securities	-	-	-	(79,905)	-	-	(79,905)
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	(3,069)	-	-	(3,069)
出售銀行房產	Disposal of bank premises	-	-	(74,029)	-	-	74,029	-
重估銀行房產	Revaluation of bank premises	-	-	64,069	-	-	-	64,069
本年度盈利(附註11)	Profit for the year (Note 11)	-	-	-	-	-	211,588	211,588
解除遞延稅項負債 (附註23)	Releases of deferred tax liabilities (Note 23)	-	-	1,743	14,517	-	-	16,260
已付二零零三年末期股息	2003 final dividend paid	-	-	-	-	-	(247,949)	(247,949)
已付二零零四年中期股息 (附註12)	2004 interim dividend paid (Note 12)	-	-	-	-	-	(146,715)	(146,715)
於二零零四年 十二月三十一日	At 31st December 2004	4,700,602	16,126	110,599	(61,567)	219,200	910,101	5,895,061

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35 儲備 (續)

35 RESERVES (continued)

本集團	Group	2003							
		可轉換非累計 優先股溢價 Convertible non-cumulative Ordinary share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premise revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	外匯儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000	
於二零零三年一月一日	At 1st January 2003	1,786,686	505,496	343,149	27,794	(21)	219,200	764,765	3,647,069
非持作買賣用途之證券 公平值變動	Change in fair value of non-trading securities	-	-	-	(19,729)	-	-	-	(19,729)
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	(5,393)	-	-	-	(5,393)
出售銀行房產	Disposal of bank premises	-	-	(39,875)	-	-	-	39,875	-
銀行房產之減值虧損	Impairment loss on bank premises	-	-	(224,616)	-	-	-	-	(224,616)
因解散附屬公司之 重估盈餘解除	Release of revaluation surplus on dissolution of a subsidiary	-	-	-	(490)	-	-	490	-
匯兌差額	Exchange differences	-	-	-	-	(218)	-	-	(218)
本年度盈利	Profit for the year	-	-	-	-	-	-	522,130	522,130
解除遞延稅項負債 (附註23)	Releases of deferred tax liabilities (Note 23)	-	-	40,158	3,898	-	-	-	44,056
已付二零零二年末期股息	2002 final dividends paid	-	-	-	-	-	-	(206,648)	(206,648)
已付二零零三年中期股息 (附註12)	2003 interim dividends paid (Note 12)	-	-	-	-	-	-	(99,191)	(99,191)
於二零零三年 十二月三十一日	At 31st December 2003	1,786,686	505,496	118,816	6,080	(239)	219,200	1,021,421	3,657,460
代表：	Representing:								
本銀行及附屬公司	Bank and subsidiaries	1,786,686	505,496	118,816	6,888	(239)	219,200	1,046,609	3,683,456
聯營公司	Associated companies	-	-	-	(808)	-	-	(25,188)	(25,996)
於二零零三年 十二月三十一日	At 31st December 2003	1,786,686	505,496	118,816	6,080	(239)	219,200	1,021,421	3,657,460

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35 儲備 (續)

本銀行 Bank

35 RESERVES (continued)

2003

		可轉換非累計 優先股溢價 Convertible non- cumulative Ordinary share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000	
於二零零三年一月一日	At 1st January 2003	1,786,686	505,496	343,149	28,114	219,200	731,376	3,614,021
非持作買賣用途之證券 公平值變動	Change in fair value of non-trading securities	-	-	-	(19,729)	-	-	(19,729)
出售非持作買賣 用途之證券	Disposal of non-trading securities	-	-	-	(5,393)	-	-	(5,393)
出售銀行房產	Disposal of bank premises	-	-	(39,875)	-	-	39,875	-
銀行房產減值虧損	Impairment loss on bank premises	-	-	(224,616)	-	-	-	(224,616)
本年度盈利	Profit for the year	-	-	-	-	-	553,736	553,736
解除遞延稅項負債 (附註23)	Releases of deferred tax liabilities (Note 23)	-	-	40,158	3,898	-	-	44,056
已付二零零二年末期股息	2002 final dividends paid	-	-	-	-	-	(206,648)	(206,648)
已付二零零三年中期股息 (附註12)	2003 interim dividends paid (Note 12)	-	-	-	-	-	(99,191)	(99,191)
於二零零三年 十二月三十一日	At 31st December 2003	1,786,686	505,496	118,816	6,890	219,200	1,019,148	3,656,236

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Notes to the Accounts

截至二零零四年十二月三十一日止年度
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36 與集團成員公司之結餘

(a) 以下為資產負債表項目中與最終控股公司之結餘：

36 BALANCES WITH GROUP COMPANIES

(a) Included in the following balance sheet captions are balances with the ultimate holding company:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
資產負債表項目	On-balance sheet		
現金及短期資金	Cash and short-term funds		
庫存現金及銀行同業	Cash and balances with banks		
與其他金融機構之結存	and other financial institutions	1,278,235	53,275
短期通知存款	Money at call and short notice	58,121	2,662,926
		1,336,356	2,716,201
一至十二個月內到期之	Placements with banks and other		
銀行同業及其他	financial institutions maturing		
金融機構之存款	between one and twelve months	4,691,603	4,718,871
貸款及其他賬項	Advances and other accounts	84,617	66,201
		6,112,576	7,501,273
銀行同業及其他金融	Deposits and balances of banks		
機構之存款及結餘(附註)	and other financial institutions (Note)	15,134,478	20,317,169
已發行存款證	Certificates of deposit issued	3,887,100	3,805,280
其他賬項及準備金	Other accounts and provisions	156,840	120,695
		19,178,418	24,243,144
借入資本	Loan capital	5,348,229	4,178,304

附註：銀行同業及其他金融機構之存款及結餘包括一筆為數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。

Note: Included in deposits and balances of banks and other financial institutions 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.

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

36 與集團成員公司之結餘 (續)

(a) 以下為資產負債表項目中與最終控股公司之結餘：(續)

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	5,559,672	11,334,371
利率掉期－名義數額	Interest rate swaps – notional principal	7,946,905	5,932,892
外幣期權－合約金額	Currency options – contractual amount		
－買入期權	－ options purchased	–	133,520
－出售期權	－ options written	–	77,632
		–	211,152
利率期權－合約金額	Interest rate options – contractual amount		
－買入期權	－ options purchased	797,307	200,000
－出售期權	－ options written	1,807,902	160,000
		2,605,209	360,000
一年內到期之其他承擔	Other commitments with maturity within 1 year		
－透支信貸	－ overdraft facility	1,010,646	1,009,216

(b) 以下為資產負債表項目中與其他同系附屬公司之結餘：

36 BALANCES WITH GROUP COMPANIES (continued)

(a) Included in the following balance sheet captions are balances with the ultimate holding company: (continued)

(b) Included in the following balance sheet captions are balances with fellow subsidiaries:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
資產負債表項目	On-balance sheet		
貸款及其他賬項	Advances and other accounts	3,499	3,509
銀行同業及其他金融機構之存款及結餘	Deposits and balances of banks and other financial institutions	103,334	73,290
客戶存款	Deposits from customers	444,967	370,510
其他賬項及準備金	Other accounts and provisions	1,565	896
		549,866	444,696
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	30,954	46,550
利率掉期－名義數額	Interest rate swaps – notional principal	255,771	278,699

賬目附註 Notes to the Accounts

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36 與集團成員公司之結餘 (續)

(c) 以下為資產負債表項目中與本銀行附屬公司之結餘：

		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
資產負債表項目	On-balance sheet		
由友聯中國業務管理 發行、於資產負債 表列作「持至到期之 證券」之優先履約票據	Senior PLNs issued by UBCBM included in the balance sheet under "Held-to-maturity securities"	101,969	143,625
貸款及其他賬項	Advances and other accounts	15,702	-
		117,671	143,625
銀行同業及其他金融 機構之存款及結餘	Deposits and balances of banks and other financial institutions	330,965	-
客戶存款	Deposits from customers	3,143,740	55,404
已發行存款證	Certificates of deposits issued	5,375,619	-
其他賬項及準備金	Other accounts and provisions	105,712	38,266
		8,956,036	93,670
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	3,773,895	82,513
利率掉期－名義數額	Interest rate swaps – notional amount	159,926	-
外幣期權－合約金額 －買入期權	Currency options – contractual amount – options purchased	199,787	-
利率期權－合約金額 －買入期權	Interest rate options – contractual amount – options purchased	145,000	-

(d) 以下為資產負債表項目中與聯營公司之結餘：

36 BALANCES WITH GROUP COMPANIES (continued)

(c) Included in the following balance sheet captions are balances with subsidiaries of the Bank:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
資產負債表項目	On-balance sheet		
客戶存款	Deposits from customers	18,934	15,430
其他賬項及準備金	Other accounts and provisions	-	29
		18,934	15,459

(d) Included in the following balance sheet captions are balances with an associated company:

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37 關連交易

於本年度，本集團曾於日常業務過程中與關連各方(包括最終控股公司、同系附屬公司及聯營公司)達成多宗交易。

(a) 於一般業務過程中與關連各方達成之交易概要

與最終控股公司、同系附屬公司及聯營公司之關連交易應計之收入及支出總額概列如下：

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
利息收入	Interest income		
— 放款(附註(i))	— Placement (Note (i))	84,689	58,133
— 利率掉期(附註(ii))	— Interest rate swaps (Note (ii))	372,906	268,560
利息支出	Interest expense		
— 存款(附註(iii))	— Deposits (Note (iii))	(202,906)	(153,097)
— 利率掉期(附註(ii))	— Interest rate swaps (Note (ii))	(276,236)	(295,211)
— 已發行存款證(附註(iv))	— Certificates of deposit issued (Note (iv))	(85,751)	(18,065)
— 借入資本(附註(v))	— Loan capital (Note (v))	(80,714)	(60,036)
期權溢價(支出)/收入淨額 (附註(vi))	Net option premium (expense)/income (Note (vi))	(766)	8,886
管理費收入(附註(vii))	Management fee income (Note (vii))	6,000	6,000
證券經紀佣金收入(附註(viii))	Securities brokerage commission income (Note (viii))	—	271
服務費收入(附註(ix))	Service fee income (Note (ix))	1,983	1,705
數據處理服務費支出(附註(x))	Data processing service fee expense (Note (x))	(4,517)	(4,411)
物業支出(附註(xi))	Premises expense (Note (xi))	(6,113)	(6,113)
內地貸款服務費支出 (附註(xii))	PRC loan service fee expense (Note (xii))	(656)	—

附註

- (i) 此為本銀行存放於最終控股公司及同系附屬公司之銀行同業存款按現行市場利率而收取之利息收入。
- (ii) 此為本銀行就利率掉期交易向最終控股公司及同系附屬公司收取及支付之利息收入及支出。該等交易包括按背對背基準與最終控股公司及同系附屬公司訂立之利率掉期。
- (iii) 此為本銀行支付最終控股公司及同系附屬公司之存款之利息支出。
- (iv) 此為本銀行發行並由最終控股公司及分行認購之面值為500,000,000美元之定息存款證而向最終控股公司及分行支付之利息支出。
- (v) 利息支出乃就本銀行發行而最終控股公司認購合共495,000,000美元及1,500,000,000港元之後償浮息票據(附註33)而支付予最終控股公司。
- (vi) 期權溢價收入/支出淨額乃本銀行就各類期權合約按現行市場價格收取/支付最終控股公司及同系附屬公司之款項。

37 RELATED PARTY TRANSACTIONS

During the year, the Group entered into various transactions in the normal course of business with related parties, including the ultimate holding company, fellow subsidiaries and associated companies.

(a) Summary of transactions entered into during the ordinary course of business with related parties

The aggregated income and expense arising from related party transactions with the ultimate holding company, fellow subsidiaries and associated companies are summarised as follows:

	2004 千港元 HK\$'000	2003 千港元 HK\$'000
Interest income		
— Placement (Note (i))	84,689	58,133
— Interest rate swaps (Note (ii))	372,906	268,560
Interest expense		
— Deposits (Note (iii))	(202,906)	(153,097)
— Interest rate swaps (Note (ii))	(276,236)	(295,211)
— Certificates of deposit issued (Note (iv))	(85,751)	(18,065)
— Loan capital (Note (v))	(80,714)	(60,036)
Net option premium (expense)/income (Note (vi))	(766)	8,886
Management fee income (Note (vii))	6,000	6,000
Securities brokerage commission income (Note (viii))	—	271
Service fee income (Note (ix))	1,983	1,705
Data processing service fee expense (Note (x))	(4,517)	(4,411)
Premises expense (Note (xi))	(6,113)	(6,113)
PRC loan service fee expense (Note (xii))	(656)	—

Note

- (i) Interest income was received on inter-bank deposits placed with the ultimate holding company and fellow subsidiaries at prevailing market rates.
- (ii) Interest income and expense was received from and paid to the ultimate holding company and fellow subsidiaries on the interest rate swaps at prevailing market rates. These transactions included interest rate swaps entered on a back-to-back basis with the ultimate holding company and fellow subsidiaries.
- (iii) Interest expense was paid on the deposits taken from the ultimate holding company and fellow subsidiaries.
- (iv) Interest expense was paid to the ultimate holding company and the Branch for fixed rate certificates of deposit issued by the Bank and subscribed by the ultimate holding company and the Branch with nominal value of US\$500,000,000.
- (v) Interest expense was paid to the ultimate holding company for subordinated floating rate notes issued by the Bank and subscribed by the ultimate holding company totaling US\$495,000,000 and HK\$1,500,000,000 (Note 33).
- (vi) Net option premium income/expense was received from/paid to the ultimate holding company and fellow subsidiaries on the various option contracts at prevailing market rates.

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37 關連交易 (續)

(a) 於一般業務過程中與關連各方達成之交易概要 (續)

- (vii) 根據二零零一年七月三日訂立之合作協議，管理費收入乃本銀行就提供會計與預算、內部稽核、市場推廣及後台清算及結算等服務而向分行收取之費用。
- (viii) 佣金收入乃就提供證券經紀服務予同系附屬公司時所收取。
- (ix) 根據二零零二年十二月十八日訂立之外判協議，服務費收入乃就本銀行為分行於二零零二年十二月十八日開始在香港推出信用卡業務而提供之管理、行政及市場推廣服務向分行收取之款項。
- (x) 根據二零零二年二月二十一日訂立之服務協議，服務費支出乃就最終控股公司向本銀行提供之數據處理服務而向最終控股公司支付之款項。
- (xi) 根據二零零一年七月三日訂立之合作協議及於二零零一年十二月二十七日訂立之特許協議，物業支出乃就本銀行佔用分行所租用部份樓面而向分行支付之款項。
- (xii) 服務費支出乃就相關中國工商銀行分行向本銀行提供協助辦理內地貸款業務。

(b) 向關連各方買賣若干資產

從屬參與銀團貸款

於本年度，本銀行與分行、最終控股公司及同系附屬公司訂立多宗資本市場交易。該等交易包括分行、最終控股公司及同系附屬公司從屬參與本銀行之銀團貸款，涉及金額合共為1,552,106,000港元（二零零三年：6,430,380,000港元），以及本銀行以類似方式從屬參與分行、最終控股公司及同系附屬公司之銀團貸款，涉及金額合共為610,000,000港元（二零零三年：1,925,371,000港元）。上述交易應佔費用2,083,000港元（二零零三年：3,055,000港元）乃於二零零四年支付予分行。該等交易乃按相關貸款協議之條款（如適用）或可供比較之現行市場價格定價，或以不遜於給予其他獨立銀團貸款成員之條款定價。

買賣債券

年內，本銀行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及同系附屬公司出售之債券賬面值為1,131,000,000港元（二零零三年：1,700,719,000港元）。此等交易乃按正常商業條款及參考現行市場價格而訂立。

37 RELATED PARTY TRANSACTIONS (continued)

(a) Summary of transactions entered into during the ordinary course of business with related parties (continued)

- (vii) In accordance with the Collaboration Agreement dated 3rd July 2001, management fee income was received from the Branch for the provision of services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing.
- (viii) Commission income was received on delivering securities brokerage services to fellow subsidiaries.
- (ix) In accordance with the Outsourcing Agreement dated 18th December 2002, service fee income was received from the Branch for the provision of management, administrative and marketing services in respect of credit card business of the Branch launched in Hong Kong commencing from 18th December 2002.
- (x) In accordance with the Service Levels Agreement dated 21st February 2002, service fee expense was paid to the ultimate holding company for the provision of data processing services to the Bank.
- (xi) In accordance with the Collaboration Agreement dated 3rd July 2001 and the Licence Agreement dated 27th December 2001, premises expense was paid to the Branch for using a portion of floor area rented by the Branch.
- (xii) Service fee was paid to related ICBC Branches for assisting the Bank in PRC Loan business.

(b) Buy and sale of certain assets from/to related parties

Sub-participation of syndicated loans

During the year, the Bank entered into various capital market transactions with the Branch, the ultimate holding company and fellow subsidiaries. These transactions included sub-participation in syndicated loans of the Bank by the Branch, the ultimate holding company and fellow subsidiaries for a total of HK\$1,552,106,000 (2003: HK\$6,430,380,000) and similar sub-participation in syndicated loans of the Branch, the ultimate holding company and fellow subsidiaries by the Bank for a total of HK\$610,000,000 (2003: HK\$1,925,371,000). Fee attributable to the above transactions of HK\$2,083,000 was paid to the Branch in 2004 (2003: HK\$3,055,000). These transactions were priced based either on the terms of the underlying loan agreement, if applicable, or prevailing market rates if such comparable rates are available, or on terms that are no less favourable than those available to other independent syndicate members.

Buy and sale of debt securities

During the year, the Bank did not buy any debt securities from the ultimate holding company and fellow subsidiaries (2003: HK\$139,002,000). Debt securities of carrying value of HK\$1,131,000,000 (2003: HK\$1,700,719,000) were sold by the Bank to the ultimate holding company and fellow subsidiaries. These transactions were entered into on normal commercial terms with reference to prevailing market rates.

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37 關連交易 (續)

(c) 最終控股公司作出之承諾

為表示對本銀行之支持，最終控股公司於二零零一年七月三日簽署信心保證書。據此，最終控股公司將向本銀行提供所需資金，以確保維持充足資本及流動資金水平。

於二零零一年七月三日，最終控股公司及本銀行訂立一份擔保協議，據此，最終控股公司同意就因根據業務轉讓協議轉讓予本銀行之「大額風險」作出高達9,000,000,000港元之擔保，並就該等客戶一旦違約所產生損失對本銀行作出賠償保證。於二零零四年十二月三十一日，本銀行就該項擔保大額風險所保障之資產負債表項目及資產負債表外項目涉及之金額分別達849,196,000港元及504,212,000港元(二零零三年：分別為1,616,964,000港元及791,924,000港元)。

(d) 委聘同系附屬公司提供配售及包銷股份服務

於二零零四年二月，本銀行委任同系附屬公司—工商東亞融資有限公司就本銀行配售現有普通股股份提供配售及包銷股份服務，並收取配售佣金11,941,000港元。

(e) 收購華商銀行

根據收購協議條件之條款向中國工商銀行收購華商銀行於附註40「資本承擔」內披露。

38 分部報告

(a) 按地域劃分

本集團主要在香港經營業務。本集團之海外業務佔本集團收入、盈利、資產、負債、或然負債或承擔少於百分之十。

(b) 業務種類

本集團主要經營商業銀行業務，包括商業與零售銀行、財資及企業與投資銀行。商業與零售銀行業務包括零售銀行、商業借貸及貿易融資。財資業務包括外匯、貨幣市場及資本市場業務。企業與投資銀行主要包括企業銀行、提供債務資本市場及企業融資及顧問服務。

37 RELATED PARTY TRANSACTIONS (continued)

(c) Undertaking from the ultimate holding company

To demonstrate its support to the Bank, a Letter of Comfort dated 3rd July 2001 was executed by the ultimate holding company, pursuant to which it will provide the Bank with such funding as may be required by the Bank to ensure that it will maintain sufficient capital and liquidity levels.

Simultaneously on 3rd July 2001, the ultimate holding company and the Bank entered into a guarantee agreement whereby the ultimate holding company agreed to guarantee to the extent of HK\$9,000,000,000 the payment obligations of certain customers whose "large exposures" were transferred to the Bank pursuant to the Business Transfer Agreement and to indemnify the Bank in respect of any losses incurred if any obligation of such customers becomes unenforceable. The amount of such on-balance sheet and off-balance sheet large exposures of the Bank covered by this guarantee as at 31st December 2004 was HK\$849,196,000 and HK\$504,212,000 respectively (2003: HK\$1,616,964,000 and HK\$791,924,000 respectively).

(d) Share placing and underwriting services provided by a fellow subsidiary

In February 2004, ICEA Capital Limited, a fellow subsidiary, was engaged by the Bank to provide share placing and underwriting services in respect of the Bank's placing of existing ordinary shares, and received a placing commission of HK\$11,941,000.

(e) Acquisition of Chinese Mercantile Bank

The acquisition of Chinese Mercantile Bank from ICBC, subject to the terms of conditions of the Acquisition Agreement, is disclosed in Note 40 "Capital Commitment".

38 SEGMENT REPORTING

(a) Geographical area

The Group operates predominantly in Hong Kong. Less than 10% of the Group's income, profit, assets, liabilities, contingent liabilities or commitments is attributable to the Group's overseas operations.

(b) Class of business

The Group operates predominantly in commercial banking which comprises commercial and retail banking, treasury and markets, and corporate and investment banking activities. Commercial and retail banking includes retail banking, commercial lending and trade finance. Treasury and markets activities include foreign exchange, money market and capital market activities. Corporate and investment banking activities mainly comprise corporate banking, the provision of debt capital market and corporate finance and advisory services.

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38 分部報告 (續)

(b) 業務種類 (續)

2004		商業 與零售銀行 Commercial and retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
淨利息收入	Net interest income	778,637	386,609	162,145	(52,553)	1,274,838
其他營運收入	Other operating income	234,273	51,107	46,589	38,458	370,427
營運收入	Operating income	1,012,910	437,716	208,734	(14,095)	1,645,265
營運支出	Operating expenses	(475,031)	(61,258)	(33,714)	(119,713)	(689,716)
商營攤銷	Amortisation of goodwill	(3,280)	-	-	(51,313)	(54,593)
扣除準備金前之 營運盈利/(虧損)	Operating profit/(loss) before provisions	534,599	376,458	175,020	(185,121)	900,956
呆壞賬(撥備)/ 回撥	(Charge for)/write-back of bad and doubtful debts	(33,423)	(2,036)	(6,940)	63,956	21,557
營運盈利/(虧損)	Operating profit/(loss)	501,176	374,422	168,080	(121,165)	922,513
出售固定資產之 (虧損)/溢利淨額	Net (loss)/gain from disposal of fixed assets	(602)	(272)	-	32,378	31,504
銀行房產減值虧損 回撥	Write-back of impairment loss on bank premises	-	-	-	8,612	8,612
出售及贖回持至到期之 證券及非持作買賣用途 之證券之溢利淨額	Net gain on disposal and redemption of held-to-maturity and non-trading securities	-	15,567	-	-	15,567
非持作買賣用途之 證券之減值虧損	Impairment loss on non-trading securities	-	-	-	(200)	(200)
應佔聯營公司之 虧損淨額	Share of net losses of associated companies	500,574	389,717	168,080	(80,375)	977,996
出售聯營公司 之虧損	Loss on disposal of an associated company	-	-	-	(41,225)	(41,225)
除稅前盈利/(虧損)	Profit/(loss) before taxation	-	-	-	(92)	(92)
分部資產	Segment assets	500,574	389,717	168,080	(121,692)	936,679
於聯營公司之投資	Investments in associated company	38,378,987	33,869,853	24,098,923	788,088	97,135,851
未分類資產	Unallocated assets	-	-	-	28,332	28,332
資產總額	Total assets	-	-	-	2,179,467	2,179,467
38,378,987	Total assets	38,378,987	33,869,853	24,098,923	2,995,887	99,343,650
分部負債	Segment liabilities	39,790,711	18,319,930	15,305,062	150,363	73,566,066
未分類負債	Unallocated liabilities	-	-	-	11,887,937	11,887,937
負債總額	Total liabilities	39,790,711	18,319,930	15,305,062	12,038,300	85,454,003
資本支出	Capital expenditure	5,814	4,481	18	137,593	147,906
折舊及攤銷費用	Depreciation and amortisation charges	21,474	1,530	69	66,782	89,855

38 SEGMENT REPORTING (continued)

(b) Class of business (continued)

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38 分部報告 (續)

(b) 業務種類 (續)

2003		商業 與零售銀行 Commercial and retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
淨利息收入	Net interest income	337,466	312,017	159,310	14,354	823,147
其他營運收入	Other operating income	62,986	26,483	198,925	32,946	321,340
營運收入	Operating income	400,452	338,500	358,235	47,300	1,144,487
營運支出	Operating expenses	(193,684)	(44,664)	(31,789)	(43,918)	(314,055)
商譽攤銷	Amortisation of goodwill	-	-	-	(35,498)	(35,498)
扣除準備金前之 營運盈利/(虧損)	Operating profit/(loss) before provisions	206,768	293,836	326,446	(32,116)	794,934
呆壞賬撥備	Charge for bad and doubtful debts	(61,184)	(5,941)	(13,641)	(48,470)	(129,236)
營運盈利/(虧損)	Operating profit/(loss)	145,584	287,895	312,805	(80,586)	665,698
出售固定資產之(虧損)/ 溢利淨額	Net (loss)/gain from disposal of fixed assets	(703)	-	-	2,114	1,411
銀行房產減值虧損	Impairment loss on bank premises	-	-	-	(11,858)	(11,858)
出售及贖回持至 到期之證券及 非持作買賣用途之 證券之溢利淨額	Net gain on disposal and redemption of held-to-maturity securities and non-trading securities	-	16,164	-	-	16,164
持作可出售 物業之準備回撥	Write-back of provision on property available for sale	-	-	-	5,369	5,369
應佔聯營公司之 虧損淨額	Share of net losses of associated companies	144,881	304,059	312,805	(84,961)	676,784
		-	-	-	(31,621)	(31,621)
除稅前盈利/(虧損)	Profit/(loss) before taxation	144,881	304,059	312,805	(116,582)	645,163
分部資產	Segment assets	17,217,075	32,112,789	23,745,593	680,527	73,755,984
於聯營公司之投資	Investments in associated companies	-	-	-	161,467	161,467
未分類資產	Unallocated assets	-	-	-	1,402,173	1,402,173
資產總額	Total assets	17,217,075	32,112,789	23,745,593	2,244,167	75,319,624
分部負債	Segment liabilities	19,602,876	22,771,319	16,337,620	207,828	58,919,643
未分類負債	Unallocated liabilities	-	-	-	6,304,372	6,304,372
負債總額	Total liabilities	19,602,876	22,771,319	16,337,620	6,512,200	65,224,015
資本支出	Capital expenditure	4,098	124	24	6,299	10,545
折舊及攤銷費用	Depreciation and amortisation charges	10,246	293	75	45,596	56,210

38 SEGMENT REPORTING (continued)

(b) Class of business (continued)

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39 資產負債表外風險

(a) 或然負債及承擔

以下概要為每個主要類別之或然負債及承擔之合約價值：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
直接信貸代替品	Direct credit substitutes	1,448,759	2,107,357	1,388,788	2,107,357
與交易有關之或然負債	Transaction-related contingencies	292,890	188,505	259,170	188,505
與貿易有關之或然負債	Trade-related contingencies	2,742,368	919,114	930,454	919,114
其他承擔：	Other commitments with an original maturity of:				
— 原到期日少於一年 或可無條件撤銷	— under 1 year or which are unconditionally cancellable	15,102,129	5,307,690	4,875,051	5,307,690
— 原到期日在 一年或以上	— 1 year and over	8,027,091	8,066,276	7,874,060	8,066,276
遠期存款	Forward forward deposits placed	247,339	87,069	—	87,069
		27,860,576	16,676,011	15,327,523	16,676,011

39 OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment:

(b) 衍生工具

以下乃各類主要衍生工具名義數值總額之分析：

(b) Derivatives

The following is an analysis of the aggregate notional amounts of each significant type of derivatives:

本集團 Group		買賣 Trading		對沖 Hedging		總計 Total	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
匯率合約	Exchange rate contracts						
遠期	Forwards	5,993,405	2,089,629	—	—	5,993,405	2,089,629
掉期	Swaps	6,218,561	1,558,541	15,798,173	27,245,234	22,016,734	28,803,775
買入期權	Options purchased	2,266,297	335,466	—	—	2,266,297	335,466
出售期權	Options written	2,272,254	335,466	—	—	2,272,254	335,466
		16,750,517	4,319,102	15,798,173	27,245,234	32,548,690	31,564,336
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	259,223	—	34,960,900	16,424,687	35,220,123	16,424,687
買入期權	Options purchased	3,000,515	513,731	1,502,349	1,559,216	4,502,864	2,072,947
出售期權	Options written	3,000,515	513,731	1,352,349	788,160	4,352,864	1,301,891
		6,260,253	1,027,462	37,815,598	18,772,063	44,075,851	19,799,525
其他合約	Other contracts						
買入股票期權	Equity options purchased	83,455	50,116	—	—	83,455	50,116
出售股票期權	Equity options written	83,455	50,116	—	—	83,455	50,116
		166,910	100,232	—	—	166,910	100,232
		23,177,680	5,446,796	53,613,771	46,017,297	76,791,451	51,464,093

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39 資產負債表外風險 (續)

(b) 衍生工具 (續)

本銀行	Bank	買賣 Trading		對沖 Hedging		總計 Total	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
匯率合約	Exchange rate contracts						
遠期	Forwards	2,928,816	2,089,629	57,449	82,513	2,986,265	2,172,142
掉期	Swaps	8,453,383	1,558,541	14,975,085	27,245,234	23,428,468	28,803,775
買入期權	Options purchased	1,509,684	335,466	–	–	1,509,684	335,466
出售期權	Options written	1,509,574	335,466	–	–	1,509,574	335,466
		14,401,457	4,319,102	15,032,534	27,327,747	29,433,991	31,646,849
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	–	–	35,120,826	16,424,687	35,120,826	16,424,687
買入期權	Options purchased	3,000,515	513,731	1,502,349	1,559,216	4,502,864	2,072,947
出售期權	Options written	3,000,515	513,731	1,352,349	788,160	4,352,864	1,301,891
		6,001,030	1,027,462	37,975,524	18,772,063	43,976,554	19,799,525
其他合約	Other contracts						
買入股票期權	Equity options purchased	83,455	50,116	–	–	83,455	50,116
出售股票期權	Equity options written	83,455	50,116	–	–	83,455	50,116
		166,910	100,232	–	–	166,910	100,232
		20,569,397	5,446,796	53,008,058	46,099,810	73,577,455	51,546,606

資產負債表外風險的重置成本及信貸風險加權額，並未計及雙邊淨額結算安排的影響。

The replacement costs and credit risk weighted amounts of the off-balance sheet exposures do not take into account the effects of bilateral netting arrangements.

本集團 Group

	Group	加權信貸風險數額 Credit risk weighted amount		重置成本 Replacement cost	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
或然負債及承擔	Contingent liabilities and commitments	5,159,075	4,441,136		
衍生工具：	Derivatives:				
– 匯率合約	– Exchange rate contracts	92,370	76,905	85,360	60,765
– 利率合約	– Interest rate contracts	95,144	85,374	320,926	337,633
– 其他合約	– Other contracts	–	–	1,010	334
		187,514	162,279	407,296	398,732

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39 資產負債表外風險 (續)

(b) 衍生工具 (續)

本銀行	Bank	加權信貸風險數額 Credit risk weighted amount		重置成本 Replacement cost	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
或然負債及 承擔	Contingent liabilities and commitments	4,652,465	4,441,136		
衍生工具：	Derivatives:				
— 匯率合約	— Exchange rate contracts	80,174	77,318	80,349	60,765
— 利率合約	— Interest rate contracts	95,274	85,374	321,377	337,633
— 其他合約	— Other contracts	—	—	1,010	334
		175,448	162,692	402,736	398,732

此等工具之合約數額顯示於結算日之未平倉交易成交量，並不代表承擔風險之數額。

加權信貸風險數額乃根據銀行業條例附表三及香港金融管理局發出之指引計算。有關數額須視乎各類合約交易方之狀況及到期情況而定。

重置成本即重新訂立所有合約(按市值計算時有正數價值)之成本(倘交易方未能履行責任)，有關數額乃按市值計算之正數價值計算。重置成本乃該等合約於結算日之信貸風險之概約數。

39 OFF-BALANCE SHEET EXPOSURES (continued)

(b) Derivatives (continued)

The contract amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date; they do not represent the amounts at risk.

The credit risk weighted amounts are the amounts which have been calculated in accordance with the Third Schedule of the Banking Ordinance and guidelines issued by the Hong Kong Monetary Authority. The amounts calculated are dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

Replacement cost is the cost of replacing all contracts which have a positive value when marked to market (should the counterparty default on its obligations) and is obtained by marking to market contracts with a positive value. Replacement cost is a close approximation of the credit risk for these contracts at the balance sheet date.

賬目附註

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40 資本承擔

於十二月三十一日未於賬目中作出撥備之
固定資產資本承擔餘額如下：

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	11,539	52,517
已授權但未訂約之支出	Expenditure authorised but not contracted for	620	—
		12,159	52,517

於二零零四年十二月三十日，本銀行與其最終控股公司中國工商銀行及中信嘉華銀行有限公司（「中信嘉華」）訂立收購協議，據此，按照收購協議之條款及條件，中國工商銀行及中信嘉華均已同意分別出售及轉讓彼等於華商銀行（「華商銀行」）之75%及25%股權，而本銀行已同意購買及接納獲轉讓於華商銀行之全部股權。

華商銀行為一家於中國註冊成立之中外股份合資銀行，主要在中國深圳從事非人民幣銀行業務。於完成後，本銀行擬促使華商銀行申請人民幣銀行業務牌照，並在獲發該牌照後按其在中國深圳開展人民幣銀行業務。

根據收購協議，向中國工商銀行支付之代價須相等於華商銀行於完成日之經審核資產淨值（乃參照完成賬目釐定）之1.1倍。中信嘉華將不會就轉讓其代表中國工商銀行實際持有於華商銀行之25%股權而收取代價。代價須按以下形式向中國工商銀行支付：

- (i) 於完成日，按(a)代價股份價格除(b)未經審核代價股份而釐定之代價股份數目，將由本銀行配發及發行予中國工商銀行；及
- (ii) 於完成及釐定華商銀行於完成日之經審核資產淨值後，倘未經審核代價價值與實際代價價值之間存在任何差額，則本銀行或中國工商銀行（視情況而定）將於刊發完成賬目起計30日內向另一方支付代表低於或高於該經審核資產淨值之現金金額（以美元支付）。

按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計算，於完成日，未經審核代價價值達96,060,000美元（相等於約749,300,000港元）及合共67,759,057股代價股份將發行予中國工商銀行。

40 CAPITAL COMMITMENTS

Capital commitments for fixed assets outstanding as at 31st December not provided for in the accounts were as follows:

		本集團及本銀行 Group and Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	11,539	52,517
已授權但未訂約之支出	Expenditure authorised but not contracted for	620	—
		12,159	52,517

On 30th December 2004, the Bank entered into an Acquisition Agreement with ICBC, its 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.

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 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.

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
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41 租約承擔

於二零零四年十二月三十一日，本集團及本銀行根據不可撤銷經營租約須於未來支付之最低租金總額如下：

		本集團 Group		本銀行 Bank	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
土地及樓宇	Land and buildings				
– 不超過一年	– Not later than one year	89,054	5,426	58,042	5,426
– 一年以上及五年 年以內	– Later than one year and not later than five years	172,340	4,253	166,693	4,253
– 五年以上	– More than five years	140,820	–	140,820	–
		402,214	9,679	365,555	9,679

41 LEASE COMMITMENTS

At 31st December 2004, the Group and the Bank had future aggregate minimum lease payment under non-cancellable operating leases as follows:

42 給予行政人員之貸款

根據香港公司條例第161B(4B)條之規定，行政人員獲授之貸款披露如下：

		於十二月三十一日之未償還餘額 Balance outstanding at 31st December		年內最高結餘 Maximum balance during the year	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000	2004 千港元 HK\$'000	2003 千港元 HK\$'000
未償還本金及 利息總額	Aggregate amount outstanding in respect of principal and interest	61,332	43,327	89,797	50,521

42 LOANS TO OFFICERS

Particulars of loans made to officers and disclosed pursuant to section 161B(4B) of the Hong Kong Companies Ordinance are as follows:

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
For the year ended 31st December 2004

43 綜合現金流量表附註

(a) 年內融資變動之分析

		借入資本 Loan capital (附註33) (Note 33) 千港元 HK\$'000	股本 (包括溢價) Share capital (including premiums) (附註34及35) (Notes 34 & 35) 千港元 HK\$'000	已付股息 Dividends paid (附註35) (Note 35) 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零三年一月一日	At 1st January 2003	3,254,730	4,552,027	-	7,806,757
融資活動現金流入/ (流出)淨額	Net cash inflow/(outflow) from financing activities	875,880	-	(305,839)	570,041
借入資本之利息部份	Interest element on loan capital	60,036	-	-	60,036
已付股息	Dividends paid	-	-	305,839	305,839
匯兌差額之影響	Effect of exchange differences	(12,342)	-	-	(12,342)
於二零零三年十二月三十一日 及二零零四年一月一日	At 31st December 2003 and 1st January 2004	4,178,304	4,552,027	-	8,730,331
融資活動現金流入/ (流出)淨額	Net cash inflow/(outflow) from financing activities	1,089,241	1,378,767	(394,664)	2,073,344
就收購附屬公司發行股份	Shares issued for acquisition of a subsidiary	-	881,864	-	881,864
借入資本之利息部份	Interest element on loan capital	80,714	-	-	80,714
已付股息	Dividends paid	-	-	394,664	394,664
匯兌差額之影響	Effect of exchange differences	(30)	-	-	(30)
於二零零四年十二月三十一日	At 31st December 2004	5,348,229	6,812,658	-	12,160,887

43 NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Analysis of changes in financing during the year

賬目附註 Notes to the Accounts

截至二零零四年十二月三十一日止年度
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43 綜合現金流量表附註 (續)

43 NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) 收購附屬公司

(b) Purchase of a subsidiary

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
於附屬公司之投資(附註25)	Investment in a subsidiary (Note 25)	2,695,992	—
已收購資產淨值	Net assets acquired		
現金及短期資金	Cash and short-term funds	6,089,529	—
一至十二個月內到期之 銀行同業及其他金融 機構存款	Placements with banks and other financial institutions maturing between one and twelve months	193,173	—
商業票據	Trade bills	605,375	—
所持存款證	Certificates of deposit held	388,919	—
持至到期之證券	Held-to-maturity securities	2,404,747	—
客戶貸款	Advances to customers	14,058,546	—
應計利息及其他賬項	Accrued interest and other accounts	252,762	—
非持作買賣用途證券	Non-trading securities	3,960	—
遞延稅項資產(附註23)	Deferred tax assets (Note 23)	17,565	—
無形資產(附註26)	Intangible assets (Note 26)	22,040	—
固定資產(附註27)	Fixed assets (Note 27)	29,705	—
銀行同業及其他金融機構 之存款及結餘	Deposits and balances of banks and other financial institutions	(1,075,444)	—
客戶存款	Deposits from customers	(20,178,513)	—
其他賬項及準備金	Other accounts and provisions	(401,042)	—
		2,411,322	—
商譽(附註26)	Goodwill (Note 26)	284,670	—
		2,695,992	—
支付方法：	Satisfied by:		
現金	Cash consideration paid	1,785,457	—
配發股份(附註34(a))	Allotment of shares (Note 34(a))	188,634	—
股份溢價(附註35)	Share premium (Note 35)	693,230	—
收購直接費用	Direct cost incurred for the acquisition	21,848	—
應付投資成本	Investment cost payable	6,823	—
		2,695,992	—
收購附屬公司之淨現金 流量分析：	Analysis of net cash inflow in respect of the purchase of a subsidiary:		
已付現金代價	Cash consideration paid	(1,785,457)	—
收購直接費用	Direct cost incurred for the acquisition	(21,848)	—
已收購銀行同業及其他 金融機構之現金及結餘	Cash and balances with banks and other financial institutions acquired	1,163,336	—
已收購原到期日三個月內 到期之持有存款證	Certificates of deposit held with original maturity within three months acquired	4,826,309	—
已收購原到期日三個月內 到期之銀行同業及其他 金融機構之存款及結餘	Deposits and balances of banks and other financial institutions with original maturity within three months acquired	(338,439)	—
收購附屬公司之淨現金流入	Net cash inflow in respect of the purchase of subsidiary	3,843,901	—

賬目附註 Notes to the Accounts

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43 綜合現金流量表附註 (續)

(c) 現金及等同現金項目結餘之分析

		2004 千港元 HK\$'000	2003 千港元 HK\$'000
銀行同業及其他金融機構 之現金及結餘	Cash and balances with banks and other financial institutions	1,420,330	200,126
通知存款及短期通知存款	Money at call and short notice	10,842,982	13,189,509
原到期日三個月內到期 之庫券	Treasury bills with original maturity within three months	19,997	—
原到期日三個月內到期之 存放銀行同業及其他金融 機構存款	Placements with banks and other financial institutions with original maturity within three months	1,713,402	2,933,335
原到期日三個月內到期之 銀行同業及其他金融 機構存款及結餘	Deposits and balances of banks and other financial institutions with original maturity within three months	(5,553,402)	(7,020,489)
		8,443,309	9,302,481

43 NOTES TO CONSOLIDATED CASH FLOW STATEMENT (continued)

(c) Analysis of the balances of cash and cash equivalents

44 最終控股公司

根據中國法律成立之國營商業銀行中國工商
銀行乃本銀行之最終控股公司。

44 ULTIMATE HOLDING COMPANY

The ultimate holding company is The Industrial and Commercial
Bank of China, a state-owned enterprise established under the laws
of the People's Republic of China.

45 財務報告之批准

本財務報告於二零零五年三月七日經董事會
批准。

45 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 7th March
2005.

下列資料僅為賬目附加資料之部份，並不構成經審核賬目任何部份。

The following information is disclosed as part of the accompanying information to the accounts and does not form part of the audited accounts.

1 資本充足比率及流動資金比率

1 CAPITAL ADEQUACY AND LIQUIDITY RATIOS

		2004	2003
資本充足比率	Capital adequacy ratio	17.4%	16.7%
經調整資本充足比率	Adjusted capital adequacy ratio	17.4%	16.7%
流動資金比率	Liquidity ratio	37.8%	41.3%

資本充足比率指本銀行及友聯中國業務管理於二零零三年十二月三十一日及本銀行、華比銀行、ICBC (Asia) Nominee Limited、ICBCA (C.I.) Limited及友聯中國業務管理於二零零四年十二月三十一日按銀行業條例附表三編製之綜合比率。

The capital adequacy ratio represents the consolidated ratio of the Bank and UBCBM as at 31st December 2003, and the Bank, Belgian Bank, ICBC (Asia) Nominee Limited, ICBCA (C.I.) Limited and UBCBM as at 31st December 2004, computed in accordance with the Third Schedule of the Banking Ordinance.

經調整資本充足比率指本銀行及友聯中國業務管理於二零零三年十二月三十一日及本銀行、華比銀行、ICBC (Asia) Nominee Limited、ICBCA (C.I.) Limited及友聯中國業務管理於二零零四年十二月三十一日按香港金融管理局頒佈之「維持充足資本應付市場風險」指引編製之綜合比率。經調整資本充足比率已計及於十二月三十一日之信貸及市場風險。

The adjusted capital adequacy ratio represents the consolidated ratio of the Bank and UBCBM as at 31st December 2003, and the Bank, Belgian Bank, ICBC (Asia) Nominee Limited, ICBCA (C.I.) Limited and UBCBM as at 31st December 2004, computed in accordance with the guideline "Maintenance of Adequate Capital Against Market Risks" issued by the Hong Kong Monetary Authority. The adjusted ratio takes into account both credit and market risk as at 31st December.

流動資金比率為本銀行截至二零零三年十二月三十一日止年度及本銀行及華比銀行截至二零零四年十二月三十一日止年度之財政年度內十二個月各曆月之平均流動資金比率之簡單平均數計算，並已遵照銀行業條例附表四而編製。

The liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio for the twelve months of the financial year of the Bank for the year ended 31st December 2003, and of the Bank and Belgian Bank for the year ended 31st December 2004, computed in accordance with the Fourth Schedule of the Banking Ordinance.

2 扣減後之資本基礎組成部份

扣減後之資本基礎組成部份用作計算上述於十二月三十一日之資本充足比率並填報予香港金融管理局分析如下：

2 COMPONENTS OF CAPITAL BASE AFTER DEDUCTIONS

The capital base after deductions used in the calculation of the above capital adequacy ratios as at 31st December and reported to the Hong Kong Monetary Authority is analysed as follows:

		本集團 Group	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
核心資本：	Core capital:		
繳足普通股股本	Paid up ordinary share capital	2,095,930	1,248,749
可轉換非累計優先股股本	Convertible non-cumulative preference share capital	-	1,011,096
普通股溢價	Ordinary share premium	4,700,602	1,786,686
可轉換非累計優先股溢價	Convertible non-cumulative preference share premium	16,126	505,496
儲備	Reserves	1,309,690	990,966
減：商譽	Less: Goodwill	(870,514)	(621,212)
		7,251,834	4,921,781
附加資本：	Supplementary capital:		
土地及土地權益之重估儲備	Reserves on revaluation of land and interests in land	77,420	83,172
非持作買賣用途之證券重估儲備	Reserves on revaluation of holding of securities not held for trading purpose	(2,390)	(15,852)
一般呆賬準備金	General provision for doubtful debts	503,535	342,291
永久後償債務	Perpetual subordinated debts	1,932,904	1,931,584
有限期後償債務	Term subordinated debts	3,415,325	2,246,720
附加資本總額	Gross value of supplementary capital	5,926,794	4,587,915
可計算之附加資本	Eligible value of supplementary capital	5,926,794	4,587,915
扣減前之資本基礎總額	Total capital base before deductions	13,178,628	9,509,696
扣除：	Deductions:		
持有附屬公司或控股公司之股份	Shareholdings in subsidiaries or holding company	15,202	15,212
對關連公司之風險承擔	Exposures to connected companies	578,761	490,415
持有非附屬公司百分之二十或以上之股權	Equity investment of 20% or more in non-subsidiary companies	14,508	191,660
		608,471	697,287
扣減後之資本基礎總額	Total capital base after deductions	12,570,157	8,812,409

3 外幣持盤量

3 CURRENCY CONCENTRATIONS

2004		本集團 Group					總計 Total HK\$'000
		美元 US\$ HK\$'000	歐元 Euro HK\$'000	澳元 AUD HK\$'000	人民幣 RMB HK\$'000		
港元等值	Equivalent in Hong Kong dollars						
現貨資產	Spot assets	35,587,000	3,964,000	3,219,000	175,000	42,945,000	
現貨負債	Spot liabilities	(51,425,000)	(1,852,000)	(3,178,000)	(116,000)	(56,571,000)	
遠期買入	Forward purchases	27,449,000	482,000	131,000	1,296,000	29,358,000	
遠期賣出	Forward sales	(11,622,000)	(2,598,000)	(159,000)	(1,294,000)	(15,673,000)	
(短)/長盤淨額	Net (short)/long position	(11,000)	(4,000)	13,000	61,000	59,000	

2003		本集團 Group					總計 Total HK\$'000
		美元 US\$ HK\$'000	歐元 Euro HK\$'000	澳元 AUD HK\$'000	人民幣 RMB HK\$'000		
港元等值	Equivalent in Hong Kong dollars						
現貨資產	Spot assets	26,204,000	475,000	-	50,000	26,729,000	
現貨負債	Spot liabilities	(40,430,000)	(114,000)	-	-	(40,544,000)	
遠期買入	Forward purchases	23,079,000	32,000	-	566,000	23,677,000	
遠期賣出	Forward sales	(8,678,000)	(407,000)	-	(566,000)	(9,651,000)	
長/(短)盤淨額	Net long/(short) position	175,000	(14,000)	-	50,000	211,000	

4 分類資料 (續)

(b) 跨境申索

本集團按地區分析跨境申索。編撰本分析時，已計及與交易方處於不同國家之另一方所作擔保之轉移風險。佔總跨境申索10%以上之地區列示如下：

		本集團 Group			
		銀行同業及 其他金融機構 Banks and other financial institutions 百萬港元 HK\$ million	公營機構 Public sector entities 百萬港元 HK\$ million	其他 Others 百萬港元 HK\$ million	總計 Total 百萬港元 HK\$ million
二零零四年	2004				
亞太區(不包括香港)	Asia Pacific excluding Hong Kong	12,045	569	4,702	17,316
北美及南美	North and South America	838	303	3,865	5,006
歐洲	Europe	9,698	2,146	1,181	13,025
二零零三年	2003				
亞太區(不包括香港)	Asia Pacific excluding Hong Kong	13,479	1,269	4,275	19,023
北美及南美	North and South America	895	95	3,309	4,299
歐洲	Europe	9,665	—	928	10,593

4 SEGMENTAL INFORMATION (continued)

(b) Cross-border claims

The Group analyses cross-border claims by geographical area. In determining this analysis, it has been taken into account of transfer of risk with respect to claims guaranteed by a party in a country different from that of the counterparty. Those areas which constitute 10% or more of the aggregate cross-border claims are as follows:

5 逾期及重整貸款

(a) 本集團客戶貸款之逾期部份總額分析如下：

		本集團 Group					
	估客戶貸款 百分比 Percentage of advances to customers	抵押品市值 Market value of collateral 千港元 HK\$'000	有抵押金額 Secured amount 千港元 HK\$'000	無抵押金額 Unsecured amount 千港元 HK\$'000	專項撥備 Specific provision 千港元 HK\$'000		
於二零零四年十二月三十一日		At 31st December 2004					
六個月或以下但 超過三個月	Six months or less but over three months	35,488	0.1%	44,299	28,544	6,944	8,311
一年或以下但 超過六個月	One year or less but over six months	17,875	0.0%	21,287	14,308	3,567	4,133
超過一年	Over one year	425,329	0.7%	126,326	109,407	315,922	253,572
		478,692	0.8%	191,912	152,259	326,433	266,016
於二零零三年十二月三十一日		At 31st December 2003					
六個月或以下但 超過三個月	Six months or less but over three months	38,943	0.1%	44,929	35,556	3,387	3,574
一年或以下但 超過六個月	One year or less but over six months	130,546	0.3%	39,426	35,886	94,660	76,748
超過一年	Over one year	342,423	0.9%	191,133	151,815	190,608	177,690
		511,912	1.3%	275,488	223,257	288,655	258,012

於二零零四年十二月三十一日及二零零三年十二月三十一日，並無逾期超過三個月之銀行同業及其他金融機構貸款、商業票據或債券。

5 OVERDUE AND RESCHEDULED ADVANCES

(a) The gross amount of the Group's advances to customers which have been overdue are analysed as follows:

At 31st December 2004 and 31st December 2003, there were no advances to banks and other financial institutions, trade bills, or debt securities which were overdue for over three months.

5 逾期及重整貸款 (續)

(b) 重整貸款

		本集團 Group			
		2004 千港元 HK\$'000	佔客戶貸款 百分比 Percentage of advances to customers	2003 千港元 HK\$'000	佔客戶貸款 百分比 Percentage of advances to customers
重整客戶貸款	Rescheduled advances to customers	115,945	0.2%	61,487	0.2%

根據修訂後還款條款逾期超過三個月之重整貸款已列入上文(a)段之逾期貸款分析內。

於二零零四年十二月三十一日及二零零三年十二月三十一日，並無重整銀行同業及其他金融機構之貸款。

(c) 逾期及重整貸款與不履約貸款(暫記或停計利息者)之對賬如下：

5 OVERDUE AND RESCHEDULED ADVANCES

(continued)

(b) Rescheduled advances

		本集團 Group			
		2004 千港元 HK\$'000	佔客戶貸款 百分比 Percentage of advances to customers	2003 千港元 HK\$'000	佔客戶貸款 百分比 Percentage of advances to customers
Rescheduled advances which have been overdue for more than three months under the revised repayment terms are included in the analysis of overdue advances in (a) above.					

Rescheduled advances which have been overdue for more than three months under the revised repayment terms are included in the analysis of overdue advances in (a) above.

At 31st December 2004 and 31st December 2003, there were no rescheduled advances to banks and other financial institutions.

(c) Overdue and rescheduled advances are reconciled to non-performing loans, which represent advances on which interest is being placed in suspense or on which interest accrual has ceased, as follows:

		本集團 Group 客戶貸款	
		Advances to customers	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
逾期超過三個月之貸款	Advances which are overdue for more than three months	478,692	511,912
重整貸款	Rescheduled advances	115,945	61,487
		594,637	573,399
減：逾期超過三個月但仍 累計利息之貸款	Less: Advances which are overdue for more than three months and on which interest is still being accrued	(11,176)	(3,367)
減：仍累計利息之重整貸款	Less: Rescheduled advances on which interest is still being accrued	(5,789)	(14,516)
加：逾期不超過三個月或未經 重整之不履約貸款	Add: Non-performing loans which are not overdue for more than three months or rescheduled	187,205	112,881
不履約貸款	Non-performing loans	764,877	668,397

於二零零四年及二零零三年，本集團超過90%之逾期及不履約貸款均源自香港之客戶。

In 2004 and 2003, over 90% of the Group's overdue and non-performing loans were made to counterparties located in Hong Kong.

5 逾期及重整貸款 (續)

(d) 應計利息

		本集團 Group	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
逾期：	Overdue for:		
— 六個月或以下但超過三個月	— Six months or less but over three months	299	233
— 一年或以下但超過六個月	— One year or less but over six months	193	342
— 超過一年	— Over one year	188	3,442
		680	4,017
重整資產	Rescheduled assets	370	78
		1,050	4,095

(e) 收回資產

透過收回抵押品以作變現之資產繼續列為貸款。倘收回資產之預期變現淨值不足以償付有關之未償還貸款，有關差額將作出撥備。

於二零零四年十二月三十一日，本集團之收回資產為25,003,000港元（二零零三年：35,464,000港元）。

5 OVERDUE AND RESCHEDULED ADVANCES

(continued)

(d) Accrued interest

		本集團 Group	
		2004 千港元 HK\$'000	2003 千港元 HK\$'000
逾期：	Overdue for:		
— Six months or less but over three months		299	233
— One year or less but over six months		193	342
— Over one year		188	3,442
		680	4,017
Rescheduled assets		370	78
		1,050	4,095

(e) Repossessed assets

Assets acquired by repossession of collateral for realization continue to be reported as advance. Provision is made on the shortfall between the expected sales proceeds from realization of the repossessed assets and the outstanding advance.

At 31st December 2004, the repossessed assets of the Group amounted to HK\$25,003,000 (2003: HK\$35,464,000).

6 企業管治

本銀行已完全遵守香港金融管理局於二零零一年九月二十一日頒佈之「本地註冊認可機構之企業管治」監管政策手冊所載之規定。

管理委員會

管理委員會乃於二零零一年九月二十四日成立之營運主管機構，負責監督本集團之整體營運。該委員會由行政總裁（任委員會主席）、所有副總經理及由行政總裁指派之助理總經理組成。於本財政年度，該委員會共召開十六次會議。

信貸委員會

信貸委員會維持本銀行均衡之信貸風險組合及設定個別風險決策之架構。該委員會亦負責審閱及審批大額信貸風險及風險集中管理。該委員會由風險管理部主管（任委員會主席）及所有副總經理組成。該委員會定期審閱與信貸有關之政策或程序，以及批准來自本銀行及其附屬公司之信貸報告。

6 CORPORATE GOVERNANCE

The Bank has fully complied with the requirements set out in the Supervisory Policy Manual entitled "Corporate Governance of Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority on 21st September 2001.

General Management Committee

The General Management Committee was established on 24th September 2001 as an operation authority and to supervise the overall operation of the Group. The Committee comprises the Chief Executive Officer who is the Chairman of the Committee, all Deputy General Managers and Assistant General Managers designated by the Chief Executive Officer. 16 meetings were held during the current financial year.

Credit Committee

The Credit Committee maintains a well-balanced credit risk portfolio of the Bank and sets the framework for decisions of individual exposures. The Committee is also responsible for the review and approval of the large credit exposures and management of risk concentrations. The Committee consists of the Head of Risk Management Department who is the Chairman of the Committee and all Deputy General Managers. The Committee regularly reviews credit-related policies and procedures and to approve credit reports originating from the Bank and its subsidiaries.

6 企業管治 (續)

資產及負債管理委員會

資產及負債管理委員會於一九九九年七月十二日成立，負責密切監察各種流動資產及資金來源之組合，以及利率及外匯變動風險。該委員會成員亦負責審閱因應內部需求及外圍市場指數而釐定最佳流動資金水平。該委員會由財務總監(任委員會主席及秘書)、所有副總經理、負責業務部門之指定助理總經理、風險管理部主管、中怡風險管理部主管及財資部主管組成。該委員會每月舉行一次例會。

風險管理委員會

風險管理委員會於二零零二年九月五日成立，負責審閱及向董事會報告本集團風險管理程序、政策及體制之充分性及效率。該委員會專注於信貸風險、利率風險、市場風險、流動資金風險、營運風險、信譽風險及策略風險。該委員會由行政總裁、負責風險管理之副總經理(任委員會主席)、本銀行一名獨立非執行董事、負責財資部之副總經理、財務總監、財資部主管、風險管理部主管、中怡風險管理部主管和系統及資訊科技主管組成。該委員會每個季度向董事會報告一次。

根據本集團之資產組合結構及風險，本集團推行壓力測試計劃作為持續風險監察之一部份，並定期向風險管理委員會匯報壓力測試結果以作檢討。本集團已選用多種技術，包括敏感反應測試及情景個案分析。壓力測試計劃屬實用之風險管理工具，可用作評審本集團在受壓營商環境下可能遭受之損失程度，而壓力測試將每季進行。有關風險辨悉、衡量及監控之政策及抵禦力將直接向集團內受影響之部門反映。

薪酬委員會

薪酬委員會於二零零五年一月二十日成立，負責監督本銀行董事及高層管理人員之薪酬，以及確保向董事及高級管理層支付之薪酬與職責相稱，並符合本銀行之文化、策略及監控環境，與市場慣例一致。薪酬委員會同時負責就本銀行之薪酬政策架構及各董事及高層管理人員之個別薪酬計劃提出建議。該委員會由三名獨立非執行董事，包括袁金浩先生(委員會主席)、王于漸教授，S.B.S.，太平紳士及徐耀華先生，以及兩名非執行董事，包括陳愛平先生及Damis Jacobus Ziengs先生組成。該委員會直接向董事會匯報，並每年最少舉行一次例會。

6 CORPORATE GOVERNANCE (continued)

Asset and Liability Management Committee

The Asset and Liability Management Committee was established on 12th July 1999 to closely monitor the mix of liquid assets and funding channels, and the exposure to movements in interest rate and foreign exchange. The Committee members also meet to review the optimal liquidity level in response to internal requirements and external market indicators. The Committee comprises the Chief Financial Officer who is the Chairman and Secretary of the Committee, all Deputy General Managers, the Designated Assistant General Manager in charge of Business Units, the Head of Risk Management Department, the Head of Middle Office Department and the Head of Treasury & Markets Department. The Committee meets on a monthly basis.

Risk Management Committee

The Risk Management Committee was established on 5th September 2002 to review and report to the Board of Directors on the adequacy and efficiency of risk management procedures, policies and systems of the Group. The Committee focuses on credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk and legal risk. The Committee comprises the Chief Executive Officer, the Deputy General Manager in charge of Risk Management who is the Chairman of the Committee, an Independent Non-executive Director of the Bank, the Deputy General Manager in charge of Treasury & Markets, the Chief Financial Officer, the Chief Operation Officer, the Head of Treasury & Markets Department, the Head of Credit & Market Risk Management Department, the Head of Middle Office Department and the Head of Systems & IT, and the Head of Legal and Compliance Department. The Committee reports quarterly to the Board.

In accordance with the Group's asset portfolio structure and risk profile, the stress-testing program as a part of on-going risk monitoring exercise has been implemented. The stress test results were regularly reported to the Risk Management Committee for review. The Group has employed a combination of available techniques, including sensitivity tests and scenario analyses. The stress-testing program is a useful risk management tool to assess the Group's potential vulnerability to "stressed" business conditions and the stress tests are conducted on a quarterly basis. Policies and tolerances addressing risk identification, measurement, monitoring and control would be directly communicated to those areas affected throughout the Group.

Remuneration Committee

The Remuneration Committee was established on 20 January 2005 to provide oversight of remuneration of the Directors and senior management of the Bank and to ensure that the remuneration offered to the Directors and senior management is appropriate for the duties and consistent with the Bank's culture, strategy and control environment as well as in line with market practice. The Remuneration Committee also responsible for making recommendations to the Board of Directors on the Bank's remuneration policy framework and specific remuneration packages for each of the Director and senior management. The Committee comprises three Independent Non-executive Directors, namely Mr. Yuen Kam Ho, George, Chairman of the Committee, Professor Wong Yue Chim, Richard, S.B.S., J.P., and Mr. Tsui Yiu Wa, Alec, and two Non-executive Directors, namely Mr. Chen Aiping and Mr. Damis Jacobus Ziengs. The Committee reports directly to the Board of Directors and meets at least once a year.

6 企業管治 (續)

提名委員會

提名委員會於二零零五年一月二十日成立，由徐耀華先生(委員會主席)及袁金浩先生兩名獨立非執行董事及非執行董事陳愛平先生組成。提名委員會負責就所有新董事(包括非執行董事及獨立非執行董事)及高級管理人員(如行政總裁、替任行政總裁及財務總監)之委任向董事會提供意見，並確保最具競爭力之人士方能獲委任加入董事會及主要管理職位，以為本銀行作出最大貢獻，並致力為全體股東帶來最佳利益。董事會將根據提名委員會之意見作出委任。委員會直接向董事會報告，且每年至少舉行一次會議。

7 風險管理

本集團已釐定一系列關於辨識、釐定、控制及監察信貸、流動資金、市場、息率、外匯、營運和法律及規管風險之策略及步驟。高層管理人員及相關功能委員會定期評審該等策略及步驟。內部稽核人員亦會進行定期審查，確保能符合該等策略及步驟。

(a) 信貸風險管理

信貸風險乃指本集團之借款人或交易方未能或不願意履行其還款責任之風險。本集團已制訂多項標準、政策及程序，並設立指定職能部門控制及監察有關風險。

本集團深明信貸風險管理必須妥善有效，方可取得業務增長及提高本集團之資源效益。管理層編製信貸審批政策及其他政策文件，訂下各項信貸政策，建立所需信貸風險管理程序，以識辨、釐定及監控各項信貸風險，確保本集團對信貸承諾持審慎態度，及早察覺及解決其潛在問題，使損失降至最低。

本集團高層次之信貸政策方針，由信貸委員會、管理委員會及董事會權衡市場及規管發展，再配合日常審批情況及業務發展等因素，加以制定、檢討及定期修訂。此外，彼等亦會檢定信貸審批效率及授出審批權力。

6 CORPORATE GOVERNANCE (continued)

Nomination Committee

The Nomination Committee was established on 20 January 2005, comprising two Independent Non-executive Directors, namely Mr. Tsui Yiu Wa, Alec, Chairman of the Committee and Mr. Yuen Kam Ho, George, and a Non-executive Directors, namely Mr. Chen Aiping. The Nomination Committee is responsible for making recommendations to the Board on all new appointments of Directors (including Non-executive Directors and Independent Non-executive Directors) and senior executives such as chief executive officer, alternate chief executive officer, chief financial officer, etc. and to ensure that only the most competent individuals, who can contribute to the Bank and discharge their responsibilities in the interests of all shareholders, are appointed to the Board and key management positions. The Board of Directors should make appointments based on the recommendations of the Nomination Committee. The Committee reports directly to the Board of Directors and meets at least once a year.

7 RISK MANAGEMENT

The Group has established policies and procedures for the identification, measurement, control and monitoring of credit, liquidity, market, interest rate, foreign exchange, operational and legal and compliance risks. The policies and procedures are reviewed on a regular basis by senior management and the relevant functional committees. The internal auditors also perform regular checks to ensure compliance with policies and procedures.

(a) Credit risk management

Credit risk is the risk that a borrower or counterparty of the Group will be unable or unwilling to honour a repayment obligation. The Group has standards, policies and procedures and designated functional departments in place to control and monitor these risks.

The Group recognizes that sound credit risk management is essential to business growth and maximization of the return on Group's resources employed. The management has laid down credit policies in forms of Credit Manual and other policy papers, which formulate the necessary credit risk management process to identify, measure, monitor and control risks inherent in the operation of various lending business. This process ensures prudence in lending and enables potential problems to be detected and tackled as early as practicable, thereby minimizing business loss.

High-level credit policies of the Group are set, reviewed and constantly updated by the Credit Committee, the General Management Committee, and the Board to take balanced accounts of the dynamic market situation, regulatory development, the Group's usual prudent lending practices and the latest business strategies. They also review the efficiency of credit approval processes and delegate credit approval authorities.

7 風險管理 (續)

(a) 信貸風險管理 (續)

信貸審批政策亦載有信貸審批矩陣審批信貸建議。為確保執行專業之信貸審批權力，每名信貸審批人員均由信貸委員會挑選，其權限則按照個別信貸主任之負責範圍、風險及經驗而釐定。為求客觀公正，本集團採用「雙重審批」制度，任何信貸建議均須最少兩名信貸審批人員聯名批准，或得到信貸委員會批准。

信貸風險管理部乃本集團授權執行信貸政策之中央部門。此外，該部門亦提供獨立信貸評估、審批後信貸管理及其他信貸監控等，務求信貸過程符合管理層制訂之信貸政策及指引。除獨立信貸評估及矩陣審批過程外，信貸風險管理部亦就特定貸款組合或營運單位進行定期信貸審核。為了保持獨立性，信貸風險管理部直接向風險管理部匯報，而風險管理部則向獨立於業務之副總經理匯報。

管理層竭盡所能，致力監控貸款組合之質素及行為。本集團於二零零零年最後一季首次引入內部信貸風險評級制度，以監察本集團之貸款組合素質。本集團之評級制度超出香港金管局要求之標準5級制度，並採納15級分層制度，透過衡量借入人之財政狀況、管理素質、擁有權及行業風險等特徵而分層。經過多年經驗累積，內部數據得以持續增加，預期本集團將可更進一步利用內部信貸風險評級制度之統計數據，捕捉並剖析信貸風險流向及計算拖欠還款之機會率等。

7 RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

Contained in the Credit Manual is also the credit approval matrix for sanctioning lending propositions. To uphold a high degree of professionalism in the exercise of credit approval authorities, credit approvers are selected by Credit Committee with level of authority commensurate with the individual credit officer's area of responsibilities, exposure and experience level. To maintain objectivity and balance, the Group adopts a "dual approval" system whereby credit proposition generally requires joint-approval by at least two credit approvers or otherwise requires approval by Credit Committee.

Credit Risk Management Department is the centralized department in the Group mandated to carry out credit policies. The department performs independent credit assessment, post-approval credit administration and other credit control functions to ensure that the credit process complies with credit policies and guidelines laid down by the Management. Apart from the independent credit assessment and matrix approval process, regular credit audits are conducted on specific loan portfolio or operating units in the credit process. To maintain its independence, Credit Risk Management has a direct reporting line to Risk Management Department, which in turn reports to a Deputy General Manager independent of business.

The management spares no efforts in monitoring the quality and behavior of the loan portfolio. The Group's internal credit risks grading system was first introduced in the the last quarter of 2000 to track the health of the Group's loan portfolio. The grading system expands beyond HKMA's standard 5-grades system and incorporates a 15-tier classification system by weighing borrowers' financial, management, ownership, industrial and other characteristics. With internal data being constantly enriched through years of experience, it is expected that the Group could make further use of statistics in the internal credit risk grading system to profile and track down credit risk migration and to measure loan default probabilities etc.

7 風險管理 (續)

(b) 流動資金風險管理

流動資金風險乃指本集團於財務責任到期時未能償債之風險。因此，流動資金風險管理可確保本集團具備充足之現金流，務求以具成本效益之方法應付一般及突發情況下之任何財務責任，並同時遵守一切監管規定。為管理流動資金風險，本集團已制定資產及流動資金管理政策，並經由資產及負債管理委員會（「資產負債委員會」）審閱，及得到董事會批核。本集團每日均緊密管理及預測流動資金流向，務求讓財資部及資產負債委員會按照市況波動迅速行動，並且及時實行應變計劃。本集團繼續發掘及拓展多項融資渠道，以充分把握業務擴充機會。本集團身為中國工商銀行集團之成員，地位有所提升，創造更多空間及能力管理流動資金。年內，本集團發行達1,256,000,000港元及198,800,000美元之存款證，從而取得較長期資金。

二零零四年之流動資金狀況依然穩健，平均流動資金比率為37.8%（二零零三年：41.3%），遠高於25%之法定要求。

(c) 資本管理

本集團透過管理其資本，以有效執行其策略性業務計劃，及支持其增長及投資。本集團於二零零四年十二月三十一日之資本基礎水平及資本比率保持穩健，資本充足比率遠高於法定最低要求。年內，本集團已發行150,000,000美元之後償浮息票據，務求為日後之業務增長擴大資本基礎。本集團於二零零四年十二月三十一日之經調整一級及總資本充足比率分別為10.1%及17.4%。

(d) 市場風險管理

市場風險是指資產、負債及資產負債表外持倉額之市場息率及價格出現變動而導致之盈虧風險。一般而言，本集團之市場風險與外匯、債券、股票及衍生工具之持倉額相關。大部分在資產負債表外之衍生工具持倉額源自執行客戶指令及用作對沖之持倉額。

7 RISK MANAGEMENT (continued)

(b) Liquidity risk management

Liquidity risk is the risk that the Group cannot meet its financial obligations as and when they fall due. Liquidity risk management is therefore to ensure that there is adequate cash flows to meet all financial obligations in both normal and contingency circumstances in a cost-effective manner whereas at the same time complies with all regulatory requirements. To manage liquidity risk, the Group has established the Asset and Liquidity Management Policy which is reviewed by the Group's Asset and Liability Management Committee (the "ALCO") and approved by the Board of Directors. Liquidity is also managed and forecasted on a daily basis to enable Treasury and Markets Department and ALCO to react proactively according to fluctuations in market conditions and implement contingency plans on a timely basis. The Group continues to explore and diversify funding channels to capitalize an opportunities for the Group's business expansion. The elevation of the Group's profile, being a member of ICBC Group, has created more rooms and capabilities in liquidity management. During the year, the Group issued HK\$1,256,000,000 and US\$198,800,000 certificates of deposit to secure longer term funding.

The liquidity position remained strong throughout the year of 2004 with average liquidity ratio at 37.8% (2003: 41.3%), which was well above the statutory requirement of 25%.

(c) Capital management

The Group manages its capital to execute its strategic business plans and support its growth and investments in an efficient way. The Group's level of capital base and capital ratio at 31st December 2004 remained strong, with capital adequacy ratios well above the regulatory requirements. During the year, the Group has issued US\$150,000,000 subordinated floating rate notes to expand the capital base for future business growth. The Group's adjusted Tier 1 and total capital adequacy ratios were 10.1% and 17.4%, respectively at 31st December 2004.

(d) Market risk management

Market risk is the risk that market rates and prices on assets, liabilities and off-balance sheet positions change, thus causing profits or losses. Generally, the Group's market risk is associated with its positions in foreign exchange, debt securities, equity securities and derivatives. Most off-balance sheet derivative positions arise from the execution of customer-related orders and positions taken for hedging purpose.

7 風險管理 (續)

(d) 市場風險管理 (續)

各類交易之市場風險乃按照資產及負債委員會審批之風險限額及指引進行管理。有關風險乃以未平倉盤及止蝕數額之基準衡量及監察。獨立之中枱風險管理部負責進行一般風險監察工作，以確保所有交易活動進行時並無超出獲批的限額。本集團之市場風險會由資產負債委員會審核，假若出現超出限額之例外情況，則會進行匯報。內部稽核部門會作出定期核查及測試，以確保符合所有內部指引。

於年內，本集團源自市場風險相關業務之平均每日收益為130,000港元(二零零三年：36,000港元)，而每日收益之標準偏差為484,000港元(二零零三年：173,000港元)。

下列統計圖表列示本集團源自市場風險活動之每日收益於二零零四年及二零零三年之分佈情況。

7 RISK MANAGEMENT (continued)

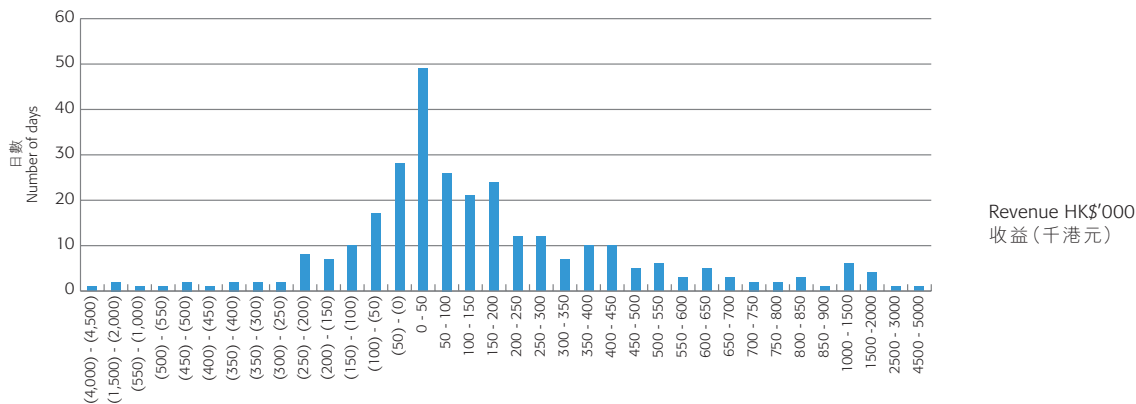
(d) Market risk management (continued)

Market risk exposure for different types of transactions is managed within risk limits and guidelines approved by the ALCO. Exposures are measured and monitored on the basis of limits like outstanding positions and stop-loss amounts. General risk monitoring is carried out by an independent Middle Office Department, which ensures all trading activities are executed within approved limits. The Group's market risk exposures are reviewed by the ALCO, to which all exceptions to limits are reported. Internal Audit also performs regular review and testing to ensure compliance with all internal guidelines.

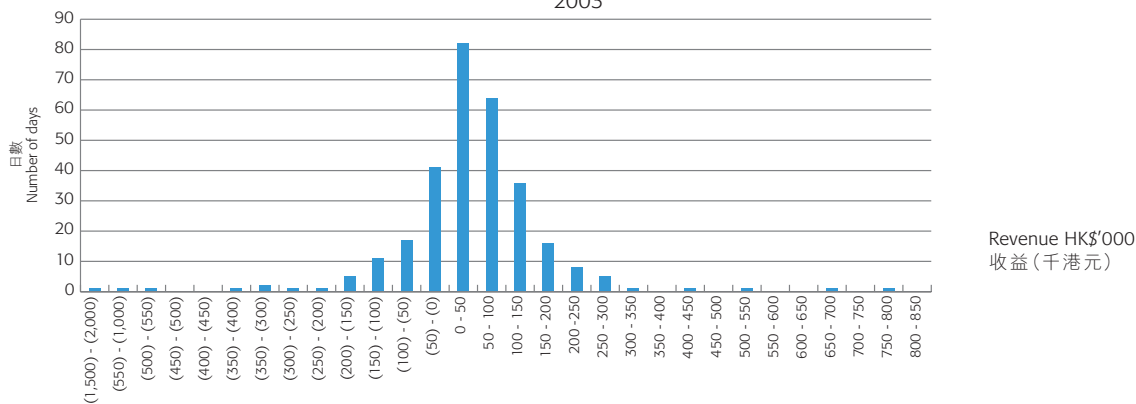
The average daily revenue earned from the Group's market risk related activities during the year was HK\$130,000 (2003: HK\$36,000) and the standard deviation for such daily revenue was HK\$484,000 (2003: HK\$173,000).

The following histograms show the frequency distribution of daily revenues related to market risk activities of the Group in 2004 and 2003.

二零零四年
2004



二零零三年
2003



7 風險管理 (續)

(e) 利率風險管理

利率風險乃指由於市場利率變動而對本集團財政狀況造成不利影響之風險。本集團之利率風險主要源自期限錯配和計息資產及負債重訂利率時之時差。

本集團透過資產負債表內和外之利率對沖工具管理其利率風險。資產及負債委員會會按市場及利率形勢持續檢討有關策略。

(f) 外匯風險管理

外匯風險乃指由於匯率變動而導致對本集團之財政狀況有不利影響之外匯淨倉風險。由於外匯持倉額擁有多種限制，故本集團所承受之外匯風險非常有限。外匯淨倉額由財資部按資產及負債委員會審批之既定限額進行管理。

用以購買港元資產之外匯資金一般會採用掉期或遠期貨幣兌換合約對沖外匯風險。

(g) 營運風險管理

營運風險管理指源自人為失誤、欺詐行為、未經授權活動、系統故障及天災而造成突如其來經濟損失之風險。每家商業機構均存在營運風險，分佈於各個不同層面。透過實施全面之內部監控制度、投購充足保險及設置境外電腦後備設施，加上周詳應變計劃及定期測試，可減低該等風險。此外，內部稽核能有效偵察營運程序之任何違規情況，亦可獨立而客觀地找出各營運層面不足之處。

7 RISK MANAGEMENT (continued)

(e) Interest rate risk management

Interest rate risk is the risk that the Group's position may be adversely affected by a change in market interest rates. The Group's interest rate risk arises mainly from the timing differences in the maturity mismatch and repricing of interest bearing assets and liabilities.

The Group manages its interest rate risk by way of entering into on-balance sheet and off-balance sheet interest rate hedging instruments. The strategy is continually reviewed by the ALCO based on market and interest rate conditions.

(f) Foreign exchange risk management

Foreign exchange risk is the risk that the net exposure positions in foreign currencies will adversely affect the Group as a result of a change in exchange rates. The Group has very limited foreign exchange exposure and there are various limits on foreign exchange positions. The foreign exchange positions are managed by Treasury and Markets Department within established limits approved by the ALCO.

Foreign currency funding used to fund Hong Kong dollar assets is normally hedged using currency swaps or forward exchange contracts to mitigate the foreign exchange risk.

(g) Operational risk management

Operational risk is the risk of unexpected financial losses attributable to human error, fraud, unauthorized activities, system failure and natural disaster. It is inherent to every business organization and covers a wide spectrum of issues. Such risk is mitigated through the implementation of comprehensive internal control system, adequate insurance cover, offshore computer back-up sites and thorough contingency plans with periodic drills. Internal Audit also plays an important role in detecting any deviations from operating procedures and identifying weaknesses at all operating levels independently and objectively.

7 風險管理 (續)

(h) 法律及規管風險管理

法律及規管風險乃不能執行合約及違反或不遵守法規所產生之預期風險。去年，本集團大力加強有關法律及規管方面之風險控制。

法律合規部於二零零一年十一月成立，負責處理一切有關本集團之法律及合規事宜。法律合規部透過訂定合規政策、刊發合規月報及提供定期合規培訓，以協助全體員工掌握有關法律及規管之最新發展。法律合規部亦執行合規審查，就新產品及公司事務提供意見，以確保各方面概無違規情況，並審閱本集團擬與第三方簽訂之合約，以將潛在之法律風險減至最低。

此外，一支由合資格人士及法律人員組成之隊伍已獲委任加入華比銀行之總辦事處，負責處理涉及本集團於比利時之法律及合規事宜。合資格人士為於比利時之發言人，負責與比利時當局及監管機構接洽，並將確保本集團全面遵守比利時有關當局及監管機構之法例規定，且準時向比利時有關當局定期報告。法律人員將協議本集團處理任何與比利時相關之事宜，確保將潛在法律風險減至最低。

7 RISK MANAGEMENT (continued)

(h) Legal and compliance risk management

Legal and compliance risk is the prospective risk arising from unenforceable contracts and violations of, or nonconformance with, laws and regulations. Over the past year, the Group took significant steps to further enhance controls regarding legal and compliance risk.

The Legal & Compliance Department was established in November 2001 to handle relevant legal and compliance issues concerning the Group. With the issuance of Compliance Policy and monthly Compliance Bulletin, together with the provision of regular compliance training, all staff is kept abreast of the latest legal and regulatory developments. The Legal & Compliance Department also performs compliance checking, provides advice on new products and corporate issues to ensure compliance in all aspects, and review contracts to be made by the Group with third parties in order to minimize prospective legal risks.

Further, a team of qualified personnel and legal officers have been appointed in the Head Office of Belgian Bank to handle relevant legal and compliance issues concerning the Group in Belgium. Acting as the Belgian spokesperson and counterpart to the Belgian authorities and supervisory bodies, the qualified personnel will ensure that the regulatory requirements of the relevant Belgian authorities and supervisory bodies are fully complied with and that periodic reporting to the relevant Belgian authorities is made promptly. The legal officers will assist the Group with any Belgian-related issues to ensure that prospective legal risk will be minimized.

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Notice of Annual General Meeting

茲通告中國工商銀行(亞洲)有限公司(「本銀行」)定於二零零五年四月十四日(星期四)上午十時正假座香港中環花園道三號中國工商銀行大廈三十三樓舉行股東週年大會，以討論下列事項：

- 一、省覽截至二零零四年十二月三十一日止年度之經審核賬項及董事會與核數師之報告書。
- 二、宣佈派發末期股息。
- 三、選舉董事。
- 四、通過截至二零零四年十二月三十一日止年度之董事袍金。
- 五、委聘羅兵咸永道會計師事務所作為本銀行之核數師，並授權董事會釐定其酬金。

考慮及酌情以特別事項方式通過下列普通決議案(不論是否予以修訂)：

六、「動議

- (a) 在下文(b)段之規限下，一般及無條件地批准本銀行董事會於有關期間(按下文之定義)內，行使本銀行一切權力以配發、發行及處理本銀行股本中之額外股份，及作出或授出將須或可能須行使上述權力之售股建議、協議或購股權(包括可轉換為本銀行股份之認股權證、債券及公司債券)；
- (b) 本銀行董事會根據本文第(a)段所述之批准而配發或同意有條件或無條件配發(不論是否根據購股權或其他方式)本銀行股本中之股份總額(根據(i)供股(按下文之定義)；(ii)因根據本銀行任何認股權證或可轉換為本銀行股份之證券之條款行使認購權或換股權；(iii)根據本銀行組織章程細則不時進行的任何以股代息或類似安排，以配發股份代替股份的全部或部分股份股息；或(iv)根據任何購股權計劃或當時授納之類似安排，以向本銀行及／或其附屬公司之僱員授予或發行本銀行股份或認購本銀行股份權利除外)，不得超過本銀行於本決議案通過之日已發行股本面值總額之20%，而上述批准亦受此數額限制；及
- (c) 就本決議案而言：
「有關期間」乃指由本決議案通過之日起至下列任何一項較早發生的期間：
 - (i) 本銀行下屆股東週年大會結束時；

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") will be held at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong on Thursday, 14 April 2005 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited Statement of Accounts and the Reports of the Directors and of the Auditors for the year ended 31 December 2004.
2. To declare a final dividend.
3. To elect Directors.
4. To approve the payment of Directors' fees for the year ended 31 December 2004.
5. To appoint PricewaterhouseCoopers as Auditors of the Bank and to authorize the Directors to fix their remuneration.

To consider and, if thought fit, pass with or without amendments the following Ordinary Resolutions by way of special business:

6. "THAT

- (a) subject to paragraph (b) below, the exercise by the Board of Directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to allot, issue and deal with additional shares in the capital of the Bank, and to make or grant offers, agreements or options (including warrants, bonds and debentures convertible into shares of the Bank) which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the capital of the Bank allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board of Directors of the Bank pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants of the Bank or any securities which are convertible into shares of the Bank; (iii) any script dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Bank pursuant to the Articles of Association of the Bank from time to time; or (iv) any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Bank, and/or any of its subsidiaries of shares or rights to acquire shares of the Bank, shall not exceed 20% of the aggregate nominal amount of the share capital of the Bank in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:
"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Bank;

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Notice of Annual General Meeting

- (ii) 依照本銀行之組織章程細則或公司條例規定本銀行須召開下屆股東週年大會期限屆滿之日；或
- (iii) 本決議案所授予之權力經由本銀行股東在股東大會上通過普通決議案將之撤銷或修訂之日。

「供股」乃指於本銀行董事會在指定之期間內，向某一指定記錄日期名列於股東名冊內之本銀行股份持有人，按其當時持股比例或股份類別提呈發售本銀行股份（惟本銀行董事可在必要或權宜時就零碎股權或經考慮適用於本銀行之任何地區之法例所定之任何限制或責任，或任何認可管制機構或證券交易所之規定，取消此方面之權利或另作安排）。

七、「動議

- (a) 在下文(b)段之規限下，一般及無條件地批准本銀行董事會於有關期間(按下文之定義)內，在符合所有適用法例及不時修訂之香港聯合交易所有限公司證券上市規則之規定下，行使本銀行一切權力購回本銀行股本中之股份：
- (b) 本銀行根據上文(a)段所述之批准可能購回之本銀行股本中之股份面值總額，不得超過本銀行於本決議案通過之日已發行股本面值總額之10%，而上述批准亦須受此數額限制；及
- (c) 就本決議案而言：

「有關期間」乃指由本決議案通過之日起至下列任何一項較早發生的期間：

 - (i) 本銀行下屆股東週年大會結束時；
 - (ii) 依照本銀行之組織章程細則或公司條例規定本銀行須召開下屆股東週年大會期限屆滿之日；或
 - (iii) 本決議案所授予之權力經由本銀行股東在股東大會上通過普通決議案將之撤銷或修訂之日。」

- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by the Articles of Association of the Bank or the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Bank in general meeting.

“Rights Issue” means an offer of shares of the Bank open for a period fixed by the Board of Directors of the Bank to holders of shares of the Bank whose names appear on the register of members of the Bank on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Bank).”

7. “THAT

- (a) subject to paragraph (b) below, the exercise by the Board of Directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to repurchase shares in the capital of the Bank, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the capital of the Bank which may be repurchased by the Bank pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Bank as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

 - (i) the conclusion of the next Annual General Meeting of the Bank;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by the Articles of Association of the Bank or the Companies Ordinance to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Bank in general meeting.”

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八、「動議待載列於召開本大會之通告(「本通告」)(本決議案為其一部份)內之第六及第七項普通決議案獲通過後，擴大根據本通告所載列之第六項決議案所授予本銀行董事根據其時生效之一般性授權，以配發、發行及處理本銀行額外股份之權力，將相當於本銀行根據本通告所載列之第七項決議案所授出之授權而購回之本銀行股本之股份總面值納入其中，惟購回股份之數額不得超過本銀行於決議案通過之日已發行股本面值總額之10%。」

承董事會命
公司秘書
黎穎雅

香港，二零零五年三月七日

附註：

- (a) 有權出席大會並於會上投票之股東均有權委派一名或最多兩名受委代表代其出席及投票表決。倘超過一名受委代表獲委任，則須就獲委任之每名受委代表列明股份之數目及類別。受委代表毋須為本銀行之股東。
- (b) 代表委任表格，連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之有關授權書，須於大會或其任何續會指定舉行時間四十八小時前交回本銀行之股份過戶登記處，登捷時有限公司，地址為香港灣仔告士打道五十六號東亞銀行港灣中心地下，方為有效。填妥及交回代表委任表格後，股東仍可親自出席大會或其任何續會，並於會上投票。
- (c) 本銀行將由二零零五年四月七日(星期四)至二零零五年四月十四日(星期四)(包括首尾兩日)，暫停辦理股份過戶登記手續。為符合資格享有是次股息分派，過戶表格連同有關股票，最遲須於二零零五年四月六日(星期三)下午四時正前送抵本銀行之股份過戶登記處登捷時有限公司，地址為香港灣仔告士打道五十六號東亞銀行港灣中心地下。
- (d) 本銀行將按香港聯合交易所有限公司證券上市規則(「上市規則」)之規定，約於二零零五年三月二十三日向股東寄發有關第七項普通決議案之說明函件。

8. "THAT, conditional upon the passing of the Ordinary Resolution Nos. 6 and 7 as set out in the notice convening this Meeting of which this Resolution forms part (the "Notice"), the general mandate granted to the Directors of the Bank and for the time being in force to exercise the powers of the Bank to allot, issue and deal with additional shares pursuant to the Ordinary Resolution No. 6 set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Bank repurchased by the Bank under the authority granted to the Board of Directors of the Bank pursuant to the Ordinary Resolution No. 7 set out in the Notice, provided that such amount of shares so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Bank at the date of the said Ordinary Resolution."

By Order of the Board
Lai Wing Nga
Company Secretary

Hong Kong, 7 March 2005

Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint one or a maximum of two proxies to attend and, on a poll, to vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Bank.
- (b) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be lodged with the Bank's Share Registrars, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof) and in default the proxy shall not be treated as valid. Completion and return of a form of proxy will not preclude members from attending in person and voting at the meeting or any adjournment thereof should they so wish.
- (c) The register of members of the Bank will be closed from Thursday, 7 April 2005 to Thursday, 14 April 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed dividends, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Bank's Share Registrars, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong by no later than 4:00 p.m. on Wednesday, 6 April 2005.
- (d) In relation to the Ordinary Resolution No. 7, an explanatory statement (as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) is being sent to shareholders on or about 23 March 2005.

股東週年大會通告

Notice of Annual General Meeting

(e) 就上述第六及第七項普通決議案，本銀行現正按照公司條例及上市規則徵求股東批准一般授權，以便本銀行有需要發行新股份或購回本銀行任何現有股份時，本銀行董事會可靈活運用酌情權配發及發行最多達本銀行已發行股本20%之股份，連同本銀行根據第七項普通決議案所述的一般授權購回之股份數目（詳情載述於第六、七及八項普通決議案）。

於本通告刊發日期，董事會成員包括執行董事朱琦先生及黃遠輝先生，非執行董事姜建清博士、王麗麗女士、陳愛平先生及Damis Jacobus Ziengs先生，以及獨立非執行董事王于漸教授，S.B.S., J.P.、徐耀華先生及袁金浩先生。

(e) In connection with the Ordinary Resolution Nos. 6 and 7 above, approval is being sought from members, as a general mandate in compliance with the Companies Ordinance and the Listing Rules, so that in the event it becomes desirable for the Bank to issue any new shares or to repurchase any existing shares of the Bank, the Board of Directors of the Bank are given the flexibility and discretion to allot and issue new shares up to 20% of the issued share capital of the Bank, together with such number of shares as may be repurchased by the Bank pursuant to the general mandate under the Ordinary Resolution No. 7, as more particularly described in the Ordinary Resolution Nos. 6, 7 and 8.

As at the date of this notice, the Board of Directors comprises Mr. Zhu Qi and Mr. Wong Yuen Fai as executive directors, Dr. Jiang Jianqing, Ms. Wang Lili, Mr. Chen Aiping and Mr. Damis Jacobus Ziengs as non-executive directors and Professor Wong Yue Chim, Richard, S.B.S., J.P., Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George as independent non-executive directors.

分析員 Analyst Coverage

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分行

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西區分行

香港皇后大道西242-244號
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灣仔分行

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跑馬地分行

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銅鑼灣分行

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電氣道分行

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Sheung Wan Branch

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Wanchai Branch

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Happy Valley Branch

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Causeway Bay Branch

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觀塘分行

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大埔分行

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Grand Cayman, Cayman Islands
British West Indies

Overseas Branch

Cayman Islands Branch
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Grand Cayman, Cayman Islands,
British West Indies

附屬公司

華比銀行*
工銀亞洲金業有限公司
工銀亞洲期貨有限公司
ICBC (Asia) Nominee Limited
工銀亞洲証券有限公司
ICBC (Asia) Wa Pei Nominees Limited
ICBCA (C.I.) Limited
友聯中國業務管理有限公司

Subsidiaries

Belgian Bank
ICBC (Asia) Bullion Company Limited
ICBC (Asia) Futures Limited
ICBC (Asia) Nominee Limited
ICBC (Asia) Securities Limited
ICBC (Asia) Wa Pei Nominees Limited
ICBCA (C.I.) Limited
UB China Business Management Co. Ltd.

聯營公司

中國平安保險(香港)有限公司

Associated Company

China Ping An Insurance (Hong Kong) Company Limited

* 僅供識別