

## DIRECTORS - continued

Mr Toshiaki Arai (who was appointed a non-executive director on 20 November 2003) shall retire and offer himself for re-election at the forthcoming annual general meeting in accordance with Article 85 of the Bank's Articles of Association. Independent non-executive director Chang Ying Kuang resigned on 23 April 2003 and non-executive director Tatsuo Tanaka resigned on 20 November 2003.

Article 101 of the Bank's Articles of Association stipulates that, among other things, one-third of the directors for the time being, who have been longest in office since their last election, shall be subject to retirement by rotation and re-election at each annual general meeting. Accordingly, Mr Liu Lit Man, Mr Liu Lit Mo, Mr Liu Lit Chi, Mr Don Tit Shing Liu, Mr Liu Guoyuan and Mr Wanchai Chiranakhorn shall retire and offer themselves for re-election at the forthcoming annual general meeting.

No director proposed for re-election at the forthcoming annual general meeting has a service contract, which is not determinable by the Bank within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' (INCLUDING THE CHIEF EXECUTIVE OFFICER'S) INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2003, the interests and short positions of the directors (including the chief executive officer) in the securities and underlying securities of the Bank and its associated corporations (under Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept under Section 352 of the SFO, were as follows:

### *Interests in securities*

Director's name	Number of ordinary shares in the Bank				Percentage of issued share capital
	Personal interests	Spousal interests	Corporate interests	Total interests	
Liu Lit Man	3,447,928	—	236,233,628 <i>Note (1)</i>	239,681,556	55.09921
Liu Lit Mo	1,009,650	—	236,233,628 <i>Note (1)</i>	237,243,278	54.53868
Liu Lit Chi	313,248	—	238,496,839 <i>Notes (1) &amp; (2)</i>	238,810,087	54.89887
Don T S Liu	15,000	—	—	15,000	0.00345
Peter A L Vine	1,200	—	—	1,200	0.00028
Robin Y H Chan	48,400	—	1,018,000 <i>Note (3)</i>	1,066,400	0.24515
Timothy G Freshwater	396	—	—	396	0.00009
Andrew Liu	60,000	—	—	60,000	0.01379
Dominic B H Lam	50,000	600	—	50,600	0.01163

# DIRECTORS' REPORT

## DIRECTORS' (INCLUDING THE CHIEF EXECUTIVE OFFICER'S) INTERESTS AND SHORT POSITIONS IN SECURITIES - *continued*

### *Notes:*

- (1) 236,233,628 shares in the Bank are attributed as follows:
  - (i) 196,233,628 shares held by public listed Liu Chong Hing Investment Limited's wholly-owned subsidiary, Liu Chong Hing Estate Company, Limited ("Liu Chong Hing Estate"), in which each of Messrs Liu Lit Man, Liu Lit Mo and Liu Lit Chi is deemed under the SFO to be interested through Liu's Holdings Limited, a private company holding approximately 45 percent of Liu Chong Hing Investment Limited's issued and fully-paid share capital; and
  - (ii) 40,000,000 shares held by The Bank of Tokyo-Mitsubishi, Ltd ("Bank of Tokyo-Mitsubishi"). Pursuant to an agreement in 1994, Bank of Tokyo-Mitsubishi has granted an option to Liu Chong Hing Estate exercisable at any time during the term of that agreement to purchase all such shares and Bank of Tokyo-Mitsubishi is required to offer to sell all such shares to Liu Chong Hing Estate in certain circumstances. By virtue of the interests of Messrs Liu Lit Man, Liu Lit Mo and Liu Lit Chi in Liu Chong Hing Estate through Liu's Holdings Limited, each of them is deemed under the SFO to be interested in such shares.
- (2) 2,263,211 shares in the Bank are held by Alba Holdings Limited, shareholders of which include Mr Liu Lit Chi and his associates. Accordingly, Mr Liu Lit Chi is deemed under the SFO to be interested in such shares.
- (3) 1,018,000 shares in the Bank are held collectively by Asia Panich Investment Company (Hong Kong) Limited and United Asia Company Limited. These corporations or their directors are accustomed to acting in accordance with Dr Robin Y H Chan's directions or instructions.

### ***Other interests and short positions in securities***

Under the SFO, other than those interests disclosed above, as at 31 December 2003, none of the directors (including the chief executive officer), nor their respective associates, had any other interests (nor any short positions) in any securities (nor in any underlying securities) in the Bank and its associated corporations. Moreover, as at 31 December 2003, none of the directors (including the chief executive officer), nor their respective spouses and children under 18 years of age, had been granted any rights to subscribe for the securities in the Bank and its associated corporations, much less had any such rights exercised.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2003, the register maintained under Section 336 of the SFO showed that, other than the interests disclosed above in respect of certain directors (including the chief executive officer), the following parties had interests and short positions in the securities and underlying securities in the Bank:

Name	Capacity	Number of ordinary shares	Percentage of issued share capital
Liu Chong Hing Estate Company, Limited	Beneficial owner	196,233,628 <i>Notes (1) and (3)</i>	45.11
Liu Chong Hing Investment Limited	Interest of a controlled corporation	196,233,628 <i>Notes (1) and (3)</i>	45.11
Liu's Holdings Limited	Interest of a controlled corporation	196,233,628 <i>Notes (1) and (3)</i>	45.11
Bauhinia 97 Ltd	Beneficial owner	87,000,000 <i>Note (2)</i>	20.00
COSCO Pacific Limited	Interest of a controlled corporation	87,000,000 <i>Note (2)</i>	20.00
COSCO (Hong Kong) Group Limited	Interest of a controlled corporation	87,000,000 <i>Note (2)</i>	20.00
China Ocean Shipping (Group) Company	Interest of a controlled corporation	87,000,000 <i>Note (2)</i>	20.00
The Bank of Tokyo-Mitsubishi, Ltd	Beneficial owner	42,000,000 <i>Note (3)</i>	9.66
Mitsubishi Tokyo Financial Group, Inc	Interest of a controlled corporation	42,000,000 <i>Note (3)</i>	9.66