

The directors have pleasure in presenting their report together with the audited financial statements of International Bank of Asia Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

SUBSIDIARIES

Particulars of the Bank's principal subsidiaries at 31 December 2004 are set out in Note 23 to the financial statements.

COMPLIANCE

The Bank has complied throughout the year with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules.

In addition, the financial statements on pages 60 to 142 together with the unaudited supplementary financial information on pages 143 to 168 fully comply with the Supervisory Policy Manual "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA").

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2004 is set out in the consolidated income statement on page 60. The state of the Bank's and Group's affairs as at 31 December 2004 are set out in the financial statements on pages 60 to 142.

A special dividend of 26 Hong Kong cents per ordinary share, totalling HK\$304,761,600 was paid by the Bank on 16 February 2004.

During the year the Bank paid an interim dividend of 6 Hong Kong cents per ordinary share, totalling HK\$70,329,600 (2003: 4 Hong Kong cents, HK\$46,886,400).

The directors recommend the payment of a final dividend of 11 Hong Kong cents per ordinary shares in respect of the year ended 31 December 2004, totalling HK\$128,937,600 (2003: Nil Hong Kong cents).

DIRECTORS

The directors in office during the financial year were:

Executive Directors

Jin-Yi Lee	(Appointed on 20 July 2004)
(Managing Director and Chief Executive Officer)	
Fan Sheung Yam, Horace	(Appointed on 18 October 2004)
Mike M. Murad	(Resigned on 20 July 2004)
(Vice Chairman, Managing Director and Chief Executive Officer)	
Bachar Samra	(Resigned on 30 September 2004)

Non-Executive Directors

Ming-Hsing (Richard) Tsai	(Appointed on 16 February 2004)
(Chairman)	
Ming-Chung (Daniel) Tsai	(Appointed on 16 February 2004)
(Vice Chairman)	
Wing-Fai Ng	(Appointed on 16 February 2004)
Victor Kung	(Appointed on 16 February 2004)
Jesse Ding	(Appointed on 16 February 2004)
Anwar Ali Al-Mudhaf	(Resigned on 8 March 2004)
Eissa M. Al Suwaidi	(Resigned on 16 February 2004)
Guo You	(Resigned on 8 March 2004)
Khalifa M. Al Kindi	(Resigned on 16 February 2004)
Zhou Liqun	(Resigned on 8 March 2004)

Independent Non-Executive Directors

Robert James Kenrick	
Poon Kwok Lim, Steven	(Resigned on 8 March 2004)
So Yiu Cho, James	(Resigned on 8 March 2004)
Moses Tsang	(Appointed on 16 February 2004)
Hung Shih	(Appointed on 16 February 2004)

董事會欣然提呈報告連同港基國際銀行有限公司（「本銀行」）及其附屬公司（統稱「本集團」）截至二零零四年十二月三十一日止年度的經審核財務報告。

主要業務

本銀行透過其分行及附屬公司提供一系列銀行、金融財務及有關的服務。

附屬公司

本銀行的主要附屬公司於二零零四年十二月三十一日的詳情載於財務報告附註 23。

遵從披露方案

本銀行於本年度內已一直遵守由香港聯合交易所有限公司上市規則附錄十四所載的最佳應用守則。

此外，第 60 至 142 頁的財務報告連同第 143 至 168 頁的未經審核補充財務資料亦已遵守香港金融管理局頒佈之監管政策手冊內「本地註冊認可機構披露財務資料」的指引。

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的業績載於第 60 頁綜合收益表。有關本銀行及本集團於二零零四年十二月三十一日的業務狀況載於第 60 至 142 頁的財務報告。

本銀行於二零零四年二月十六日派付特別股息每股普通股二十六港仙，合共三億四百七十六萬一千六百港元。

於本年度，本銀行派付中期股息每股普通股六港仙，合共七千三十二萬九千六百港元（二零零三年：四港仙，合共四千六百八十八萬六千四百港元）。

董事建議派付截至二零零四年十二月三十一日止年度末期股息每股普通股十一港仙，合共一億二千八百九十三萬七千六百港元（二零零三年：零港仙）。

董事

本財政年度之在任董事為：

執行董事

李晉頤（董事總經理（於二零零四年七月二十日獲委任）兼行政總裁）

范上欽（於二零零四年十月十八日獲委任）

馬文德（副主席、（於二零零四年七月二十日辭任）

董事總經理兼行政總裁）

森華（於二零零四年九月三十日辭任）

非執行董事

蔡明興（主席）（於二零零四年二月十六日獲委任）

蔡明忠（副主席）（於二零零四年二月十六日獲委任）

吳榮輝（於二零零四年二月十六日獲委任）

龔天行（於二零零四年二月十六日獲委任）

丁予康（於二零零四年二月十六日獲委任）

亞里明漢（於二零零四年三月八日辭任）

Eissa M. Al Suwaidi（於二零零四年二月十六日辭任）

郭友（於二零零四年三月八日辭任）

Khalifa M. Al Kindi（於二零零四年二月十六日辭任）

周立群（於二零零四年三月八日辭任）

獨立非執行董事

甘禮傑

潘國濂（於二零零四年三月八日辭任）

蘇耀祖（於二零零四年三月八日辭任）

曾國泰（於二零零四年二月十六日獲委任）

石宏（於二零零四年二月十六日獲委任）

DIRECTORS' REPORT

54

Fubon Bank Annual Report 2004 富邦銀行二零零四年年報

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Robert Kenrick and Ming-Hsing (Richard) Tsai retire and, being eligible, offer themselves for re-election.

In accordance with Article 77 of the Bank's Articles of Association, Fan Sheung Yam, Horace will hold office until the 2005 Annual General Meeting and being eligible, offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

The non-executive directors were appointed by the Bank's shareholders at the Annual General Meeting with appointment terms in accordance with Article 77 and Article 81 of the Bank's

Articles of Association. Their remuneration is determined annually by the Bank's shareholders at the Annual General Meeting.

No director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Bank which is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Bank's business to which the Bank, its holding company, subsidiaries or fellow subsidiaries was a party and in which the directors 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.

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

The directors and Chief Executive of the Bank who held office at 31 December 2004 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon"), at that date as recorded in the register of directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance:

Ordinary shares in Fubon of NT\$1 each

Name	Personal	Family	Corporate	Total number of shares held	Percentage
					of total issued shares
Ming-Chung (Daniel) Tsai	225,228,304	26,751,166	1,569,208,000 ⁽¹⁾	1,821,187,470	22.06
Ming-Hsing (Richard) Tsai	204,639,280	25,900,879	1,569,208,000 ⁽¹⁾	1,799,748,159	21.80
Jin-Yi Lee	600,000 ⁽²⁾	–	–	600,000	0.00
Jesse Ding	2,381,531	–	–	2,381,531	0.03
Victor Kung	1,340,571	383	–	1,340,954	0.02
Fan Sheung Yam, Horace	150,000 ⁽²⁾	–	–	150,000	0.00

Note:

(1) 1,569,208,000 shares were held through corporations in which Mr. Ming-Chung (Daniel) Tsai, Mr Ming-Hsing (Richard) Tsai and other Tsai family members have beneficial interests.

(2) The shares were acquired during the year pursuant to Fubon's treasury shares programme which invited the directors and certain senior management of the Group to acquire Fubon's shares at a discounted price.

於下屆週年股東常會上的董事輪任

根據本銀行組織章程細則第八十一條，甘禮傑及蔡明興告退，並有資格膺選連任。

根據本銀行組織章程細則第七十七條，范上欽會留任董事至二零零五年週年股東常會，並有資格膺選連任。

董事的服務合約

非執行董事按照本銀行組織章程細則第七十七條及第八十一條委任條款於週年股東常會上獲本銀行股東委任。彼等的酬

金每年於週年股東常會上由本銀行股東決定。

於下屆週年股東常會擬膺選連任的董事並無與本銀行或其任何附屬公司訂立可由本銀行於一年內毋須賠償(一般法定責任除外)而終止的尚未屆滿服務合約。

董事之合約權益

於年底或年內任何時間本銀行、其控股公司、附屬公司或同集團附屬公司並無訂立與本銀行業務有關連，而本銀行董事直接或間接擁有重大權益的重要合約。

董事及行政總裁於股份、相關股份及債券的權益和淡倉

本銀行於二零零四年十二月三十一日的在任董事及行政總裁，於當日根據證券及期貨條例第352條須存置的董事及行政總裁的權益及淡倉登記冊中，擁有其最終控股公司富邦金融控股股份有限公司(「富邦」)股份中的權益如下：

富邦每股每值一元新台幣普通股

姓名	個人	家族	法團	所持股份 總數	佔全部已發行 股權百分比
蔡明忠	225,228,304	26,751,166	1,569,208,000 ⁽¹⁾	1,821,187,470	22.06
蔡明興	204,639,280	25,900,879	1,569,208,000 ⁽¹⁾	1,799,748,159	21.80
李晉頤	600,000 ⁽²⁾	—	—	600,000	0.00
丁予康	2,381,531	—	—	2,381,531	0.03
龔天行	1,340,571	383	—	1,340,954	0.02
范上欽	150,000 ⁽²⁾	—	—	150,000	0.00

附註：

(1) 1,569,208,000股股份由多個法團持有，而蔡明忠先生、蔡明興先生及其他蔡氏家族成員於上述法團均享有實益權益。

(2) 該等股份是於年內透過富邦庫存股份計劃所認購。該計劃邀請本集團董事及若干高級管理人士以折讓價認購富邦股份。

DIRECTORS' REPORT

Apart from the foregoing, none of the other directors and Chief Executive of the Bank or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Bank, any of its holding company, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept or as otherwise notified to the Bank pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 31 December 2004, the register of substantial shareholders showed that the Bank had been notified of the following interests, being 5% or more of the Bank's issued share capital.

	Ordinary shares of HK\$1 each	Percentage of total shareholding
Fubon Financial		
Holding Co. Ltd.	879,120,000	75
J.P. Morgan Chase & Co.	66,408,000	6

PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SHARES

The Bank has not redeemed any of its listed shares during the year. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's shares during the year.

FIXED ASSETS

Movements in fixed assets of the Bank and the Group are set out in Note 24 to the financial statements.

DONATIONS

The Group made no donation for charitable purposes during the year (2003: HK\$Nil).

AUDIT COMMITTEE

The audit committee comprises three non-executive directors, a majority of whom are independent, and is a committee of the Board of Directors. The audit committee oversees the work of the Group's internal auditors and thereby monitors the effectiveness of the Group's internal control systems and compliance with policies approved by the Board of Directors and the requirements of the regulatory authorities. The audit committee meets regularly with the Group's external auditors and reviews the Group's financial reports prior to approval by the Board of Directors.

POST-BALANCE SHEET EVENTS

Pursuant to a special resolution passed at the extraordinary general meeting of the Bank held on 21 February 2005, shareholders approved the change of the Bank's name from "International Bank of Asia Limited" to "Fubon Bank (Hong Kong) Limited". The change of name, subject to completion of legal requirements, will become effective on 6 April 2005.

AUDITORS

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

By the Order of the Board

Ivan Young

Company Secretary

Hong Kong, 1 March 2005

除上述者外，本銀行概無其他董事及行政總裁或彼等配偶或任何十八歲以下子女，根據《上市公司董事進行證券交易的標準守則》，於本銀行、其任何控股公司、附屬公司或同系附屬公司的股份、相關股份或債券中擁有須存置登記冊中或須知會本銀行的權益或淡倉。

主要股東及其他人士

於二零零四年十二月三十一日，主要股東登記冊內顯示，本銀行已獲悉下列人士擁有本銀行已發行股本5%或以上的權益。

	每股面值 一港元普通 股份	佔股權 總額 百分比
富邦金融控股股份有限公司	879,120,000	75
J.P. Morgan Chase & Co.	66,408,000	6

購入、出售或贖回本銀行之上市股份

本銀行於年內並無贖回其任何上市股份。本銀行或其任何附屬公司於年內亦無購入或出售本銀行的股份。

固定資產

本銀行及本集團的固定資產變動載於財務報告附註24。

慈善捐款

本集團於年內並無捐出任何款項作慈善用途(二零零三年：零港元)。

審核委員會

審核委員會由三位非執行董事組成，大部份為獨立人士。該委員會附屬董事會，負責監督本集團內部核數師之工作，並監察本集團之內部監控系統能否有效地運作並且遵從由董事會批准之政策及監管機構的規例。審核委員會定期與本集團外部核數師舉行會議，在財務報告書交予董事會審批前，審核委員會更會審閱有關報告。

結算日後事項

根據本銀行於二零零五年二月二十一日舉行的股東特別大會所通過的一項特別決議案，股東已批准本銀行名稱由「港基國際銀行有限公司」更改為「富邦銀行(香港)有限公司」。待辦妥法律手續後，新名稱將於二零零五年四月六日起生效。

核數師

財務報告已由畢馬威會計師事務所審核，彼將告退並膺選連任。於應屆週年股東常會上，一項決議案將予以提呈，以重聘畢馬威會計師事務所為本銀行的核數師。

承董事會命

公司秘書

楊雅雲

香港，二零零五年三月一日