

Directors' Report

董事會報告書

The Directors have pleasure in presenting their report together with the audited financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2005.

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 2005 are set out in Note 24 to the financial statements.

PRINCIPAL PLACE OF BUSINESS

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2005 is set out in the consolidated income statement on page 32. The state of the Bank's and Group's affairs as at 31 December 2005 are set out in the financial statements on pages 32 to 159.

During the year, the Bank paid an interim dividend of 6 Hong Kong cents per ordinary share, totalling HK\$70,329,600 (2004: 6 Hong Kong cents, HK\$70,329,600).

The Directors recommend the payment of a final dividend of 11 Hong Kong cents per ordinary share in respect of the year ended 31 December 2005, totalling HK\$128,938,000 (2004: 11 Hong Kong cents, HK\$128,938,000).

DIRECTORS

The Directors in office during the financial year were:

Executive Directors

Jin-Yi Lee (Managing Director and Chief Executive Officer)
Fan Sheung Yam, Horace

Non-Executive Directors

Ming-Hsing (Richard) Tsai (Chairman)
Ming-Chung (Daniel) Tsai (Vice Chairman)
Wing-Fai Ng
Victor Kung
Jesse Ding

Independent Non-Executive Directors

Robert James Kenrick
Moses Tsang
Hung Shih

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Ming-Chung (Daniel) Tsai, Wing-Fai Ng and Moses Tsang retire and, being eligible, offer themselves 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.

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.

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董事會報告書

董事會欣然提呈報告連同富邦銀行(香港)有限公司(「本銀行」)及其附屬公司(統稱「本集團」)截至二零零五年十二月三十一日止年度的經審核財務報告。

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二零零五年十二月三十一日的詳情載於財務報告附註24。

主要營業地點

本銀行為於香港註冊成立並以香港為本籍的持牌銀行，共註冊辦事處位於香港中環德輔道中三十八號。

業績及分派

本集團截至二零零五年十二月三十一日止年度的業績載於第32頁綜合收益表。有關本銀行及本集團於二零零五年十二月三十一日的業務狀況載於第32至159頁的財務報告。

於本年度，本銀行派付中期股息每股普通股6港仙，合共70,329,600港元(二零零四年：6港仙，合共70,329,600港元)。

董事建議派付截至二零零五年十二月三十一日止年度末期股息每股普通股11港仙，合共128,938,000港元(二零零四年：11港仙，128,938,000港元)。

董事

本財政年度之在任董事為：

執行董事

李晉頤(董事總經理兼行政總裁)
范上欽

非執行董事

蔡明興(主席)
蔡明忠(副主席)
吳榮輝
龔天行
丁予康

獨立非執行董事

甘禮傑
曾國泰
石宏

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，蔡明忠、吳榮輝及曾國泰告退，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。

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。

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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 2005 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon") and the Bank, 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 ("SFO"):

Name	Ordinary shares in Fubon Financial of NT\$1 each			Total number of shares held	Percentage of total issued shares
	Personal	Family	Corporate		
Ming-Chung (Daniel) Tsai	229,536,304	27,241,166	1,718,859,232 ⁽¹⁾	1,975,636,702	24.50
Ming-Hsing (Richard) Tsai	208,947,280	26,390,879	1,718,859,232 ⁽¹⁾	1,954,197,391	24.23
Jin-Yi Lee	600,000 ⁽²⁾	—	—	600,000	0.01
Jesse Ding	2,191,531	—	—	2,191,531	0.03
Victor Kung	805,571	383	—	805,954	0.01
Fan Sheung Yam, Horace	150,000 ⁽²⁾	—	—	150,000	0.00

Notes:

(1) 1,718,859,232 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 2004 pursuant to Fubon's treasury shares programme which invited the Directors and certain senior management of the Group to acquire Fubon's Financial shares at a discounted price.

Name	Ordinary shares in Fubon Bank of HK\$1 each			Total number of shares held	Percentage of total issued shares
	Personal	Family	Corporate		
Fan Sheung Yam, Horace	—	100,000	—	100,000	0.01

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 under section 352 of the SFO or as otherwise notified to the Bank pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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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

本銀行於二零零五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」)及本銀行股份中的權益如下：

姓名	富邦金融每股面值一元新台幣普通股				佔全部已發行 股權百分比
	個人	家族	法團	所持股份 總數	
蔡明忠	229,536,304	27,241,166	1,718,859,232 ⁽¹⁾	1,975,636,702	24.50
蔡明興	208,947,280	26,390,879	1,718,859,232 ⁽¹⁾	1,954,197,391	24.23
李晉頤	600,000 ⁽²⁾	—	—	600,000	0.01
丁予康	2,191,531	—	—	2,191,531	0.03
龔天行	805,571	383	—	805,954	0.01
范上欽	150,000 ⁽²⁾	—	—	150,000	0.00

附註：

- (1) 該1,718,859,232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) 該等股份是於二零零四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金融股份。

姓名	富邦銀行每股面值一港元普通股			所持股份 總數	佔全部已發行 股權百分比
	個人	家族	法團		
范上欽	—	100,000	—	100,000	0.01

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未滿十八歲子女，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根據《證券及期貨條例》第352條須存置登記冊中或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)中附錄十之《上市公司董事進行證券交易的標準守則》(「標準守則」)，須知會本銀行的權益或淡倉。

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SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 December 2005, 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

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 25 to the financial statements.

DONATIONS

The Group made no donation for charitable purposes during the year (2004: HK\$Nil)

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Bank and within the knowledge of the directors of the Bank as at the date of this annual report, the Bank has maintained a public float of 24.992% during the year.

FIVE YEAR SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 1 to 2 of the annual report.

RETIREMENT SCHEMES

The Group operates a defined benefit retirement scheme which cover 89% of the Group's employees, and a Mandatory Provident Fund scheme. Particulars of these retirement schemes are set out in Note 35 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Bank has received from each of the Independent Non-Executive Directors an annual confirmation of his independence pursuant to Chapter 3.13 of the Listing Rules. The Bank considers all the Independent Non-Executive Directors to be independent.

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.

COMPLIANCE WITH SUPERVISORY POLICY MANUAL ON FINANCIAL DISCLOSURE BY LOCALLY INCORPORATED AUTHORISED INSTITUTIONS

The financial statements on pages 32 to 159 together with the unaudited supplementary financial information on pages 160 to 170 fully comply with the Supervisory Policy Manual "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA").

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 order of the Board

Ivan Young
Secretary

Hong Kong, 1 March 2006

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主要股東及其他人士

於二零零五年十二月三十一日，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

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25。

慈善捐款

本集團於年內並無捐出任何款項作慈善用途(二零零四年：零港元)。

足夠公眾持股量

截至本年報刊發日期為止，根據本銀行可從公開途徑獲得的資料及據本銀行董事所知悉，本銀行於年內維持24.992%之公眾持股量。

五年概要

本集團於過往五個財政年度之業績及資產與負債之概要載於本年報第1至2頁。

退休計劃

本集團運作一項界定利益退休福利計劃(範圍涵蓋本集團89%之僱員)及一項強制性公積金計劃。該等退休計劃之詳情載於財務報告附註35。

確認獨立性

本銀行已收到各獨立非執行董事根據上市規則第3.13章之規定就其獨立性作出之年度確認書。本銀行認為所有獨立非執行董事均為獨立人士。

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。

遵守監管政策手冊內《本地註冊認可機構披露財務資料》所載的指引

第32至159頁的財務報告連同第160至170頁的未經審核補充財務資料已完全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」所載的指引。

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

秘書
楊雅雲

香港，二零零六年三月一日