

董事會謹提呈截至二零零五年十二月三十一日止年度之報告及經審核之財務報表。

主要業務及營運之分項分析

大新金融集團有限公司(「本公司」)之主要業務為投資控股。而附屬公司之主要業務則見財務報表附註30。本年度按業務分項之本公司及其附屬公司(「本集團」)業績表現分析載於財務報表附註5。

業績及盈餘分配

本集團截至二零零五年十二月三十一日止年度之業績載於第61頁之綜合收益賬內。

董事會宣派中期股息每股0.72港元，股東可選擇收取以列作繳足股款而配發之新股代替現金股息。就此，本公司發行共1,478,976股列作繳足股款新股以代替現金股息，及於二零零五年十月十二日派發共99,888,194港元的現金股息。

董事會建議派發末期股息每股1.36港元，共派340,120,000港元。

股本

本公司股本之變動詳情載於財務報表附註47。

儲備

本集團及本公司是年度之儲備變動詳情載於財務報表附註48。

捐款

本集團是年度之慈善及其他捐款共達341,146港元。

固定資產

本公司並無持有任何固定資產。集團固定資產變動則詳載於財務報表附註32。

The Directors submit their report together with the audited financial statements for the year ended 31 December 2005.

Principal Activities and Segment Analysis of Operations

The principal activity of Dah Sing Financial Holdings Limited (the "Company") is investment holding. The principal activities of the subsidiaries are shown in note 30 to the financial statements. An analysis of the performance of the Company and its subsidiaries (the "Group") for the year by business segment is set out in note 5 to the financial statements.

Results and Appropriations

The results of the Group for the year ended 31 December 2005 are set out in the consolidated income statement on page 61.

The Directors declared an interim dividend of HK\$0.72 per share, with an option to receive new, credited as fully paid, shares of the Company in lieu of cash dividend. As a result, 1,478,976 new shares of the Company, credited as fully paid, were issued in lieu of the cash dividend and a total of HK\$99,888,194 in cash was paid on 12 October 2005.

The Directors recommend the payment of a final dividend of HK\$1.36 per share, totalling HK\$340,120,000.

Share Capital

Details of the movements in share capital of the Company are shown in note 47 to the financial statements.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out in note 48 to the financial statements.

Donations

During the year, the Group made charitable and other donations amounting to HK\$341,146.

Fixed Assets

The Company does not hold any fixed assets. Details of the movements in fixed assets of the Group are shown in note 32 to the financial statements.

董事會報告書 Report of the Directors

董事會

本年度內及直至本報告日期止董事芳名：

王守業
主席

周忠繼 O.B.E. J.P.
副主席

鈴木邦雄

*Peter Gibbs Birch C.B.E.

*史習陶

*孫大倫 B.B.S. J.P.

*余國雄

Sohei Sasaki
(於二零零五年三月十五日獲委任)

古川弘介
(於二零零五年三月十五日獲委任)

周偉偉

伍耀明

黃漢興
董事總經理兼行政總裁

安德生

王伯凌

麥曉德

加藤敏文
(鈴木邦雄之替任董事)

玉越良介
(於二零零五年三月十五日辭任)

Directors

The Directors during the year and up to the date of this report are:

David Shou-Yeh Wong
Chairman

Chung-Kai Chow O.B.E. J.P.
Vice Chairman

Kunio Suzuki

*Peter Gibbs Birch C.B.E.

*Robert Tsai-To Sze

*Tai-Lun Sun (Dennis Sun) B.B.S. J.P.

*Kwok-Hung Yue (Justin Yue)

Sohei Sasaki
(*appointed on 15 March 2005*)

Kosuke Furukawa
(*appointed on 15 March 2005*)

John Wai-Wai Chow

Yiu-Ming Ng

Hon-Hing Wong (Derek Wong)
Managing Director and Chief Executive

Roderick Stuart Anderson

Gary Pak-Ling Wang

Nicholas John Mayhew

Toshifumi Kato
(*alternate to Kunio Suzuki*)

Ryosuke Tamakoshi
(*resigned on 15 March 2005*)

董事會報告書 Report of the Directors

董事會(續)

御手洗徹

(於二零零五年三月十五日辭任)

小笠原剛

(於二零零五年三月十五日退任為玉越良介之替任董事)

金子佳喜

(於二零零五年三月十五日退任為御手洗徹之替任董事)

* 獨立非執行董事

按照本公司組織章程細則第110條規定，周忠繼、周偉偉、史習陶及伍耀明將於應屆之週年股東大會告退，但表示如再度獲選，願繼續連任。

本公司已收到各獨立非執行董事就其在任董事會期間的持續獨立性作出的年度確認函。本公司對所有獨立非執行董事的獨立性表示認同。

Directors (Continued)

Toru Mitarai

(resigned on 15 March 2005)

Takeshi Ogasawara

(ceased to act as an alternate to Ryosuke Tamakoshi on 15 March 2005)

Yoshiki Kaneko

(ceased to act as an alternate to Toru Mitarai on 15 March 2005)

* Independent non-executive Directors

In accordance with Article 110 of the Company's Articles of Association, Chung-Kai Chow, John Wai-Wai Chow, Robert Tsai-To Sze and Yiu-Ming Ng retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company has received an annual confirmation from each of the independent non-executive Directors as regards their continued independence while serving as members of the Board of Directors, and the Company still considers all the independent non-executive Directors to be independent.

董事會報告書 Report of the Directors

董事權益

於二零零五年十二月三十一日，根據本公司依證券及期貨條例(第571章)(「證券及期貨條例」)第352條規定而設置之董事及行政總裁權益及淡倉登記冊所載記錄顯示，各董事按「證券及期貨條例」第308條界定所持有本公司及其相聯法團之股份、股本衍生工具及債券之權益如下：

甲) 在本公司及關聯公司所持股份權益

Directors' Interests

At 31 December 2005, the interests of the Directors in the shares, underlying shares of equity derivatives and debentures of the Company and its associated corporations (as defined under section 308 of the Securities and Futures Ordinance (Cap. 571) (the "SFO") recorded in the register of directors' and chief executives' interests and short positions required to be maintained under section 352 of the SFO were as follows:

a) Interests in shares of the Company and associated corporation

董事 Director	持有本公司每股面值 2港元的普通股股份 Number of ordinary shares of HK\$2 each in the Company	股份數量 Number of shares				所持有普通股 股份佔本公司 已發行股本 百分比 Percentage of shares interested in the relevant issued share capital
		個人權益 Personal Interests	法團權益 Corporate Interests	其他權益 Other Interests	合計權益 Total Interests	
		(註)(Note) 1				
王守業	David Shou-Yeh Wong	-	4,476,219	93,524,849	98,001,068	39.19
				(註)(Note) 2		
周忠繼 O.B.E. J.P.	Chung-Kai Chow O.B.E. J.P.	661,462	8,524,272	-	9,185,734	3.67
周偉偉	John Wai-Wai Chow	821,370	-	-	821,370	0.33
Peter Gibbs Birch C.B.E.	Peter Gibbs Birch C.B.E.	50,000	-	-	50,000	0.02
安德生	Roderick Stuart Anderson	60,131	-	-	60,131	0.02
持有大新銀行集團有限公司 每股面值1港元的 普通股股份 Number of ordinary shares of HK\$1 each in Dah Sing Banking Group Limited						
王守業 (註) 3	David Shou-Yeh Wong (Note) 3	-	731,495,970	-	731,495,970	78.54
周忠繼 O.B.E. J.P.	Chung-Kai Chow O.B.E. J.P.	130,135	1,677,054	-	1,807,189	0.19
周偉偉	John Wai-Wai Chow	162,970	-	-	162,970	0.02
麥曉德(註) 4	Nicholas John Mayhew (Note) 4	20,000	-	-	20,000	0.00

董事權益 (續)

甲) 在本公司及關聯公司所持股份權益 (續)

註：

- 1) 董事之法團權益乃指由其擁有三分之一或以上權益公司所持有之股份。
- 2) 此等股份乃由為王守業先生及其家屬利益而成立之全權信託受託人匯豐國際信託有限公司間接持有。
- 3) 由於王守業先生於本公司擁有98,001,068股實益股份權益，佔相關已發行股本百分之三十九點一九，因而按證券及期貨條例第XV部的定義被視作擁有該等大新銀行集團股份之法團權益。

於二零零五年二月十三日，本公司配售合共33,526,800股大新銀行集團有限公司（「大新銀行集團」）股份予獨立第三者，減持大新銀行集團股份至百分之七十四點九四，並於二零零六年二月十六日完成。因此，王守業先生於大新銀行集團之法團權益亦減至百分之七十四點九四。

- 4) 除上述所披露之大新銀行集團權益外，麥曉德在DSE Investment Services Limited（「DSE」）亦擁有面值700港元之優先股份權益。DSE乃本公司全資附屬公司，現時暫無營業。

Directors' Interests (Continued)

a) Interests in shares of the Company and associated corporation (Continued)

Notes:

- 1) The corporate interest is in respect of shares held by a company in which the director has an interest of one third or more.
- 2) Such shares are indirectly held by HSBC International Trustee Limited, the trustee of a discretionary trust established for the benefit of David Shou-Yeh Wong and his family.
- 3) Such shares in DSBG represent the corporate interest of David Shou-Yeh Wong under Part XV of the SFO by virtue of his beneficial interest in 98,001,068 shares of the Company, representing 39.19% of the relevant entire share capital currently in issue.

On 13 February 2006, the Company placed an aggregate of 33,526,800 DSBG shares to independent third parties reducing its shareholding in Dah Sing Banking Group Limited ("DSBG") to 74.94%. This was completed on 16 February 2006 and accordingly the corporate interest of David Shou-Yeh Wong in DSBG was reduced to 74.94%.

- 4) In addition to his interest in DSBG, Nicholas John Mayhew is also beneficially interested in all of DSE Investment Services Limited's ("DSE") preference shares in issue totalling HK\$700. DSE, a wholly owned subsidiary of the Company, is currently dormant.

董事會報告書 Report of the Directors

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益

i) 本公司之認股權計劃

於二零零五年四月二十八日的週年股東大會上，本公司股東通過設立認股權計劃（「新認股權計劃」），同時終止本公司於一九九五年五月十七日通過而設立之行政人員認股權計劃（「舊認股權計劃」）（與新認股權計劃合稱「該等計劃」）。舊認股權計劃的條款仍然有效，所有舊認股權計劃終止前授予之認股權仍可依章行使。截至二零零五年十二月三十一日止年度期間，本公司無再根據舊認股權計劃授予任何認股權，但在舊認股權計劃終止前授出可認購每股面值2港元本公司共2,450,000普通股股份之認股權則告失效或取消。再者，在二零零五年八月二十五日新認股權計劃下，合資格承授人獲授予可認購每股面值2港元本公司共2,150,000普通股股份之認股權。

就上市規則，新認股權計劃概括如下：

(1) 新認股權計劃的目的：

新認股權計劃的目的是為承授人之貢獻及長期努力提供誘因及/或給予報酬，令大新金融集團內的公司獲得裨益。

(2) 新認股權計劃的參與人：

任何一位大新金融集團內的公司董事、經理或擔任行政、管理或主管職位之其他僱員，或由董事會行使單獨決斷權決定新認股權計劃之合資格參與人。

Directors' Interests (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation*

i) **Share option schemes of the Company**

The shareholders of the Company approved the adoption of the Share Option Scheme (the "New Option Scheme") and, at the same time, the termination of the Executive Share Option Scheme adopted by the Company on 17 May 1995 (the "Old Option Scheme") (together with the New Option Scheme, collectively referred as the "Schemes") at the annual general meeting of the Company held on 28 April 2005. The provisions of the Old Option Scheme remain in full force and effect to the extent necessary to give effect to exercise of all options granted prior to the termination of the Old Option Scheme. For the year ended 31 December 2005, there was no option granted by the Company under the Old Option Scheme, but options to subscribe for a total of 2,450,000 ordinary shares of HK\$2 each in the Company granted prior to the termination of the Old Option Scheme lapsed or were cancelled. In addition, options to subscribe for a total of 2,150,000 ordinary shares of HK\$2 each of the Company were granted to eligible grantees under the New Option Scheme on 25 August 2005.

Summary of the New Option Scheme disclosed in accordance with the Listing Rules are as follows:

(1) Purpose of the New Option Scheme:

The purpose of the New Share Option Scheme is to provide an incentive and/or reward to grantees for their contribution to, and continuing efforts to promote the interests of, the Group.

(2) Participants of the New Option Scheme:

Any director of, manager of, or other employee holding an executive, managerial or supervisory position in, the Group as the Board may in its sole discretion determine to be eligible to participate in the New Share Option Scheme.

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

i) 本公司之認股權計劃 (續)

- (3) 新認股權計劃中可予發行的股份數目及其於二零零五年十二月三十一日佔已發行股本的百分率：

於二零零五年十二月三十一日，新認股權計劃可准予發行共2,454,411股，佔大新金融集團已發行股本百分之零點九八。

- (4) 新認股權計劃中每名參與人可獲授權益上限：

任何合資格人士不會獲授予認股權，而該等認股權被行使後導致其獲授權認購之股份，若合共給予其已發行及將發行之股份總數多於包括授予有關認股權當日及授予日起計十二個月期間已發行股本的百分之一。任何進一步授予高於上限之認購權得接受新認股權計劃之條款及不時修訂之上市規則監管。

- (5) 可根據認股權認購股份的期限：

認購期由薪酬委員會代大新金融集團董事會決定，及於授予有關認股權時闡明。所有在新認股權計劃下現有之認股權可於獲授予日期起計第一至第六周歲期間按不同數額行使。

- (6) 認股權行使之前必須持有的最短期限：

最短持有日由薪酬委員會代大新金融集團董事會決定，及於授予時闡明。新認股權計劃下之現有認股權不得於授予後一年內行使。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

i) Share option schemes of the Company (Continued)

- (3) Total number of shares available for issue under the New Option Scheme and percentage of issued share capital as of 31 December 2005:

The number of shares available for issue under the New Option Scheme is 2,454,411 shares, representing 0.98% of the issued share capital of the Company as at 31 December 2005.

- (4) Maximum entitlement of each participant under the New Option Scheme:

No options may be granted to any eligible person which, if exercised, would result in such eligible person becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him in the 12-month period up to and including the offer date of relevant options, exceed 1% of the shares in issue at such date. Any grant of further options above the limit shall be subject to the provisions of the New Option Scheme and the Listing Rules as amended from time to time.

- (5) The period within which the shares must be taken up under an option:

The exercise period is determined by the Remuneration Committee on behalf of the Board of the Company and specified when related options are granted. All the existing share options under the New Option Scheme shall be exercisable upon vesting in varying amounts between the first and sixth anniversaries from the date of grant.

- (6) The minimum period for which an option must be held before it can be exercised:

The minimum holding period is determined by the Remuneration Committee on behalf of the Board of the Company and being specified when related options are granted. None of the existing share options under the New Option Scheme shall be exercisable within one year from the date of grant.

董事會報告書 Report of the Directors

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

i) 本公司之認股權計劃 (續)

- (7) 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

接受認股權應支付金額按每份認股權1港元代價認購，及務須於授予認股權邀約日起計二十八天內或董事會不時決定之時間內繳訖。

- (8) 行使價的釐定基準：

行使價根據當時香港聯合交易所有限公司(「香港交易所」)上市規則第17.03(9)條釐定，由薪酬委員會代大新金融集團董事會決定，及以下列兩項計算所得較高者為準：(i) 大新金融集團於香港交易所買賣之股份在授予日之收市價；及(ii) 大新金融集團於香港交易所買賣之股份在授予日前五個交易日之平均收市價。

- (9) 新認股權計劃尚餘的有效期：

新認股權計劃將於二零一五年四月二十七日期滿。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

i) Share option schemes of the Company (Continued)

- (7) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purpose must be repaid;

The amount payable on acceptance of an option is HK\$1.00 and must be made within 28 days upon offer of granting of options or such period the Board may determine from time to time.

- (8) The basis of determining the exercise price:

The exercise price per option share is determined by the Remuneration Committee on behalf of the Board of the Company in accordance with Rule 17.03(9) of the Listing Rules of The Stock Exchange of Hong Kong Limited ("SEHK") and is calculated as the higher of (i) the closing price for the Company's shares traded on the SEHK on the date of grant; and (ii) the average closing prices for the Company's shares traded on the SEHK for the five trading days immediately preceding the date of grant.

- (9) The remaining life of the New Option Scheme:

The New Option Scheme will expire on 27 April 2015.

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

i) 本公司之認股權計劃 (續)

根據本公司及其附屬公司的該等計劃，本公司及其主要營運附屬公司的若干董事獲授予認股權。截至二零零五年十二月三十一日止，在該等計劃下仍未行使之認股權結餘詳情如下：

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

i) Share option schemes of the Company (Continued)

Pursuant to the Schemes of the Company and its associated corporation, certain Directors of the Company and its major operating subsidiaries were granted options under the Schemes. Details of the share options outstanding as at 31 December 2005 which have been granted under the Schemes are as follows:

		認股權股份數目									
		Number of shares in the options									
		二零零五年內					於二零零五年				
		於二零零五年		二零零五年內		二零零五年內		失效/取消		十二月三十一日	
		一月一日持有	授予	行使	Lapsed/	持有	行使價	授予日	行使期		
		Held at	Granted	Exercised	cancelled	Held at	Exercise	Grant date	由	至	
		1/1/2005	during 2005	during 2005	during 2005	31/12/2005	price	Grant date	From	To	
		(註) (Note) 1									
		港元 (日/月/年) (日/月/年) (日/月/年)									
		HK\$ (d/m/y) (d/m/y) (d/m/y)									
董事	Directors										
黃漢興	Hon-Hing Wong	1,000,000	-	-	1,000,000	-	64.00	25/11/2004	25/11/2005	25/11/2010	
	(Derek Wong)	-	1,000,000	-	-	1,000,000	51.71	25/8/2005	25/8/2006	25/8/2011	
安德生	Roderick Stuart Anderson	200,000	-	200,000	-	-	26.28	3/4/2000	3/4/2001	3/4/2005	
		(註) (Note) 2									
		250,000	-	-	250,000	-	64.00	25/11/2004	25/11/2005	25/11/2010	
		-	250,000	-	-	250,000	51.71	25/8/2005	25/8/2006	25/8/2011	
王伯凌	Gary Pak-Ling Wang	400,000	-	-	400,000	-	64.00	25/11/2004	25/11/2005	25/11/2010	
		-	400,000	-	-	400,000	51.71	25/8/2005	25/8/2006	25/8/2011	
麥曉德	Nicholas John Mayhew	250,000	-	-	250,000	-	64.00	25/11/2004	25/11/2005	25/11/2010	
		-	250,000	-	-	250,000	51.71	25/8/2005	25/8/2006	25/8/2011	
僱員總額	Aggregate of employees	300,000	-	-	300,000	-	54.25	23/8/2004	23/8/2005	23/8/2010	
(註) 3	(Note) 3	250,000	-	-	250,000	-	64.00	25/11/2004	25/11/2005	25/11/2010	
		-	250,000	-	-	250,000	51.71	25/8/2005	25/8/2006	25/8/2011	

董事會報告書

Report of the Directors

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

i) 本公司之認股權計劃 (續)

註：

- 除二零零零年四月三日授予認股權之行使價每股26.28港元(見以下本附註分段(a))外，其他每期授予的行使價乃根據香港交易所上市規則(「上市規則」)第17.03(9)條釐定，即(i)本公司於香港交易所買賣之股份在授予日之收市價；及(ii)本公司股份於香港交易所買賣在授予日前五個交易日之平均收市價，兩項中以較高者定為行使價。本公司股份在不同授予日前的收市價如下：

授予日期 Date of grant (日/月/年) (d/m/y)	行使價 Exercise price 港元 HK\$	授予前一日本公司於 香港交易所之收市價 Closing price of the Company's shares on the SEHK immediately before the date of grant 港元 HK\$
23/8/2004	HK\$54.25	HK\$55.75
25/11/2004	HK\$64.00	HK\$61.00
25/8/2005	HK\$51.71	HK\$51.05

- 行使價為\$26.28港元，乃根據本公司於香港交易所買賣之股份在授予日前五個交易日之平均收市價折讓百分之五而釐定。在二零零零年四月三日授予日的前收市價為每股27.50港元。
- 行使日期為二零零五年三月三十一日。行使有關認股權當日之收市價為每股49.70港元。依據本計劃賦予之酌情權，本公司以現金支付代替配發股份。該等款額為認股權行使當日本公司股份每股收市價與其設定行使價26.28港元之溢價。支付總額為4,684,000港元，可認購200,000股之認股權則視作已全數行使。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

i) Share option schemes of the Company (Continued)

Notes:

- The exercise prices for each tranche of granting, except for the granting of share options at an exercise price of HK\$26.28 per share on 3 April 2000 (see sub-paragraph (a) in this note below), were determined in accordance with Rule 17.03(9) of the Listing Rules prevailing in force, being calculated as the higher of (i) the closing price of the Company's shares traded on the SEHK on the date of grant; and (ii) the average closing price of the Company's shares traded on the SEHK for the five preceding trading days immediately before the date of grant. The closing price of the Company's shares immediately before the respective dates of grant are set out below:

- The exercise price of HK\$26.28 was determined as 5% less than the average closing price of the Company's shares traded on the SEHK for the five preceding trading days immediately before the date of grant. The closing price of the Company's shares immediately before the date of grant on 3 April 2000 was HK\$27.50.
- The exercise date was 31 March 2005. At the date the options were exercised, the closing market price per share was HK\$49.70. Instead of allotting new shares, the Company exercised its discretion as allowed under the Old Option Scheme by making a cash payment in lieu of the required share allotment. The amount is the excess of the closing market price of the Company's shares upon exercise of the options over the predetermined exercise price of HK\$26.28 each. The aggregate payment amounted to HK\$4,684,000 and the options so granted to subscribe for 200,000 shares were deemed as having been exercised.

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

i) 本公司之認股權計劃 (續)

3. 載於本分段之內容乃關於在截至二零零五年十二月三十一日止財政年度內，授予本公司兩名僱員之認股權(仍未行使)的詳情及變動。彼均為本公司主要營運附屬公司的董事，並為香港僱傭條例下「連續合約」工作的僱員。

4. 在該等計劃下，並無承授人獲授予多於其個人上限之認股權。

5. 在二零零五年十二月三十一日止年度所授予認股權的價值：

在二零零五年十二月三十一日止年度所授予認股權之價值計算方法詳載於財務報表附註52。

ii) 本公司主要附屬機構 — 大新銀行集團有限公司之認股權計劃

大新銀行集團有限公司(「大新銀行集團」)之認股權計劃(「大新銀行集團認股權計劃」)於二零零四年六月十二日獲本公司以其唯一股東身份通過。大新銀行集團在獲得香港交易所批准的情況下，將其認股權計劃的資料列於首次公開招股書內，而有關計劃條款在二零零四年六月成功招股上市後仍然有效。大新銀行集團認股權計劃在截至二零零五年十二月三十一日止年度期間，並無認股權告失效或取消，而在大新銀行集團認股權計劃下，合資格承授人獲授予可認購每股面值1港元大新銀行集團共800,000普通股股份之認股權。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

i) Share option schemes of the Company (Continued)

3. Set out under this sub-paragraph are particulars and movements during the financial year ended 31 December 2005 of the Company's outstanding share options which were granted to two employees, who are/were directors of the Company's major operating subsidiaries and are/were working under employment contracts that are regarded as "continuous contracts" for the purpose of the Employment Ordinance of Hong Kong.

4. None of the grantees under the Schemes were granted share options exceeding respective individual limits.

5. Value of options granted during the year ended 31 December 2005:

Details of the computation of the value of options granted during the year are ended 31 December 2005 are shown in note 52 to the financial statements.

ii) Share option scheme of Dah Sing Banking Group Limited, a majority owned subsidiary of the Company

The Share Option Scheme (the "DSBG Option Scheme") of Dah Sing Banking Group Limited ("DSBG") was initially approved by the Company, as the sole shareholder of DSBG, on 12 June 2004. With the approval of the SEHK, the terms of the DSBG Option Scheme as disclosed in DSBG's initial public offering prospectus remained valid after its public listing in June 2004. For the year ended 31 December 2005, there was no option lapsed or cancelled under the DSBG Option Scheme, and options to subscribe for a total of 800,000 ordinary shares of HK\$1 each of DSBG were granted to eligible grantees under the DSBG Option Scheme.

董事會報告書 Report of the Directors

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

ii) 本公司主要附屬機構 — 大新銀行集團有限公司之認股權計劃 (續)

根據上市規則，本公司附屬之大新銀行集團認股權計劃概括如下：

(1) 大新銀行集團認股權計劃的目的：

大新銀行集團認股權計劃的目的是為招攬、獎勵及挽留高質素行政人員以助集團的業務及擴展。

(2) 大新銀行集團認股權計劃的參與人：

大新銀行集團認股權計劃合資格參與人包括大新銀行集團及附屬公司之董事及擔任管理職位之僱員。

(3) 大新銀行集團認股權計劃中可予發行的股份數目及其於二零零五年十二月三十一日佔已發行股本的百分率：

於二零零五年十二月三十一日，大新銀行集團認股權計劃仍有45,270,813股股份可予發行，佔大新銀行集團已發行股本百分之四點八六。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Banking Group Limited, a majority owned subsidiary of the Company (Continued)

Summary of the DSBG Option Scheme disclosed in accordance with the Listing Rules are as follows:

(1) Purpose of the DSBG Option Scheme:

The purpose of the DSBG Option Scheme is to attract, motivate and retain high quality executives to contribute to the Group's business and growth.

(2) Participants of the DSBG Option Scheme:

Eligible participants of the DSBG Option Scheme included directors and employees holding supervisory positions in DSBG and its subsidiaries.

(3) Total number of shares available for issue under the DSBG Option Scheme and percentage of issued share capital as of 31 December 2005:

The number of shares available for issue under the DSBG Option Scheme is 45,270,813 shares, representing 4.86% of the issued share capital of DSBG as at 31 December 2005.

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

ii) 本公司主要附屬機構 — 大新銀行集團有限公司之認股權計劃 (續)

- (4) 大新銀行集團認股權計劃中每名參與人可獲授權益上限：

任何合資格人士不會獲授予認股權，而該等認股權被行使後導致其獲授權認購之股份，若合共給予其已發行及將發行之股份總數多於包括授予有關認股權當日及授予以起計十二個月期間已發行股本的百分之一。任何進一步授予高於上限之認購權得接受大新銀行集團認股權計劃之條款及不時修訂之上市規則監管。

- (5) 可根據認股權認購股份的期限：

認購期由其薪酬委員會代大新銀行集團董事會決定，及於授予有關認股權時闡明，股份須於有關認股權授予以起計十年內認購。所有在大新銀行集團認股權計劃下現有之認股權可於獲授予以起計第一至第六周歲期間按不同數額行使。

- (6) 認股權行使之前必須持有的最短期限：

最短持有日由其薪酬委員會代大新銀行集團董事會決定，及於授予以時闡明。大新銀行集團認股權計劃下之現有認股權不得於授予以後一年內行使。

Directors' Interests (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation (Continued)*

ii) **Share option scheme of Dah Sing Banking Group Limited, a majority owned subsidiary of the Company (Continued)**

- (4) Maximum entitlement of each participant under the New Option Scheme:

No options may be granted to any eligible person which, if exercised, would result in such eligible person becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him in the 12-month period up to and including the offer date of relevant options, exceed 1% of the shares in issue at such date. Any grant of further options above the limit shall be subject to the provisions of the DSBG Option Scheme and the Listing Rules as amended from time to time.

- (5) The period within which the shares must be taken up under an option:

The exercise period is determined by the Remuneration Committee on behalf of the Board of DSBG and is specified when related options are granted, but shares under the options must be taken up within 10 years from the date of grant. All the existing share options under the DSBG Option Scheme shall be exercisable upon vested in varying amounts between the first and sixth anniversaries from the date of grant.

- (6) The minimum period for which an option must be held before it can be exercised:

The minimum holding period is determined by Remuneration Committee on behalf of the Board of DSBG and is specified when related options are granted. None of the existing share options under the DSBG Option Scheme shall be exercisable within one year from the date of grant.

董事會報告書 Report of the Directors

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

ii) 本公司主要附屬機構 — 大新銀行集團有限公司之認股權計劃 (續)

- (7) 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

接受認股權應支付金額按每份認股權1港元代價認購，及務須於授予認股權邀約日起計二十八天內或董事會不時決定之時間內繳訖。

- (8) 行使價的釐定基準：

行使價根據當時香港交易所上市規則第17.03(9)條釐定，由薪酬委員會代本公司董事會決定，及以下列兩項計算所得較高者為準：(i) 本公司於香港交易所買賣之股份在授予日之收市價；及(ii) 本公司於香港交易所買賣之股份在授予日前五個交易日之平均收市價。

- (9) 大新銀行集團認股權計劃尚餘的有效期限：

大新銀行集團認股權計劃由二零零四年六月十二日起十年內有效，至二零一四年六月十一日屆滿。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Banking Group Limited, a majority owned subsidiary of the Company (Continued)

- (7) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purpose must be repaid;

The amount payable on acceptance of an option is HK\$1.00 and must be made within 28 days upon offer of granting of options or such period the Board may determine from time to time.

- (8) The basis of determining the exercise price:

The exercise price per option share is determined by the Remuneration committee on behalf of the Board of DSBG in accordance with Rule 17.03(9) of the Listing Rules and is calculated as the higher of (i) the closing price for the DSBG's shares traded on the SEHK on the date of grant; and (ii) the average closing prices for the DSBG's shares traded on the SEHK for the five trading days immediately preceding the date of grant.

- (9) The remaining life of the DSBG Option Scheme:

The DSBG Option Scheme shall be valid and effective for a period of 10 years commencing from 12 June 2004 and expiring at the close of 11 June 2014.

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

ii) 本公司主要附屬機構 — 大新銀行集團有限公司之認股權計劃 (續)

根據大新銀行集團及其附屬公司的大新銀行集團認股權計劃，大新銀行集團及其主要營運附屬公司的若干董事獲授予認股權。截至二零零五年十二月三十一日止，在大新銀行集團認股權計劃下仍未行使之認股權結餘詳情如下：

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Banking Group Limited, a majority owned subsidiary of the Company (Continued)

Pursuant to the DSBG Option Scheme of DSBG and its associated corporation, certain directors of DSBG and its major operating subsidiaries were granted options under the DSBG Option Scheme. Details of the share options outstanding as at 31 December 2005 which have been granted under the DSBG Option Scheme is as follows:

認股權包含大新銀行集團股份數目

Number of DSBG shares in the options

	二零零五年內					於二零零五年		行使期		
	於二零零五年	二零零五年內	二零零五年內	失效/取消	十二月三十一日	行使價	授予日期	Exercise period		
	一月一日持有	授予	行使	Lapsed/ cancelled	持有			由	至	
	Held at 1/1/2005	Granted during 2005	Exercised during 2005	cancelled during 2005	Held at 31/12/2005	price	Grant date	From	To	
						(註) (Note) 1				
						港元	(日/月/年)	(日/月/年)	(日/月/年)	
						HK\$	(d/m/y)	(d/m/y)	(d/m/y)	
僱員總額	Aggregate of employees									
(註) 2	(Note) 2									
第一次	500,000	-	-	-	500,000	16.70	25/11/2004	25/11/2005	25/11/2010	
第二次	-	550,000	-	-	550,000	14.40	25/8/2005	25/8/2006	25/8/2011	
第三次	-	250,000	-	-	250,000	14.32	30/12/2005	30/12/2006	30/12/2011	

董事會報告書

Report of the Directors

董事權益 (續)

乙) 在本公司及關聯公司所持認股權權益 (續)

ii) 本公司主要附屬機構 — 大新銀行集團有限公司之認股權計劃 (續)

註：

1. 每期授予的行使價是根據上市規則第17.03(9)條釐定，即(i)大新銀行集團於香港交易所買賣之股份在授予日之收市價；及(ii)本公司股份於香港交易所買賣在授予日前五個交易日之平均收市價，兩項中以較高者定為行使價。大新銀行集團股份在不同授予日前的收市價如下：

授予日期
Date of grant
(日/月/年)(d/m/y)

行使價
Exercise price
港元 HK\$

**授予前一日大新銀行集團於
香港交易所之收市價**
Closing price
of DSBG shares on the SEHK
immediately before the date of grant
港元 HK\$

25/11/2004
25/8/2005
30/12/2005

HK\$16.70
HK\$14.40
HK\$14.32

HK\$16.60
HK\$14.15
HK\$14.35

2. 載於本分段之內容乃關於在截至二零零五年十二月三十一日止財政年度內，大新銀行集團授予其一名董事、及主要營運附屬機構三名董事及三名高級行政人員之認股權，彼等均為香港僱傭條例下「連續合約」工作的僱員。
3. 在大新銀行集團認股權計劃下，並無承授人獲授予多於其個人上限之認股權。

所有上述權益皆屬好倉。於二零零五年十二月三十一日，本公司依據「證券及期貨條例」而設置之董事及行政總裁權益及淡倉登記冊內並無董事持有淡倉的紀錄。

Directors' Interests (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Banking Group Limited, a majority owned subsidiary of the Company (Continued)

Notes:

1. The exercise prices for each tranche of granting was determined in accordance with Rule 17.03(9) of the Listing Rules prevailing in force, being calculated as the higher of (i) the closing price of DSBG's shares traded on the SEHK on the date of grant; and (ii) the average closing price of DSBG's shares traded on the SEHK for the five preceding trading days immediately before the date of grant. The closing price of DSBG's shares immediately before the respective dates of grant are set out below:

2. Set out under this sub-paragraph are particulars and movements during the financial year ended 31 December 2005 of the DSBG's outstanding share options which were granted to one of its directors, and three directors and three employees of the DSBG's major operating subsidiaries and are working under employment contracts that are regarded as "continuous contracts" for the purpose of the Employment Ordinance of Hong Kong.
3. None of the grantees under the DSBG Option Scheme were granted share options exceeding respective individual limits.

All the interests stated above represent long position. As at 31 December 2005, none of Directors of the Company held any short positions as defined under the SFO as recorded in the register of directors' and chief executives' interests and short positions.

董事權益 (續)

除上述所載外，本年度內本公司及其附屬公司概無簽訂任何協議，使本公司董事及其配偶與未滿十八歲之子女可藉收購本公司或任何其他法人團體之股份或債券而取得利益。

各董事與本公司並無簽訂任何服務合約。

本年度內或年結時，本公司及其附屬公司概無簽訂任何有關本公司之業務而本公司董事直接或間接擁有重大權益之重要合約。

Directors' Interests (Continued)

Apart from the above, at no time during the year was the Company or its subsidiaries a party to any arrangements to enable the Directors of the Company nor their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Directors do not have any service contracts with the Company.

No contracts of significance in relation to the Company's business to which the Company or its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事會報告書

Report of the Directors

股東權益

於二零零五年十二月三十一日，依「證券及期貨條例」第336條而設置之股東股份權益及淡倉登記冊，顯示本公司已接獲下列持有本公司發行股份或相關股份百分之五或以上權益之通知，而已載於上述董事權益中據實披露之權益則不再於下述重覆。

Shareholders' Interests

At 31 December 2005, the register of shareholders' interests in shares and short positions maintained under section 336 of the SFO showed that the Company had been notified of the following interests, which are in addition to those disclosed above in respect of Directors, being 5% or more held in the shares and underlying shares of the Company.

股東 Shareholder	身份 Capacity	股份數量 Number of shares	有關股份佔全部 已發行股本之百分比 Percentage of shares held in the entire issued share capital
王嚴君琴 Christine Yen Wong	因其配偶擁有須具披露權益 而視作其權益 Deemed Interest by virtue of her spouse having a notifiable interest	98,001,068 (註) (Note) 1	39.19%*
匯豐國際信託有限公司 HSBC International Trustee Limited	信託人及法團權益 Trustee and corporate interest	92,199,482 (註) (Note) 2	37.09%*
DSI Limited	信託人及法團權益 Trustee and corporate interest	46,046,356 (註) (Note) 3	18.41%*
DSI Group Limited	信託人及法團權益 Trustee and corporate interest	35,061,750 (註) (Note) 3	14.02%*
UFJ Bank Limited (註) (Note) 4	實質權益 Beneficial interest	30,321,066	12.12%
Aberdeen Asset Management Asia Ltd.	投資經理 Investment manager	18,048,800	7.26%
Aberdeen Asset Management Plc and its associates	投資經理 Investment manager	18,048,800	7.26%
The Capital Group Companies, Inc.	投資經理 Investment manager	14,942,560	5.97%

* 以上匯豐國際信託有限公司、DSI Limited 及 DSI Group Limited各自所列之權益均屬王守業先生所持有的98,001,068股本公司股份中之部份。該等王守業先生之權益已於第44頁「董事權益」項內據實予以披露。王嚴君琴女士的權益即該等王守業先生在本公司的股份全數。因此，有關股份不可累積合計，概只屬於王守業先生所披露98,001,068股本公司股份中之部份或全部。

* Each of the interests of HSBC International Trustee Limited, DSI Limited and DSI Group Limited forms part of the 98,001,068 shares in the Company in which David Shou-Yeh Wong has an interest as disclosed in the section headed "Directors' Interests" on page 44. The interest of Christine Yen Wong represents the whole of such shares. Therefore, these shareholdings should not be aggregated, and rather form part or whole of the same interest of 98,001,068 shares in the Company disclosed by David Shou-Yeh Wong.

股東權益 (續)

註：

1. 此等股份屬王嚴君琴視作持有之權益，皆因其配偶(王守業)乃持本公司有關股本中按「證券及期貨條例」第316(1)條釋義須予申報權益之主要股東。此等權益與王守業於上述董事權益披露中所載持有之股份相同。
2. 此等股份主要由為王守業及其家族利益而成立之全權信託受託人匯豐國際信託有限公司間接持有。涉及之股份已於上述董事權益有關王守業的其他權益一項中披露。
3. 此等股份主要由為王守業及其家族利益而成立之全權信託受託人DSI Limited及DSI Group Limited間接持有。涉及之股份已於上述董事權益有關王守業的其他權益一項中披露。
4. 於二零零六年一月一日，UFJ銀行有限公司(「UFJ銀行」)與東京三菱銀行有限公司合併為三菱東京UFJ銀行有限公司(「三菱東京UFJ銀行」)，同時UFJ銀行終止擁有本公司股份，繼由三菱東京UFJ銀行承接，成為有關本公司權益之持有人。

所有上述權益皆屬好倉。於二零零五年十二月三十一日，本公司之股東權益及淡倉登記冊內並無淡倉紀錄。

購買、出售或贖回股份

本公司於年內並無贖回任何本身之股份。另本公司及各附屬公司於年內亦無購買或出售任何本公司之股份。

管理合約

本年度內，本公司並無就全盤或其中重大部份業務簽訂或存有任何管理及行政合約。

Shareholders' Interests (Continued)

Notes:

1. Such shares represent deemed interest of Christine Yen Wong by virtue of her spouse, David Shou-Yeh Wong, being a substantial shareholder of the Company having a notifiable interest in the relevant share capital of the Company (under the interpretation of section 316(1) of the SFO). This interest comprises the same shares held by David Shou-Yeh Wong under the heading of "Directors' Interests" above.
2. Such shares are mainly comprised of the interest indirectly held by HSBC International Trustee Limited in trust for a discretionary trust established for the benefit of David Shou-Yeh Wong and his family. Relevant shares have been included in the "Other interests" of David Shou-Yeh Wong as disclosed under the heading of "Directors' Interests" above.
3. Such shares are mainly comprised of the interests indirectly held by DSI Limited and DSI Group Limited in trust for a discretionary trust established for the benefit of David Shou-Yeh Wong and his family. Relevant shares have been included in the "Other interests" of David Shou-Yeh Wong as disclosed under the heading of "Directors' Interests" above.
4. On 1 January 2006, UFJ Bank Limited ("UFJ Bank") merged with The Bank of Tokyo-Mitsubishi, Ltd. to form The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"), and UFJ Bank ceased to own such shares and BTMU became the holder of such interest in the Company.

All the interests stated above represent long positions. As at 31 December 2005, no short positions were recorded in the register of shareholders' interests in shares and short positions.

Purchase, Sale or Redemption of Shares

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

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

董事會報告書 Report of the Directors

五年財務數據

本集團過去五年之公佈業績、資產及負債已載列於本年報之「財務概要」內。

主要客戶

是年度少於百分之三十之利息收入及其他營運收入源自本集團最主要之五名客戶。

充足公眾持股量

截至本年報編製最後可行日期二零零六年三月二十七日止，本公司已發行250,088,234股每股2港元的普通股（「股份」），其中合共138,439,369股股份，即百分之五十五點三六的本公司股份，由本公司的主要股東（持有本公司已發行股本百分之十或以上）及董事所持有。在二零零六年三月二十七日就各董事所知，餘下的百分之四十四點六四的本公司股份乃由公眾（按上市規則8.24條所訂明）持有。因此，本公司在本報告日有充足公眾持股量。

核數師

本財務報表已經羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願應聘連任。在即將召開的股東週年常會中，將提請通過再聘請羅兵咸永道會計師事務所為本公司核數師的議案。本公司在過去三年內並無更換公司核數師。

承董事會命

王守業

主席

香港 二零零六年三月二十七日

Five Year Financial Information

The published results and the assets and liabilities of the Group for the last five years are included in the section of the annual report under "Financial Summary".

Major Customers

During the year, the Group derived less than 30% of net interest income and other operating income from its five largest customers.

Sufficiency of Public Float

As at 27 March 2006, being the latest practicable date prior to the finalisation of this annual report, there were 250,088,234 ordinary shares of HK\$2 each (the "Shares") in the Company in issue. Of those Shares, an aggregate of 138,439,369 Shares, representing 55.36% in the share capital of the Company, were held by substantial shareholders (holding 10% or more in the issued share capital of the Company) and Directors of the Company. Therefore, as far as the Directors are aware, the balance of 44.64% of the share capital of the Company was held by the public (as defined in Rule 8.24 of the Listing Rules) as at 27 March 2006, and therefore the Company had sufficient public float at such date.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditors of the Company is to be proposed at the forthcoming annual general meeting. The Company has not changed its auditors in the preceding three years.

On behalf of the Board

David Shou-Yeh Wong

Chairman

Hong Kong, 27 March 2006