

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December, 2008.

PRINCIPAL PLACE OF BUSINESS

The Bank of East Asia, Limited (the "Bank") is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

PRINCIPAL ACTIVITIES

The Bank and its subsidiaries (the "Group") are engaged in the provision of banking and related financial services, and business, corporate and investor services.

ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2008 and the state of the Bank's and the Group's affairs as at that date are set out in the accounts on pages 114 to 235.

TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$39 million (2007: HK\$4,144 million) has been transferred to reserves. Other movements in reserves are set out in Note 37 on the accounts.

An interim dividend of HK\$0.23 per share (2007: HK\$0.48 per share) was paid on 17th September, 2008. The Directors now recommend the payment of a final dividend of HK\$0.02 per share (2007: HK\$1.18 per share) in respect of the financial year ended 31st December, 2008.

MAJOR CUSTOMERS

The Directors believe that 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 for the year.

DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$9 million (2007: HK\$8 million).

FIXED ASSETS

Details of the movements in fixed assets are set out in Note 30 on the accounts.

SHARE CAPITAL

During the year, a sum of HK\$38,600,727.50 standing to the credit of the share premium account was capitalised and applied in paying up in full at par 15,440,291 shares of HK\$2.50 each that were allotted and issued to shareholders who had elected to receive new shares in lieu of the 2007 final dividend and the 2008 interim dividend.

During the year, 4,910,000 shares of HK\$2.50 each were issued for cash of HK\$100,286,650.00 on the exercise of options granted under the approved Staff Share Option Schemes.

DEALINGS IN LISTED SECURITIES OF THE BANK

There was no purchase, sale or redemption by the Bank, or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2008.

DIRECTORS

The present Directors of the Bank are shown on page 50.

During the year, LI Fook-wo (Non-executive Director) retired as a Director from the Bank upon conclusion of the 2008 Annual General Meeting on 17th April, 2008. TAN Man-kou (Independent Non-executive Director) passed away on 14th August, 2008.

In accordance with the Articles of Association, any Director elected by the Bank by ordinary resolution shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. Accordingly, WONG Chung-hin, LEE Shau-kee, William MONG Man-wai, Kenneth LO Chin-ming and Eric LI Fook-chuen will retire, and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on 16th April, 2009 ("2009 AGM").

董事會報告書

董事會全寅現謹向各股東發表年度報告書及截至2008年12月31日止年度的已審核的賬項。

主要營業地點

東亞銀行有限公司（「本行」）乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中10號。

主要業務

本行及其附屬公司（「本集團」）的主要業務為提供銀行及有關的金融服務，以及商務、企業及投資者服務。

賬項

本集團截至2008年12月31日止年度的股東應佔溢利，及本行和本集團於當日的財政狀況，載列於第114頁至235頁的賬項內。

撥入儲備

本集團除股息前的股東應佔溢利中的港幣3,900萬元（2007年：港幣41億4,400萬元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註37。

中期股息每股港幣0.23元（2007年：每股港幣0.48元）已於2008年9月17日派發。董事會現建議派發截至2008年12月31日止年度的末期股息每股港幣0.02元（2007年：每股港幣1.18元）。

主要客戶

董事會認為，本集團5位最大客戶所佔是年度本集團總利息收入及其他經營收入少於30%。

捐款

本集團本年內所作出的慈善及公益捐款約為港幣900萬元（2007年：港幣800萬元）。

固定資產

固定資產的變動詳情載於賬項附註30。

股本

年內，本行由股份溢價賬項中撥出港幣38,600,727.50元作為資本，以發行及繳足15,440,291股每股面值港幣2.50元的股份，派發予各選擇以新股份代替2007年度末期股息及2008年度中期股息的股東。

本年內，在認可僱員認股計劃認股權方面，以溢價發行4,910,000股每股面值港幣2.50元的股份，所得現金為港幣100,286,650元。

買賣本行上市證券

截至2008年12月31日止的年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

董事會

本行現任董事的名單載於第50頁。

年內，李福和（非執行董事）於2008年4月17日2008股東周年常會結束後退任本行董事。陳文裘（獨立非執行董事）於2008年8月14日與世長辭。

根據章程細則規定，任何在普通決議獲選的董事，其任期不得超過約3年，並於其獲委任後的第3年的股東周年常會結束時屆滿；其任期屆滿時，將被視為一位卸任董事而有資格重選。根據此規定，黃頌顯、李兆基、蒙民偉、駱錦明及李福全將於2009年4月16日舉行的股東周年常會（「2009股東周年常會」）上卸任，並願膺選連任。

Report of the Directors (continued)

Valiant CHEUNG Kin-piu was appointed an Independent Non-executive Director on 15th December, 2008 to fill the vacancy left by TAN Man-kou. Mr. Cheung will offer himself for re-election at the 2009 AGM.

Details of the Directors to be re-elected at the 2009 AGM are set out in the circular to the shareholders sent together with this Annual Report.

No Director proposed for re-election at the 2009 AGM has an unexpired service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

David LI Kwok-po is employed as the Chief Executive of the Bank. His existing five-year term service contract will expire in March 2009. The Board of Directors has approved that the service contract will be extended for three years from April 2009 to March 2012.

No contracts of significance to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank had a material interest subsisted at the end of the year or at any time during the year.

None of the Directors of the Bank is interested in any business apart from the Bank's business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under the heading "Information on Share Options", and Notes 2(q)(iv) and 35 on the accounts.

The Bank has received independence confirmation from the Independent Non-executive Directors, namely: WONG Chung-hin, LEE Shau-kee, Allan WONG Chi-yun, Winston LO Yau-lai, Thomas KWOK Ping-kwong, Kenneth LO Chin-ming, William DOO Wai-hoi, KUOK Khoon-ean and Valiant CHEUNG Kin-piu and considers them to be independent.

The Chairman received HK\$300,000 and each of the other Directors, including the Independent Non-executive Directors, received HK\$200,000, as director's fees for the year ended 31st December, 2008.

The fees to the Directors who retired or were appointed during the year 2008 were paid in accordance with their length of service.

CORPORATE GOVERNANCE

Being the largest independent local bank in Hong Kong, the Bank is committed to maintaining the highest corporate governance standards. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report.

董事會報告書（續）

張建標於2008年12月15日獲委任為獨立非執行董事，以填補陳文菱的空缺。他將於2009股東周年常會上膺選連任。

所有在2009股東周年常會重選的董事的資料，載於連同本年報寄發予股東的股東通函內。

所有擬在2009股東周年常會上膺選連任的董事，並沒有尚未屆滿的服務合約，該等合約屬本行或其附屬公司在一年內不可在不予賠償（法定賠償除外）的情況下終止者。

李國寶受聘為本行的行政總裁。他現行為期5年的服務合約將於2009年3月屆滿。董事會已通過延長其服務合約3年，由2009年4月起至2012年3月止。

本年內凡與本行或其任何附屬公司業務有重大關係的合約，本行各董事均無佔有任何實質上的權益。

除本行業務外，本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

除於下列「認股權資料」項下及賬項附註2(q)(iv)及35所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

本行已收到獨立非執行董事：黃頌顯、李兆基、黃子欣、羅友禮、郭炳江、駱錦明、杜惠愷、郭孔演及張建標的獨立性確認函。本行對他們的獨立性表示認同。

本行主席獲港幣30萬元；而其他董事包括獨立非執行董事各獲得港幣20萬元，作為截至2008年12月31日止財政年度的董事袍金。

在年內退任或獲委任的董事之袍金則按其服務期支付。

企業管治

作為本港最大的獨立本地銀行，本行致力維持最高的企業管治標準。有關本行所採納的企業管治常規的資料，載列於企業管治報告內。

Report of the Directors (continued)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2008, the interests and short positions of the Directors and Chief Executive of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the Register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") were as follows:

I. Long positions in shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued share capital
David LI Kwok-po	Beneficial owner Interest of spouse	40,119,561 1,339,240	41,458,801 ¹	2.48
WONG Chung-hin	Beneficial owner Interest of spouse	46,810 344,131	390,941 ²	0.02
LEE Shau-kee	Beneficial owner Interest of corporation	1,901,985 1,000,000	2,901,985 ³	0.17
Allan WONG Chi-yun	Beneficial owner Interest of spouse Founder of discretionary trust	300,000 124 11,250,012	11,550,136 ⁴	0.69
Aubrey LI Kwok-sing	Beneficial owner Interest of spouse Beneficiary of discretionary trust	23,391 16,727 30,655,378	30,695,496 ⁵	1.83
Arthur LI Kwok-cheung	Beneficial owner Founder of discretionary trust	8,631,949 11,934,515	20,566,464 ⁶	1.23
Joseph PANG Yuk-wing	Beneficial owner	1,500,000	1,500,000	0.09
William MONG Man-wai	Beneficial owner Interest of spouse Interest of corporation	1,836,701 30,000 5,492,661	7,359,362 ⁷	0.44
Winston LO Yau-lai	-	-	Nil	Nil
KHOO Kay-peng	Interest of corporation	1,042,617	1,042,617 ⁸	0.06
Thomas KWOK Ping-kwong	-	-	Nil	Nil
Richard LI Tzar-kai	-	-	Nil	Nil
Kenneth LO Chin-ming	-	-	Nil	Nil
Eric LI Fook-chuen	Beneficial owner Founder and beneficiary of discretionary trust Interest of corporation	3,833,317 19,160,672 7,809,376	30,803,365 ⁹	1.84
Stephen Charles LI Kwok-sze	Beneficial owner Interest of children Beneficiary of discretionary trusts	10,273,332 469,925 1,962,523	12,705,780 ¹⁰	0.76
William DOO Wai-hoi	-	-	Nil	Nil
KUOK Khoon-ean	-	-	Nil	Nil
Valiant CHEUNG Kin-piu	-	-	Nil	Nil

董事會報告書（續）

董事及行政總裁權益

於2008年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊所記錄，本行各董事及行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

I. 本行股份權益的好倉：

姓名	身份及性質	股份數目	總數	佔已發行股本的百分率
李國寶	實益擁有人 配偶的權益	40,119,561 1,339,240	41,458,801 ¹	2.48
黃頌顯	實益擁有人 配偶的權益	46,810 344,131	390,941 ²	0.02
李兆基	實益擁有人 法團的權益	1,901,985 1,000,000	2,901,985 ³	0.17
黃子欣	實益擁有人 配偶的權益 酌情信託的成立人	300,000 124 11,250,012	11,550,136 ⁴	0.69
李國星	實益擁有人 配偶的權益 酌情信託的受益人	23,391 16,727 30,655,378	30,695,496 ⁵	1.83
李國章	實益擁有人 酌情信託的成立人	8,631,949 11,934,515	20,566,464 ⁶	1.23
彭玉榮	實益擁有人	1,500,000	1,500,000	0.09
蒙民偉	實益擁有人 配偶的權益 法團的權益	1,836,701 30,000 5,492,661	7,359,362 ⁷	0.44
羅友禮	—	—	無	無
邱繼炳	法團的權益	1,042,617	1,042,617 ⁸	0.06
郭炳江	—	—	無	無
李澤楷	—	—	無	無
駱錦明	—	—	無	無
李福全	實益擁有人 酌情信託的成立人及受益人 法團的權益	3,833,317 19,160,672 7,809,376	30,803,365 ⁹	1.84
李國仕	實益擁有人 子女的權益 酌情信託的受益人	10,273,332 469,925 1,962,523	12,705,780 ¹⁰	0.76
杜惠愷	—	—	無	無
郭孔演	—	—	無	無
張建標	—	—	無	無

Report of the Directors (continued)

Notes:

- 1 David LI Kwok-po was the beneficial owner of 40,119,561 shares and he was deemed to be interested in 1,339,240 shares through the interests of his spouse, Penny POON Kam-chui.
- 2 WONG Chung-hin was the beneficial owner of 46,810 shares and he was deemed to be interested in 344,131 shares through the interests of his spouse, LAM Mei-lin.
- 3 LEE Shau-kee was the beneficial owner of 1,901,985 shares.

LEE Shau-kee was deemed to be interested in 1,000,000 shares held through Superfun Enterprises Limited ("Superfun"). Superfun was wholly owned by The Hong Kong and China Gas Company Limited which was 39.06% held by Henderson Land Development Company Limited ("Henderson Land").

Henderson Land was 53.01% held by Henderson Development Limited ("Henderson Development"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owned all the issued ordinary shares of Henderson Development. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, held units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick were owned by LEE Shau-kee.
- 4 Allan WONG Chi-yun was the beneficial owner of 300,000 shares and he was deemed to be interested in 124 shares through the interests of his spouse, Margaret KWOK Chi-wai. He was also deemed to be interested in 11,250,012 shares held by a discretionary trust, The Wong Chung Man 1984 Trust, of which Allan WONG Chi-yun was a founder.
- 5 Aubrey LI Kwok-sing was the beneficial owner of 23,391 shares and he was deemed to be interested in 16,727 shares through the interests of his spouse, Elizabeth WOO. The remaining 30,655,378 shares were held by The Fook Wo Trust, a discretionary trust in which Aubrey LI Kwok-sing was one of the discretionary beneficiaries.
- 6 Arthur LI Kwok-cheung was the beneficial owner of 8,631,949 shares. Arthur LI Kwok-cheung made a voluntary disclosure of 11,934,515 shares held by a discretionary trust of which he is the founder but has no influence on how the trustee exercises his discretion.
- 7 William MONG Man-wai was the beneficial owner of 1,836,701 shares and he was deemed to be interested in 30,000 shares through the interests of his spouse, WONG Pui-fan. Of the remaining 5,492,661 shares, (i) 4,752,798 shares were held through Shun Hing Electronic Trading Co. Ltd., (ii) 668,323 shares were held through Shun Hing Technology Co. Ltd., and (iii) 71,540 shares were held through Shun Hing Advertising Co. Ltd. Such corporations are accustomed to act in accordance with the directions or instructions of William MONG Man-wai who is the Chairman of these corporations.
- 8 KHOO Kay-peng was deemed to be interested in 1,042,617 shares which were held through Bonham Industries Limited, a company in which he held 99.9% of the issued capital.
- 9 Eric LI Fook-chuen was the beneficial owner of 3,833,317 shares, and 19,160,672 shares were held by New Jerico (PTC) Limited in the capacity of trustee of The Jerico Unit Trust. Eric LI Fook-chuen is the sole director of New Jerico (PTC) Limited. All the units in The Jerico Unit Trust are held by The New Elico Trust, of which Eric LI Fook-chuen is the founder and a discretionary beneficiary. Eric LI Fook-chuen was also deemed to be interested in 7,809,376 shares held by The Kowloon Dairy Limited of which he is the Chairman and Chief Executive Officer.
- 10 Stephen Charles LI Kwok-sze was the beneficial owner of 10,273,332 shares, and he was deemed to be interested in 469,925 shares through the interests of his children under the age of 18. Of the remaining 1,962,523 shares, (i) 1,800,000 shares were held by a discretionary trust, Settlement of Dr. Simon F. S. Li, of which Stephen Charles LI Kwok-sze, his spouse and his children under the age of 18 were beneficiaries and (ii) 162,523 shares were held by a discretionary trust, Longevity Trust, of which his children under the age of 18 were beneficiaries.

II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po and Joseph PANG Yuk-wing pursuant to the approved Staff Share Option Schemes. Information in relation to these shares options during the year ended 31st December, 2008 was shown in the following section under the heading "Information on Share Options".

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations was recorded in the Register.

董事會報告書（續）

附註：

- 1 李國寶為40,119,561股的實益擁有人。由於其配偶潘金翠擁有1,339,240股之權益，他亦被視為擁有該等股份。
- 2 黃頌顯為46,810股的實益擁有人。由於其配偶林美蓮擁有344,131股之權益，他亦被視為擁有該等股份。
- 3 李兆基為1,901,985股的實益擁有人。

李兆基被視為擁有由Superfun Enterprises Limited（「Superfun」）持有之1,000,000股。Superfun由香港中華煤氣有限公司（「中華煤氣」）全資擁有。而恒基兆業地產有限公司（「恒基地產」）持有中華煤氣39.06%股權。

恒基兆業有限公司（「恒基兆業」）持有恒基地產53.01%股權。Hopkins (Cayman) Limited（「Hopkins」），作為一個單位信託（「該單位信託」）的受託人，擁有恒基兆業的全部已發行普通股股份。Rimmer (Cayman) Limited（「Rimmer」）及Riddick (Cayman) Limited（「Riddick」），分別為不同全權信託的受託人，持有該單位信託的單位。李兆基擁有Hopkins、Rimmer及Riddick的全部已發行股份。

- 4 黃子欣為300,000股的實益擁有人。由於其配偶郭志蕙擁有124股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託The Wong Chung Man 1984 Trust的成立人，他亦被視為擁有該酌情信託所持有的11,250,012股。
- 5 李國星為23,391股的實益擁有人。由於其配偶吳伊莉擁有16,727股之權益，他亦被視為擁有該等股份。餘下之30,655,378股由一個酌情信託The Fook Wo Trust持有，李國星為該信託的其中一位酌情受益人。
- 6 李國章為8,631,949股的實益擁有人。李國章自願披露其作為成立人的一個酌情信託所持有的11,934,515股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 7 蒙民偉為1,836,701股的實益擁有人。由於其配偶王蓓芬擁有30,000股之權益，蒙民偉被視為擁有該等股份。餘下的5,492,661股當中：(i) 4,752,798股由信興電器貿易有限公司持有；(ii) 668,323股由信興科技有限公司持有；及(iii) 71,540股由信興廣告有限公司持有。蒙民偉為該等法團的主席。該等法團慣於按照蒙民偉的指令或指示行事。
- 8 由於邱繼炳擁有Bonham Industries Limited 99.9%已發行股份，他被視為擁有Bonham Industries Limited持有之1,042,617股。
- 9 李福全為3,833,317股的實益擁有人。而19,160,672股由New Jerico (PTC) Limited以The Jerico Unit Trust的受託人身份持有，李福全是New Jerico (PTC) Limited的唯一董事。The New Elico Trust持有The Jerico Unit Trust的全部單位，而李福全為The New Elico Trust的成立人及一位酌情受益人。他亦被視為擁有由九龍維記牛奶有限公司持有的7,809,376股股份，李福全為該公司的主席兼行政總裁。
- 10 李國仕為10,273,332股的實益擁有人。他亦被視為擁有由其18歲以下子女持有的469,925股。餘下的1,962,523股當中：(i) 1,800,000股由一個酌情信託 - Settlement of Dr. Simon F. S. Li 持有，李國仕、其配偶及其18歲以下子女皆為該酌情信託的受益人；及(ii) 162,523股由一個酌情信託 - Longevity Trust 持有，而李國仕的18歲以下子女為該酌情信託的受益人。

II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本行的認可僱員認股計劃，李國寶及彭玉榮獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2008年12月31日止年度內的資料，見於下列「認股權資料」項下。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

Report of the Directors (continued)

INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2008:

Name	Date of Grant ^a	Number of Share Options				Outstanding at 31/12/2008
		Outstanding at 1/1/2008	Granted	Exercised	Lapsed	
David LI Kwok-po	02/5/2003	1,000,000	-	1,000,000 ^c	-	Nil
	22/4/2004	1,000,000	-	-	-	1,000,000
	03/5/2005	1,000,000	-	-	-	1,000,000
	03/5/2006	1,000,000	-	-	-	1,000,000
	10/5/2007	1,000,000	-	-	-	1,000,000
	05/5/2008	-	2,000,000 ^b	-	-	2,000,000
Joseph PANG Yuk-wing	02/5/2003	500,000	-	500,000 ^c	-	Nil
	22/4/2004	500,000	-	-	-	500,000
	03/5/2005	500,000	-	-	-	500,000
	03/5/2006	500,000	-	-	-	500,000
	10/5/2007	500,000	-	-	-	500,000
	05/5/2008	-	1,000,000 ^b	-	-	1,000,000
Aggregate of other Employees*	02/5/2003	205,000	-	205,000 ^c	-	Nil
	22/4/2004	1,915,000	-	580,000 ^c	70,000	1,265,000
	03/5/2005	5,230,000	-	625,000 ^c	-	4,605,000
	03/5/2006	1,200,000	-	-	-	1,200,000
	10/5/2007	1,250,000	-	-	-	1,250,000
	05/5/2008	-	2,500,000 ^b	-	-	2,500,000
Other Participant**	02/5/2003	500,000	-	500,000 ^c	-	Nil
	22/4/2004	500,000	-	500,000 ^c	-	Nil
	03/5/2005	500,000	-	500,000 ^c	-	Nil
	03/5/2006	500,000	-	500,000 ^c	-	Nil

* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

** Other Participant refers to the former Executive Director who retired and resigned as a Director of the Bank with effect from 1st May, 2007. The options granted to him prior to his retirement and resignation were exercised in full during the year.

董事會報告書（續）

認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2008年12月31日止年度內認股權的變動：

姓名	授予日期 ^a	認股權數目				
		於1/1/2008日 尚未行使	授出	行使	失效	於31/12/2008日 尚未行使
李國寶	02/5/2003	1,000,000	-	1,000,000 ^c	-	無
	22/4/2004	1,000,000	-	-	-	1,000,000
	03/5/2005	1,000,000	-	-	-	1,000,000
	03/5/2006	1,000,000	-	-	-	1,000,000
	10/5/2007	1,000,000	-	-	-	1,000,000
	05/5/2008	-	2,000,000 ^b	-	-	2,000,000
彭玉榮	02/5/2003	500,000	-	500,000 ^c	-	無
	22/4/2004	500,000	-	-	-	500,000
	03/5/2005	500,000	-	-	-	500,000
	03/5/2006	500,000	-	-	-	500,000
	10/5/2007	500,000	-	-	-	500,000
	05/5/2008	-	1,000,000 ^b	-	-	1,000,000
其他僱員 的總數*	02/5/2003	205,000	-	205,000 ^c	-	無
	22/4/2004	1,915,000	-	580,000 ^c	70,000	1,265,000
	03/5/2005	5,230,000	-	625,000 ^c	-	4,605,000
	03/5/2006	1,200,000	-	-	-	1,200,000
	10/5/2007	1,250,000	-	-	-	1,250,000
	05/5/2008	-	2,500,000 ^b	-	-	2,500,000
其他參與人**	02/5/2003	500,000	-	500,000 ^c	-	無
	22/4/2004	500,000	-	500,000 ^c	-	無
	03/5/2005	500,000	-	500,000 ^c	-	無
	03/5/2006	500,000	-	500,000 ^c	-	無

* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

** 其他參與人指前執行董事，其於2007年5月1日退休及辭任本行董事一職。在其退休及辭任前已獲授予該等認股權，而該等認股權已於年內悉數行使。

Report of the Directors (continued)

Notes:

a Particulars of share options:

Date of Grant	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	22.95
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	33.05
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	47.13
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	44.10

- b (i) The closing price of the shares of the Bank immediately before 5th May, 2008 on which the options were granted was HK\$44.35.
- (ii) Fair value of share options granted during the year ended 31st December, 2008 and the assumptions are set out in Note 35 on the accounts.
- c Annual weighted average (“AWA”) closing price of the shares of the Bank immediately before the date on which the Options were exercised during the year ended 31st December, 2008:

Date of Grant	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
02/5/2003	2,205,000	14.90	42.32
22/4/2004	1,080,000	23.23	41.52
03/5/2005	1,125,000	22.95	40.95
03/5/2006	500,000	33.05	41.30

(2) No share options were cancelled during the year ended 31st December, 2008.

(3) The accounting policy adopted for share options is set out in Note 2 (q)(iv) on the accounts.

Save as disclosed above, as at 31st December, 2008, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

董事會報告書（續）

附註：

a 認股權詳情：

授予日期	有效期	行使期	每股行使價 港幣（元）
02/5/2003	02/5/2003 - 01/5/2004	02/5/2004 - 02/5/2008	14.90
22/4/2004	22/4/2004 - 21/4/2005	22/4/2005 - 22/4/2009	23.23
03/5/2005	03/5/2005 - 02/5/2006	03/5/2006 - 03/5/2010	22.95
03/5/2006	03/5/2006 - 02/5/2007	03/5/2007 - 03/5/2011	33.05
10/5/2007	10/5/2007 - 09/5/2008	10/5/2008 - 10/5/2012	47.13
05/5/2008	05/5/2008 - 04/5/2009	05/5/2009 - 05/5/2013	44.10

b (i) 本行股份在緊接2008年5月5日授出認股權當日之前的收市價為港幣44.35元。

(ii) 在截至2008年12月31日止年度內授出的認股權的公平價值及假設載於賬項附註35。

c 在截至2008年12月31日止年度內本行股份在緊接有關認股權行使日期之前的全年加權平均收市價：

授予日期	行使認股權數目	每股行使價 港幣（元）	全年加權平均收市價 港幣（元）
02/5/2003	2,205,000	14.90	42.32
22/4/2004	1,080,000	23.23	41.52
03/5/2005	1,125,000	22.95	40.95
03/5/2006	500,000	33.05	41.30

(2) 截至2008年12月31日止年度內並無認股權被註銷。

(3) 有關認股權的會計政策載於賬項附註2(q)(iv)。

除上述所披露外，於2008年12月31日，本行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the Staff Share Option Scheme 2007 that was adopted on 12th April, 2007 (the "2007 Scheme") disclosed in accordance with the Listing Rules:

1. Purpose of the Scheme:

- (a) The Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- (b) The Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

2. Participants of the Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Chief Executive of the Group.

3. Total number of shares available for issue under the Scheme and % of issued share capital at 31st December, 2008:

The total number of shares available for issue under the Scheme is 77,653,352 shares representing 4.64% of the issued share capital at 31st December, 2008.

4. Maximum entitlement of each participant under the Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the Scheme or any other schemes of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme.

5. The period within which the shares must be taken up under an option:

Beginning on the first anniversary of the Date of Grant of such options and ending on the fifth anniversary thereof.

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

From the Date of Grant of such options up to the day immediately before the first anniversary thereof.

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 purposes must be paid:

N/A

8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

- (a) the closing price of the Bank's shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options;
- (b) an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options; and
- (c) the nominal value of the Bank's shares.

9. The remaining life of the Scheme:

The Scheme Period will end on 11th April, 2012.

董事會報告書（續）

認股權計劃資料

根據《上市規則》披露的有關於2007年4月12日採納的僱員認股計劃2007（「2007計劃」）的摘要如下：

1. 計劃的目的：

- (a) 本計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 本計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

2. 計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和行政總裁，授予認股權。

3. 計劃中可予發行的股份數目及其於2008年12月31日佔已發行股本的百分率：

計劃中可予發行的股份數目為77,653,352股，佔本行於2008年12月31日已發行股本的4.64%。

4. 計劃中每名參與人可獲授權益上限：

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日（包括當日）止十二個月內，因行使已經根據或將會根據本計劃及本行任何其他計劃獲授的認股權（包括已行使、已註銷及尚未行使的認股權）時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於該計劃的規則內的若干規定所約束。

5. 可根據認股權認購股份的期限：

由該認股權授予日的第1周年開始截至授予日的第5周年止。

6. 認股權行使之前必須持有的最短期限：

由認股權授出之日起直至授予日的第一周年之前一日。

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：

不適用

8. 行使價的釐定基準：

行使價由董事會釐定，但不少於下列的較高價：

- (a) 於授出有關認股權當日，本行股份於聯交所日報表的收市價；
- (b) 相等於緊接授出有關認股權日之前5個營業日，本行股份於聯交所日報表的平均收市價；及
- (c) 本行股份的面值。

9. 計劃尚餘的有效期：

計劃期間於2012年4月11日終止。

Report of the Directors (continued)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2008, the interests and short positions of Substantial Shareholders and Other Persons of the Bank in the shares and underlying shares of the Bank as recorded in the Register required to be kept under section 336 of the SFO were as follows:

Long and short positions in shares of the Bank:

Name	Capacity and nature	No. of shares	% on issued share capital
Negocio de Finanzas e Inversiones I, S.L.U.	Beneficial owner	151,063,572 ¹ (L)	9.03
Criteria CaixaCorp, S.A.	Interest of corporation	151,063,572 ¹ (L)	9.03
Caja de Ahorros y Pensiones de Barcelona	Interest of corporation	151,063,572 ¹ (L)	9.03
UBS AG	Beneficial owner, person having a security interest in shares and interest of corporation	98,395,670 ² (L) 37,572,052 ² (S)	5.88 2.25

1 *Caja de Ahorros y Pensiones de Barcelona was holding a 79.45% interest in Criteria CaixaCorp, S.A. which was the sole shareholder of Negocio de Finanzas e Inversiones I, S.L.U. Caja de Ahorros y Pensiones de Barcelona and Criteria CaixaCorp, S.A. were deemed to be interested in the 151,063,572 shares held by Negocio de Finanzas e Inversiones I, S.L.U. The shareholding of 151,063,572 was equivalent to approximately 9.04% of the issued share capital of the Bank at the time of reporting but 9.03% as at 31st December, 2008.*

The Bank was notified that the shareholdings of the above three corporations were increased to 164,928,972 shares (equivalent to approximately 9.86% of the issued share capital of the Bank) as at 31st December, 2008. Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

2 *Of these interests, long position of 543,555 shares and short position of 938,200 shares were physically settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange. Short position of 11,803,400 shares were cash settled derivatives listed or traded on a Stock Exchange or traded on a Futures Exchange and long position of 12,244 shares were physically settled unlisted derivatives.*

(L) = Long Position

(S) = Short Position

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register.

PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

COMPLIANCE

The Bank is required to comply with the Banking (Disclosure) Rules effective from 1st January, 2007, which have superseded the supervisory policy manual on financial disclosure issued by the Hong Kong Monetary Authority (HKMA). The Banking (Disclosure) Rules set out the minimum standards for public disclosure which authorised institutions must make in respect of the income statement, state of affairs and capital adequacy. The financial statements for the financial year ended 31st December, 2008 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

David Li Kwok-po

Chairman & Chief Executive

Hong Kong, 17th February, 2009

董事會報告書（續）

大股東及其他人士的權益

於2008年12月31日，根據《證券及期貨條例》第336條須予備存的登記冊所記錄，大股東及其他人士擁有本行的股份及相關股份的權益及淡倉如下：

本行股份權益的好倉：

姓名	身份及性質	股份數目	佔已發行股本的百分率
Negocio de Finanzas e Inversiones I, S.L.U.	實益擁有人	151,063,572 ¹ (L)	9.03
Criteria CaixaCorp, S.A.	法團的權益	151,063,572 ¹ (L)	9.03
Caja de Ahorros y Pensiones de Barcelona	法團的權益	151,063,572 ¹ (L)	9.03
UBS AG	實益擁有人、 對股份持有保證權益的人及 法團的權益	98,395,670 ² (L) 37,572,052 ² (S)	5.88 2.25

1 Caja de Ahorros y Pensiones de Barcelona 持有 Criteria CaixaCorp, S.A. 79.45% 權益，而 Criteria CaixaCorp, S.A. 則是 Negocio de Finanzas e Inversiones I, S.L.U. 的單一股東。Caja de Ahorros y Pensiones de Barcelona 及 Criteria CaixaCorp, S.A. 被視為擁有 Negocio de Finanzas e Inversiones I, S.L.U. 持有的 151,063,572 股。持有 151,063,572 股約佔作出披露時本行已發行股本之 9.04% 及於 2008 年 12 月 31 日本行已發行股本的 9.03%。

上述 3 間公司通知本行，彼等於 2008 年 12 月 31 日的持股量增加至 164,928,972 股（佔本行已發行股本約 9.86%）。根據《證券及期貨條例》第 XV 部，彼等增持有關股份無須作出披露。

2 在此等權益當中，好倉 543,555 股及淡倉 938,200 股屬於以實物交收在聯交所上市或買賣或在期交所買賣的衍生權益。淡倉 11,803,400 股屬於以現金交收在聯交所上市或買賣或在期交所買賣的衍生權益，而好倉 12,244 股則屬於以實物交收的非上市衍生權益。

(L) = 好倉

(S) = 淡倉

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

符合指引

本行需符合已於 2007 年 1 月 1 日生效的《銀行業（披露）規則》，此《銀行業（披露）規則》已取締香港金融管理局所頒佈的《監管政策手冊》中有關財務資料披露之要求。《銀行業（披露）規則》規定本地註冊認可機構需將其損益賬、財務狀況及資本充足作公開披露的最低要求。截至 2008 年 12 月 31 日止年度賬項已完全符合《銀行業（披露）規則》中所適用的披露規定。

核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

主席兼行政總裁

李國寶

香港，2009 年 2 月 17 日