

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Bank will be held at the Bank Reception Hall, 18th Floor, Wing Hang Bank Building, 161 Queen's Road Central, Hong Kong on Thursday, 22nd April, 2004 at 3:30 p.m. for the following purposes:

1. To receive and consider the Statement of Accounts and Reports of the Directors and Auditors for the year ended 31st December, 2003;
2. To declare a final dividend;
3. To elect Directors and authorise the Board of Directors to fix directors' fees;
4. To re-appoint Auditors and authorise the Directors to fix their remuneration;

As special business, to consider and if thought fit, pass the following resolutions as ordinary resolutions:

5. "THAT, with effect from the close of business of the day on which this resolution is passed, the rules of the new employee incentive plan (the "Employee Incentive Plan"), the principal terms of which are particularly described in the circular (the "Circular") to the shareholders of the Bank to be dated on or about 31st March, 2004 (a copy of the Employee Incentive Plan and the Circular having been produced to the meeting marked "A" and "B" respectively and signed by the chairman of the meeting for the purposes of identification), be approved and adopted and the Directors of the Bank be and they are authorised to take all such steps as may be necessary, desirable or expedient to carry into effect the Employee Incentive Plan with effect from the close of business of the day on which this resolution is passed."
6. "THAT,
 - (a) a general mandate be given to the Directors unconditionally during the Relevant Period to allot, issue and deal with additional shares in the capital of the Bank or grant any offers, agreements or options which might require securities to be issued, allotted or disposed of subject to the restriction that the aggregate nominal amount of share capital allotted, other than for allotment under any share option schemes for the time being adopted for the grant or issue to the employees of the Bank and its subsidiaries of shares of the Bank, shall not exceed 20% of the aggregate nominal amount of the share capital of the Bank in issue at the date of this Resolution; and
 - (b) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

 - (i) the conclusion of the next Annual General Meeting of the Bank;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting."
7. "THAT,
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Bank during the Relevant Period (as defined in Resolution No. 6(b) in the notice of this meeting) of all the powers of the Bank to purchase shares in the capital of the Bank be and is hereby generally and unconditionally approved; and
 - (b) the aggregate nominal amount of shares of the Bank which may be purchased by the Bank on The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Bank in issue at the date of this Resolution, and the said approval shall be limited accordingly."
8. "THAT, the general mandate granted to the Directors to allot shares pursuant to the Resolution No. 6 of the notice of this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Bank repurchased by the Bank under the authority granted pursuant to the Resolution No. 7 of the notice of this meeting."

As special business, to consider and if thought fit, pass the following resolution as a special resolution:

9. "THAT, the existing Articles of Association of the Company be and are hereby altered by:

(a) deleting in its entirety the existing definition of "associate" under Article 2 and replacing therewith the following new definition:

"associate" has, in relation to an individual, the meaning attributed to such term in the Listing Rules

(b) adding the following new definitions to the existing Article 2:

"Hong Kong Financial Reporting Standards" has the meaning attributed to it in the Listing Rules

"International Financial Reporting Standards" has the meaning attributed to it in the Listing Rules

"Listing Rules" means the rules governing the listing of securities made by the Stock Exchange from time to time

"subsidiary" includes:

(a) the meaning attributed to it in section 2 of the Ordinance

(b) any entity which is accounted for and consolidated in the audited consolidated accounts of another entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards; and

(c) any entity which will, as a result of acquisition of its equity interest by another entity, be accounted for and consolidated in the next audited consolidated accounts of such other entity as a subsidiary pursuant to applicable Hong Kong Financial Reporting Standards or International Financial Reporting Standards

(c) adding, immediately after the end of the existing Article 17:

"If at any time the share capital of the Company is divided into different classes of shares, every share certificate issued at that time shall comply with section 57A of the Ordinance, and no certificate shall be issued in respect of more than one class of shares."

(d) adding, immediately after the end of the existing Article 78, the following new Article 78A:

"78A. Where any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted."

(e) deleting the existing Article 90 in its entirety and replacing therewith the following new Article 90:

"90. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless, during a period of not less than seven (7) days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven (7) days before the date appointed for the meeting, there shall have been given to the Secretary notice in writing by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected."

(f) deleting the existing Article 101(H) in its entirety and replacing therewith the following new Article 101(H):

"101 (H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any board resolution approving any contract or arrangement or other proposal in which he or any of his associates is materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any of the following matters namely: –

(a) any contract or arrangement for the giving by the Company of any security or indemnity either:

(1) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

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- (2) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility or guaranteed or secured in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (c) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (d) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of the equity share capital of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- (e) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including:
 - (1) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (2) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to whom such scheme or fund relates.
- (g) adding, immediately after the end of the existing Article 143:

"All notices required to be given by advertisement shall be advertised in at least one daily Chinese and one daily English newspaper circulating in Hong Kong."

The Register of Members will be closed from Monday, 19th April, 2004 to Thursday, 22nd April, 2004, both days inclusive, during which period no share transfers will be registered.

The proposed final dividend of HK\$1.08 per share, if approved, will be paid on Monday, 10th May, 2004 to shareholders whose names are on the Register of Members on 22nd April, 2004.

By Order of the Board
Louis C W Ho
Director and Secretary
Hong Kong, 23rd March, 2004

Notes:

1. *In order to qualify for the proposed dividend, all transfers accompanied by the relevant share certificates must be lodged with the Registrars of the Bank, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Friday, 16th April, 2004.*
2. *A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder. All proxies must be deposited at the Registrars of the Bank not later than 48 hours before the time fixed for holding the Meeting.*
3. *The Memorandum and Articles of Association of the Bank is written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of the Resolution as set out in item 9 above on amendments of Articles of Association is purely a translation only. Should there be any discrepancies, the English version will prevail.*