

SUMMARY OF RESULTS

The directors of Liu Chong Hing Bank Limited (the "Bank") are pleased to announce that the unaudited consolidated results of the Bank and its group of companies (the "Group") for the six months ended 30 June 2004, together with the comparative figures for the last corresponding period, which have been reviewed by the Bank's Audit Committee are as follows:

| | 6 months ended 30 June 2004 HK\$'000 | 6 months ended 30 June 2003 HK\$'000 |
|---|--|--|
| Interest income | 502,493 | 544,260 |
| Interest expense | <u>(149,202)</u> | <u>(198,171)</u> |
| Net interest income | 353,291 | 346,089 |
| Other operating income <i>(Note 6)</i> | <u>122,148</u> | <u>89,553</u> |
| Operating income | 475,439 | 435,642 |
| Operating expenses <i>(Note 7)</i> | <u>(223,220)</u> | <u>(224,445)</u> |
| Operating profit before provisions and disposal of long-term assets | 252,219 | 211,197 |
| Charge for bad and doubtful debts | | |
| – New provisions | (84,966) | (88,478) |
| – Amounts released | 32,618 | 49,305 |
| – Amounts recovered | 531 | 245 |
| Net charge for bad and doubtful debts | (51,817) | (38,928) |
| Net losses from disposal of property and equipment | (15) | (1,425) |
| Gains less losses from disposal of investment securities and an associate | <u>1,176</u> | <u>692</u> |
| Profit from operations | 201,563 | 171,536 |
| Share of results of jointly controlled entities | <u>5,500</u> | <u>(2,000)</u> |
| Profit from ordinary activities before taxation | 207,063 | 169,536 |
| Taxation <i>(Note 1)</i> | | |
| – Hong Kong | (38,077) | (27,300) |
| – Overseas | (1,031) | (254) |
| – Deferred tax | 7,905 | 5,634 |
| Net taxation charge | (31,203) | (21,920) |
| Net profit for the period | <u>175,860</u> | <u>147,616</u> |
| Dividends | <u>73,950</u> | <u>65,250</u> |
| Earnings per share, basic and diluted <i>(Note 2)</i> | <u>HK\$0.40</u> | <u>HK\$0.34</u> |
| Dividend per share | <u>HK\$0.17</u> | <u>HK\$0.15</u> |