
THIS EXPLANATORY STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this explanatory statement or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Liu Chong Hing Bank Limited, you should at once hand this explanatory statement and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer and other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LIU CHONG HING BANK LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1111)

**RENEWAL OF GENERAL MANDATES FOR THE REPURCHASE
BY THE BANK OF ITS OWN SHARES
AND THE ISSUE OF NEW SHARES,
RE-ELECTION OF RETIRING DIRECTORS, AND
PROCEDURES FOR DEMANDING AND CONDUCTING A POLL**

A notice convening an annual general meeting of the Liu Chong Hing Bank Limited (the "Bank") to be held in The Harbour Room on Level 3 of The Ritz-Carlton at 3 Connaught Road Central, Hong Kong on Tuesday, 26 April 2005 at 11 am is contained on pages 13 to 15 in the annual report of the Bank for the year ended 31 December 2004. A form of proxy for the 2005 annual general meeting is enclosed with this explanatory statement.

If you are not able to attend the 2005 annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Bank's registered office at Ground Floor, New World Tower 2, 16-18 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for the annual general meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a shareholder from attending and voting in person at the annual general meeting or poll concerned, in which event the form of proxy shall be deemed to be revoked.

29 March 2005

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DEFINITIONS

In this explanatory statement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2005 AGM”	the annual general meeting of the Bank to be held in The Harbour Room on Level 3 of The Ritz-Carlton at 3 Connaught Road Central, Hong Kong on Tuesday, 26 April 2005 at 11 am, notice of which is contained on pages 13 to 15 in the annual report of the Bank for the year ended 31 December 2004.
“Articles of Association”	the articles of association of the Bank for the time being in force
“Bank”	Liu Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange.
“Board”	the board of directors of the Bank
“Code”	Hong Kong Code on Takeovers and Mergers
“Explanatory Statement”	this explanatory statement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	23 March 2005, being the latest practicable date before the printing for despatch of the Explanatory Statement.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Relevant Period”	the date of the passing of the resolutions in question until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law or the Articles of Association to be held or when revoked or varied by ordinary resolution(s) of shareholders in general meeting of the Bank, whichever occurs first.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPLANATORY STATEMENT FROM THE BOARD



LIU CHONG HING BANK LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1111)

Executive directors

Mr LIU Lit Man, GBS, JP, FIBA

(Executive Chairman)

Mr LIU Lit Mo, MBE, JP

(Vice Chairman)

Mr LIU Lit Chi

(Managing Director & Chief Executive Officer)

Mr Don Tit Shing LIU

(Deputy Chief Executive Officer)

Mr Wilfred Chun Ning LIU

Mr LAU Wai Man

Mr Frank Shui Sang JIN

Mr Kevin Wai Hung CHU

Non-executive directors

Dr Robin Yau Hing CHAN, GBS, LLD, JP, EOE

Mr LIU Guoyuan

Mr Timothy George FRESHWATER

Mr Toshiaki ARAI

Mr Andrew LIU

Mr SUN Jiakang

Mr Dominic Bing Hoi LAM

Mr Christopher Kwun Shing LIU

Mr Alfred Cheuk Yu CHOW, JP

Independent non-executive directors

Mr Peter Alan Lee VINE, OBE, VRD, LLD, JP

Mr Wanchai CHIRANAKHORN

Mr CHENG Yuk Wo

Registered Office

Ground Floor

New World Tower 2

16-18 Queen's Road Central

Hong Kong

EXPLANATORY STATEMENT FROM THE BOARD

29 March 2005

To the Shareholders,

Dear Sir / Madam,

**RENEWAL OF GENERAL MANDATES FOR THE REPURCHASE
BY THE BANK OF ITS OWN SHARES
AND THE ISSUE OF NEW SHARES,
RE-ELECTION OF RETIRING DIRECTORS, AND
PROCEDURES FOR DEMANDING AND CONDUCTING A POLL**

A. Renewal of General Mandates for the Repurchase by the Bank of its Own Shares and the Issue of New Shares

1. At the annual general meeting of the Bank held on 28 April 2004, ordinary resolutions were passed giving general and unconditional mandates to the directors of the Bank to exercise all powers of the Bank (i) to allot, issue and deal with, otherwise than by way of rights issue or pursuant to the exercise of options granted under the Share Option Scheme of the Bank adopted on 25 April 2002 or pursuant to any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Bank in accordance with the Articles of Association, Shares (as defined in the Appendix 1) with an aggregate nominal value not exceeding the sum of (a) 20 per cent of the aggregate nominal amount of the issued share capital of the Bank as at the date of the passing of the relevant resolution and (b) the aggregate nominal amount of the share capital of the Bank repurchased under the authority referred to under (ii); and (ii) to repurchase up to 10 per cent of the share capital of the Bank as at the date of resolution granting the general mandate, such authority relating only to repurchases made on the Stock Exchange or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose and otherwise in accordance with the Listing Rules; such mandates shall remain in effect during the Relevant Period and shall not extend beyond the Relevant Period save that the directors may during the Relevant Period make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period. No Shares have been allotted, issued, repurchased or otherwise dealt with under the mandates in question.
2. Under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Listing Rules, these general mandates lapse at the conclusion of the 2005 AGM, unless renewed at that meeting. Resolutions will be proposed to renew these mandates and the Explanatory Statement required by the Listing Rules to be sent to shareholders in connection with the proposed share repurchase resolution is set out in Appendix 1. The Explanatory Statement also constitutes the memorandum required under section 49BA of the Companies Ordinance.
3. With reference to Resolutions 5, 6 and 7 set out in the Notice of the 2005 AGM, the directors wish to state that they have no immediate plans to repurchase any existing Shares or to allot and issue any new Shares pursuant to the relevant mandates.

EXPLANATORY STATEMENT FROM THE BOARD

B. Re-election of Retiring Directors

1. Mr Kevin Wai Hung Chu (who was appointed an executive director on 1 June 2004) and Mr Cheng Yuk Wo (who was appointed an independent non-executive director on 30 September 2004) shall retire and offer themselves for re-election as an executive director and an independent non-executive director, respectively, at the 2005 AGM in accordance with Article 85 of the Articles of Association.
2. Article 101 of the Articles of Association stipulates that, among other things, one-third of the directors for the time being, who have been longest in office since their last election, shall be subject to retirement by rotation and re-election at each annual general meeting. Accordingly, the following directors shall retire and offer themselves for re-election at the 2005 AGM:

Name	Proposed to be re-elected as
Mr Wilfred Chun Ning Liu	Executive director
Mr Lau Wai Man	Executive director
Mr Frank Shui Sang Jin	Executive director
Mr Andrew Liu	Non-executive director
Mr Dominic Bing Hoi Lam	Non-executive director
Dr Robin Yau Hing Chan	Independent non-executive director

3. Biographical data about the retiring directors who are proposed to be re-elected at the 2005 AGM are set out in Appendix 2.

C. Procedures for Demanding and Conducting a Poll

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required. Articles 65 through 68 of the Articles of Association (referred to as the “Company” therein) have set forth the relevant provisions as follows:

65. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or the withdrawal of any other demand for a poll) a poll is demanded by:
 - (i) the chairman of the meeting; or
 - (ii) at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
 - (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

EXPLANATORY STATEMENT FROM THE BOARD

C. Procedures for Demanding and Conducting a Poll - continued

- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that rights.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

66. A poll demanded on the election of the chairman of a meeting, or on the question of adjournment of a meeting, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman of the meeting directs. No Notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn with the consent of the chairman of the meeting, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
67. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
68. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

The Articles of Association is written in the English language and there is no official Chinese translation thereof. In case of any discrepancies between the English version of the above-quoted Articles 65 through 68 and the Chinese translation thereof, the English version shall prevail in all circumstances.

D. Recommendation

Your directors believe that the renewal of the general mandates for both the repurchase by the Bank of its own shares and the issue of new shares, and the re-election of the retiring directors in question are in the interests of the Bank and its shareholders as a whole. As such, your directors recommend that you vote in favour of all of the relevant resolutions to be proposed at the 2005 AGM.

Yours faithfully,

Liu Lit Man

Executive Chairman

APPENDIX 1 - EXPLANATORY STATEMENT ON THE PROPOSED GENERAL MANDATE FOR THE REPURCHASE OF SHARES

The following is the Explanatory Statement required to be sent to shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of shares and also constitutes the memorandum required under section 49BA of the Companies Ordinance. References in this Appendix to “Shares” mean share(s) of all classes in the capital of the Bank and include, where the context so requires, Shares of HK\$0.50 each of the Bank:

- (i) It is proposed that up to 10 per cent of the Shares in issue, at the date of the passing of the resolution to approve the general mandate, may be repurchased. On the basis of 435,000,000 Shares in issue as of the Latest Practicable Date and assuming no further Shares will be issued and / or repurchased between 24 March 2005 and the date of the passing of such resolution, the directors would be authorised to repurchase up to 43,500,000 Shares.
- (ii) The directors believe that the ability to repurchase Shares is in the interests of the Bank and its shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and / or earnings per share. The directors are seeking the grant of a general mandate to repurchase Shares to give the Bank the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which such Shares are repurchased will be decided by the directors at the relevant time having regard to the circumstances then prevailing.
- (iii) It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Bank which shall be funds legally available for such purpose in accordance with the Listing Rules and the laws of Hong Kong.
- (iv) There could be a material adverse impact on the working capital or gearing position of the Bank (as compared with the position disclosed in its latest published audited accounts for the financial year ended 31 December 2004) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or the gearing levels which in the opinion of the directors are from time to time appropriate for the Bank.
- (v) There are no directors or (to the best of the knowledge of the directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of directors of the Bank who have a present intention, in the event that the general mandate is granted by shareholders, to sell Shares to the Bank.

APPENDIX 1 - EXPLANATORY STATEMENT ON THE PROPOSED GENERAL MANDATE FOR THE REPURCHASE OF SHARES

- (vi) The directors have undertaken to the Stock Exchange to exercise the power of the Bank to make repurchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.
- (vii) The directors are not aware of any consequences which would arise under the Code as a result of any repurchases under the general repurchase mandate in question other than the restriction that the controlling shareholding of Liu Chong Hing Estate Company, Limited (which currently stands at 45.46 percent of the Shares in issue) should not rise more than 2 percentage points for the 12-month period in question. Neither should that of Liu Chong Hing Estate Company, Limited and those persons acting in concert within the meaning of the Code (which currently stands at 47.10 percent of the Shares in issue). If the general repurchase mandate were to be fully exercised, the above shareholdings would exceed the limit concerned and move up to 50.51 percent and 52.33 percent respectively, thereby triggering Rule 26 of the Code in respect of mandatory offer. The directors, however, have no present intention of exercising the general repurchase mandate in such a way (if it were to be exercised at all) that would trigger any such mandatory offer.
- (viii) No repurchase has been made by the Bank of its Shares in the six months before the Latest Practicable Date.
- (ix) No connected persons (as defined in the Listing Rules) of the Bank have notified it of a present intention to sell Shares to the Bank and no such persons have undertaken not to sell such Shares to the Bank in the event that the general mandate is granted by shareholders.
- (x) The highest and lowest unit prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve calendar months before the Latest Practicable Date are as follows:

	Highest	Lowest
	HK\$	HK\$
March 2004	13.100	11.800
April 2004	12.500	11.000
May 2004	11.250	8.450
June 2004	10.550	9.750
July 2004	10.650	10.100
August 2004	11.150	10.150
September 2004	11.350	10.700
October 2004	11.350	10.800
November 2004	11.800	11.150
December 2004	11.750	11.500
January 2005	11.800	11.400
February 2005	12.300	11.600

APPENDIX 2 – BIOGRAPHICAL DATA ABOUT RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Biographical data about the retiring directors who are proposed to be re-elected at the 2005 AGM are as follows:

Mr Wilfred Chun Ning LIU

aged 43, is an Executive Director in charge of the Securities Business Division of the Bank. He holds a Bachelor's degree in Economics from University of Newcastle-upon-Tyne (UK). He joined the Bank in 1993 and became a Director in 1998. He is a nephew of Mr Liu Lit Man (Executive Chairman of the Bank) and a member of the Liu's family, some of whose members are directors, members of the senior management and / or substantial / controlling shareholders of the Bank.

In addition to his directorship in the Bank, Mr Liu has been a director of Liu Chong Hing Investment Limited since 1997, both of which are public companies listed on the Stock Exchange. In the past three years, Mr Liu was an independent non-executive director of Gold-Face Holdings Limited from 1998 to 2003, which is a public company listed on the Stock Exchange. Mr Liu has also been an independent non-executive director of Get Nice Holdings Limited and S.A.S. Dragon Holdings Limited since May 2002 and August 2001 respectively, all of which are public companies listed on the Stock Exchange. Save as disclosed above, in the last three years, Mr Liu did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Liu does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Liu has no interest (nor any short position) in the securities and underlying securities in the Bank and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr Liu, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association.

Mr Liu, as the head of the Bank's Securities Business Division, is currently entitled to receive by way of remuneration for his services (i) a monthly salary of HK\$79,290, (ii) a one-month salary bonus which is payable at the end of the calendar year provided that he is in the Bank's employ then, (iii) an annual mandatory provident fund contribution made by the Bank, accruing at the rate of 10 percent of his monthly salary multiplied by 13 months, and (iv) a monthly housing allowance of HK\$38,000. Mr Liu is also at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Mr LAU Wai Man

aged 47, is an Executive Director in charge of the Retail Banking Business Division and Information Technology Division of the Bank. He holds a Bachelor of Law degree and a Master of Business Administration degree. Mr Lau is a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants and a Certified Financial Planner^{CM}. He was a senior associate of the Australian Institute of Bankers. Mr Lau joined the Bank as the Chief Auditor in 1988 and became a Director of the Bank in August 2001. Before joining the Bank, he had worked for an international bank and an international accounting firm.

APPENDIX 2 – BIOGRAPHICAL DATA ABOUT RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Mr Lau is a director of Card Alliance Company Limited; Chong Hing Commodities and Futures Limited; Chong Hing Securities Limited; Gallbraith Limited; Liu Chong Hing Banking Corporation, Cayman; Liu Chong Hing Data Processing Limited; Liu Chong Hing Finance Limited; Liu Chong Hing (Management) Limited and Liu Chong Hing (Nominees) Limited, all of which are subsidiaries of the Bank. Other than Mr Lau's directorship in the Bank, in the last three years, he did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Lau does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Lau has no interest (nor any short position) in the securities and underlying securities in the Bank and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr Lau, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association.

Mr Lau, as the head of the Bank's Retail Banking Business Division and Information Technology Division, is currently entitled to receive by way of remuneration for his services (i) a monthly salary of HK\$103,950, (ii) a one-month salary bonus which is payable at the end of the calendar year provided that he is in the Bank's employ then, and (iii) an annual mandatory provident fund contribution made by the Bank, accruing at the rate of 10 percent of his monthly salary multiplied by 13 months. Mr Lau is also at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Mr Frank Shui Sang JIN

aged 47, is an Executive Director in charge of the Finance and Treasury Management Division of the Bank. He holds a Master of Business Administration degree from the City University in London, and is a certified public accountant (practising) registered in Hong Kong. Mr Jin joined the Bank in 1997 and became a Director of the Bank in August 2001. Before joining the Bank, he held senior positions in an international accounting firm and a listed company.

Mr Jin is a director of Card Alliance Company Limited; Chong Hing Commodities and Futures Limited; Chong Hing Securities Limited; Gallbraith Limited; Liu Chong Hing Banking Corporation, Cayman; Liu Chong Hing Data Processing Limited; Liu Chong Hing Finance Limited; Liu Chong Hing (Management) Limited and Liu Chong Hing (Nominees) Limited, all of which are subsidiaries of the Bank. Other than Mr Jin's directorship in the Bank, in the last three years, he did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Jin does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Jin has no interest (nor any short position) in the securities and underlying securities in the Bank and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr Jin, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association.

APPENDIX 2 – BIOGRAPHICAL DATA ABOUT RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Mr Jin, as the head of the Bank's Finance and Treasury Management Division, is currently entitled to receive by way of remuneration for his services (i) a monthly salary of HK\$103,950, (ii) a one-month salary bonus which is payable at the end of the calendar year provided that he is in the Bank's employ then, (iii) an annual mandatory provident fund contribution made by the Bank, accruing at the rate of 9 percent of his monthly salary multiplied by 13 months, and (iv) a monthly housing allowance of HK\$20,000. Mr Jin is also at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Mr Kevin Wai Hung CHU

aged 47, is an Executive Director in charge of the Corporate and Commercial Banking Business Division of the Bank. He graduated from Columbia University with a Master degree in Engineering. He has more than 20 years of financial services experience and worked for a number of major international banks in their corporate banking department. Mr Chu joined the Bank in 2001 and became a Director in June 2004.

Other than Mr Chu's directorship in the Bank, in the last three years, he did not hold any directorship in any other listed public company. Other than that mentioned above, Mr Chu does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Chu has no interest (nor any short position) in the securities and underlying securities in the Bank and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr Chu, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association.

Mr Chu, as the head of the Bank's Corporate and Commercial Banking Division, is currently entitled to receive by way of remuneration for his services (i) a monthly salary of HK\$100,000, (ii) a one-month salary bonus which is payable at the end of the calendar year provided that he is in the Bank's employ then, and (iii) an annual mandatory provident fund contribution made by the Bank, accruing at the rate of 6.5 percent of his monthly salary multiplied by 13 months. Mr Chu is also at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Mr Andrew LIU

aged 49, a member of the Board since 1977, was redesignated from executive director to non-executive director of the Bank in May 1999. He is the Chief Executive Officer of JP Morgan Partners Asia Pte. Ltd. Mr Liu, holder of a Master of Arts degree from the Oxford University in England, was a solicitor with Slaughter and May in London before joining Morgan Stanley & Co Inc in New York in 1981. Mr Liu was promoted to Managing Director in 1990 before relocating to Morgan Stanley Asia Limited in Hong Kong, where he assumed the position of President and Managing Director until his resignation in September 1997. Mr Liu remains associated with Morgan Stanley as an Advisory Director. He is a son of Mr Liu Lit Man (Executive Chairman of the Bank) and a member of the Liu's family, some of whose members are directors, members of the senior management and / or substantial / controlling shareholders of the Bank.

In addition to his directorship in the Bank, Mr Liu has been a director of Liu Chong Hing Investment Limited since 1979, both of which are public companies listed on the Stock Exchange. Besides, Mr Liu has been a director of ASAT Holdings Limited, a public company listed on NASDAQ National Market, USA, since October 1999. Save as disclosed above, in the last three years, Mr Liu did not hold any directorship in any other listed public company.

APPENDIX 2 – BIOGRAPHICAL DATA ABOUT RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Other than that mentioned above, Mr Liu does not hold any other position with the Bank or any other members of the Bank's group, and does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Liu is interested in 60,000 shares in the Bank (amounting to some 0.014 percent of its existing issued and fully paid share capital) within the meaning of Part XV of the Securities and Futures Ordinance. Mr Liu, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association. Mr Liu is at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Mr Dominic Bing Hoi LAM

aged 59, a member of the Board since April 1986, was redesignated from executive director to non-executive director of the Bank in September 2004. Mr Lam is a fellow of the Institute of Chartered Accountants in England and Wales. He obtained a diploma in business studies from Southport Technical College, England. Other than Mr Lam's directorship in the Bank, in the last three years, he did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Lam does not hold any other position with the Bank or any other members of the Bank's group, and does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Lam is interested in 50,600 shares in the Bank (amounting to some 0.012 percent of its existing issued and fully paid share capital) within the meaning of Part XV of the Securities and Futures Ordinance. Mr Lam, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association. Mr Lam is at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Dr Robin Yau Hing CHAN

Dr Chan, aged 72, has been a member of the Board since 5 October 1981 and is currently serving as a non-executive director. He is a Deputy to the Chinese National People's Congress and the Ex-officio Life Honorary Chairman of the Chinese General Chamber of Commerce, Hong Kong. Dr Chan has been the Chairman of Asia Financial Holdings Limited since 19 October 1990. He is currently an independent non-executive director of K Wah International Holdings Limited, of which he has been a board member since 22 June 1989. Dr Chan is also currently an independent non-executive director of Keck Seng Investments (Hong Kong) Limited, of which he has been a board member since 8 September 1988. Asia Financial Holdings Limited, K Wah International Holdings Limited and Keck Seng Investments (Hong Kong) Limited are all public companies listed on the Stock Exchange, on whose boards Dr Chan has sat in the last three years.

APPENDIX 2 – BIOGRAPHICAL DATA ABOUT RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

Other than that mentioned above, Dr Chan does not hold any other position with the Bank or any other members of the Bank's group, and does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Dr Chan is interested in 1,066,400 shares in the Bank (amounting to some 0.245 percent of its existing issued and fully paid share capital) within the meaning of Part XV of the Securities and Futures Ordinance. Dr Chan, who has not entered into any service contract with the Bank in relation to his role as its director, shall be subject to retirement by rotation and, as the case may be, re-election under the Articles of Association. Dr Chan is at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$40,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.

Mr CHENG Yuk Wo

aged 44, has been an Independent Non-executive Director of the Bank since September 2004. Mr Cheng is also a member of the Bank's Audit Committee and Remuneration Committee. Mr Cheng, a co-founder of a Hong Kong merchant banking firm as well as consultant to several listed companies, is currently the proprietor of a certified public accountant practice in Hong Kong. Mr Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from the London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from the University of Kent, England. He is a fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants, and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr Cheng has more than 20 years of expertise in financial and corporate advisory services in mergers, acquisitions and investments. He had worked at Coopers and Lybrand (now known as PricewaterhouseCoopers) in London and Swiss Bank Corporation (now known as UBS AG) in Toronto, and held senior management positions in a number of Hong Kong listed companies.

In the last three years, Mr Cheng has also been a non-executive director of Capital Strategic Investment Limited, a public company listed on the Stock Exchange, since 26 November 2002 before his redesignation as its independent non-executive director with effect from 23 September 2004. Mr Cheng has been an independent non-executive director too of Hong Kong Construction (Holdings) Limited, Capital Publications Limited, Jessica Publications Limited and Chia Tai Enterprises International Limited since 14 July 2004, 17 September 2004, 17 September 2004 and 27 September 2004 respectively, all of which are public companies listed on the Stock Exchange. Besides, Mr Cheng was an executive director of Styland Holdings Limited from 1 August 2002 to 18 June 2003 and an independent non-executive director of Yoshiya International Corporation, Limited (now known as Capital Estate Limited) from 2 July 2002 to 5 September 2002, both of which are public companies listed on the Stock Exchange.

Other than that mentioned above, Mr Cheng does not hold any other position with the Bank or any other members of the Bank's group, and does not have any relationship with any directors, members of the senior management or substantial / controlling shareholders of the Bank. As of the Latest Practicable Date, Mr Cheng has no interest (nor any short position) in the securities and underlying securities in the Bank and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr Cheng, who has not entered into any service contract with the Bank in relation to his role as its director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association. Mr Cheng is at present entitled to receive by way of remuneration for his services as a member of the Board an annual director's fee, which is currently fixed at HK\$80,000 and approved by the Bank in general meeting by ordinary resolution under the Articles of Association.