
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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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 Wednesday, 26 April 2006 at 11 am is contained on pages 13 to 15 in the annual report of the Bank for the year ended 31 December 2005. A form of proxy for the 2006 annual general meeting is enclosed with this explanatory statement.

If you are not able to attend the 2006 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.

31 March 2006

CONTENTS

	Page(s)
Definitions	1
Explanatory Statement from the Board	2
A. Renewal of General Mandates for the Repurchase by the Bank of its Own Shares and the Issue of New Shares	3
B. Re-election of Retiring Directors	4
C. Procedures for Demanding and Conducting a Poll	4-5
D. Recommendation	5
Appendix 1 – Explanatory Statement on the Proposed General Mandate for the Repurchase of Shares	6-7
Appendix 2 – Biographical Data about Retiring Directors Proposed to be Re-elected	8-12

DEFINITIONS

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

“2006 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 Wednesday, 26 April 2006 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 2005.
“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”	25 March 2006, 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)

Dr LIU Lit Mo, LLD, 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 Andrew Chiu Wing TSANG

Mr George Har Kar WONG

Non-executive directors

Mr Timothy George FRESHWATER

Mr Toshiaki ARAI

Mr Andrew LIU

Mr SUN Jiakang

Mr Christopher Kwun Shing LIU

Mr Alfred Cheuk Yu CHOW, JP

Mr WANG Zhi

Independent non-executive directors

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

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

31 March 2006

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 26 April 2005, 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 (i); 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 2006 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 2006 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 Andrew Chiu Wing Tsang and Mr George Har Kar Wong (who were both appointed executive directors on 17 August 2005) shall retire and offer themselves for re-election as executive directors, and Mr Wang Zhi (who was appointed a non-executive director on 16 November 2005) shall retire and offer himself for re-election as a non-executive director at the 2006 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 2006 AGM:

Name	Proposed to be re-elected as
Mr Liu Lit Man	Executive Chairman
Mr Timothy George Freshwater	Non-executive director
Mr Sun Jiakang	Non-executive director
Mr Christopher Kwun Shing Liu	Non-executive director
Mr Alfred Cheuk Yu Chow	Non-executive director

3. Biographical data about the retiring directors who are proposed to be re-elected at the 2006 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 2006 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 26 March 2006 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 Bank’s constitutive documents 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 2005) 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 Hong Kong Code on Takeovers and Mergers (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 45.78 percent of the Bank’s Shares in issue) should not rise more than 2 percentage points for the 12-month period in question. If the general repurchase mandate were to be fully exercised, the above shareholding would exceed the limit concerned and move up to 50.87 percent, thereby triggering Rule 26 of the Code in respect of mandatory offer. 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 47.41 percent of the Bank’s Shares in issue) rise more than 2 percentage points for the 12-month period in question. If the general repurchase mandate were to be fully exercised, the above shareholding would exceed the limit concerned and move up to 52.68 percent, 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 2005	12.300	11.850
April 2005	12.300	11.350
May 2005	11.900	11.150
June 2005	11.850	11.300
July 2005	12.400	11.650
August 2005	12.450	11.950
September 2005	12.150	11.800
October 2005	12.100	11.650
November 2005	12.050	11.750
December 2005	12.450	11.950
January 2006	13.250	12.200
February 2006	16.800	12.950

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 2006 AGM are as follows:

Mr LIU Lit Man

aged 76, is the Executive Chairman of the Bank. He joined the Bank in 1950 and has been its Director since 1955. He is also the Chairman of both Liu Chong Hing Investment Limited and Chong Hing Insurance Company Limited. His other directorships include those in The Hong Kong and China Gas Company Limited, Asia Commercial Bank Limited and COSCO Pacific Limited. He was a Director of Tung Wah Group of Hospitals, the President of the Hong Kong Chiu Chow Chamber of Commerce (presently Permanent Honorary President), a founder and a Permanent Honorary Chairman of the Chiu Chow Association Building (Property Holding) Limited, as well as the founder and the first Chairman of Teochew International Convention (now Permanent Honorary Chairman). Presently he is a Permanent Honorary Chairman of The Chinese General Chamber of Commerce, Hong Kong. Mr Liu is also a founder and a Manager of Liu Po Shan Memorial College, a Director of New Asia College of The Chinese University of Hong Kong, and the founder of Chiu Chow Association Secondary School. In 1975, he was appointed a Justice of the Peace and was elected Fellow of the International Banker Association. He had been a Member of the Consultative Committee for the Basic Law from 1985 to 1990 and was a Member of the Selection Committee of the First Government of the Hong Kong Special Administrative Region. He is a Member of the First Election Committee constituted under the Chief Executive Election Ordinance. Mr Liu was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in July 2001. He is the elder brother of Dr Liu Lit Mo (Vice Chairman of the Bank) and a member of the Liu's family, some of whose members are directors, members or the senior management and / or substantial / controlling shareholders of the Bank.

Mr Liu is a director of Chong Hing Insurance Company Limited; Gallbraith Limited; Liu Chong Hing Banking Corporation, Cayman; Liu Chong Hing Data Processing Limited; Chong Hing Finance Limited; Liu Chong Hing (Management) Limited; Liu Chong Hing (Nominees) Limited and Right Way Investments Limited, all of which are wholly-owned subsidiaries of the Bank.

Mr Liu is also a director of Abaleen Enterprises Limited; Alain Limited; Bonsun Enterprises Limited; China Link Technologies Limited; Chong Yip Finance Limited; Determined Resources Limited; Devon Realty Limited; Donington Company Limited; Gem Gain Enterprises Limited; Great Earnest Limited; Heng Kin Investment Limited; Honour Speed Development Limited; Jacot Limited; Ko Yew Company Limited; Linktime International Development Limited; Liu Chong Hing Estate Company, Limited; Liu Chong Hing Godwon Company, Limited; Liu Chong Hing Property Holdings (Cayman) Limited; Liu Chong Hing Property Management and Agency Limited; Luxpolar Limited; Marble Kingdom Limited; Queen Profit International Investment Limited; Shanghai Huang Pu Liu Chong Hing Property Development Company Limited; Sino Pink Development Limited; Speed World Investment Limited; Terryglass Limited; Top Team Limited; Wealth Good Investment Limited; Well Road Investment Limited and Yue Tung Ching Kee Company Limited, all of which are subsidiaries of Liu Chong Hing Investment Limited, the controlling shareholder of the Bank.

Save as disclosed above, Mr Liu is the Executive Chairman of Liu Chong Hing Investment Limited and has been its board member since 1972. Mr Liu has also been an independent non-executive director of The Hong Kong and China Gas Company Limited and COSCO Pacific Limited since 1975 and September 1996 respectively. All are public companies listed on the Stock Exchange. Besides, Mr Liu was an independent non-executive director of Shanghai Land Holdings Limited from July 2002 to November 2004, which was a public company 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 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 242,593,556 shares in the Bank (amounting to some 55.77 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.

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

Mr Liu, as the Executive Chairman of the Bank, is currently entitled to an annual salary package of about HK\$6,030,000, which has been fixed with reference to such factors as his position, responsibilities and performance. Mr Liu, as a board member, is also at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$80,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr Andrew Chiu Wing TSANG

aged 48, is an Executive Director in charge of the Information Technology Division of the Bank. He holds a Master of Science degree in Electronic Commerce and Internet Computing from the University of Hong Kong, and is a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr Tsang joined the Bank in 2000 and became a Director of the Bank in August 2005. Before joining the Bank, he held senior positions in an international accounting firm and a major international bank in Hong Kong.

In addition to his directorship in the Bank, Mr Tsang is a director of Liu Chong Hing (Nominees) Limited, which is a wholly-owned subsidiary of the Bank. Save as disclosed above, in the last three years, Mr Tsang did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Tsang 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 Tsang 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 Tsang, 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 Tsang, as the head of the Bank's Information Technology Division, is currently entitled to an annual salary package of about HK\$1,620,000, which has been fixed with reference to such factors as his position, responsibilities and performance. Mr Tsang, as a board member, is also at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$40,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr George Har Kar WONG

aged 53, is an Executive Director in charge of the Credit Control Division and Credit Risk Management Department of the Bank. He is a member of the Institute of Chartered Accountants in England & Wales and the Hong Kong Institute of Certified Public Accountants. Mr Wong joined the Bank in 2002 and became a Director of the Bank in August 2005. Before joining the Bank, he held senior positions in an international accounting firm and a major international bank in Hong Kong.

In addition to his directorship in the Bank, Mr Wong is a director of Liu Chong Hing (Nominees) Limited, which is a wholly-owned subsidiary of the Bank. Save as disclosed above, in the last three years, Mr Wong did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Wong 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 Wong 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 Wong, 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 Wong, as the head of the Bank's Credit Control Division and Credit Risk Management Department, is currently entitled to an annual salary package of about HK\$1,660,000, which has been fixed with reference to such factors as his position, responsibilities and performance. Mr Wong, as a board member, is also at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$40,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr Timothy George FRESHWATER

aged 61, was redesignated from independent non-executive director, an office that he had held since April 1997, to non-executive director of the Bank in September 2004. He is a solicitor in the UK and Hong Kong and is a past President of the Law Society of Hong Kong. After graduating from Cambridge University, he joined the international law firm Slaughter and May in 1967 and remained with them for 29 years, leaving in July 1996 to join Jardine Fleming. He became Chairman of Jardine Fleming in 1999. In 2001, Mr Freshwater joined Goldman Sachs (Asia) L.L.C. and is now Vice Chairman. Mr Freshwater has been a member of the Bank's Investment Committee on Asia Opportunity Fund since 25 August 1998.

In addition to his directorship in the Bank, Mr Freshwater has been a non-executive director of Hong Kong Exchanges and Clearing Limited since 3 April 2000, and an independent non-executive director of Pacific Century Insurance Holdings Limited and COSCO Pacific Limited since 8 June 1999 and 9 June 2005 respectively, all of which are public companies listed on the Stock Exchange. Save as disclosed above, in the last three years, Mr Freshwater did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Freshwater 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 Freshwater is interested in 396 shares in the Bank (amounting to some 0.00009 percent of its existing issued and fully paid share capital) within the meaning of Part XV of the Securities and Futures Ordinance. Mr Freshwater, 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 Freshwater, as a board member, is at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$120,000, and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr SUN Jiakang

aged 45, has been a member of the Board since November 2002. He is also the Vice Chairman and Managing Director of COSCO Pacific Limited ("COSCO Pacific"), an Executive Vice President of China COSCO Holdings Company Limited, a director of China International Marine Containers (Group) Co., Ltd., a fellow member of the Hong Kong Institute of Directors and a member of International WHO's WHO of Professionals and a visiting professor at Dalian Maritime University. Mr Sun graduated from the Faculty of Navigation of Dalian Maritime Transportation Institute with a bachelor degree in shipping management in 1982 and obtained a bachelor degree in economic management of industrial enterprises from the People's University of China in 1987, a master degree in management from Dalian Maritime University in 2001 and a doctor of philosophy (PhD) degree in management from Preston University, USA in 2005. After graduating from university in 1982, Mr Sun joined COSCO Group and had been the Assistant to the President and Spokesman of China Ocean Shipping (Group) Company. For the past 24 years, Mr Sun has committed to shipping management and has accumulated rich experiences in international shipping and logistics operations and has demonstrated excellent management skills. Mr Sun joined COSCO Pacific since September 2002 and is responsible for the overall strategic planning, corporate development, management and administration of COSCO Pacific.

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

In addition to his directorship in the Bank, Mr Sun has been an executive director of COSCO Pacific since 2 September 2002, a public company listed on The Stock Exchange of Hong Kong Limited. Save as disclosed above, in the last three years, Mr Sun did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Sun 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 Sun 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 Sun, 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 Sun, as a board member, is at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$40,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr Christopher Kwun Shing LIU

aged 30, is a qualified solicitor in both England & Wales and Hong Kong. A holder of a Master of Arts degree in Jurisprudence from the University of Oxford, Mr Liu is currently a practising solicitor with Deacons in Hong Kong. Mr Liu served as alternate director to Dr Liu Lit Chung, a former director of the Bank, from July 2000 to July 2002. He became a director of the Bank in July 2002. Mr Liu 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 or the senior management and / or substantial / controlling shareholders of the Bank.

In addition to his directorship in the Bank, Mr Liu has been alternate director to Dr Liu Lit Chung of Liu Chong Hing Investment Limited since 17 April 2000, which is a public company 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 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 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 a board member, is at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$40,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr Alfred Cheuk Yu CHOW

aged 55, was redesignated from independent non-executive director, an office that he had held since February 2003, to non-executive director of the Bank in September 2004. He graduated from the University of Hong Kong with a Bachelor of Laws Degree and a Master of Social Sciences (Public Administration) Degree. With 17 years working experience in the civil service and over 20 years as a solicitor, Mr Chow is presently the senior partner of Kwan & Chow, Solicitors, a law firm in Hong Kong. He is also a China-Appointed Attesting Officer. Mr Chow has been a member of the Bank's Audit Committee and Remuneration Committee since April 2003 and February 2005 respectively.

Mr Chow is a director of Chong Hing Insurance Company Limited, which is a wholly-owned subsidiary of the Bank. Other than Mr Chow'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 Chow 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 Chow 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 Chow, 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 Chow, as a board member, is at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$40,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.

Mr WANG Zhi

aged 43, has been a member of the Board since November 2005. He is also a Deputy Managing Director of COSCO Pacific Limited ("COSCO Pacific"). He joined COSCO Pacific in April 2001 and was appointed as an Executive Director of COSCO Pacific in July 2005. He graduated from Jimei Navigation College in 1980. He then further his studies in Shanghai Maritime University and obtained an International Executive Master of Business Administration degree from International School of Management in Paris in 2000. Prior to joining COSCO Pacific, he worked in COSCO Guangzhou in 1980 and gained more than 13 years of working experience in shipping industries there. Since 1993, he had been the Deputy Chief Executive Officer of COSCO (UK) Limited, the Managing Director of Crystal Logistics Ltd and the Managing Director of COSCO France S A. Mr Wang is now responsible for the management and investment of the container terminals and container-related industrial businesses of COSCO Pacific.

In addition to his directorship in the Bank, Mr Wang has been an executive director of COSCO Pacific since 29 July 2005, which is a public company listed on the Stock Exchange. Save as disclosed above, in the last three years, Mr Wang did not hold any directorship in any other listed public company.

Other than that mentioned above, Mr Wang 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 Wang 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 Wang, 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 Wang, as a board member, is at present entitled to receive by way of remuneration an annual fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$40,000 and approved under the Articles of Association.

Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules (particularly in relation to sub-paragraphs (h) to (v) therein) nor are there other matters that need to be brought to the attention of the shareholders of the Bank.