



LIU CHONG HING BANK LIMITED

(Stock Code : 1111)

Changes in Board Composition

The Board of Directors (the "Board") of Liu Chong Hing Bank Limited (the "Bank") wishes to announce the following directorial changes:

I Redesignations of directors

- (i) Mr Timothy George Freshwater ("Mr Freshwater") has been redesignated from independent non-executive director, an office that he has held since 24 April 1997, to non-executive director of the Bank with effect from 30 September 2004.

Mr Freshwater, aged 59, 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) LLC as Chairman, Corporate Finance, Asia. In the past three years before his Bank redesignation in question, Mr Freshwater has also 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 since 8 June 1999, both of which are public companies listed on The Stock Exchange of Hong Kong Limited ("HKSE"). Mr Freshwater has been a member of the Bank's Investment Committee on Asia Opportunity Fund since 25 August 1998 and remains so after his Bank redesignation in question.

Since Goldman Sachs (Asia) LLC, of which Mr Freshwater is a director, has provided financial advisory services and may in future provide such and other services to the Bank in the ordinary course of business and on normal commercial terms, Mr Freshwater has been redesignated as a non-executive director in the light of Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Rule 3.13"). Save as disclosed above, there is no other matter relating to his Bank redesignation in question that needs to be brought to the attention of the shareholders of the Bank.

Other than that mentioned above, Mr Freshwater has not held 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 date of this announcement, Mr Freshwater holds 396 shares in the Bank 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 non-executive director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association of the Bank. Mr Freshwater is entitled to receive by way of remuneration for his services as a non-executive director of the Bank 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 Bank's Articles of Association.

- (ii) Mr Alfred Cheuk Yu Chow ("Mr Chow") has been redesignated from independent non-executive director, an office that he has held since 12 February 2003, to non-executive director of the Bank with effect from 30 September 2004.

Mr Chow, aged 53, 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 of experience in the civil service and over 20 years as a solicitor, Mr Chow is presently the senior partner of Kwan & Chow, Solicitors. He is also a China-appointed Attesting Officer. Mr Chow is a director of Liu Chong Hing Insurance Company Limited, which is wholly-owned by Liu Chong Hing Investment Limited (a substantial shareholder of the Bank). Mr Chow has been a member of the Bank's Audit Committee since 23 April 2003 and remains so after his Bank redesignation in question. Save as disclosed above, in the past three years before his Bank redesignation in question, Mr Chow did not hold directorship in any other listed public company.

Since Kwan & Chow, of which Mr Chow is the senior partner, has provided legal services and may in future provide such services to the Bank in the ordinary course of business and on normal commercial terms, Mr Chow has been redesignated as a non-executive director in the light of Rule 3.13. Save as disclosed above, there is no other matter relating to his Bank redesignation in question that needs to be brought to the attention of the shareholders of the Bank.

Other than that mentioned above, Mr Chow has not held 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 date of this announcement, 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 non-executive director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association of the Bank. Mr Chow is entitled to receive by way of remuneration for his services as a non-executive director of the Bank 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 Bank's Articles of Association.

- (iii) Mr Dominic Bing Hoi Lam ("Mr Lam"), a member of the Board since 11 April 1986, has been redesignated from executive director, a title that he has assumed since 11 May 1994, to non-executive director of the Bank with effect from 30 September 2004 for health reason.

Mr Lam, aged 58, 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. Mr Lam joined the Bank in May 1974. Immediately before his Bank redesignation in question, Mr Lam was responsible for supervising the credit control and compliance functions of the Bank. Mr Lam retired as a member of a number of committees of the Bank, as well as a member of a number of the boards of the subsidiaries of the Bank, on 30 September 2004. Mr Lam, however, stays on as a director of Chong Hing Commodities and Futures Limited and Chong Hing Securities Limited, both of which are subsidiaries of the Bank, for the time being. Save as disclosed above, in the past three years before his Bank redesignation in question, Mr Lam did not hold directorship in any other listed public company.

Other than that mentioned above, Mr Lam has not held 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 date of this announcement, Mr Lam is interested in 50,600 shares in the Bank 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 non-executive director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association of the Bank. Mr Lam is entitled to receive by way of remuneration for his services as a non-executive director of the Bank 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 Bank's Articles of Association.

Save as disclosed above, there is no other matter relating to his Bank redesignation in question that needs to be brought to the attention of the shareholders of the Bank.

II Appointment of independent non-executive director

Mr Cheng Yuk Wo ("Mr Cheng") has been appointed an independent non-executive director and a member of the Audit Committee of the Bank with effect from 30 September 2004.

Mr Cheng, aged 43, 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 before his Bank appointments in question, 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 HKSE. Besides, Mr Cheng has been a non-executive director of Capital Strategic Investment Limited, a public company listed on HKSE, since 26 November 2002 before his redesignation as its independent non-executive director with effect from 23 September 2004. Mr Cheng has also been an independent non-executive director 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 HKSE. 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.

Other than that mentioned above, Mr Cheng has not held 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 date of this announcement, 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 independent non-executive director, is subject to retirement by rotation and, as the case may be, re-election under the Articles of Association of the Bank. Mr Cheng is entitled to receive by way of remuneration for his services as an independent non-executive director of the Bank 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 Bank's Articles of Association.

The Board would like to take this opportunity to welcome Mr Cheng as its new member.

The Board also wishes to supplement the Bank's announcement of 1 June 2004 on Mr Kevin Wai Hung Chu ("Mr Chu"), an executive director, as follows:

Mr Chu did not hold any directorship in any listed public company in the last three years before his board appointment in question.

Furthermore, Mr Chu, as the head of the Bank's Corporate and Commercial Banking Department, 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 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 Bank's Articles of Association.

As of the date of this announcement, the Board is comprised of the following directors:

The executive directors of the Bank are Mr Liu Lit Man (Executive Chairman), Mr Liu Lit Mo (Vice Chairman), Mr Liu Lit Chi (Managing Director & Chief Executive Officer), Mr Don Tit Shing Liu (Executive Director & Deputy Chief Executive Officer), Mr Wilfred Chun Ning Liu, Mr Lau Wai Man, Mr Frank Shui Sang Jin and Mr Kevin Wai Hung Chu; the non-executive directors are Dr Robin Yau Hing Chan, 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 and Mr Alfred Cheuk Yu Chow; and the independent non-executive directors are Mr Peter Alan Lee Vine, Mr Wanchai Chiranakhorn and Mr Cheng Yuk Wo.

By Order of the Board
Liu Lit Man
Executive Chairman

4 October 2004

Please also refer to the published version of this announcement in The Standard dated 05/10/2004.