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**中銀香港(控股)有限公司**

**BOC HONG KONG (HOLDINGS) LIMITED**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*  
**(the Company)**

## **PLACING OF EXISTING SHARES BY A CONTROLLING SHAREHOLDER**

The Company has been informed by BOC Hong Kong (BVI) Limited (**Selling Shareholder**), the controlling shareholder of the Company which is an indirect wholly-owned subsidiary of Bank of China, that it has entered into a Placing Agreement with the JGCs pursuant to which the JGCs will purchase or procure purchasers to acquire, and the Selling Shareholder will sell, 1,070,000,000 Shares to independent investors at the placing price of HK\$13.70 per Placing Share. The Placing Shares represent approximately 10.12% of the existing issued share capital of the Company. Upon completion of the placing, the Selling Shareholder's direct shareholding in the Company will be reduced from 8,029,753,556 Shares to 6,959,753,556 Shares or from approximately 75.95% to 65.82% of the existing issued share capital of the Company.

At the request of the Company, trading of the Shares on the Main Board of The Stock Exchange of Hong Kong Limited (the **Stock Exchange**) was suspended from 9:31 a.m. on 15th December, 2003. Application has been made to the Stock Exchange for resumption of the trading of the Shares with effect from 9:30 a.m. on 16th December, 2003.

The Company has been informed by the Selling Shareholder that a placing agreement dated 15th December, 2003 (**Placing Agreement**) has been entered into on the terms summarised below.

### **Parties:**

The parties to the Placing Agreement are:

- (1) the Selling Shareholder;
- (2) BOCI Asia Limited;
- (3) Goldman Sachs (Asia) L.L.C.; and
- (4) UBS AG, Hong Kong Branch acting through its business group UBS Investment Bank (together with BOCI Asia Limited and Goldman Sachs (Asia) L.L.C., the **JGCs**).

The Selling Shareholder is the controlling shareholder of the Company and directly holds 8,029,753,556 shares of HK\$5.00 each in the capital of the Company (**Shares**), representing approximately 75.95% of the existing issued share capital of the Company consisting of 10,572,780,266 Shares. The Bank of China's indirect shareholding in the Company consists of the Selling Shareholder's shareholding as well as shareholding interests held by other subsidiaries of Bank of China.

**Number of Placing Shares:**

1,070,000,000 Shares (**Placing Shares**), representing approximately 10.12% of the existing issued share capital of the Company.

**Placing Price:**

HK\$13.70 per Placing Share, representing a discount of approximately 12.18% to the closing price of HK\$15.60 per Share as quoted on the Stock Exchange on 12th December, 2003 and a discount of approximately 5.04% to the average closing price for the month commencing 13th November, 2003 and ending 12th December, 2003 (both dates inclusive).

**Placees:**

The Company has been informed by the Selling Shareholder that the placees of the placing are institutional, professional and other investors who are independent of the directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates (in each case as defined in the Rules Governing the Listing of Securities on the Stock Exchange).

**Conditions of the Placing:**

The placing of the Shares is conditional upon, inter alia, there having been no material and adverse breach of any of the representations, warranties or undertakings by the Selling Shareholder referred to in the Placing Agreement and no occurrence of an event of force majeure.

**Lock-up:**

The Selling Shareholder has undertaken to each of the JGCs that within six months from the date of the Placing Agreement, it will not directly or indirectly transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares owned by it or any interests therein, without the prior written consent of the JGCs.

**Completion of the Placing:**

Completion of the placing of the Shares is expected to take place on 18th December, 2003, or such other date as may be agreed by the Selling Shareholder and the JGCs.

Upon completion of the placing, the Selling Shareholder's interests in the Company will be reduced from 8,029,753,556 Shares to 6,959,753,556 Shares or from approximately 75.95% to 65.82% of the existing issued share capital of the Company and Bank of China's indirect interests in the Company (which include that of the Selling Shareholder) will be reduced from approximately 76% to approximately 66%.

**General Information:**

At the request of the Company, trading of the Shares on the Main Board of the Stock Exchange was suspended from 9:31 a.m. on 15th December, 2003. Application has been made to the Stock Exchange for resumption of the trading of the Shares with effect from 9:30 a.m. on 16th December, 2003.

By Order of the Board  
**Jason C. W. Yeung**  
*Company Secretary*

Hong Kong, 15th December, 2003