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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this document or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in BOC Hong Kong (Holdings) Limited (中銀香港(控股)有限公司), you should at once hand this document and the accompanying proxy form and, if applicable, the Annual Report 2004 or the Summary Financial Report 2004 to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale 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.

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## **Notice of Annual General Meeting**

**and**

## **Proposed General Mandates to Issue and Repurchase Shares**

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A notice convening the Annual General Meeting of BOC Hong Kong (Holdings) Limited to be held at Meeting Room 401, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong (please use Harbour Road entrance) on Thursday, 26th May, 2005 at 3:00 p.m. (registration will begin at 2:30 p.m.) is set out in this document. **Please note that refreshments will not be served at the Annual General Meeting.**

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon, to the registered office of BOC Hong Kong (Holdings) Limited at 52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Annual General Meeting if you so wish.

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12th April, 2005

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## DEFINITIONS

In this document, unless the context otherwise requires, the following expressions have the following meanings :

“ADS”	means American Depository Shares of the Company;
“AGM”	means the annual general meeting of the Company convened to be held on Thursday, 26th May, 2005 at 3:00 p.m. (registration will begin at 2:30 p.m.) at Meeting Room 401, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong;
“Board” or “Board of Directors”	means the Board of Directors of the Company;
“BOC”	means Bank of China Limited (formerly known as Bank of China), a state-owned commercial bank established under the laws of the PRC and a joint stock company with limited liability;
“BOCHK”	means Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of the Company;
“Committee(s)”	means Committee(s) established by the Board of Directors from time to time;
“Companies Ordinance”	means the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	means BOC Hong Kong (Holdings) Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Huijin”	means China SAFE Investments Ltd. (previously known as Central Huijin Investment Company Limited);
“Latest Practicable Date”	means 1st April, 2005, being the latest practicable date prior to the printing of this document for ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	means the People’s Republic of China;
“Share(s)”	means share(s) of HK\$5.00 each in the share capital of the Company;
“Share Repurchase Mandate”	means the proposed general mandate to repurchase shares;
“Share Repurchase Resolution”	means the proposed resolution to approve the grant of the Share Repurchase Mandate; and
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.



**中銀香港(控股)有限公司**  
**BOC HONG KONG (HOLDINGS) LIMITED**  
(Incorporated in Hong Kong with limited liability)

*Board of Directors :*

- \* Mr. XIAO Gang (Chairman)
- \* Mr. SUN Changji (Vice-chairman)
- Mr. He Guangbei (Vice-chairman and Chief Executive)
- \* Mr. HUA Qingshan
- \* Mr. LI Zaohang
- \* Mr. ZHOU Zaiqun
- \* Mdm. ZHANG Yanling
- \*\* Dr. FUNG Victor Kwok King
- \*\* Mr. SHAN Weijian
- \*\* Mr. TUNG Chee Chen
- \*\* Mdm. YANG Linda Tsao

*Registered Office:*

52nd Floor  
Bank of China Tower  
1 Garden Road  
Hong Kong

*Senior Adviser :*

Mr. NEOH Anthony Francis

\* *non-executive directors*

\*\* *independent non-executive directors*

12th April, 2005

Dear Shareholder,

On behalf of the Board of Directors, I invite you to attend the AGM to be held on Thursday, 26th May, 2005 at 3:00 p.m. at the Hong Kong Convention and Exhibition Centre. The AGM offers a valuable opportunity for you to meet the members of our Board and Senior Management and to raise queries on the operation, management and other issues relating to the Group.

The items of business to be considered at the AGM are described in detail in the notice of the AGM which follows this letter. Your participation at the AGM is very important and you can exercise your right to vote whether you choose to attend the meeting or not. If you are unable to attend the AGM in person, we encourage you to vote by completing and returning the enclosed proxy form. Even if you have done so, you may still attend and vote in person at the AGM if you so wish.

We believe sound corporate governance is crucial to our development in the long term and we aspire to a high standard of governance. As part of our ongoing efforts to enhance our corporate governance and transparency, we have provided in this document background information to the resolutions to be proposed at the AGM (see Appendix I), information on the retiring Directors (see Appendix II) and information on voting and other issues relating to the AGM in the form of "Frequently Asked Question" (see Appendix IV) so that shareholders have a better understanding of their rights and can make an informed decision in relation to the subject matters of the AGM. In order to enhance the transparency of shareholders' voting at the AGM, I will also direct that all the proposed resolutions be voted on by poll. We have engaged Computershare Hong Kong Investor Services Limited, the Company's share registrar, to act as the scrutineer. Results of the poll voting will be published in the press and on the Company's website at [www.bochk.com](http://www.bochk.com).

The Board considers that all resolutions proposed for consideration and approval by the shareholders at the AGM are in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends that shareholders vote in favour of the proposed resolutions.

We look forward to seeing you and answering your questions at the AGM.

Yours faithfully,  
**XIAO Gang**  
*Chairman*



## 中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(the "Company")

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held on Thursday, 26th May, 2005 at 3:00 p.m. (registration will begin at 2:30 p.m.) at Meeting Room 401, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong (please use Harbour Road entrance) for the purpose of transacting the following business:

#### ORDINARY BUSINESS

1. To receive and consider the audited Statement of Accounts and the Reports of the Directors and of the Auditors of the Company for the year ended 31st December, 2004.
2. To declare a final dividend of HK\$0.395 per share for the year ended 31st December, 2004.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditors of the Company and authorise the Board of Directors or a duly authorised Committee of the Board to determine their remuneration.

#### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following ordinary resolutions:

5. "THAT:
  - (A) subject to paragraph (B) of this Resolution, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
  - (B) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to:
    - (i) a Rights Issue; or
    - (ii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
    - (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time; or
    - (iv) any share option scheme or savings-based share option plans or similar arrangement for the time being adopted by the Company for the grant or issue to eligible participants of such scheme, plan or arrangement of Shares or rights to acquire Shares, including without limitation pursuant to the rules of the Company's 2002 Share Option Scheme and 2002 Sharesave Plan, both of which were adopted by shareholders of the Company on 10th July, 2002,

shall not exceed the aggregate of:

- (a) 20% or, in the case of issue of shares solely for cash and unrelated to any asset acquisition, 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and
- (b) (if the Board of Directors is so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of the issued share capital of the Company purchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution),

and the said approval shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

- (C) for the purpose of this Resolution:
- (i) "Relevant Period" means the period from (and including) the date of passing this Resolution until whichever is the earliest of:
    - (a) the conclusion of the next annual general meeting of the Company;
    - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by any applicable law to be held; and
    - (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;
  - (ii) "Rights Issue" means an offer of Shares open for a period fixed by the Board of Directors to the holders of Shares whose names appear on the Register of Members of the Company (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase Shares on the relevant register) on a fixed record date in proportion to their holdings of such Shares (and, if appropriate, such warrants and other securities) as at that date (subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
  - (iii) "Shares" means ordinary shares of HK\$5.00 each in the capital of the Company."

6. "THAT:

- (A) subject to paragraph (B) of this Resolution, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time), be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (C) for the purpose of this Resolution:
  - (i) "Relevant Period" means the period from (and including) the date of passing this Resolution until whichever is the earliest of:
    - (a) the conclusion of the next annual general meeting of the Company;
    - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by any applicable law to be held; and
    - (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;
  - (ii) "Shares" means ordinary shares of HK\$5.00 each in the capital of the Company."

7. "THAT conditional on the passing of Resolutions 5 and 6, the general mandate granted to the Board of Directors to exercise the powers of the Company to allot, issue, grant, distribute or otherwise deal with additional shares in the Company pursuant to Resolution 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the issued share capital of the Company purchased by the Company under the general mandate granted pursuant to Resolution 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing Resolutions 5 and 6."

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

Hong Kong, 12th April, 2005

*Registered Office:*  
52nd Floor  
Bank of China Tower  
1 Garden Road  
Hong Kong

## NOTICE OF ANNUAL GENERAL MEETING

*Notes:*

1. The Chairman of the Board has indicated that he would direct that each of the resolutions set out in the notice of the meeting be voted on by poll.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, should be deposited at the registered office of the Company at least 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the meeting or any adjournment thereof should he/she so wish.
4. The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the proposed final dividend, from Thursday, 19th May, 2005 to Tuesday, 24th May, 2005 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the proposed final dividend, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 18th May, 2005.
5. In relation to Resolution 6, an explanatory statement (as required by the Listing Rules) is set out in Appendix III of this document.
6. By Resolutions 5 and 7, approval is being sought from members, as a general mandate in compliance with section 57B of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) and the Listing Rules, so that in the event it becomes desirable for the Company to issue any new shares, the Board of Directors is given the flexibility and discretion to allot and issue new shares up to 20% or 10% (as the case may be) of the issued share capital of the Company, together with such number of shares as may be purchased by the Company pursuant to the general mandate under Resolution 6, as more particularly described in Resolutions 5, 6 and 7.
7. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholding. Accordingly, investors who wish to have joint shareholding in the Company should bear in mind the above provisions when they decide how they wish their shares to be registered.

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**Please note that refreshments will not be served at the Annual General Meeting.**

**1. Audited financial statements for the year ended 31st December, 2004**

The results of the Group for the year ended 31st December, 2004 are set out in the Company's Annual Report 2004 and a summary thereof is contained in the Company's Summary Financial Report 2004. Both Reports are available in English and Chinese and may be downloaded from the Company's website at [www.bochk.com](http://www.bochk.com) and the Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk). You may also obtain a copy of either Report (in English or Chinese or both) free of charge from the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

If you have any queries about how to obtain copies of the Reports or how to access those documents on the Company's website, please call the Company's hotline at (852) 2846 2700.

**2. Declaration of 2004 final dividend**

The Board has recommended a final dividend of HK\$0.395 per share which is subject to approval of shareholders at the AGM. If approved, the final dividend will be paid on Tuesday, 31st May, 2005 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 24th May, 2005. Together with the interim dividend of HK\$0.32 per share declared in August 2004, the total dividend payout for 2004 would be HK\$0.715 per share.

**3. Re-election of Directors**

In accordance with Article 98 of the Company's Articles of Association, at each annual general meeting, one-third of the Directors or the nearest number to but not less than one-third of the Directors shall retire from office by rotation and be eligible for re-election. Mr. Sun Changji, Mr. Hua Qingshan, Mdm. Zhang Yanling and Dr. Fung Victor Kwok King will retire by rotation at the AGM and, being eligible, offer themselves for re-election. Notwithstanding the provisions of the Companies Ordinance, separate resolutions will be proposed for the re-election of each of the aforesaid retiring directors.

Information on the retiring Directors' biographical details and attendance records at Board and Committee meetings is set out in Appendix II of this document.

All of the retiring Directors are appointed for a fixed term of 3 years subject to rotation in accordance with the Company's Articles of Association. Formal letters of appointment are in place to set out the key terms and conditions relative to their appointment. As regards Dr. Fung, the Company has received from him an annual confirmation of his independence and hence the Company still considers Dr. Fung to be independent.

Mr. Hua is a director of BOC and Mdm. Zhang is a member of the senior management of BOC. BOC is the Company's controlling shareholder, which was re-organised into a joint stock company and changed its name to Bank of China Limited in August 2004. Mr. Sun and Mdm. Zhang were directors of BOC prior to its re-organisation. Save as disclosed aforesaid, none of the retiring Directors has any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Sun, Mr. Hua and Mdm. Zhang were granted options by BOC Hong Kong (BVI) Limited, the Company's immediate holding company, pursuant to a Pre-listing Share Option Scheme to purchase Shares of the Company. As at 31st December, 2004, Mr. Sun, Mr. Hua and Mdm. Zhang had outstanding options to purchase 1,590,600, 1,446,000 and 1,446,000 Shares respectively pursuant to the said Scheme. Further details of such options are set out in the Report of the Directors of the Company's Annual Report 2004. Save as disclosed aforesaid, none of the retiring Directors has any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As non-executive Directors, all of the retiring Directors do not have service contracts with the Company.

**4. Re-appointment of Auditors**

The Board proposes that PricewaterhouseCoopers be re-appointed as auditors of the Group and that the Board or a duly authorised Committee of the Board be authorised to determine their remuneration. PricewaterhouseCoopers have served as auditors of the Group since 2002.

For 2004, fees charged by PricewaterhouseCoopers were HK\$40 million, of which HK\$24 million were for audit services and HK\$16 million were related to other services (including the review of our 2004 interim results). For 2003, these fees totalled HK\$38 million, of which HK\$29 million were for audit services (including the audit of our 2003 interim results) and HK\$9 million were related to other services.

The audit fee of HK\$24 million was approved by the Audit Committee and endorsed by the Board. The Audit Committee has been briefed of the non-audit services and the non-audit fee of HK\$16 million and was satisfied that such non-audit services did not (in terms of the nature of the services and the amount of fees charged relative to the audit fees) affect the independence of PricewaterhouseCoopers. The non-audit services mainly comprised tax-related services, internal control review services in relation to the Tian Xing Jian Project and accounting consultations.



**5. General Mandates to issue and repurchase shares**

By resolutions passed by the shareholders at the annual general meeting of the Company held on 21st May, 2004, the Board was granted general mandates (i) to allot, issue and otherwise deal with Shares up to 20% of the issued share capital of the Company as at the date of passing the said resolutions, plus the aggregate number of Shares purchased by the Company; and (ii) to purchase Shares of the Company on the Stock Exchange up to 10% of the issued share capital of the Company as at the date of passing the said resolutions. Under the Companies Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the AGM, unless renewed at that meeting.

The Board is aware of investor concerns on possible dilution of shareholders' value resulting from the exercise of the general mandate to issue Shares. Further, the Company is fully committed to adopt a high standard of corporate governance. Accordingly, in conjunction with the renewal of the general mandate to issue and allot Shares at the AGM, the Board proposes to restrict the mandate to 10% (as opposed to 20%) of the Company's issued share capital if the Shares are issued solely for cash and unrelated to any asset acquisition but otherwise, the mandate will remain 20%. As further safeguard of shareholders' rights, the Board has also adopted the following internal policies for the exercise of such power in the case of an issue of Shares solely for cash :

- (a) The Board will not exercise the mandate at a discount that will result in significant dilution of shareholders' value.
- (b) The Board will have regard to factors such as the Group's capital adequacy ratio and in particular, its Tier 1 capital, cost and benefit of raising Tier 2 capital, need for cash for the Group's business development, the principle that shareholders should be treated equally and even handedly, pro-rata rights of shareholders and the alternative of doing a rights issue.

The exercise of the Share Repurchase Mandate, on the other hand, will generally lead to an enhancement in shareholders' value in terms of, among others, net assets or earnings per share and return on equity. Accordingly, the Board proposes to maintain the Share Repurchase Mandate at 10% of the Company's issued share capital as in year 2004. Again, for better corporate governance, the Board has also adopted the following internal policies for the exercise of such power:

- (a) The Board will exercise the power upon the occurrence of the triggering events, namely :
  - Market price of the Shares is lower than the fair value of the Shares.
  - The Group has surplus funds which is in excess of its short to mid term development requirements.
  - The Board considers it proper and appropriate to exercise the power for enhancing the return on equity or net assets or earnings per Share of the Company.
- (b) In general, such purchases will be made on the Stock Exchange. However, if it is expected that the size of the purchases may lead to a disorderly market for the Shares, then the Board will consider to make the purchases through a general offer, i.e. in proportion to the shareholding of all existing shareholders.
- (c) The purchase price should not be higher than the fair value of the Shares.

As at the Latest Practicable Date, the issued share capital of the Company comprised 10,572,780,266 Shares. Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares would be issued or repurchased prior to the AGM, exercise in full of the 20% and 10% general mandate to issue shares would result in the issue of 2,114,556,053 and 1,057,278,026 Shares respectively and the exercise in full of the Share Repurchase Mandate would result in the repurchase of 1,057,278,026 Shares.

The full text of the resolutions to renew the general mandate to allot and issue Shares and the Share Repurchase Mandate is set out in the notice of the AGM contained in this document. The explanatory statement required by the Listing Rules to be sent to shareholders in connection with the Share Repurchase Mandate is set out in Appendix III to this document.

## APPENDIX II INFORMATION ON THE RETIRING DIRECTORS

To enable shareholders to make an informed decision on the re-election of the retiring Directors, we set out below the biographical details and attendance records at Board and Committee meetings of the retiring Directors for the information of shareholders.

1. **Mr. SUN Changji**, *Vice Chairman*

Aged 62 and appointed on 17th September, 2001, is a Vice Chairman of the Board of Directors and Chairman of the Nomination and Remuneration Committee of both the Company and BOCHK. He is also a Director of BOC Hong Kong (BVI) Limited and BOC Hong Kong (Group) Limited. Mr. Sun was a Vice Chairman of the Board of Directors of BOC from November 2000 to August 2004 and an Executive Vice President of BOC from January 1999 to August 2004. Mr. Sun is a senior engineer (professor). In January 2003, Mr. Sun was elected as a member of the tenth National Committee of the Chinese People's Political Consultative Conference. He was concurrently the President of China Orient Asset Management Corporation from September 1999 to August 2001. Mr. Sun was the First Deputy Director-General of the State Administration of Machinery Industry of the PRC from April 1998 to January 1999 and a Vice Minister of the Ministry of Machinery Industry of the PRC from April 1993 to April 1998. He was a Deputy Director-General of the Production Department of the Ministry of Machinery Industry from 1991 to 1993. Mr. Sun graduated from Tsinghua University in 1966 with a bachelor's degree.

Mr. Sun has attended 5 out of the 6 Board meetings and all 4 Nomination and Remuneration Committee meetings held in 2004.

2. **Mr. HUA Qingshan**, *Non-executive Director*

Aged 52 and appointed on 17th June, 2002, is a Non-executive Director and a member of the Risk Committee of both the Company and BOCHK. Mr. Hua is also a Director and an Executive Vice President of BOC and the Chairman of BOC Credit Card (International) Limited. Mr. Hua was an Executive Assistant President of BOC from June 1994 to December 1998. Mr. Hua graduated from Peking University in 1984 and obtained a master's degree from Hunan University in 1996.

Mr. Hua has attended 5 out of the 6 Board meetings and all 7 Risk Committee meetings held in 2004.

3. **Mdm. ZHANG Yanling**, *Non-executive Director*

Aged 53 and appointed on 17th June, 2002, is a Non-executive Director and a member of the Risk Committee of both the Company and BOCHK. She is also an Executive Vice President of BOC and the Chairman of BOC International Holdings Limited and Bank of China (Hungary) Limited. Mdm. Zhang is a Vice Chair of ICC Commission on Banking Technique and Practice since September 2003. Mdm. Zhang has joined BOC for 28 years. Mdm. Zhang had been Executive Assistant President of BOC since October 2000 and is also the Chief Legal Adviser of BOC since December 2002. Mdm. Zhang was the General Manager of BOC, Milan Branch from April 2000 to October 2001 and the General Manager of the Legal Department of BOC from February 2001 to August 2002. She was the Deputy General Manager of the Training Department of BOC from June 1992 to April 1997, the General Manager of the Banking Department of BOC from April 1997 to April 2000 and was a Managing Director of BOC from November 2000 to August 2004. Mdm. Zhang graduated from Liaoning University in 1977 with a bachelor's degree and obtained a master's degree from Wuhan University in 1999.

Mdm. Zhang has attended all 6 Board meetings and 5 out of 7 Risk Committee meetings held in 2004.

4. **Dr. FUNG Victor Kwok King**, *Independent Non-executive Director*

Aged 59 and appointed on 17th June, 2002, is an Independent Non-executive Director of both the Company and BOCHK. He is also a member of the Audit Committee and the Nomination and Remuneration Committee of both the Company and BOCHK. Dr. Fung is Chairman of the Li & Fung Group of companies (including publicly listed Li & Fung Limited, Integrated Distribution Services Group Limited and Convenience Retail Asia Limited), the Hong Kong Airport Authority, the Hong Kong University Council, the Greater Pearl River Delta Business Council and the Hong Kong - Japan Business Co-operation Committee. He is a member of Chinese People's Political Consultative Conference and the HKSAR Government Judicial Officers Recommendation Committee. He is also an Independent Non-executive Director of PCCW Limited, Orient Overseas (International) Limited and Sun Hung Kai Properties Limited. Dr. Fung holds Bachelor and Master Degrees in Electrical Engineering from the Massachusetts Institute of Technology and a Doctorate in Business Economics from Harvard University. In 2003, HKSAR Government awarded Dr. Fung the Gold Bauhinia Star for distinguished services to the community.

Dr. Fung has attended all 6 Board meetings, all 4 Nomination and Remuneration Committee meetings and 4 out of 5 Audit Committee meetings held in 2004.

## APPENDIX III EXPLANATORY STATEMENT FOR SHARE REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to shareholders for their consideration of the Share Repurchase Mandate which permits the purchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Share Repurchase Resolution. The Listing Rules provide that all purchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the board of directors of the company to make such purchases.

This Appendix also constitutes a memorandum of the terms of the Share Repurchase Mandate as required under Section 49BA of the Companies Ordinance.

### 1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 10,572,780,266 Shares.

Subject to the passing of the Share Repurchase Resolution and on the basis that no further Shares would be issued prior to the AGM, the Company would be allowed under the Share Repurchase Resolution to purchase a maximum of 1,057,278,026 Shares based on the issued share capital of the Company as at the Latest Practicable Date.

### 2. REASONS FOR SHARE REPURCHASE

The Board of Directors believes that the Share Repurchase Mandate is in the interests of the Company and its shareholders as a whole. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Board of Directors believes that such a purchase will benefit the Company and the shareholders as a whole.

### 3. FUNDING OF PURCHASES

In purchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount paid in connection with a purchase may only be made from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the purchase to the extent permissible under the Companies Ordinance.

If the Share Repurchase Mandate were to be carried out in full at any time during the proposed purchase period, there will not be any material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts of the Company for the year ended 31st December, 2004.

### 4. SHARE PRICE

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:

	Share Price (HK\$)	
	Highest	Lowest
<b>2004</b>		
April	15.25	13.10
May	13.80	11.25
June	13.80	12.10
July	13.60	12.60
August	14.15	12.60
September	14.70	13.80
October	14.55	13.70
November	14.75	14.05
December	15.40	14.50
<b>2005</b>		
January	15.05	14.05
February	14.85	14.20
March	14.80	14.35

**5. UNDERTAKING**

The Board of Directors has undertaken to the Stock Exchange that, so far as the same may be applicable, it will exercise the powers of the Company to make purchases pursuant to the Share Repurchase Mandate and in accordance with the Listing Rules, the applicable laws of Hong Kong and the regulations set out in the Memorandum and Articles of Association of the Company.

None of the Directors and, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company if the Share Repurchase Mandate is granted by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company. Save and except the Directors, no connected persons have undertaken not to sell any Shares held by them to the Company, in the event that the Share Repurchase Mandate is granted by the shareholders.

**6. EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

The Board of Directors is not aware of any consequences which the exercise in full of the Share Repurchase Mandate would have under the Hong Kong Code on Takeovers and Mergers. As at the Latest Practicable Date, Huijin beneficially owned Shares representing 65.97% of the issued share capital of the Company. If the Board was to exercise the Share Repurchase Mandate in full, Huijin's percentage shareholding in the Company would be increased to 73.30%. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Hong Kong Code on Takeovers and Mergers.

The Board of Directors shall ensure that no purchase of Shares would result in the aggregate number of Shares held by public shareholders falling below the minimum percentage specified by the Stock Exchange in respect of the Company.

**7. PURCHASES MADE BY THE COMPANY**

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the 6 months preceding the date of this document.

## APPENDIX IV FREQUENTLY ASKED QUESTIONS ON VOTING AND ANNUAL GENERAL MEETING

**Q : AM I ENTITLED TO VOTE ?**

**A :** You are entitled to vote if you are a holder of Shares as of the record date on 24th May, 2005.

**Q : HOW CAN I VOTE ?**

**A :** How you vote depends on whether you are a registered or non-registered shareholder. You are a registered shareholder if you have a share certificate registered in your name. You are a non-registered shareholder if your shares are registered in the name of an intermediary (for example, a bank, a trustee or a securities broker). Please refer to the following Q&As on how to exercise your right to vote in either case.

**Q : HOW CAN I VOTE IF I AM A REGISTERED SHAREHOLDER ?**

**A :** As a registered shareholder, you may vote in one of several ways :

(a) Attend the meeting

You are entitled to attend the AGM and cast your vote in person. In the case of corporate shareholder, the corporation must have submitted a properly executed proxy or appointment of corporate representative.

OR

(b) By proxy

If you do not plan to attend the AGM, you may cast your vote by proxy in one of two ways :

- You may authorise the Chairman of the AGM to vote your shares. You may convey your voting instructions by completing the enclosed proxy form in full, sign and return it to the registered office of the Company; OR
- You may appoint some other person to attend the AGM and vote your shares on your behalf. You may appoint up to two proxies to represent you. Your proxy needs not be a shareholder of the Company but he/she must attend the AGM in person. If you choose this option, you should print your appointee's name in the blank space on the enclosed proxy form, and complete and return the proxy form by following the detailed instructions stated on the proxy form.

To ensure that your vote is recorded, your proxy must be received by the Company no later than 3:00 p.m. on 24th May, 2005.

**Q : HOW CAN I VOTE IF I AM A NON-REGISTERED SHAREHOLDER ?**

**A :** If you are a non-registered shareholder and your shares are held by an intermediary (for example, a bank, a trustee or a securities broker), you will not receive a proxy form. You should contact the intermediary if you wish to vote.

**Q : HOW WILL MY SHARES BE VOTED IF I RETURN A PROXY FORM ?**

**A :** By properly completing and returning a proxy form, you are authorising the person named in the proxy to attend the AGM and to vote your Shares. The Shares represented by your proxy form must be voted as you instruct in the form. If you do not specify in the proxy form how you wish the votes cast, your proxy will exercise his/her discretion as to how he/she may vote.

**Q : CAN I REVOKE A PROXY ?**

**A :** If you are a registered shareholder and have returned a proxy form, you may revoke it by completing and signing a proxy form bearing a later date, and delivering it to the Company's registered office. However, in order to be valid, this latter proxy form should be received by the Company no later than 3:00 p.m. on 24th May, 2005.

If you are a non-registered shareholder, you may revoke a proxy or voting instruction given to an intermediary by written notice to the intermediary, provided that the revocation is received before the deadline prescribed by the intermediary for such purpose.

**Q : CAN I ATTEND AND VOTE AT THE AGM IF I HAVE RETURNED A PROXY ?**

**A :** Even if you have completed and returned a proxy form, you can still attend and vote at the AGM if you so wish.

**Q : AM I ENTITLED TO VOTE IF I AM AN ADS HOLDER ?**

**A :** Provided that you are a holder of ADS as of the ADS record date on 18th May, 2005, you are eligible to participate in voting process but only through the completion and return of proxy materials.

**Q : HOW CAN I VOTE IF I AM AN ADS HOLDER ?**

**A :** If you are a registered ADS holder, you (whether domiciled in U.S. or not) will receive proxy materials from Citibank, N.A., being the ADS Depositary Bank of the Company, and you have to forward your voting instructions to Citibank, N.A. directly. If you are a non-registered ADS holder, you will receive proxy materials through Citibank's distribution agent and you have to forward your voting instructions through such agent. You should contact Citibank, N.A. if you wish to vote.

**Q : HOW ARE VOTES TAKEN AT THE AGM ?**

**A :** Votes can be taken either by a show of hands or on a poll. On a show of hands, one shareholder has one vote whereas on a poll, one shareholder has one vote for each share he/she is holding.

In general, a resolution will be voted on by a show of hands unless a poll is demanded by :

- (a) the Chairman of the meeting; or
- (b) at least 3 shareholders present at the meeting in person or by proxy; or
- (c) any shareholder or shareholders holding in aggregate not less than 10% of the Company's issued share capital.

In addition, the chairman of a meeting and/or directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at a particular meeting shall demand a poll in certain circumstances where, on a show of hands, a meeting votes in the opposite manner to that instructed in those proxies.

In order to enhance the transparency of shareholders' voting at the AGM, the Chairman of the Board (who will preside at the AGM) will direct that all the proposed resolutions be voted on by poll.

**Q : HOW CAN I KNOW THE OUTCOME OF THE POLL RESULTS ?**

**A :** The outcome of the poll results will be posted on the Company's website at [www.bochk.com](http://www.bochk.com) and the Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk) and published in the press on the next business day following the AGM.

**Q : HOW CAN I PUT FORWARD A PROPOSAL FOR CONSIDERATION BY THE SHAREHOLDERS AT A GENERAL MEETING ?**

**A :** The following persons (the "requisitionists") are entitled to put forward a proposal (which may properly be put to the meeting) for consideration by the shareholders at a general meeting :

- (a) any shareholders holding together at least 2.5% of the Company's issued share capital; or
- (b) any group of at least 50 shareholders holding together at least 20,000 Shares of the Company.

The request must be made in writing, signed by the requisitionists and received by the Company not less than six weeks before the meeting if it is proposed to pass a resolution or not less than one week before the meeting in all other cases. The requisitionists must deposit a sum reasonably sufficient to meet the Company's expenses in complying with such request.

**Q : HOW CAN I CONVENE AN EXTRAORDINARY GENERAL MEETING ?**

**A :** Any shareholders holding together at least 5% of the Company's issued share capital may request the directors to convene an extraordinary general meeting. The requisition must state the objects of the meeting, be signed by the requisitionist(s) and deposited at the registered office of the Company. The Directors shall, within 21 days of the deposit of the requisition, call a general meeting to be held within a further period of 28 days.

**Q : WHAT IF I HAVE A QUESTION ?**

**A :** If you have any questions regarding the AGM, please contact the Company Secretary as follows :

Address : 52nd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong  
Tel. No. : (852) 2846 2700  
Fax No. : (852) 2810 5830  
Email : [investor\\_relations@bochk.com](mailto:investor_relations@bochk.com)