

BOC HONG KONG (HOLDINGS) LIMITED

(the “Company”)

MINUTES OF THE EIGHTH ANNUAL GENERAL MEETING

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Date: 20 May 2010, Thursday
Time: 3:00 p.m. to 4:20 p.m.
Venue: Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88
Queensway, Hong Kong

Directors: **Present:**
Mr. XIAO Gang* — Chairman
Mr. LI Lihui*
Mr. HE Guangbei
Mr. LI Zaohang*
Mr. ZHOU Zaiqun*
Mdm. ZHANG Yanling*
Mr. GAO Yingxin
Dr. FUNG Victor Kwok King
Mr. KOH Beng Seng
Mr. TUNG Chee Chen
Mr. TUNG Savio Wai-Hok
Mdm. YANG Linda Tsao

Absent:
Mr. SHAN Weijian

* *Joined by video conference*

Shareholders: As per the shareholders attendance sheets

In Attendance: Mr. LAM Yim Nam David - Deputy Chief Executive
Mr. ZHUO Chengwen - Chief Financial Officer
Mr. WONG See Hong David - Deputy Chief Executive
Mr. LI Jiuzhong - Chief Risk Officer
Mr. LEE Wing Kwai Alex - Chief Operating Officer
Mr. YEUNG Jason Chi Wai - Company Secretary
Mr. Simon TSANG - Partner of PricewaterhouseCoopers
Mr. James WONG - Chief Executive Officer of
Computershare Hong Kong Investor
Services Limited

Scrutineer: Computershare Hong Kong Investor Services Limited

Note: The meeting was conducted in Mandarin with English simultaneous translation.

1. **Chairman**

Mr. Xiao Gang took the Chair.

2. **Quorum and Notice of Meeting**

A quorum being present, the Chairman declared the meeting open. The notice convening the meeting was taken as read.

3. **Voting at the Meeting**

All resolutions put to this meeting would be voted on by poll. The votes for all resolutions would be taken at the same time, after all the resolutions have been put to the vote at the meeting. The Company has appointed Computershare Hong Kong Investor Services Limited (“**Computershare**”), the Company’s share registrar, as the scrutineer for the poll voting.

4. **Resolution No. 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 31 December 2009**

At the request of the Chairman, Mr. Simon Tsang, Partner of PricewaterhouseCoopers, read the Report of the Auditors to the shareholders in English and Mandarin respectively.

The audited Statement of Accounts and the Reports of the Directors and of the Auditors of the Company for the year ended 31 December 2009 were included in the 2009 Annual Report of the Company which were sent to all shareholders around mid to late April 2010 and were tabled at the meeting.

The following resolution was proposed by Ms. Tang Pik Yu (as proxy for BOC Hong Kong (BVI) Limited) and seconded by Mr. Wu Yuan (as a shareholder):

“THAT the audited Statement of Accounts and the Reports of the Directors and of the Auditors of the Company for the year ended 31 December 2009 be received, as presented.”

The Chairman invited questions from the floor, and no question was raised.

5. Resolution No. 2 – To declare a final dividend of HK\$0.57 per share for the year ended 31 December 2009

Resolution No. 2 related to the declaration of a final dividend for the year ended 31 December 2009. The Chairman informed the shareholders that the Board of Directors has recommended a final dividend of HK\$0.57 per share. Together with the interim dividend of HK\$0.285 per share declared in the first half of 2009, the total dividend payout for 2009 would be HK\$0.855 per share, representing 65.9% of the Group's profit attributable to shareholders for the year ended 31 December 2009.

If approved, the final dividend will be paid on 27 May 2010 to shareholders whose names appeared on the Register of Members of the Company on 20 May 2010.

The following resolution was proposed by Mr. Mak Cho Wa (as proxy for Mr. Yeung Chi Wai) and seconded by Mr. Wong Tak Chuen (as proxy for Mr. Leung Ka Chun):

“THAT a final dividend of HK\$0.57 per share for the year ended 31 December 2009 be paid to shareholders whose names appeared on the Register of Members of the Company on 20 May 2010.”

The Chairman invited questions from the floor, and no question was raised.

6. Resolutions Nos. 3(a), (b), (c) and (d) – To re-elect Mr. Li Lihui, Mdm. Zhang Yanling, Mr. Gao Yingxin and Mr. Tung Chee Chen as Directors

The Chairman informed the shareholders that according to the Company's Articles of Association, Directors appointed by the Board of Directors shall only hold office until the next following annual general meeting and shall then be eligible for re-election. Accordingly, Mr. Li Lihui being a Director appointed by the Board of Directors, offered himself for re-election at this meeting. Further, the Chairman informed the shareholders that in accordance with the Articles of Association of the Company, one-third of the Directors for the time being or the nearest number but not less than one-third of the Directors shall retire from office by rotation and be eligible for re-election. Accordingly, Mdm. Zhang Yanling, Mr. Gao Yingxin, Mr. Tung Chee Chen and Mdm. Yang Linda Tsao would retire. Mdm. Zhang Yanling, Mr. Gao Yingxin and Mr. Tung Chee Chen offered themselves for re-election at this meeting while Mdm. Yang Linda Tsao indicated to the Board that she wished to retire and would not be standing for re-election. The Board took this opportunity

to express its gratitude to Mdm. Yang Linda Tsao for her valuable contribution to the Group during her tenure of office.

The biographical details of the four Directors offering themselves for re-election and their performance in the past year have been set out in the Company's annual report for 2009 and the circular dated 13 April 2010 (the "**Circular**").

(a) Election of Mr. Li Lihui

The Chairman informed the shareholders that Mr. Li Lihui is a Non-Executive Director and a Vice-Chairman of the Company, and a chairman of the Nomination and Remuneration Committee.

The following resolution was proposed by Mr. Yu Shao Jie (as proxy for Mr. Wong King Sang) and seconded by Ms. Lo Sze Wai (as proxy for Ms. Cheng Man Yan):

"THAT the election of Mr. Li Lihui as a Director of the Company be approved."

The Chairman invited questions from the floor, and no question was raised.

(b) Re-election of Mdm. Zhang Yanling

The Chairman informed the shareholders that Mdm. Zhang Yanling is a Non-executive Director of the Company, and a member of the Risk Committee and Strategy and Budget Committee.

The following resolution was proposed by Mr. Lin Xi (as proxy for Mr. Chiu Ming Wah) and seconded by Mr. Lee Raymond (as a shareholder):

"THAT the re-election of Mdm. Zhang Yanling as a Director of the Company be approved."

The Chairman invited questions from the floor, and no question was raised.

(c) Re-election of Mr. Gao Yingxin

The Chairman informed the shareholders that Mr. Gao Yingxin is an Executive Director and Deputy Chief Executive of the Company.

The following resolution was proposed by Ms. Wong Ching Shan (as proxy for Ms. Choy Lai Kuen) and seconded by Mr. Ip Lap Ko (as proxy for Mr. Hui King Ngor):

“THAT the election of Mr. Gao Yingxin as a Director of the Company be approved.”

The Chairman invited questions from the floor, and no question was raised.

(d) Re-election of Mr. Tung Chee Chen

The Chairman informed the shareholders that Mr. Tung Chee Chen is an Independent Non-executive Director of the Company, and a member of the Audit Committee and Nomination and Remuneration Committee.

The following resolution was proposed by Mr. Wu Yuan (as a shareholder) and seconded by Ms. Tang Pik Yu (as proxy for BOC Hong Kong (BVI) Limited):

“THAT the election of Mr. Tung Chee Chen as a Director of the Company be approved.”

The Chairman invited questions from the floor, and no question was raised.

7. Resolution No. 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

The Chairman noted that the Company’s accounts for the year ended 31 December 2009 were audited by PricewaterhouseCoopers which would retire after the conclusion of this meeting and have expressed their willingness to continue in office.

The following resolution was proposed by Mr. Wong Tak Chuen (as proxy for Mr. Leung Ka Chun) and seconded by Mr. Mak Cho Wa (as proxy for Mr. Yeung Chi Wai).

“THAT the re-appointment of PricewaterhouseCoopers as Auditors of the Company and the authorisation of the Board of Directors or a duly authorised Committee of the Board to determine their remuneration be approved.”

The Chairman invited questions from the floor, and no question was raised.

8. Resolution No. 5 - To grant a general mandate to the Board of Directors to allot, issue and deal with additional shares in the Company

Resolution No. 5 related to the proposed grant of a general mandate to the Board of Directors to allot, issue and deal with additional shares in the Company. The Chairman informed the shareholders that the Board is aware of investor concerns on potential dilution of shareholders' value resulting from the exercise of the power pursuant to such mandate. Given the Company's commitment to high standard of corporate governance, the Board proposed to restrict the general mandate to 5% of the Company's issued share capital if such shares are issued solely for cash and unrelated to any asset acquisition but otherwise, the mandate will remain at 20% of the Company's issued share capital. Further, as additional safeguards for shareholders' rights, the Board has adopted certain internal policies for the exercise of such power in the case of an issue of shares solely for cash. Such policies have been set out in the Circular.

The following resolution was proposed by Ms. Lo Sze Wai (as proxy for Ms. Cheng Man Yan) and seconded by Mr. Yu Shao Jie (as proxy for Mr. Wong King Sang):

“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 10 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, 5% 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

(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.”

The Chairman invited questions from the floor, and no question was raised.

9. Resolution No. 6 – To grant a general mandate to the Board of Directors to repurchase shares in the Company

Resolution No. 6 related to the proposed grant of a general mandate to the Board of Directors to repurchase shares in the Company, not exceeding 10% of the Company’s issued share capital. The Chairman informed the shareholders that an explanatory statement on the share repurchase mandate has been despatched to the shareholders in accordance with the requirements of the Listing Rules. Further, as a matter of good corporate governance, the Board has adopted certain internal policies for the exercise of the power under the general mandate. Such policies have been set out in the Circular.

The following resolution was proposed by Mr. Lee Raymond (as a shareholder) and seconded by Mr. Lin Xi (as proxy for Mr. Chiu Ming Wah):

“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.”

The Chairman invited questions from the floor, and no question was raised.

10. Resolution No. 7 – To extend the general mandate granted by Resolution No. 5

Resolution No. 7 related to the extension of the general mandate to issue additional shares by adding thereto the shares repurchased pursuant to the general mandate to repurchase shares.

The following resolution was proposed by Mr. Ip Lap Ko (as proxy for Mr. Hui King Ngor) and seconded by Ms. Wong Ching Shan (as proxy for Ms. Choy Lai Kuen):

“**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.”

The Chairman invited questions from the floor, and no question was raised.

11. Voting by Poll

The meeting proceeded to take the votes on all resolutions by poll. As mentioned at the beginning of this meeting, the Company has appointed Computershare as the scrutineer for the vote taking. Mr. James Wong, Chief Executive Officer of Computershare, explained the procedures of poll voting to the shareholders.

After all shareholders have finished voting, Computershare collected the voting papers and proceeded to count the votes.

The Chairman informed the shareholders that the poll results will be published on the websites of the Stock Exchange and the Company as soon as practicable following conclusion of the vote counting.

Following completion of the vote counting and based on the scrutineer's certificate issued by Computershare, the Company announced the following poll results in an announcement published on the websites of the Stock Exchange and the Company on Thursday, 20 May 2010:

- (1) There were 8,348,957,722 (99.9769%) votes in favour of, and 1,929,000 (0.0231%) votes against, Resolution No. 1 as set out in the Notice of the Annual General Meeting (the "Notice") in relation to the adoption of the audited Statement of Accounts and the Reports of the Directors and of the Auditors of the Company for the year ended 31 December 2009. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.
- (2) There were 8,500,568,313 (99.9917%) votes in favour of, and 708,002 (0.0083%) votes against, Resolution No. 2 as set out in the Notice in relation to the declaration of a final dividend of HK\$0.57 per share for the year ended 31 December 2009. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.
- (3) (a) There were 8,409,686,538 (98.9630%) votes in favour of, and 88,121,777 (1.0370%) votes against, Resolution No. 3(a) as set out in the Notice in relation to the re-election of Mr. Li Lihui as a Director of the Company. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.

(b) There were 8,277,321,462 (99.5674%) votes in favour of, and 35,960,453 (0.4326%) votes against, Resolution No. 3(b) as set out in the Notice in relation to the re-election of Mdm. Zhang Yanling as a Director of the Company. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.

(c) There were 8,277,321,964 (99.5674%) votes in favour of, and 35,959,951 (0.4326%) votes against, Resolution No. 3(c) as set out in the Notice in relation to the re-election of Mr. Gao Yingxin as a Director of the Company. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.

- (d) There were 8,423,363,320 (99.1241%) votes in favour of, and 74,432,495 (0.8759%) votes against, Resolution No. 3(d) as set out in the Notice in relation to the re-election of Mr. Tung Chee Chen as a Director of the Company. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.
- (4) There were 8,498,418,815 (99.9667%) votes in favour of, and 2,832,000 (0.0333%) votes against, Resolution No. 4 as set out in the Notice in relation to the re-appointment of PricewaterhouseCoopers as the Auditors of the Company and the authorisation of the Board of Directors or a duly authorised Committee of the Board to determine their remuneration. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.
- (5) There were 7,690,479,417 (90.4417%) votes in favour of, and 812,762,398 (9.5583%) votes against, Resolution No. 5 as set out in the Notice in relation to the grant of a general mandate to the Board of Directors to allot, issue and deal with additional shares in the Company. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.
- (6) There were 8,501,560,813 (99.9803%) votes in favour of, and 1,675,002 (0.0197%) votes against, Resolution No. 6 as set out in the Notice in relation to the grant of a general mandate to the Board of Directors to repurchase shares in the Company. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.
- (7) There were 7,773,932,741 (91.4271%) votes in favour of, and 728,945,606 (8.5729%) votes against, Resolution No. 7 as set out in the Notice in relation to the extension of the general mandate to issue shares. As more than 50% of the votes were cast in favour of the resolution, the resolution was duly passed as an ordinary resolution.

12. Questions raised by shareholders

As there was no other business, Non-executive Directors left the venue. Mr. He Guangbei, Vice-chairman and Chief Executive of the Company (together with its subsidiaries, the “**Group**”), chaired this part of meeting. Mr. He Guangbei together with another Executive Director, Mr. Gao Yingxin and the Management, as authorized by the Board and Chairpersons of the Board’s Committees, answered the following questions raised by shareholders:

Shareholder A expressed his concern on the acquisition of shares of Bank of Asia, Limited (“**BEA**”) by the Company in 2007. Given the substantial provision made by the Company as a result of the fall in market price of BEA’s shares, he enquired about the justification for the consideration paid by the Company for the acquisition in 2007 and the rationale behind such acquisition in view of the interests of the Company and its shareholders. Shareholder A further pointed out that subsequent to the investment in BEA, the financial status of the Company deteriorated after the outbreak of the financial crisis resulting in the Company having to reduce its dividend payout and seek urgent financial assistance from its parent company in 2008.

Shareholder A also asked about the outstanding amount of the investment in RMBS/ABS being held by the Company and suggested the Company to assess potential investments on their own merits rather than just relying on the ratings announced by those international rating agencies. Lastly, Shareholder A reiterated the importance of due and prudent investments by the Company for the interests of its shareholders.

Mr. He Guangbei responded to Shareholder A’s concerns and stated that although the Company, like many other financial institutions, had been adversely affected by the global financial turmoil, it had taken measures to minimize its impact and also took advantage of the opportunities available to grow its business and support its customers. Mr. He stressed that the investment in BEA was a financial decision and prudence had been exercised prior to the investment with a view to making earnings and profit in the long term. The loss arising from the fall in market price of BEA’s shares had already been reflected in the accounts for the year ended 31 December 2008.

Mr. He further replied that the aggregate amount of the US non-agency RMBS disposed by the Company was approximately HK\$18 billion and the remaining carrying value of the US non-agency RMBS held by the Company was approximately HK\$3 billion at the end of 2009. The Management was of the view that such investment would not have material adverse impact on the financial position of the Company.

Shareholder B questioned why this meeting was not held at Bank of China Tower for costs saving purpose.

Mr. Yeung Jason Chi Wai, the Company Secretary, replied that as a result of increasing shareholder attendance, no venue within the Bank of China Tower is big enough to accommodate all the people attending the meeting. Fire safety and other building regulation restrictions are also a concern. Having said that, the convenience of the location and the costs involved had also been taken into account when the Company decided the venue for its annual general meeting.

Shareholder C questioned the Company's performance in corporate social responsibility and in particular, what assistance the Company has provided to local as well as overseas universities graduates who treat Hong Kong as their permanent home. Mr. He stated that the Company has been positioning itself as a "Community Bank" in Hong Kong which is committed to serve the community. The Company has maintained the largest branch network in Hong Kong with currently more than 270 branches. The Company has taken the need for community services into consideration seriously whenever there were any changes in the location and operation of its branches.

Mr. He further highlighted the following examples illustrating the pursuit of fulfilling corporate social responsibility by the Company, as a leading commercial banking group in Hong Kong:

- (a) internship has been provided to both local and oversea university students ;
- (b) scholarships and bursaries have been granted to local students from families in need with outstanding academic achievements;
- (c) training in the branches of Bank of China, the Company's parent bank in China have been organised for university students during summer vacation;
- (d) "Sport for All" message has been advocated in the community through sponsorship of sports activities;
- (e) the Company's employees have proactively participated in charity work; and

- (f) a corporate social responsibility committee has been established recently by the Management to establish policies on corporate social responsibility and oversee the execution thereof.

Mr. Jason Yeung added that a separate section had been included in the 2009 annual report of the Company detailing the performance and contribution of the Company in the area of corporate social responsibility. Shareholders were requested to refer to the same for further details.

Shareholder D expressed her appreciation of the satisfactory increase in the profit of the Group for 2009 but questioned whether the Company would increase its dividend payout ratio. Mr. He replied that the Company's dividend payout ratio has been maintained at the range from 60% to 70% since its flotation. In formulating the dividend policy of the Company, the Management has to strike the balance between shareholders' expectation on investment return and the capital need for long-term development, and it is decided that the dividend payout ratio of the Company should remain unchanged for the interest of the Company and its shareholder as a whole.

Shareholder A, who indicated that he has held the shares of the Company since its flotation, questioned the rationale and need to maintain the separate operation of Nanyang Commercial Bank as a separate entity within the Group and suggested that it could be disposed of so that the Group can be operated under one BOCHK brand name.

In reply to Shareholder A's queries, Mr. He pointed out that as already disclosed in the Company's prospectus, Nanyang Commercial Bank and Chiyu Banking Corporation, the two major operating subsidiaries of the Company, have been retained as separate banking entities within the Group following the reorganization of the Group's commercial banking operation in Hong Kong. Mr. He further stated that it is the strategy of the Group to develop and expand its business in the Mainland under the brand name of "Nanyang Commercial Bank", which has a long history with good reputation among overseas Chinese in South East Asia. With the rapid economic growth in the Mainland, it is of utmost importance for the Group to capture the business opportunities arising therefrom. Nanyang Commercial Bank is regarded as an ideal platform for the Group to develop and expand its business operation in the Mainland market.

Shareholder E pointed out that recently, there had been heated exchanges and friction between shareholders and company management at some of the shareholder meetings of other listed companies in Hong Kong but this meeting has showed a harmonious atmosphere which she took it as a recognition by the shareholders of the Management's effort and achievements. She then enquired whether, despite the daily limit of RMB 20,000 that a customer could buy from a bank, she could buy RMB 20,000 from each of BOCHK and Nanyang Commercial Bank on the same day. She also questioned why a joint bank account, with more than one personal customer, is also subject to the daily limit of 20,000 RMB purchase. The said shareholder also supported the policy of the Company to operate its business at self-owned properties and encouraged the Company to continue to own those properties in view of the appreciation in value of the same in the long run. Lastly, she expressed her heartfelt thanks to the Management especially to Mr. He Guangbei in delivering a set of good results in 2009.

Mr. He Guangbei replied that the achievements obtained by the Group were greatly attributable to the hard work of all the staff and Management under the guidance of the Board. He also took the opportunity to thank the shareholders for their support and trust over the years.

In response to the above question regarding RMB transaction, Mr. Lam Yim Nam, David, a Deputy Chief Executive of the Group, explained that under the current regulatory framework, a bank is prohibited from selling more than RMB20,000 to an individual customer on a daily basis but there is nothing to restrict the bank customer to maintain RMB account with different banks at the same time. He undertook to look into the restriction in relation to joint accounts with two or more individuals.

As to the matter concerning the properties of the Group mentioned by the shareholder, Mr. He replied that the Company would continue to hold properties which were of strategic importance to its core operations but the focus would still be commercial banking business.

Shareholder C, who raised the questions about the corporate social responsibility of the Company earlier, further asked what action the Company would take to train up the younger generation to enable them to succeed the management role in the future and how to attract the top talents returning to and working in Hong Kong which has been suffering from a serious brain drain in the past few years.

Mr. He replied that a management team of top quality is crucial for the long-term development of the Company and is one of the valuable assets of the Company. In order to nurture future talent, the Company has launched various programmes like “Management Trainees” programme and “Officer Trainees” programme under which outstanding graduates from universities in Hong Kong and other areas (including the Mainland) are recruited to join the Company every year and provided with on-the-job training in different departments for one to two years, and thereafter, they will be assigned to a suitable position to work within the Group.

Mr. He stressed that recruitments by the Company have been carried out on global basis and many of the Company’s staff were the university graduates of different countries and experts of different banks. In view of the increasingly competitive remuneration package offered by the Company, it is believed that the Company would be the choice for the people of great talent.

In reply to Shareholder F’s queries on the reduction in the number of branches in 2009, Mr. David Lam explained that the reduction was a part of the “Strive for Excellence” programme. Under the programme, the Company aimed to consolidate small branches into a sizeable branch at a premier location so as to increase the space for serving its customers. Finally, Mr. Lam emphasized that it would be the continuing commitment of the Company to be a “Community Bank”.

13. Closure of Meeting

As all the agenda have been discussed, the meeting was declared to be closed.

Chairman