



恒生銀行
HANG SENG BANK

Notice of Annual General Meeting

(Stock code : 11)

Notice is hereby given that the Annual General Meeting of the Shareholders of the Bank will be held at the Penthouse of Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Level 24, Hong Kong on Wednesday, 26 April 2006 at 3:30 pm to transact the following ordinary business:

- (1) to receive and consider the Statement of Accounts and the Reports of the Directors and of the Auditors for the year ended 31 December 2005;
- (2) to elect Directors:
 - (a) Mr Patrick K W Chan;
 - (b) Mr Jenkin Hui;
 - (c) Mr Peter T C Lee;
 - (d) Mr Raymond C F Or;
 - (e) Mr Michael R P Smith;
 - (f) Mr Richard Y S Tang; and
 - (g) Mr Peter T S Wong;
- (3) to fix the remuneration of the Directors;
- (4) to reappoint the Auditors and to authorise the Directors to fix their remuneration;

and, by way of special business, to consider and, if thought fit, pass the following Resolution as a Special Resolution:

- (5) "THAT, with effect from the conclusion of the Annual General Meeting of the Company at which this resolution is passed, the existing Articles of Association of the Company be and are hereby altered by:-
 - (a) deleting Article 118 in its entirety and substituting therefor the following:-

"Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote."; and
 - (b) in Article 123, adding the words "present in Hong Kong at that time" after the word "Directors" when it first appears."

and, by way of special business, to consider and, if thought fit, pass the following Resolutions as Ordinary Resolutions:

- (6) "THAT
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
- (c) for the purpose of this Resolution "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting."; and

(7) "THAT

- (a) subject to paragraph (c) below, pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed, where the shares are to be allotted wholly for cash, 5 per cent and in any event 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and
 - (iii) the revocation or variation of the approval given by this Resolution by ordinary resolution of the shareholders in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

By Order of the Board

C C Li
Secretary

Hong Kong, 6 March 2006

Notes:

1. *A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and (on a poll) vote instead of the shareholder; a proxy needs not also be a shareholder of the Bank.*
2. *The Directors of the Bank have declared a fourth interim dividend of HK\$1.90 per share. The Register of Shareholders of the Bank will be closed on Tuesday, 21 March 2006, during which no transfer of shares can be registered. To qualify for the fourth interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Bank's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 pm on Monday, 20 March 2006. The fourth interim dividend will be payable on Friday, 31 March 2006 to shareholders on the Register of Shareholders of the Bank on Tuesday, 21 March 2006.*
3. *The biographical details of all the Directors to be elected or re-elected at the Meeting are provided in the "Biographical details of Directors" section of the Annual Report for 2005 and also Appendix II to the circular of which this notice forms part.*
4. *In relation to Agenda item No. 3, the fees for the Bank's Directors were last increased in 2005. Having regard to recent developments in corporate governance and reporting obligations, and the expansion of the Bank's business, which continue to increase the commitment required of Directors, it is proposed that the Directors' fees be increased. The fees of the Chairman and each of the Directors (except Vice-Chairman) respectively are proposed to be increased to HK\$230,000 (2005: HK\$200,000) per annum and HK\$150,000 (2005: HK\$125,000) per annum respectively effective as from 1 January 2006.*
5. *The Bank's Articles of Association are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of Resolution 5 on amendments of the Bank's Articles of Association is a translation only. Should there be any discrepancies, the English version will prevail.*
6. *In accordance with Article 63 of the Bank's Articles of Association, every resolution put to the vote of the Meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands, a poll is demanded by (i) the Chairman; or (ii) at least two shareholders present in person or by proxy for the time being entitled to vote at the Meeting; or (iii) a shareholder or shareholders representing not less than 10 per cent of the total voting rights of all the shareholders having the right to vote at the Meeting; or (iv) by a shareholder or shareholders holding shares conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up equal to not less than 10 per cent of the total sum paid up on all the shares conferring that right. In accordance with Article 64 of the Bank's Articles of Association, if a poll be demanded in manner aforesaid, it shall be taken at such time and place, and in such manner, as the Chairman shall direct (including the use of ballot or voting papers or tickets), and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.*
7. *As a good corporate governance practice, the Chairman intends to demand a poll on each of the resolutions set out in the notice of the Meeting in accordance with Article 63 of the Bank's Articles of Association.*
8. *As at the date hereof, the Board of Directors of the Bank comprises Mr Michael R P Smith* (Chairman), Mr Raymond C F Or (Vice-Chairman and Chief Executive), Mr John C C Chan#, Mr Patrick K W Chan, Dr Y T Cheng#, Dr Marvin K T Cheung#, Mr S J Glass*, Mr Jenkin Hui#, Mr Peter T C Lee#, Dr Eric K C Li#, Dr Vincent H S Lo*, Mr Joseph C Y Poon, Dr David W K Sir#, Mr Richard Y S Tang# and Mr Peter T S Wong*.*

*Non-executive Director

#Independent non-executive Director

Please also refer to the published version of this announcement in South China Morning Post.