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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in The Bank of East Asia, Limited, you should at once hand this circular to the purchaser or transferee or to the bank, a licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**BEA 東亞銀行**

**The Bank of East Asia, Limited**

*(Incorporated in Hong Kong with limited liability in 1918)*

(Stock Code: 23)

**NOTICE OF ANNUAL GENERAL MEETING,  
RE-ELECTION OF DIRECTORS,  
AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

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The notice of Annual General Meeting of The Bank of East Asia, Limited to be held at the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway Road, Hong Kong on Thursday, 17th April, 2008 at 10:30 a.m. ("2008 AGM") is set out on pages 2 to 4 of this circular.

Whether or not you are able to attend the 2008 AGM, please complete the accompanying Proxy Form in accordance with the instructions printed thereon and return it to the Bank's Share Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the 2008 AGM. Completion and delivery of the Proxy Form will not preclude you from attending and voting at the 2008 AGM should you so wish.

19th March, 2008

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“2008 AGM”	an annual general meeting of the Bank to be held at the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway Road, Hong Kong on Thursday, 17th April, 2008 at 10:30 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association from time to time adopted by the Bank;
“Auditors”	the auditors for the time being of the Bank;
“Bank”	The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability;
“Board”	the board of Directors or a duly authorised committee thereof;
“Directors”	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require;
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China;
“Latest Practicable Date”	12th March, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended, supplemented or otherwise modified from time to time;
“Notice of Annual General Meeting”	the notice convening the 2008 AGM as set out on pages 2 to 4 of this circular;
“Ordinance” or “Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholders”	holders of Shares;
“Share(s)”	fully paid ordinary shares of HK\$2.50 each of the Bank (or such other nominal amount prevailing from time to time);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers.

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## NOTICE OF ANNUAL GENERAL MEETING

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# The Bank of East Asia, Limited

*(Incorporated in Hong Kong with limited liability in 1918)*

### Notice of Eighty-Ninth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-ninth Annual General Meeting of the members of the Bank will be held in the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway Road, Hong Kong on Thursday, 17th April, 2008 at 10:30 a.m. for the following purposes:

1. To consider and adopt the Audited Accounts and the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2007;
2. To declare a final dividend of HK\$1.18 per share (with scrip option) for the year ended 31st December, 2007;
3. To re-elect Directors:
  - (a) Mr. Joseph PANG Yuk-wing
  - (b) Mr. Thomas KWOK Ping-kwong
  - (c) Mr. Richard LI Tzar-kai
  - (d) Mr. TAN Man-kou
  - (e) Professor Arthur LI Kwok-cheung
  - (f) Mr. KUOK Khoon-ean
  - (g) Mr. William DOO Wai-hoi
4. To re-appoint KPMG as Auditors of the Bank and authorise the Directors to fix their remuneration;

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions:

### Special Resolution

5. "THAT the Articles of Association be and are hereby amended as follows:
  - (a) the existing Article 8 be re-designated as sub-clause (A) of Article 8; and
  - (b) the following new sub-clause (B) be inserted immediately after the re-designated sub-clause (A) of Article 8:

'(B) Subject to the provisions of the Ordinance and the Listing Rules, any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is, liable to be redeemed.'."

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## NOTICE OF ANNUAL GENERAL MEETING

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### Ordinary Resolutions

6. "THAT

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period all the powers of the Bank to allot, issue and dispose of additional shares of the Bank and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers either during or after the Relevant Period, not exceeding 10% of the aggregate nominal amount of the issued share capital of the Bank as at the date of this Resolution, otherwise than any shares which may be issued pursuant to the following events:
- (i) a rights issue;
  - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Bank and its subsidiaries of shares or rights to acquire shares of the Bank; or
  - (iii) any scrip dividend or similar arrangement in accordance with the Articles of Association of the Bank; and
- (b) 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 Bank;
- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the members in general meeting."

7. "THAT

- (a) a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period all the powers of the Bank to repurchase ordinary shares of HK\$2.50 each in the capital of the Bank in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time provided however that the aggregate nominal amount of the shares to be repurchased pursuant to the approval in this paragraph shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Bank as at the date of this Resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(b) 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 Bank;
- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the members in general meeting."

8. "THAT, conditional on the passing of Resolutions in item 6 and item 7 of the Notice of this Meeting, the general mandate granted to the Directors to allot shares pursuant to the Resolution set out in item 6 of the Notice of this Meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Bank repurchased by the Bank under the authority granted pursuant to the Resolution set out in item 7 of the Notice of this Meeting."

By Order of the Board

**Molly HO Kam-lan**

*Company Secretary*

Hong Kong, 19th March, 2008

Notes:

- (a) *For the purpose of determining Shareholders who qualify for final dividend, the Register of Members of the Bank will be closed from Tuesday, 25th March, 2008 to Wednesday, 26th March, 2008, both days inclusive. In order to qualify for the final dividend, all transfer documents should be lodged for registration with Tricor Standard Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, by 4:00 p.m. Thursday, 20th March, 2008.*
- (b) *For the purpose of determining Shareholders who are entitled to attend and vote at the 2008 AGM, the Register of Members of the Bank will be closed from Wednesday, 16th April, 2008 to Thursday, 17th April, 2008, both days inclusive. In order to qualify for attending and voting at the 2008 AGM, all transfer documents should be lodged for registration with Tricor Standard Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, by 4:00 p.m. Tuesday, 15th April, 2008.*
- (c) *For good corporate governance practice, 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.*
- (d) *A member entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote in his place. A proxy need not be a member.*
- (e) *The Memorandum and Articles of Association of the Bank is written in English. The Chinese version of the Resolution as set out in item 5 above on amendments of Articles of Association is a translation for reference only. Should there be any discrepancies, the English version will prevail.*

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## LETTER FROM THE CHAIRMAN

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### **The Bank of East Asia, Limited**

*(Incorporated in Hong Kong with limited liability in 1918)*

*Executive Directors:*

Dr. The Hon. Sir David LI Kwok-po (*Chairman & Chief Executive*)

Mr. Joseph PANG Yuk-wing (*Deputy Chief Executive*)

*Registered Office:*

10 Des Voeux Road Central

Hong Kong

*Non-executive Directors:*

Dr. LI Fook-wo

Mr. Aubrey LI Kwok-sing

Professor Arthur LI Kwok-cheung

Dr. William MONG Man-wai

Tan Sri Dr. KHOO Kay-peng

Mr. Richard LI Tzar-kai

Mr. Eric LI Fook-chuen

Mr. Stephen Charles LI Kwok-sze

*Independent Non-executive Directors:*

Mr. WONG Chung-hin

Dr. LEE Shau-kee

Dr. Allan WONG Chi-yun

Mr. Winston LO Yau-lai

Mr. Thomas KWOK Ping-kwong

Mr. TAN Man-kou

Mr. Kenneth LO Chin-ming

Mr. KUOK Khoon-ean

Mr. William DOO Wai-hoi

*To the Shareholders*

19th March, 2008

Dear Sir or Madam,

#### **INTRODUCTION**

The purpose of this circular is to provide you with information in connection with the convening of the 2008 AGM and explanation in connection with the matters to be dealt with at the 2008 AGM. For good corporate governance practice, I would direct that each of the resolutions set out in the notice of the 2008 AGM be voted on by poll.

A notice convening the 2008 AGM is set out on pages 2 to 4 of this circular.

The procedure by which Shareholders may demand a poll at any general meeting of the Bank is set out in Appendix 1 to this circular.

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## LETTER FROM THE CHAIRMAN

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A proxy form for use at the 2008 AGM is enclosed. Whether or not you are able to attend the 2008 AGM, please complete the accompanying Proxy Form in accordance with the instructions printed thereon and return it to the Bank's Share Registrars, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the 2008 AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2008 AGM should you so wish.

### **RESOLUTION (1) — ADOPTION OF THE AUDITED ACCOUNTS AND THE REPORT OF THE DIRECTORS AND THE INDEPENDENT AUDITOR'S REPORT**

Annual Report 2007 incorporating the audited accounts, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2007 was sent together with this circular to Shareholders on the same date. The audited accounts have been reviewed by the Audit Committee.

### **RESOLUTION (2) — DECLARATION OF FINAL DIVIDEND WITH SCRIP OPTION**

The Board has recommended a final dividend of HK\$1.18 per share for the year 2007 in cash with an option to receive new, fully paid Shares in lieu of cash.

The Register of Members will be closed from Tuesday, 25th March, 2008 to Wednesday, 26th March, 2008. In order to qualify for the proposed final dividend, all transfer documents should be lodged for registration with Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by 4:00 p.m. on Thursday, 20th March, 2008.

A circular containing details of scrip dividend scheme and the election form will be sent to Shareholders on or about Wednesday, 26th March, 2008.

Subject to the passing of Resolution (2), such final dividend will be paid on or about Friday, 18th April, 2008. The scrip dividend scheme is also conditional upon the Listing Committee of the Stock Exchange granting approval to the listing of and permission to deal in the new Shares to be issued under the scrip dividend scheme. The dividend warrants and the share certificates for the scrip dividend will be sent to shareholders by ordinary mail on or about Friday, 18th April, 2008.

### **RESOLUTION (3) — RE-ELECTION OF DIRECTORS**

In accordance with Articles 74A, 80, and 82 of the Articles of Association, Mr. Joseph PANG Yuk-wing, Mr. Thomas KWOK Ping-kwong, Mr. Richard LI Tzar-kai and Mr. TAN Man-kou will retire at the 2008 AGM and, being eligible, offer themselves for re-election. In accordance with Article 75 of the Articles of Association, Professor Arthur LI Kwok-cheung, Mr. KUOK Khoon-ean and Mr. William DOO Wai-hoi who were appointed on 10th January, 2008 will retire at the 2008 AGM and, being eligible, offers themselves for re-election. Details of the Directors who are proposed to be re-elected at the 2008 AGM are set out in Appendix 2 to this circular.

The re-appointment of Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the 2008 AGM. The Nomination Committee has also assessed the independence of all the Bank's Independent Non-executive Directors including those to be re-elected at the 2008 AGM.



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## LETTER FROM THE CHAIRMAN

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### **RESOLUTION (4) — RE-APPOINTMENT OF AUDITORS**

The Board (which agreed to the view of the Audit Committee) recommended that, subject to the approval of Shareholders at the 2008 AGM, KPMG be re-appointed as the external auditors of the Bank for 2008.

### **RESOLUTION (5) — AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Pursuant to the requirement under the Companies Ordinance, the authorisation to issue redeemable preference shares must be contained in the articles of association. The proposed amendment, if approved, will give a power to the Bank to issue preference shares that are redeemable. Such power is considered desirable, as it will provide flexibility to the Bank in issuing redeemable preference shares should the Bank consider it appropriate in line with the terms of similar market products. In addition, the issue of redeemable preference shares will provide flexibility to the Bank to better manage its capital structure should future issuance of preference shares be considered appropriate.

Should the proposed amendment be approved by the Shareholders, any future issue of redeemable preference shares will be subject to further approval by the Shareholders.

Details of the proposed amendment to the Articles of Association are set out in Appendix 3 to this circular.

### **RESOLUTIONS (6), (7) AND (8) — GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

At the annual general meeting of the Bank held on 12th April, 2007, approval was given by Shareholders for the granting of, inter alia, the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Bank; and (ii) to repurchase Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the issued share capital of the Bank, as at the date of passing the relevant resolutions. In accordance with the terms of the approval, these general mandates will shortly expire on 17th April, 2008 upon the conclusion of the 2008 AGM. To keep in line with the current corporate practice, the grant of fresh general mandates for the same purpose is being sought from Shareholders and the ordinary resolutions to grant these mandates to the Directors will be proposed at the 2008 AGM.

Based on the 1,654,422,205 Shares in issue as at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Bank after the Latest Practicable Date and up to the passing of the relevant resolution), the Bank will therefore be allowed under the mandate to issue a maximum of 165,442,220 Shares.

The Explanatory Statement required by the Listing Rules to be sent to Shareholders in connection with the proposed share repurchase resolution is set out in Appendix 4 to this circular.

Conditional upon the passing of the Resolutions (6) and (7), an ordinary resolution to authorise the Directors to exercise the powers to allot, issue and dispose of additional Shares of the Bank under the general mandate to issue shares in respect of the aggregate nominal amount of the share capital in the Bank repurchased by the Bank will also be proposed for approval by Shareholders at the 2008 AGM.

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## LETTER FROM THE CHAIRMAN

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### RECOMMENDATION

Your Directors consider that the above proposals are in the interests of the Bank and its Shareholders and accordingly recommend that all Shareholders vote in favour of the resolutions to be proposed at the 2008 AGM.

Yours faithfully,

**David LI Kwok-po**

*Chairman & Chief Executive*

Article 57 of the Articles of Association sets out the procedure by which Shareholders may demand a poll:

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the Ordinance, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (d) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

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## APPENDIX 2      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS PROPOSED TO BE RE-ELECTED

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The following are the particulars of the seven Directors proposed to be re-elected at the 2008 AGM:

1. **Mr. Joseph PANG Yuk-wing**, *BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK), ACIB, FHKIB, JP Executive Director & Deputy Chief Executive*

Mr. Pang, aged 59, joined the Bank in 1973. He was appointed Alternate Chief Executive in 1991 and was promoted to General Manager in 1992. He was further promoted to Deputy Chief Executive and was appointed a Director in 1995. He assists the Chief Executive in the overall management and control of the Group. Mr. Pang is also a director of various members of the Bank Group. He is also the Chairman and a Member of various Committees appointed by the Board.

Mr. Pang is the Vice President of the Hong Kong Institute of Bankers. He is a panel member of the Securities and Futures Appeals Tribunal, a Lay Observer of Independent Police Complaints Council Observers Scheme and a Trustee of the Retirement Schemes of The University of Hong Kong.

Mr. Pang has not held any directorship in other listed public companies during the last three years.

Mr. Pang has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Mr. Pang shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Pang receives a director's fee of HK\$200,000 per annum.

Mr. Pang is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Pang is interested in 1,000,000 (0.06%) Shares within the meaning of Part XV of the SFO, in addition to the share options being granted to him to subscribe for 2,500,000 Shares pursuant to the Staff Share Option Scheme of the Bank.

There is no information relating to Mr. Pang that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr. Pang's re-election that need to be brought to the attention of the Shareholders of the Bank.

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**APPENDIX 2      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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2. **Mr. Thomas KWOK Ping-kwong**, SBS, MSc (Bus Adm), BSc (Eng), FCPA, JP  
*Independent Non-executive Director, Member of the Audit Committee and the Remuneration Committee*

Mr. Kwok, aged 56, was appointed a Director in 2001. Mr. Kwok is the Vice Chairman and Managing Director of Sun Hung Kai Properties Limited, Chairman of Route 3 (CPS) Company Limited, Joint Chairman of IFC Development Limited and an Executive Director of SUNeVision Holdings Limited. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

Mr. Kwok is the Chairman of the Board of Directors of the Faculty of Business and Economics of the University of Hong Kong and Executive Vice President of The Real Estate Developers Association of Hong Kong. He also serves as a government appointed Member of the Exchange Fund Advisory Committee, Construction Industry Council, the Council for Sustainable Development and the Commission on Strategic Development. He is an Honorary Citizen of Guangzhou and a Standing Committee Member of the Ninth Chinese People's Political Consultative Conference Shanghai Committee. Mr. Kwok holds a Master's degree in Business Administration from The London Business School, University of London and a Bachelor's degree in Civil Engineering from Imperial College, University of London.

In the past, he served as a Member of the Economic and Employment Council, the Business Advisory Group, the Land & Building Advisory Committee, the Registered Contractors' Disciplinary Board and the General Chamber of Commerce Industrial Affairs Committee. He was also Chairman of the Property Management Committee of the Building Contractors' Association and a Council Member of the Hong Kong Construction Association.

He previously served as a Board member of the Community Chest of Hong Kong and as a member of the Social Welfare Policies & Services Committee, and on the Council of The Open University of Hong Kong.

Save as disclosed above, Mr. Kwok does not hold any position with the Bank or with other members of the Bank Group. Mr. Kwok has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Mr. Kwok shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Kwok receives a director's fee of HK\$200,000, an Audit Committee member's fee of HK\$60,000 and a Remuneration Committee member's fee of HK\$30,000 per annum.

Mr. Kwok is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Kwok is not interested in any Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Kwok that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr. Kwok's re-election that need to be brought to the attention of the Shareholders of the Bank.

**3. Mr. Richard LI Tzar-kai**

*Non-executive Director*

Mr. Li, aged 41, was appointed a Director in 2001. Mr. Li is the Chairman of PCCW Limited, one of Asia's leading companies in Information and Communications Technologies (ICT). He is also the Chairman and Chief Executive of the Pacific Century Group, the Chairman of Pacific Century Premium Developments Limited and Singapore-based Pacific Century Regional Developments Limited. He is a member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C. and a member of the Global Information Infrastructure Commission. Mr. Li is also a Council Member of The Chinese University of Hong Kong. Save as disclosed above, Mr. Li has not held any directorship in other listed public companies during the last three years.

Save as disclosed, Mr. Li does not hold any position with the Bank or with other members of the Bank Group. Mr. Li has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Mr. Li shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Li receives a director's fee of HK\$200,000 per annum.

Mr. Li is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Li is not interested in any Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr. Li's re-election that need to be brought to the attention of the Shareholders of the Bank.

4. **Mr. TAN Man-kou, FCPA, FCA**

*Independent Non-executive Director and Member of the Audit Committee*

Mr. Tan, aged 72, was appointed a Director in 2004. He is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Tan, who has over 30 years of public accounting experience, was until 2002 a partner with Deloitte Touche Tohmatsu. As a partner, he was responsible for leading Deloitte's professional services in the areas of audit, tax, corporate finance, insolvency and listings. He had client responsibilities in China, Hong Kong, Europe and the United States.

Mr. Tan is a member of the Chinese People's Political Consultative Conference. He was a member of the Selection Committee of the Hong Kong Special Administrative Region. Mr. Tan is active in public service, and has been a member, an honorary treasurer, and a chairman of the Hong Kong Housing Society over the course of more than 20 years. He also served as a member of the Airport Consultative Committee.

Mr. Tan is an Independent Non-executive Director of China Foods Limited and Harbour Centre Development Limited. Save as disclosed above, Mr. Tan has not held any directorship in other listed public companies during the last three years.

Save as disclosed, Mr. Tan does not hold any position with the Bank or with other members of the Bank Group. Mr. Tan has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Mr. Tan shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Tan receives a director's fee of HK\$200,000 and an Audit Committee member's fee of HK\$60,000 per annum.

Mr. Tan is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Tan is not interested in any Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Tan that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr. Tan's re-election that need to be brought to the attention of the Shareholders of the Bank.

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## APPENDIX 2      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS PROPOSED TO BE RE-ELECTED

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5. **Professor Arthur Li Kwok-cheung**, *GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP*  
*Non-executive Director*

Professor Li, aged 62, was a Director of the Bank (1995-2002) and was re-appointed a Director in January 2008. He was the Secretary for Education and Manpower of the Government of HKSAR and a Member of the Executive Council (2002-June 2007). Before these appointments, he was the Vice Chancellor of the Chinese University of Hong Kong (1996-2002) and was the Chairman of Department of Surgery and the Dean of Faculty of Medicine of the Chinese University of Hong Kong.

Professor Li was a non-executive director of China Mobile (Hong Kong) Limited, a director of Glaxo-Wellcome Plc., an independent non-executive director of Henderson Cyber Limited, a non-executive director of The Wharf (Holdings) Limited, and the Non-executive Chairman of the Board of Corus Hotels plc (formerly Corus and Regal Hotel Group plc). Professor Li has not held any directorship in other listed public companies during the last three years.

Professor Li had held many important positions in various social service organisations, medical associations, and educational bodies, including the Education Commission, Committee on Science and Technology, the Hospital Authority, the Hong Kong Medical Council, the University Grants Committee, the College of Surgeons of Hong Kong, and the United Christian Medical Services Board. He was a member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation and the Hong Kong Applied Science and Technology Research Institute, and Vice President of the Association of University Presidents of China. He was a Hong Kong Affairs Adviser to China.

Save as disclosed, Professor Li does not hold any position with the Bank or with other members of the Bank Group. Professor Li has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Professor Li shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Professor Li receives a director's fee of HK\$200,000 per annum.

Professor Li is the brother of Dr. The Hon. Sir David Li Kwok-po, Chairman & Chief Executive of the Bank, and the nephew of Dr. Li Fook-wo and Mr. Eric Li Fook-chuen, both are Non-executive Directors of the Bank. He is also the cousin of Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze, both are Non-executive Directors of the Bank. Except as disclosed, Professor Li is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Professor Li is interested in 20,490,814 (1.24%) Shares within the meaning of Part XV of the Securities and Futures Ordinance. Of these 20,490,814 Shares, (i) Professor Li is the beneficial owner of 8,556,299 (0.52%) Shares; and (ii) 11,934,515 (0.72%) Shares are held by a discretionary trust of which Professor Li is the founder but he has no influence on how the trustee exercises his discretion. Disclosure of these 11,934,515 Shares is made on a voluntary basis.

There is no information relating to Professor Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Professor Li's re-election that need to be brought to the attention of the Shareholders of the Bank.



6. **Mr. KUOK Khoon-ean**

*Independent Non-executive Director and Member of the Audit Committee*

Mr. Kuok, aged 52, was appointed a Director in January 2008. He is currently the executive chairman of SCMP Group Limited, a director of Kerry Group Limited and Kerry Holdings Limited. Mr. Kuok is also a director of Wilmar International Limited listed in Singapore and a director of The Post Publishing Public Company Limited listed in Thailand. Mr. Kuok was an independent non-executive director of Phoenix Satellite Television Holdings Limited. Save as disclosed above, Mr. Kuok has not held any directorship in other listed public companies during the last three years.

Mr. Kuok is a council member of The Hong Kong University of Science and Technology and a trustee of Singapore Management University. Mr. Kuok is a graduate in Economics from the Nottingham University, U.K.

Save as disclosed, Mr. Kuok does not hold any position with the Bank or with other members of the Bank Group. Mr. Kuok has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Mr. Kuok shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Kuok receives a director's fee of HK\$200,000 and an Audit Committee member's fee of HK\$60,000 per annum.

Mr. Kuok is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Kuok is not interested in any Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Kuok that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr. Kuok's re-election that need to be brought to the attention of the Shareholders of the Bank.

7. **Mr. William DOO Wai-hoi**, *BSc, MSc, G.G., JP*

*Independent Non-executive Director and Member of the Audit Committee*

Mr. Doo, aged 63, was appointed a Director in January 2008. He is currently the vice-chairman of New World China Land Limited, the deputy chairman of NWS Holdings Limited and Taifook Securities Group Limited. He is an executive director of Lifestyle International Holdings Limited, a director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. He was an executive director of New World Mobile Holdings Ltd. Save as disclosed above, Mr. Doo has not held any directorship in other listed public companies during the last three years.

Mr. Doo is a member of the Executive Committee of the Eleventh Chinese People's Political Consultative Conference in Shanghai and the Convener of the Shanghai Committee in Hong Kong. He is a Governor of the Canadian Chamber of Commerce in Hong Kong and the Honorary Consul of the Kingdom of Morocco in Hong Kong. Mr. Doo holds a Degree of Bachelor of Science from the University of Toronto, Canada and a Master Degree in Science from the University of California, U.S.A. He also holds a Diploma of Graduate Gemologist from the Gemologist Institute of America.

Mr. Doo is an independent non-executive director of Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank. Save as disclosed, Mr. Doo does not hold any position with the Bank or with other members of the Bank Group. Mr. Doo has not entered into any service contract with the Bank. In accordance with the Articles of Association of the Bank, Mr. Doo shall retire as a Director at the 2008 AGM and, being eligible, shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment and on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Doo receives a director's fee of HK\$200,000 and an Audit Committee member's fee of HK\$60,000 per annum.

Mr. Doo is not or was not connected with any Directors and the senior management of the Bank. The Bank does not have a substantial or controlling shareholder (as defined in the Listing Rules) as at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Doo is not interested in any Shares within the meaning of Part XV of the SFO.

There is no information relating to Mr. Doo that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr. Doo's re-election that need to be brought to the attention of the Shareholders of the Bank.

This appendix sets out the proposed amendments, as marked up for ease of reference, to the Articles of Association, as follows:

*Article 8 – Shares at disposal of Board*

8. (A) Subject to the provisions of the Ordinance of these Articles, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.
- (B) Subject to the provisions of the Ordinance and the Listing Rules, any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is, liable to be redeemed.

The following is the Explanatory Statement required to be sent to Shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of Shares and also constitutes the Memorandum required under Section 49BA of the Companies Ordinance:

- (i) At the 2008 AGM a resolution will be proposed that the Directors be given a general mandate to exercise all powers of the Bank to repurchase on the Stock Exchange fully paid-up Shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Bank as at the date of passing the resolution (the "Repurchase Mandate"). Based on the 1,654,422,205 Shares in issue as at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Bank after the Latest Practicable Date and up to the passing of the relevant resolution), the Bank will therefore be allowed under the Repurchase Mandate to repurchase a maximum of 165,442,220 Shares.
- (ii) Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Repurchase Mandate will be beneficial to the Bank and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when depressed market conditions arise and Shares are trading at a discount to their underlying value, the ability of the Bank to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Bank since their percentage interests in the assets of the Bank will increase in proportion to the number of Shares repurchased by the Bank. Furthermore, the Directors' exercise of the mandate granted under the Repurchase Mandate may lead to an increased volume of trading in Shares on the Stock Exchange.
- (iii) The Directors propose that repurchases of Shares under the Repurchase Mandate will be financed from the available cash flow or working capital facilities of the Bank and its subsidiaries. In repurchasing Shares, the Bank may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the laws of Hong Kong.
- (iv) There may be material adverse impact on the working capital or gearing position of the Bank (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed share repurchases are to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as will, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Bank.
- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of the Directors of the Bank who have a present intention, in the event that the Repurchase Mandate is granted by Shareholders, to sell Shares to the Bank.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Bank to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong.

(vii) If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the Bank increases, such increase will be treated as an acquisition of voting rights for purpose of the Takeover Code. As a result, a Shareholder, or group of Shareholders acting in concert, would obtain or consolidate control of the Bank and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. As at the Latest Practicable Date, the Bank does not have a substantial shareholder (as defined in the Listing Rules).

However, the Directors are not aware of any consequence which would arise under the Takeover Code as a consequence of any purchases pursuant to the Repurchase Mandate.

(viii) No purchases have been made by the Bank of its Shares in the six months prior to the date of this circular.

(ix) No connected persons (as defined in the Listing Rules) of the Bank have notified it of a present intention to sell Shares to the Bank and no such persons have undertaken not to sell any such Shares to the Bank in the event that the Repurchase Mandate is granted by Shareholders.

(x) The highest and lowest prices at which Shares had traded on the Stock Exchange in each of the previous twelve months were as follows:

		<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
2007	: March	45.55	40.10
	April	49.05	45.35
	May	48.85	45.20
	June	46.75	43.65
	July	47.70	43.85
	August	49.60	38.00
	September	45.60	42.00
	October	52.95	43.00
	November	53.50	45.20
	December	61.00	46.50
2008	: January	54.45	40.05
	February	45.30	40.00