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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,
PROPOSAL FOR BONUS ISSUE OF SHARES,
AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

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, 16th April, 2009 at 10:30 a.m. ("2009 AGM") is set out on pages 3 to 7 of this circular.

Whether or not you are able to attend the 2009 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 2009 AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2009 AGM should you so wish.

13th March, 2009

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This Document in both English and Chinese is now available in printed form and on the website of the Bank at <http://www.hkbea.com>.

Shareholders are encouraged to rely on the website version to help reduce the quantity of printed copies of Corporate Communications and hence the impact on the environment. In this connection, Shareholders are requested to send a notice in writing to the Bank's Registrars, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong or by fax to (852) 2861 1465.

DEFINITIONS

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

“2009 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, 16th April, 2009 at 10:30 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association adopted by the Bank from time to time;
“Audit Committee”	the Audit Committee of the Bank;
“Auditors”	the auditors of the Bank for the time being;
“Bank”	The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability;
“Bank Group”	the Bank and its subsidiaries;
“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”	6th March, 2009, 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;
“Nomination Committee”	Nomination Committee of the Bank;
“Notice of Annual General Meeting”	the notice convening the 2009 AGM as set out on pages 3 to 7 of this circular;
“Ordinance” or “Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Register of Members”	register of members of the Bank;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Shareholders”	holders of the Shares;

DEFINITIONS

“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; and
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers.

NOTICE OF ANNUAL GENERAL MEETING

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

Notice of Ninetieth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninetieth 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, 16th April, 2009 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, 2008;
2. To declare a final dividend of HK\$0.02 per share (with scrip option) for the year ended 31st December, 2008;
3. To re-elect Directors:
 - (a) Mr. WONG Chung-hin
 - (b) Dr. LEE Shau-kee
 - (c) Dr. William MONG Man-wai
 - (d) Mr. Kenneth LO Chin-ming
 - (e) Mr. Eric LI Fook-chuen
 - (f) Mr. Valiant CHEUNG Kin-piu
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:

Ordinary Resolution

5. "THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Bonus Shares (as defined in this paragraph below), an amount standing to the credit of the Share Premium Account of the Bank equal to one-tenth of the aggregate nominal amount of the share capital of the Bank in issue at the close of business on 23rd March, 2009 be capitalised and that the Directors be and they are hereby authorised and directed to apply such sum in paying up in full at par such number of Bonus Shares to be allotted and distributed, credited as fully paid, to the members of the Bank whose names appear on the register of members of the Bank as at the close of business on 23rd March, 2009 in the proportion of one new ordinary share of HK\$2.50 each for every ten ordinary shares of HK\$2.50 each then held by such members ("Bonus Shares"), and that such Bonus Shares shall rank for all purposes *pari passu* with the existing issued ordinary shares of the Bank save that they shall not rank for the final dividend declared in respect of the financial year to 31st December, 2008, and that no fractional Bonus Shares shall be allotted and fractional entitlements will be aggregated and sold at such time or times as the Directors shall think fit for the benefit of the Bank, and the Directors be authorised generally to do all acts and things as may be necessary to give effect to the issue of the Bonus Shares."

NOTICE OF ANNUAL GENERAL MEETING

Special Resolution

6. "THAT the Articles of Association be and are hereby amended as follows:
- (a) Article 6 be amended by deleting the following words immediately after the words "such share held by him" in line 11:

' , that any holder of shares of the class present in person or by proxy may demand a poll';
 - (b) Article 47 be amended by deleting the first sentence and replacing it with the following:

'Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one days' notice or twenty clear business days' notice, whichever is the longer; (b) a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice; and (c) a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice or ten clear business days' notice, whichever is the longer. For the purposes of this Article, "business day" shall have the meaning attributed to it in the Listing Rules.';
 - (c) Article 56 be amended by deleting it and replacing it with the following:

'Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he is the holder.';
 - (d) Article 57 be amended by deleting it and its heading and replacing them with the following:

'Poll

57. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.';
 - (e) Article 58 be amended by deleting it and replacing it with the following:

'A poll shall be taken in such manner as the chairman shall direct and he may appoint scrutineers (who need not be Members). The result of the poll shall be deemed to be the resolution of the meeting.';
 - (f) Article 59 be amended by deleting the following word immediately after the words "A poll" in both line 1 and line 2:

'demanded';

NOTICE OF ANNUAL GENERAL MEETING

- (g) Article 60 be deleted in its entirety;
- (h) Article 63 be amended by deleting the following words immediately after the words “at a general meeting” in line 1:

‘whether on a show of hands or on a poll,‘;
- (i) Article 65 be amended by deleting the following words immediately after the words “may vote” in line 3:

‘, whether on a show of hands or on a poll,‘;
- (j) Article 71 be amended by deleting the following words immediately after the words “to confer authority” in line 4:

‘to demand or join in demanding a poll and‘;
- (k) Article 72 be amended by deleting it and replacing it with the following:

‘A vote given by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting, unless notice in writing of such determination was received by the Company at the Office (or such other place in Hong Kong as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting at which the vote is given or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.‘;
- (l) Article 72A be amended by deleting its heading and replacing it with ‘Proxy can vote, etc.’ and be further amended by deleting the following words immediately after the words “to confer authority” in line 2:

‘to demand or join in demanding a poll and‘; and
- (m) the Index be amended by making corresponding changes resulting from the amendments to the headings of the individual articles.”

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolutions

7. "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."

8. "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

NOTICE OF ANNUAL GENERAL MEETING

(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.”

9. “THAT, conditional on the passing of Resolutions in item 7 and item 8 of the Notice of this Meeting, the general mandate granted to the Directors to allot shares pursuant to the Resolution set out in item 7 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 8 of the Notice of this Meeting.”

By Order of the Board

Molly HO Kam-lan

Company Secretary

Hong Kong, 13th March, 2009

Notes:

- (a) *For the purpose of determining the Shareholders who qualify for the proposed final dividend and the proposed bonus issue, the Register of Members of the Bank will be closed from Friday, 20th March, 2009 to Monday, 23rd March, 2009, both days inclusive. In order to qualify for the proposed final dividend and the proposed bonus issue, 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, 19th March, 2009.*
- (b) *For the purpose of determining the Shareholders who are entitled to attend and vote at the 2009 AGM, the Register of Members of the Bank will be closed from Wednesday, 15th April, 2009 to Thursday, 16th April, 2009, both days inclusive. In order to qualify for attending and voting at the 2009 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, 14th April, 2009.*
- (c) *In accordance with the relevant requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and 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 needs 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 6 above on amendments of the Articles of Association is a translation for reference only. Should there be any discrepancies, the English version will prevail.*

LETTER FROM THE CHAIRMAN

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:

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. Kenneth LO Chin-ming

Mr. William DOO Wai-hoi

Mr. KUOK Khoon-ean

Mr. Valiant CHEUNG Kin-piu

13th March, 2009

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

The purpose of this circular is to provide you with information in connection with the convening of the 2009 AGM and explanation in connection with the matters to be dealt with at the 2009 AGM. In accordance with the relevant requirements under the Listing Rules and for good corporate governance practice, I would direct that each of the resolutions set out in the Notice of Annual General Meeting be voted on by poll.

A notice convening the 2009 AGM is set out on pages 3 to 7 of this circular.

A proxy form for use at the 2009 AGM is enclosed. Whether or not you are able to attend the 2009 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 2009 AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2009 AGM should you so wish.

LETTER FROM THE CHAIRMAN

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

Annual Report 2008 incorporating the audited accounts, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2008 was sent together with this circular to the 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\$0.02 per share for the year 2008 in cash with an option to receive new, fully paid Shares in lieu of cash.

The Register of Members will be closed from Friday, 20th March, 2009 to Monday, 23rd March, 2009, both days inclusive. 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, 19th March, 2009.

The listing document containing, inter alia, details of scrip dividend scheme and the election form will be sent to the Shareholders on or about Monday, 23rd March, 2009.

Subject to the passing of Resolution (2), such final dividend will be paid on or about Friday, 17th April, 2009. 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 the Shareholders by ordinary mail at their own risk on or about Friday, 17th April, 2009.

RESOLUTION (3) — RE-ELECTION OF DIRECTORS

In accordance with Articles 74A, 80, and 82 of the Articles of Association, Mr. WONG Chung-hin, Dr. LEE Shau-kee, Dr. William MONG Man-wai, Mr. Kenneth LO Chin-ming and Mr. Eric LI Fook-chuen retire at the 2009 AGM and, being eligible, offer themselves for re-election. In accordance with Article 75 of the Articles of Association, Mr. Valiant CHEUNG Kin-piu who was appointed on 15th December, 2008 will retire at the 2009 AGM and, being eligible, offers himself for re-election. Details of the Directors who are proposed to be re-elected at the 2009 AGM are set out in Appendix 1 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 2009 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 2009 AGM. All the Independent Non-executive Directors of the Bank satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules.

RESOLUTION (4) — RE-APPOINTMENT OF AUDITORS

The Board (which agreed to the view of the Audit Committee) recommended that, subject to the approval of the Shareholders at the 2009 AGM, KPMG be re-appointed as the external auditors of the Bank for 2009.

LETTER FROM THE CHAIRMAN

RESOLUTION (5) — PROPOSAL FOR BONUS ISSUE OF SHARES

As set out in the Announcement of 2008 Final Results dated 17th February, 2009, the Board will propose at the 2009 AGM to make a bonus issue of Shares (the “Bonus Shares”) to the Shareholders on the Register of Members at the close of business on Monday, 23rd March, 2009 (the “Record Date”) on the basis of one new Share for every ten Shares then held (the “Bonus Issue”). The Bonus Shares will not be entitled to any dividend in respect of the financial year ended 31st December, 2008, but will rank *pari passu* in all other respects with the existing Shares.

The exact total number of Bonus Shares to be issued under the Bonus Issue will be determined on the Record Date. As at the Latest Practicable Date, there were an aggregate of 1,673,417,496 Shares in issue, and assuming that there is no change in respect of the issued share capital of the Bank from the Latest Practicable Date up to the Record Date, 167,341,749 Bonus Shares will be issued under the Bonus Issue. It is proposed that the Directors be authorised to capitalise an amount standing to the credit of the Share Premium Account of the Bank equal to one-tenth of the aggregate nominal amount of the share capital of the Bank in issue at the close of business on the Record Date and apply such sum in paying up in full at par the Bonus Shares.

No fractional shares arising from the Bonus Issue shall be allotted and fractional entitlements will be aggregated and sold at such time or times as the Directors shall think fit for the benefit of the Bank.

The Register of Members will be closed from Friday, 20th March, 2009 to Monday, 23rd March, 2009, both days inclusive. In order to qualify for the proposed Bonus Issue, 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, 19th March, 2009.

The Listing Document containing, *inter alia*, details of the Bonus Issue will be sent to the Shareholders on or about Monday, 23rd March, 2009.

Subject to the passing of Resolution (5), the Bonus Shares will be issued and allotted to the Shareholders on Friday, 17th April, 2009. The Bonus Issue is also conditional upon the Listing Committee of the Stock Exchange granting approval to the listing of and permission to deal in the Bonus Shares to be issued under the Bonus Issue. The share certificates for the Bonus Issue will be sent to the Shareholders by ordinary mail at their own risk on or about Friday, 17th April, 2009.

LETTER FROM THE CHAIRMAN

RESOLUTION (6) — AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the 2009 AGM to amend the Articles of Association to bring them in line with certain recent changes to the Listing Rules. The effects of the proposed amendments are as follows:

- (i) Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one days' notice or twenty clear business days' notice, whichever is the longer; (b) a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice; and (c) a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice or ten clear business days' notice, whichever is the longer; and
- (ii) Any vote of shareholders at a general meeting will be taken by poll.

The proposed amendments are set out in full in the Notice of Annual General Meeting.

Our legal advisers, Deacons, have confirmed that the proposed amendments comply with the requirements of the Listing Rules and the laws of Hong Kong. The Bank also confirms that there is nothing unusual about the proposed amendments for a bank listed in Hong Kong.

Details of the proposed amendments to the Articles of Association are set out in Appendix 2 to this circular.

RESOLUTIONS (7), (8) AND (9) — GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Bank held on 17th April, 2008, approval was given by the 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 16th April, 2009 upon the conclusion of the 2009 AGM. To keep in line with the current corporate practice, the grant of fresh general mandates for the same purpose is being sought from the Shareholders and the ordinary resolutions to grant these mandates to the Directors will be proposed at the 2009 AGM.

Based on the 1,673,417,496 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 167,341,749 Shares.

The Explanatory Statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed share repurchase resolution is set out in Appendix 3 to this circular.

Conditional upon the passing of the Resolutions (7) and (8), 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 the Shareholders at the 2009 AGM.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The 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 2009 AGM.

Yours faithfully,

David LI Kwok-po

Chairman & Chief Executive

The following are the particulars of the six Directors proposed to be re-elected at the 2009 AGM:

1. Mr. WONG Chung-hin, CBE, JP

Independent Non-executive Director and Member of the Audit Committee

Mr. Wong, aged 75, is a solicitor. He was appointed a Director in 1977. Mr. Wong is the Consultant of P.C. Woo & Co. He is also a Director of Hongkong Electric Holdings Limited and Hutchison Whampoa Limited. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

Save as disclosed, Mr. Wong does not hold any position with the Bank or with other members of the Bank Group. Mr. Wong has not entered into any service contract with the Bank.

In accordance with the Articles of Association, Mr. Wong shall retire as a Director at the 2009 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 the Directors are determined by the Board with reference to market trends. Mr. Wong receives a director's fee of HK\$200,000 and an Audit Committee member's fee of HK\$60,000 per annum.

Mr. Wong is the uncle of Dr. Allan Wong Chi-yun, an Independent Non-executive Director of the Bank. Save as disclosed, Mr. Wong 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. Wong is interested in 390,941 (0.023%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Wong is the beneficial owner of 46,810 (0.003%) Shares and he is deemed to be interested in 344,131 (0.021%) Shares through the interests of his spouse, Mrs. Wong Lam Mei-lin.

Mr. Wong has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

There is no information relating to Mr. Wong 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. Wong's re-election that need to be brought to the attention of the Shareholders.

2. Dr. LEE Shau-kee, GBM, Hon. DBA, Hon. DSSc, Hon. LLD

Independent Non-executive Director and Member of the Nomination Committee

Dr. Lee, aged 80, was appointed a Director in 1987. He is the Chairman and Managing Director of Henderson Land Development Company Limited and Henderson Investment Limited. Dr. Lee is also the Chairman of The Hong Kong and China Gas Company Limited and Miramar Hotel and Investment Company, Limited. He is the Vice Chairman of Sun Hung Kai Properties Limited and a Director of Hong Kong Ferry (Holdings) Company Limited. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

Save as disclosed, Dr. Lee does not hold any position with the Bank or with other members of the Bank Group. Dr. Lee has not entered into any service contract with the Bank.

In accordance with the Articles of Association, Dr. Lee shall retire as a Director at the 2009 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 the Directors are determined by the Board with reference to market trends. Dr. Lee receives a director's fee of HK\$200,000 and a Nomination Committee member's fee of HK\$30,000 per annum.

Dr. Lee 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, Dr. Lee is interested in 2,901,985 (0.174%) Shares within the meaning of Part XV of the SFO. Of these Shares, Dr. Lee is the beneficial owner of 1,901,985 (0.114%) Shares and he is also deemed to be interested in 1,000,000 (0.060%) Shares held through Superfun Enterprises Limited ("Superfun"). Superfun is wholly owned by The Hong Kong and China Gas Company Limited which is 39.06% held by Henderson Land Development Company Limited ("Henderson Land"). Henderson Land is 53.35% held by Henderson Development Limited ("Henderson Development"). Hopkins (Cayman) Limited ("Hopkins") as trustee of a unit trust (the "Unit Trust") owns all the issued ordinary shares of Henderson Development. Rimmer (Cayman) Limited ("Rimmer") and Riddick (Cayman) Limited ("Riddick"), as trustees of respective discretionary trusts, hold units in the Unit Trust. The entire issued share capital of Hopkins, Rimmer and Riddick are owned by Dr. Lee.

Dr. Lee has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

There is no information relating to Dr. Lee 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 Dr. Lee's re-election that need to be brought to the attention of the Shareholders.

3. Dr. William MONG Man-wai, *GBS, Hon. DBA, Hon. LLD, Hon. DSSc, Hon. DEng,*
The Order of the Sacred Treasure, Gold Rays with Rosette
Non-executive Director

Dr. Mong, aged 81, was appointed a Director in 1995. He is the Chairman and Senior Managing Director of Shun Hing Group. Dr. Mong is the Honorary Chairman of Hong Kong Electrical Appliances Manufacturers Association. He is the Honorary Chairman of the Board of Trustee of Nanjing University, the Honorary Trustee of the Court of Tsinghua University, a Director of the Centre for Advanced Study Foundation of Tsinghua University, an Honorary Trustee of the Court of Peking University, and an Honorary Member of its Education Fund. Dr. Mong is an Honorary Member of the Board of Trustees of Shanghai Jiao Tong University, a Member of the Board of Directors of Jinan University in Guangdong, an Honorary Member of the Court of the Hong Kong University of Science and Technology and an Honorary Member of the Court of the Hong Kong Baptist University. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

Save as disclosed, Dr. Mong does not hold any position with the Bank or with other members of the Bank Group. Dr. Mong has not entered into any service contract with the Bank.

In accordance with the Articles of Association, Dr. Mong shall retire as a Director at the 2009 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 the Directors are determined by the Board with reference to market trends. Dr. Mong receives a director's fee of HK\$200,000 per annum.

Dr. Mong 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, Dr. Mong is interested in 7,359,362 (0.440%) Shares within the meaning of Part XV of the SFO. Of these Shares, Dr. Mong is the beneficial owner of 1,836,701 (0.110%) Shares and he is deemed to be interested in 30,000 (0.002%) Shares through the interests of his spouse, Ms. Wong Pui-fan. Of the remaining 5,492,661 (0.328%) Shares, (i) 4,752,798 (0.284%) Shares were held through Shun Hing Electronic Trading Co. Ltd., (ii) 668,323 (0.040%) Shares were held through Shun Hing Technology Co. Ltd., and (iii) 71,540 (0.004%) Shares were held through Shun Hing Advertising Co. Ltd. Such corporations are accustomed to act in accordance with the directions or instructions of Dr. Mong who is the Chairman of these corporations.

There is no information relating to Dr. Mong 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 Dr. Mong's re-election that need to be brought to the attention of the Shareholders.

4. Mr. Kenneth LO Chin-ming, MA, BA
Independent Non-Executive Director and Member of the Audit Committee

Mr. Lo, aged 66, was appointed a Director in 2005. Mr. Lo is the Chairman and Chief Executive Officer of the Industrial Bank of Taiwan, the Chairman of IBT Venture Co. and the Honourable Chairman of the Chailease Group. He is also a Director of Boston Life Science Venture Corp., a Director of Taiwan Cement Corp. and a Director of Gainwell Securities Co., Ltd. (Hong Kong). He has been with the banking and finance industry for over 40 years and had abundant experience in securities, trust, leasing, commercial banking, investment banking and venture capital. He was the President of Chinatrust Commercial Bank, the President of Chailease Group, the Vice Chairman of China Trust Bank (USA), the Managing Director of International Bank of Taipei, and a Director of Hua Nan Commercial Bank. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

In addition to his highly recognised professional accomplishments, Mr. Lo is also active in public service. He is the Vice Chairman of the Chinese National Association of Industry and Commerce, the Director of the ROC Bankers Association, a member of Asia Executive Board of the Sloan School of Business at the Massachusetts Institute of Technology, and a member of the National Palace Museum Advisory Committee and Taipei Fine Arts Museum Advisory Committee. He was the President of Asian Leasing Association, the Charter Chairman of Taipei Presidents' Organization, and the Supervisor of the ROC Bankers Association.

Mr. Lo holds a B.A. in Economics from National Taiwan University and an M.A. in Finance from the University of Alabama.

Save as disclosed, Mr. Lo does not hold any position with the Bank or with other members of the Bank Group. Mr. Lo has not entered into any service contract with the Bank.

In accordance with the Articles of Association, Mr. Lo shall retire as a Director at the 2009 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 the Directors are determined by the Board with reference to market trends. Mr. Lo receives a director's fee of HK\$200,000 and an Audit Committee member's fee of HK\$60,000 per annum.

Mr. Lo 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. Lo is not interested in any Shares within the meaning of Part XV of the SFO.

Mr. Lo has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

There is no information relating to Mr. Lo 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. Lo's re-election that need to be brought to the attention of the Shareholders.

5. Mr. Eric LI Fook-chuen, BscEE, MscEE, MBA, FIM

Non-Executive Director, Chairman of the Nomination Committee and Member of the Remuneration Committee

Mr. Li, aged 79, was appointed a Director in 2006. Mr. Li is a non-executive director of BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, both are wholly-owned subsidiaries of the Bank. Mr. Li is currently the Chairman and Chief Executive Officer of the Kowloon Dairy Limited. He is a director of Joyce Boutique Holdings Limited. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

Mr. Li holds a Bachelor of Science Degree in Electrical Engineering from the University of Arkansas, U.S.A., a Master of Science Degree in Electrical Engineering from the University of Michigan, U.S.A., and a Master Degree in Business Administration from the University of California, U.S.A. He is also a Fellow of the Chartered Management Institute.

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, Mr. Li shall retire as a Director at the 2009 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 the Directors are determined by the Board with reference to market trends. Mr. Li receives a director's fee of HK\$200,000, a Nomination Committee Chairman's fee of HK\$50,000 and a Remuneration Committee member's fee of HK\$30,000 per annum.

Mr. Li is the uncle of Dr. The Hon. Sir David Li Kwok-po, Chairman and Chief Executive of the Bank, and also the uncle of Mr. Aubrey Li Kwok-sing, Professor Arthur Li Kwok-cheung and Mr. Stephen Charles Li Kwok-sze, Non-executive Directors of the Bank. Save as disclosed, 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 interested in 30,803,365 (1.841%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li is the beneficial owner of 3,833,317 (0.229%) Shares and 19,160,672 (1.145%) Shares were held by New Jerico (PTC) Limited in the capacity of trustee of The Jerico Unit Trust. Mr. Li is the sole director of New Jerico (PTC) Limited. All the units in The Jerico Unit Trust are held by The New Elico Trust, of which Mr. Li is the founder and a discretionary beneficiary. Mr. Li is also deemed to be interested in 7,809,376 (0.467%) Shares held by The Kowloon Dairy Limited of which he is the Chairman and Chief Executive Officer.

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.

6. Mr. Valiant CHEUNG Kin-piu, FCPA, FCA
Independent Non-executive Director and Member of the Audit Committee

Mr. Cheung, aged 63, was appointed a Director in December, 2008. He was a partner at KPMG, a leading international accounting firm in Hong Kong, until his retirement in 2001. He has extensive experience in assurance and corporate finance work, particularly in trading and manufacturing corporations in Hong Kong and the PRC. Mr. Cheung is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants.

Mr. Cheung is an independent non-executive director of Pacific Century Premium Developments Limited and Dah Chong Hong Holdings Limited. He was an independent non-executive director of Dream International Limited and Wing Shan International Limited. Mr. Cheung is currently an independent non-executive director, the chairman of the audit committee and the chairman of the connected transactions control committee of The Bank of East Asia (China) Limited (“BEA (China)”), a wholly-owned subsidiary of the Bank. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

Save as disclosed, Mr. Cheung does not hold any position with the Bank or with other members of the Bank Group. Mr. Cheung has not entered into any service contract with the Bank.

In accordance with the Articles of Association, Mr. Cheung shall retire as a Director at the 2009 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 the Directors are determined by the Board with reference to market trends. Mr. Cheung receives a director’s fee of HK\$200,000 and an Audit Committee member’s fee of HK\$60,000 per annum.

Mr. Cheung is receiving a fee of RMB50,000 per annum for being a director, a fee of RMB40,000 per annum for being the chairman of the audit committee and a fee of RMB40,000 per annum for being the chairman of the connected transactions control committee of BEA (China).

Mr. Cheung 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. Cheung is not interested in any Shares within the meaning of Part XV of the SFO.

Mr. Cheung has met the independence guidelines set out in Rule 3.13 of the Listing Rules.

There is no information relating to Mr. Cheung 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. Cheung’s re-election that need to be brought to the attention of the Shareholders.

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

Article 6 — How special rights of shares may be varied

6. Subject to the Ordinance, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be one or more persons holding or representing by proxy not less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, ~~that any holder of shares of the class present in person or by proxy may demand a poll and that at any adjourned meeting of such holders one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum.~~

Article 47 — Notice of meetings

47. ~~An annual general meeting and a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice and a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice. Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one days' notice or twenty clear business days' notice, whichever is the longer; (b) a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice; and (c) a meeting other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by not less than fourteen days' notice or ten clear business days' notice, whichever is the longer. For the purposes of this Article, "business day" shall have the meaning attributed to it in the Listing Rules.~~ The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in this Article, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

Article 56 — Voting rights at general meetings

56. ~~Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative) or by proxy (whether the Member has appointed one or more than one proxy) shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he is the holder. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a Recognised Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands.~~ Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative, shall have one vote for every fully paid share of which he is the holder.

Article 57 — ~~Show of hands and right to demand poll~~ Poll

57. ~~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.~~

At any general meeting a resolution put to the vote of the meeting shall be decided on a poll.

Article 58 — Method of poll

58. ~~If a poll is duly demanded it shall be taken in such manner as the chairman shall direct and he may appoint scrutineers (who need not be Members). The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.~~ A poll shall be taken in such manner as the chairman shall direct and he may appoint scrutineers (who need not be Members). The result of the poll shall be deemed to be the resolution of the meeting.

Article 59 — Time of poll

59. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time (being not later than three months after the date of the demand) and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

Article 60 Continuation of meeting where poll demanded

60. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier. (Deleted by Special Resolution on 16/04/2009)

Article 63 — Equality of votes

63. In the case of an equality of votes at a general meeting, ~~whether on a show of hands or on a poll,~~ the chairman of such meeting shall be entitled to a second or casting vote.

Article 65 — Votes of incapable Members

65. A Member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote, ~~whether on a show of hands or on a poll,~~ by any person authorised in such circumstances to do so on his behalf and such person may vote on a poll by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be delivered at the Office (or at such other place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which a valid instrument of proxy could be so delivered.

Article 71 — Form of proxy

71. Instruments of proxy shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with any posted or delivered notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority ~~to demand or join in demanding a poll and~~ to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Article 72 — Authority of proxy

72. ~~A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice in writing of such determination was received by the Company at the Office (or such other place in Hong Kong as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.~~

A vote given by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting, unless notice in writing of such determination was received by the Company at the Office (or such other place in Hong Kong as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other document sent therewith) one hour at least before the commencement of the meeting or adjourned meeting at which the vote is given or (in the case of a poll not taken on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

Article 72A — ~~Proxy can demand poll, vote, etc.~~ Proxy can vote, etc.

72A. An instrument of proxy shall be deemed (subject to any contrary direction contained in the same) to confer authority ~~to demand or join in demanding a poll and~~ to vote on any resolution or amendment of a resolution put to the meeting for which it is given, as the proxy thinks fit and to speak at the meeting.

The following is the Explanatory Statement required to be sent to the 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 2009 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 1,673,417,496 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 167,341,749 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 the 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:

		Highest	Lowest
		<i>HK\$</i>	<i>HK\$</i>
2008:	March	42.95	33.65
	April	44.80	38.85
	May	48.45	42.10
	June	48.60	40.50
	July	42.55	34.20
	August	37.40	29.45
	September	31.70	22.00
	October	24.25	12.20
	November	18.20	13.00
	December	18.00	15.28
2009:	January	18.50	14.50
	February	17.80	14.82