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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,
PROPOSED INCREASE OF AUTHORISED CAPITAL
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 in the Grand Ballroom, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 22nd April, 2010 at 10:30 a.m. ("2010 AGM") is set out on pages 3 to 5 of this circular.

Whether or not you are able to attend the 2010 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 2010 AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2010 AGM should you so wish.

18th March, 2010

CONTENTS

| | <i>Page</i> |
|---|-------------|
| Definitions | 1 |
| Notice of Annual General Meeting | 3 |
| Letter from the Chairman | 6 |
| Introduction | |
| Resolution (1) — Adoption of the Audited Accounts and the Report of Directors and the Independent Auditor's Report | |
| Resolution (2) — Declaration of Final Dividend with Scrip Option | |
| Resolution (3) — Re-election of Directors | |
| Resolution (4) — Re-appointment of Auditors | |
| Resolution (5) — Proposal for Increase of Authorised Capital | |
| Resolutions (6), (7) and (8) — General Mandates to Issue Shares and Repurchase Shares | |
| Recommendation | |
| Appendix 1 — Details (including Biographies) of Directors Proposed to be Re-elected | 10 |
| Appendix 2 — Explanatory Statement on Repurchase of Shares | 17 |
| Accompanying documents: | |
| (i) Annual Report 2009 | |
| (ii) Proxy Form | |

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:

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| “2010 AGM” | an annual general meeting of the Bank to be held in the Grand Ballroom, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 22nd April, 2010 at 10:30 a.m. or any adjournment thereof; |
| “Articles of Association” | the articles of association adopted by the Bank from time to time; |
| “Associates” | has the meaning ascribed thereto in the Listing Rules; |
| “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; |
| “Board” | the board of Directors or a duly authorised committee thereof; |
| “Controlling Shareholder” | has the meaning ascribed thereto in the Listing Rules; |
| “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; |
| “Bank Group” | the Bank and its subsidiaries; |
| “Hong Kong” | Hong Kong Special Administrative Region of The People’s Republic of China; |
| “Latest Practicable Date” | 11th March, 2010, 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 2010 AGM as set out on pages 3 to 5 of this circular; |
| “Ordinance” or “Companies Ordinance” | the Companies Ordinance, Chapter 32 of the Laws of Hong Kong; |

DEFINITIONS

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|--------------------------------|---|
| “Register of Members” | register of members of the Bank; |
| “Senior Management” | the Deputy Chief Executives of the Bank; |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong; |
| “Shareholders” | holders of the 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); |
| “Staff Share Option Schemes” | The Staff Share Option Schemes of the Bank which had been approved by Shareholders on 26th March, 2002 and 12th April, 2007; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Substantial Shareholders” | has the meaning ascribed thereto in the Listing Rules; |
| “Substitute Preference Shares” | the perpetual non-cumulative step-up preference shares having a par value of US\$1,000 each to be created, and issued upon the occurrence of a Substitution Event (as defined in the Articles of the Association), by the Bank; 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 Ninety-first Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-first Annual General Meeting of the members of the Bank will be held in the Grand Ballroom, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 22nd April, 2010 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, 2009;
2. To declare a final dividend of HK\$0.48 per share (with scrip option) for the year ended 31st December, 2009;
3. To re-elect Directors:
 - (a) Dr. The Hon. Sir David LI Kwok-po
 - (b) Dr. Allan WONG Chi-yun
 - (c) Mr. Aubrey LI Kwok-sing
 - (d) Mr. Winston LO Yau-lai
 - (e) Tan Sri Dr. KHOO Kay-peng
 - (f) Mr. Stephen Charles LI Kwok-sze
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 Resolutions

5. "THAT the authorised capital of the Bank be and is hereby increased from HK\$6,500,000,000 divided into 2,600,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each to HK\$10,000,000,000 divided into 4,000,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each by the creation of an additional 1,400,000,000 ordinary shares of HK\$2.50 each."

NOTICE OF ANNUAL GENERAL MEETING

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

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.”

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
Alson LAW Chun-tak
Company Secretary

Hong Kong, 18th March, 2010

Notes:

- (a) *For the purpose of determining the Shareholders who qualify for the proposed final dividend, the Register of Members of the Bank will be closed on Tuesday, 30th March, 2010 and Wednesday, 31st March, 2010. In order to qualify for the proposed 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. Monday, 29th March, 2010.*
- (b) *For the purpose of determining the Shareholders who are entitled to attend and vote at the 2010 AGM, the Register of Members of the Bank will be closed on Wednesday, 21st April, 2010 and Thursday, 22nd April, 2010. In order to qualify for attending and voting at the 2010 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, 20th April, 2010.*
- (c) *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.*
- (d) *As set out in the Letter from the Chairman included in the Circular dated 18th March, 2010 (the “Circular”), the Board of Directors of the Bank recommends the Shareholders to vote in favour of the resolutions to be proposed at the 2010 AGM. Please refer to the Circular for details of the matters for which the resolutions are concerned.*

LETTER FROM THE CHAIRMAN

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

Executive Director:

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

Registered Office:

10 Des Voeux Road Central
Hong Kong

Non-executive Directors:

Professor Arthur LI Kwok-cheung (*Deputy Chairman*)

Mr. Aubrey LI Kwok-sing

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

Dr. Isidro FAINÉ CASAS

Independent Non-executive Directors:

Dr. Allan WONG Chi-yun (*Deputy Chairman*)

Mr. WONG Chung-hin

Dr. LEE Shau-kee

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

To the Shareholders

18th March, 2010

Dear Sir or Madam,

INTRODUCTION

The purpose of this circular is to provide you with information in connection with the convening of the 2010 AGM and explanation in connection with the matters to be dealt with at the 2010 AGM. In accordance with the relevant requirements under the Listing Rules, each of the resolutions set out in the Notice of Annual General Meeting shall be voted on by poll.

A notice convening the 2010 AGM is set out on pages 3 to 5 of this circular.

LETTER FROM THE CHAIRMAN

A proxy form for use at the 2010 AGM is enclosed. Whether or not you are able to attend the 2010 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 2010 AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2010 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 2009 incorporating the audited accounts, the Report of the Directors and the Independent Auditor's Report for the year ended 31st December, 2009 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\$0.48 per share for the year 2009 in cash with an option to receive new, fully paid Shares in lieu of cash.

The Register of Members will be closed on Tuesday, 30th March, 2010 and Wednesday, 31st March, 2010. 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 Monday, 29th March, 2010.

The listing document containing details of scrip dividend scheme and the election form will be sent to the Shareholders on or about Wednesday, 31st March, 2010.

Subject to the passing of Resolution (2), such final dividend will be paid on or about Friday, 23rd April, 2010. 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 on or about Friday, 23rd April, 2010.

RESOLUTION (3) — RE-ELECTION OF DIRECTORS

In accordance with Articles 74A, 80 and 82 of the Articles of Association, Dr. The Hon. Sir David LI Kwok-po, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Tan Sri Dr. KHOO Kay-peng and Mr. Stephen Charles LI Kwok-sze retire at the 2010 AGM and, being eligible, offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the 2010 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 2010 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 2010 AGM. All the Independent Non-executive Directors of the Bank satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules.

LETTER FROM THE CHAIRMAN

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 2010 AGM, KPMG be re-appointed as the external auditors of the Bank for 2010.

RESOLUTION (5) — PROPOSAL FOR INCREASE OF AUTHORISED CAPITAL

An ordinary resolution will be proposed at the 2010 AGM to increase the authorised capital of the Bank.

As at the Latest Practicable Date, the authorised capital of the Bank was HK\$6,500,000,000 divided into 2,600,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each, of which 2,016,913,087 ordinary shares of HK\$2.50 each were issued and fully paid-up and no Substitute Preference Shares of US\$1,000 each were issued.

The Directors propose to increase the authorised capital of the Bank from HK\$6,500,000,000 divided into 2,600,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each to HK\$10,000,000,000 divided into 4,000,000,000 ordinary shares of HK\$2.50 each and US\$500,000,000 divided into 500,000 Substitute Preference Shares of US\$1,000 each by the creation of an additional 1,400,000,000 ordinary shares of HK\$2.50 each, such new shares will rank pari passu in all respects with the existing ordinary shares in the capital of the Bank.

The Directors have no present intention to issue any part of the proposed additional share capital, save for the ordinary shares to be issued under the proposed scrip dividend scheme and the Staff Share Option Schemes. The Directors consider that the increase of authorised capital will confer the Bank flexibility to issue ordinary shares in the future.

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

At the annual general meeting of the Bank held on 16th April, 2009, 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 22nd April, 2010 upon the conclusion of the 2010 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 2010 AGM.

Based on the 2,016,913,087 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 201,691,308 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 2 to this circular.

LETTER FROM THE CHAIRMAN

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 the Shareholders at the 2010 AGM.

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 2010 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 2010 AGM:

1. **Dr. The Hon. Sir David Li Kwok-po**, *GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCI Arb, JP, Officier de L'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Officier de la Légion d'Honneur Chairman & Chief Executive and Member of the Nomination Committee*

Sir David, aged 70, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. Sir David is the chairman or a director of various members of the Bank Group, and he is also the chairman or a member of various committees appointed by the Board. Save as disclosed, Sir David does not hold any position with the Bank or with other members of the Bank Group.

Sir David is a Member of the Legislative Council of Hong Kong. He is a Member of the Banking Advisory Committee and a Member of the Council of the Treasury Markets Association. Sir David is the Pro-Chancellor of The University of Hong Kong, an Honorary Adviser of the Business and Economics Association of HKUSU and an Advisory Committee Member of the Chinese University of Hong Kong S.H. Ho College.

Sir David is the Chairman of The Chinese Banks' Association, Limited and the Hong Kong Management Association. He is the Honorary Advisor of The International Chamber of Commerce — Hong Kong, China and the First Honorary Chairman of the Hong Kong Chamber of Commerce in China. He is also the Honorary Chairman of the Chamber of Hong Kong Listed Companies. Sir David is Vice President of the Council of the Hong Kong Institute of Bankers, Chairman of the Saint Joseph's College Foundation Limited and Chairman of the Advisory Council to the Australian International School. He is also an Emeritus Trustee of the Cambridge Foundation, a Trustee of the Cambridge Overseas Trust and a Trustee Emeritus of the Institute for Advanced Study in Princeton. Sir David is Chairman of the Advisory Board of The Salvation Army, Hong Kong and Macau Command, Chairman of the Executive Committee of St. James' Settlement and he also serves on Hong Kong Red Cross Advisory Board. He is a Council Member of the Employers' Federation of Hong Kong, a Director of the David Li Kwok-po Charitable Foundation Limited, a Founder Member and an Executive Committee Member of the Heung Yee Kuk Foundation Limited.

Sir David is a Director of AFFIN Holdings Berhad (listed in Malaysia), Criteria CaixaCorp, S.A.^{Note} (listed in Spain), China Overseas Land & Investment Limited, COSCO Pacific Limited, Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited. He is also a Director of Hong Kong Interbank Clearing Limited, The Hong Kong Mortgage Corporation Limited and IMG Worldwide Holdings, Inc. He was a director of China Merchants China Direct Investments Limited and Dow Jones & Company, Inc (listed in the United States of America). Save as disclosed, Sir David has not held any directorship in other listed public companies during the last three years.

Sir David is a member of the Board of Trustees of the Asia Society International Council and Asia Business Council, a member of the Crédit Agricole S.A. International Advisory Board, a member of the Deutsche Bank Asia Pacific Advisory Board, a member of the Munich Re Greater China Advisory Board and Chairman of the Asian Youth Orchestra Board. He serves on the advisory boards of Carlos P. Romulo Foundation for Peace and Development, Federal Reserve Bank of New York's International Advisory Committee, Hospital for Special Surgery and Scripps International Network. Sir David is the Chairman of INSEAD East Asia National Council, the Non-executive Chairman for Edelman Asia-Pacific and a Senior Adviser of Metrobank.

Sir David is the brother of Professor Arthur Li Kwok-cheung, the nephew of Mr. Eric Li Fook-chuen, the cousin of Mr. Aubrey Li Kwok-sing and Mr. Stephen Charles Li Kwok-sze, and the father of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun. Save as disclosed, Sir David is not connected with any Directors, Senior Management and Substantial Shareholders of the Bank. As at the Latest Practicable Date, the Bank did not have a Controlling Shareholder.

Sir David is employed as the Chief Executive of the Bank, whose service contract is on a three-year term commencing in April, 2009 and ending in March, 2012. In accordance with the Articles of Association, Sir David shall retire as a Director at the 2010 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 to be 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. Sir David receives a fee of HK\$300,000 per annum for being the Chairman of the Board and a Nomination Committee member's fee of HK\$30,000 per annum. Under the existing service contract between the Bank and Sir David, he is receiving an annual salary of approximately HK\$8.4 million and is entitled to a discretionary bonus and share options to be determined with reference to the remuneration policy of the Bank each year.

As at the Latest Practicable Date, Sir David was interested in 53,624,455 (2.66%) Shares within the meaning of Part XV of the SFO. Of these Shares, Sir David was the beneficial owner of 44,634,830 (2.21%) Shares and he was deemed to be interested in 1,489,625 (0.07%) Shares through the interests of his spouse, Ms. Penny POON Kam-chui, in addition to the share options being granted to him to subscribe for 7,500,000 (0.37%) Shares pursuant to the Staff Share Option Schemes (details of such share options were disclosed in the 2009 Annual Report of the Bank under the section heading "Information on Share Options" in the Report of the Directors).

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

Note:

Criteria CaixaCorp, S.A. is a substantial shareholder of the Bank as defined under the Listing Rules and within the meaning of Part XV of the Securities and Futures Ordinance, the details of which are disclosed in the section heading "Interests of Substantial Shareholders and Other Persons" in the Report of the Directors in the Bank's 2009 Annual Report.

2. **Dr. Allan WONG Chi-yun**, *GBS, MBE, BSc, MSEE, Hon. DTech, JP*
Deputy Chairman, Independent Non-executive Director, Chairman of the Remuneration Committee, Member of the Audit Committee and the Nomination Committee

Dr. Wong, aged 59, was appointed a Director in 1995. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited. Dr. Wong is an independent non-executive director of China-Hongkong Photo Products Holdings Ltd. and Li & Fung Ltd. Save as disclosed, Dr. Wong has not held any directorship in other listed public companies during the last three years.

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

Dr. Wong holds a Bachelor of Science degree in electrical engineering from the University of Hong Kong, a Master of Science degree in electrical and computer engineering from the University of Wisconsin and an honorary degree of Doctor of Technology from the Hong Kong Polytechnic University.

Dr. Wong is the nephew of Mr. Wong Chung-hin. Save as disclosed, Dr. Wong is not connected with any Directors, Senior Management and Substantial Shareholders of the Bank. As at the Latest Practicable Date, the Bank did not have a Controlling Shareholder.

In accordance with the Articles of Association, Dr. Wong shall retire as a Director at the 2010 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. Wong receives a director's fee of HK\$200,000 per annum, a Remuneration Committee Chairman's fee of HK\$50,000 per annum, an Audit Committee member's fee of HK\$60,000 per annum and a Nomination Committee member's fee of HK\$30,000 per annum.

As at the Latest Practicable Date, Dr. Wong was interested in 12,847,139 (0.64%) Shares within the meaning of Part XV of the SFO. Of these Shares, Dr. Wong was the beneficial owner of 333,687 (0.02%) Shares and he was deemed to be interested in 136 Shares through the interests of his spouse, Ms. Margaret Kwok Chi-wai. He was also deemed to be interested in 12,513,316 (0.62%) Shares held by a discretionary trust, The Wong Chung Man 1984 Trust, of which Dr. Wong was a founder.

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

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

3. **Mr. Aubrey Li Kwok-sing**, *BSc, MBA*

Non-executive Director, Member of the Nomination Committee and the Remuneration Committee

Mr. Li, aged 60, was appointed a Director in 1995. He is Chairman of MCL Partners Limited. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also a Director of Cafe de Coral Holdings Limited, China Everbright International Limited, CNPC (Hong Kong) Limited, Kowloon Development Co. Ltd, Pokfulam Development Company Limited and AFFIN Bank Berhad. He was the chairman of Atlantis Asian Recovery Fund plc (listed in Ireland), and a director of ABC Communications (Holdings) Limited and Value Partners China Greenchip Fund Limited. Save as disclosed, 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.

Mr. Li is the nephew of Mr. Eric Li Fook-chuen, the cousin of Dr. The Hon. Sir David Li Kwok-po, Professor Arthur Li Kwok-cheung and Mr. Stephen Charles Li Kwok-sze, and the uncle of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun. Save as disclosed, Mr. Li is not connected with any Directors, Senior Management and Substantial Shareholders of the Bank. As at the Latest Practicable Date, the Bank did not have a Controlling Shareholder.

In accordance with the Articles of Association, Mr. Li shall retire as a Director at the 2010 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 per annum, a Nomination Committee member's fee of HK\$30,000 per annum and a Remuneration Committee member's fee of HK\$30,000 per annum.

As at the Latest Practicable Date, Mr. Li was interested in 33,782,225 (1.675%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li was the beneficial owner of 25,730 (0.001%) Shares and he was deemed to be interested in 18,490 (0.001%) Shares through the interests of his spouse, Ms. Elizabeth Woo. The remaining 33,738,005 (1.673%) Shares were held by The Fook Wo Trust, a discretionary trust in which Mr. Li was one of the discretionary beneficiaries.

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.

4. **Mr. Winston LO Yau-lai**, *SBS, BSc, MSc*

Independent Non-executive Director, Chairman of the Audit Committee and Member of the Remuneration Committee

Mr. Lo, aged 68, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited. Save as disclosed, he has not held any directorship in other listed public companies during the last three years.

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.

Mr. Lo graduated from the University of Illinois with a Bachelor of Science degree in Food Science and gained his Master of Science degree in Food Science from Cornell University.

Mr. Lo is Member of the National Committee of the Chinese People's Political Consultative Conference. He is a Director of Ping Ping Investment Company Ltd.

As at the Latest Practicable Date, Mr. Lo was not connected with any Directors, Senior Management and Substantial Shareholders of the Bank. As at the Latest Practicable Date, the Bank did not have a Controlling Shareholder.

In accordance with the Articles of Association, Mr. Lo shall retire as a Director at the 2010 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 per annum, an Audit Committee Chairman's fee of HK\$100,000 per annum and a Remuneration Committee member's fee of HK\$30,000 per annum.

As at the Latest Practicable Date, Mr. Lo was 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. **Tan Sri Dr. KHOO Kay-peng**, *PSM, DPMJ, KMN, JP, Hon. DLitt, Hon. LLD*
Non-executive Director

Tan Sri Dr. Khoo, aged 71, was appointed a Director in 2001. Dr. Khoo is the Chairman and Chief Executive of The MUI Group, a Malaysia-based corporation with diversified business operations in the Asia Pacific, the United States of America ("USA") and the United Kingdom ("UK"). He is the Chairman and Chief Executive of Malayan United Industries Berhad and MUI Properties Berhad (both listed in Malaysia). Dr. Khoo is also the Chairman of Laura Ashley Holdings plc (listed in London) and Corus Hotels Limited in UK, and Morning Star Resources Limited. He is also a director of SCMP Group Limited and Pan Malaysian Industries Berhad (listed in Malaysia). Save as disclosed, Dr. Khoo has not held any directorship in other listed public companies during the last three years.

Dr. Khoo is a trustee of Regent University, Virginia, USA, and a board member of Northwest University, Seattle, USA. He also serves as a Council Member of the Malaysian-British Business Council, the Malaysia-China Business Council and the Asia Business Council. Previously, Dr. Khoo had served as the Chairman of the Malaysian Tourist Development Corporation (a Government Agency), the Vice Chairman of Malayan Banking Berhad (Maybank) and a trustee of the National Welfare Foundation, Malaysia.

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

As at the Latest Practicable Date, Dr. Khoo was not connected with any Directors, Senior Management and Substantial Shareholders of the Bank. As at the Latest Practicable Date, the Bank did not have a Controlling Shareholder.

In accordance with the Articles of Association, Dr. Khoo shall retire as a Director at the 2010 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. Khoo receives a director's fee of HK\$200,000 per annum.

As at the Latest Practicable Date, Dr. Khoo was interested in 5,201,010 (0.26%) Shares within the meaning of Part XV of the SFO. Of these Shares, 1,159,695 (0.06%) Shares were held through Bonham Industries Limited, a company in which he held 99.9% of the issued capital; and 4,041,315 (0.20%) Shares were held through the Malayan United Industries Berhad Group of which he is the Chairman and Chief Executive and a deemed substantial shareholder.

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

6. **Mr. Stephen Charles LI Kwok-sze**, *BSc (Hons.), ACA*
Non-executive Director

Mr. Li, aged 50, was appointed a Director in 2006. He is a member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, UK. He currently holds directorships in several funds managed by Consilium Investment Management. He is also a director of AFFIN Bank Berhad and AFFIN Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong. Save as disclosed, 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.

Mr. Li is the nephew of Mr. Eric Li Fook-chuen, the cousin of Dr. The Hon. Sir David Li Kwok-po, Professor Arthur Li Kwok-cheung and Mr. Aubrey Li Kwok-sing, and the uncle of Mr. Adrian David Li Man-kiu and Mr. Brian David Li Man-bun. Save as disclosed, Mr. Li is not connected with any Directors, Senior Management and Substantial Shareholders of the Bank. As at the Latest Practicable Date, the Bank did not have a Controlling Shareholder.

In accordance with the Articles of Association, Mr. Li shall retire as a Director at the 2010 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 per annum.

As at the Latest Practicable Date, Mr. Li was interested in 14,117,832 (0.70%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li was the beneficial owner of 11,413,388 (0.565%) Shares, and he was deemed to be interested in 522,072 (0.025%) Shares through the interests of his children under the age of 18. Of the remaining 2,182,372 (0.11%) Shares, (i) 2,001,600 (0.10%) Shares were held by a discretionary trust, Settlement of Dr. Simon F. S. Li, of which Mr. Li, his spouse and his children under the age of 18 were beneficiaries and (ii) 180,772 (0.01%) Shares were held by a discretionary trust, Longevity Trust, of which his children under the age of 18 were beneficiaries.

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.

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 2010 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 2,016,913,087 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 201,691,308 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, may be treated as having obtained or consolidated control of the Bank and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. Save as aforesaid, 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 <i>HK\$</i> | Lowest <i>HK\$</i> |
|------|-----------|-------------------------------|------------------------------|
| 2009 | : | | |
| | March | 16.00 | 11.09 ^{Note} |
| | April | 20.00 | 15.08 |
| | May | 26.00 | 18.52 |
| | June | 28.90 | 22.20 |
| | July | 26.00 | 21.20 |
| | August | 26.80 | 23.95 |
| | September | 29.70 | 25.00 |
| | October | 29.70 | 26.35 |
| | November | 36.50 | 26.65 |
| | December | 33.90 | 29.20 |
| 2010 | : | | |
| | January | 31.15 | 26.50 |
| | February | 28.85 | 26.15 |

Note: The lowest share price for March 2009 was adjusted downward to reflect the effect of the one for 10 bonus issue made by the Bank on 17th April, 2009 and with ex-all date of 18th March, 2009.