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

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

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BEA 東亞銀行

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

**NOTICE OF ANNUAL GENERAL MEETING,
RE-ELECTION OF DIRECTORS,
RE-DESIGNATION OF DIRECTOR
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 Tuesday, 30th April, 2013 at 11:30 a.m. ("**2013 AGM**") is set out on pages 3 to 5 of this Circular.

Whether or not you are able to attend the 2013 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, at 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 time appointed for holding the 2013 AGM or adjourned meeting (as the case may be). Completion and delivery of the Proxy Form will not preclude you from attending and voting at the 2013 AGM should you so wish.

27th March, 2013

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This Circular (both English and Chinese versions) is now available in printed form and on the website of the Bank at www.hkbea.com and Hong Kong Exchanges and Clearing Limited’s website at www.hkexnews.hk.

Notwithstanding any choice of means for the receipt of Corporate Communications (i.e. either receiving a printed copy or by electronic means through the Bank’s website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank’s Share Registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong or by fax to (852) 2861 1465 or by email to BEA0023-ecom@hk.tricorglobal.com specifying your request together with your full name and contact telephone number.

DEFINITIONS

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

“2013 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 Tuesday, 30th April, 2013 at 11:30 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association adopted by the Bank from time to time;
“Associate(s)”	shall have the meaning ascribed to it under 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;
“Bank Group” or “Group”	the Bank and its subsidiaries;
“Board”	the board of Directors or a duly authorised committee thereof;
“Circular”	the circular to the Shareholders dated 27th March, 2013;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Connected Person(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Controlling Shareholder”	shall have the meaning ascribed thereto in the Listing Rules;
“Director(s)”	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”	20th March, 2013, 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 as amended, supplemented or otherwise modified from time to time;

DEFINITIONS

“Nomination Committee”	the Nomination Committee of the Bank;
“Notice of Annual General Meeting”	the notice convening the 2013 AGM as set out on pages 3 to 5 of this Circular;
“Register of Members”	register of members of the Bank;
“Remuneration Committee”	the Remuneration Committee 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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	a subsidiary or subsidiaries (within the meaning of the Companies Ordinance) for the time being and from time to time of the Bank;
“Substantial Shareholders”	shall have the meaning ascribed to it under the Listing Rules; 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-fourth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-fourth 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 Tuesday, 30th April, 2013 at 11:30 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, 2012.
2. To re-appoint KPMG as Auditors of the Bank and authorise the Directors to fix their remuneration.
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

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

Ordinary Resolutions

4. **"THAT**, conditional on the passing of the Resolution in item 3(e) of the Notice of this Meeting, Tan Sri Dr. KHOO Kay-peng be re-designated as an Independent Non-executive Director of the Bank."
5. **"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 otherwise deal with 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

NOTICE OF ANNUAL GENERAL MEETING

(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."

6. **"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

(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."

NOTICE OF ANNUAL GENERAL MEETING

7. **“THAT**, conditional on the passing of Resolutions in item 5 and item 6 of the Notice of this Meeting, the general mandate granted to the Directors to allot shares pursuant to the Resolution set out in item 5 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 6 of the Notice of this Meeting.”

By Order of the Board

Alson LAW Chun-tak

Company Secretary

Hong Kong, 27th March, 2013

Notes:

- (a) *For the purpose of determining the Shareholders who are entitled to attend and vote at the 2013 AGM, the Register of Members of the Bank will be closed on Monday, 29th April, 2013 and on Tuesday, 30th April, 2013. In order to qualify for attending and voting at the 2013 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. Friday, 26th April, 2013.*
- (b) *A member entitled to attend and vote at the 2013 AGM may appoint a proxy to attend and vote in his place. A proxy need not be a member.*
- (c) *As set out in the Letter from the Chairman included in the Circular, the Board of Directors of the Bank recommends the Shareholders to vote in favour of the resolutions to be proposed at the 2013 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)

Board of Directors:

Dr. the Hon. Sir David LI Kwok-po *(Chairman & Chief Executive)*
Professor Arthur LI Kwok-cheung* *(Deputy Chairman)*
Dr. Allan WONG Chi-yun** *(Deputy Chairman)*
Mr. WONG Chung-hin**
Dr. LEE Shau-kee**
Mr. Aubrey LI Kwok-sing*
Mr. Winston LO Yau-lai**
Tan Sri Dr. KHOO Kay-peng*
Dr. Thomas KWOK Ping-kwong**
Mr. Richard LI Tzar-kai*
Mr. Kenneth LO Chin-ming**
Mr. Eric LI Fook-chuen*
Mr. Stephen Charles LI Kwok-sze*
Mr. William DOO Wai-hoi**
Mr. KUOK Khoon-ean**
Mr. Valiant CHEUNG Kin-piu**
Dr. Isidro FAINÉ CASAS*

Registered Office:

10 Des Voeux Road Central
Hong Kong

* *Non-executive Director*

** *Independent Non-executive Director*

To the Shareholders

27th March, 2013

Dear Sir or Madam,

INTRODUCTION

The purpose of this Circular is to provide you with information in connection with the convening of the 2013 AGM and explanation in connection with the matters to be dealt with at the 2013 AGM. In accordance with the relevant requirements under the Listing Rules and the Articles of Association, each of the resolutions set out in the Notice of Annual General Meeting shall be voted on by poll.

A notice convening the 2013 AGM is set out on pages 3 to 5 of this Circular.

A proxy form for use at the 2013 AGM is enclosed. Whether or not you are able to attend the 2013 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, at 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 time appointed for holding the 2013 AGM or adjourned meeting (as the case may be). Completion and delivery of the proxy form will not preclude you from attending and voting at the 2013 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

The audited accounts of the Bank for the year ended 31st December, 2012 together with the Report of the Directors and the Independent Auditor's Report, are set out in the 2012 Annual Report which was sent together with this Circular to the Shareholders on the same date. The 2012 Annual Report may be viewed and downloaded from the column entitled "Investor Communication – Annual Reports/Interim Reports" under the "Corporate Information" section of the Bank's website (www.hkbea.com) and Hong Kong Exchanges and Clearing Limited's website (www.hkexnews.hk). The audited accounts have been reviewed by the Audit Committee.

RESOLUTION (2) — 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 2013 AGM, KPMG be re-appointed as the external auditors of the Bank for 2013.

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 shall retire at the 2013 AGM and, being eligible, shall offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the 2013 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 2013 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 2013 AGM, in particular, Dr. Allan WONG Chi-yun and Mr. Winston LO Yau-lai who have served the Board for more than nine years.

Dr. Allan WONG Chi-yun was appointed a Director of the Bank in 1995 and was designated as an Independent Non-executive Director in 1999. Dr. Wong met the independence criteria set out in Rule 3.13 of the Listing Rules and has provided an annual written confirmation of his independence to the Bank. Dr. Wong is not involved in the daily management of the Bank nor in any relationships or circumstances which would interfere with the exercise of his independent judgment. Dr. Wong continues to demonstrate his ability to provide an independent, balanced and objective view to the affairs of the Bank. The Board is satisfied that Dr. Wong remains independent notwithstanding the length of his service and believes that Dr. Wong's knowledge and experience will continue to benefit the Bank and the Shareholders as a whole. The Board is of the view that Dr. Wong should be re-elected at the 2013 AGM. For Dr. Wong's details including his position with the Bank, experience and other directorships, please refer to Appendix 1.2 to this Circular.

LETTER FROM THE CHAIRMAN

Mr. Winston LO Yau-lai was appointed an Independent Non-executive Director of the Bank in 2000. Mr. Lo met the independence criteria set out in Rule 3.13 of the Listing Rules and has provided an annual written confirmation of his independence to the Bank. Mr. Lo is not involved in the daily management of the Bank nor in any relationships or circumstances which would interfere with the exercise of his independent judgment. Mr. Lo continues to demonstrate his ability to provide an independent, balanced and objective view to the affairs of the Bank. The Board is satisfied that Mr. Lo remains independent notwithstanding the length of his service and believes that Mr. Lo's knowledge and experience will continue to benefit the Bank and the Shareholders as a whole. The Board is of the view that Mr. Lo should be re-elected at the 2013 AGM. For Mr. Lo's details including his position with the Bank, experience and other directorships, please refer to Appendix 1.4 to this Circular.

All the Independent Non-executive Directors satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules.

RESOLUTION (4) — RE-DESIGNATION OF DIRECTOR

The Board recommended that, subject to the approval of the Shareholders and conditional upon his re-election as a Director at the 2013 AGM, Tan Sri Dr. KHOO Kay-peng be re-designated as an Independent Non-executive Director.

The Board has assessed the independence of Dr. Khoo who have served the Board for more than nine years. Dr. Khoo was appointed a Non-executive Director of the Bank in 2001. Save for his current role as a Non-executive Director of the Bank, Dr. Khoo had not held any executive or management role and is not involved in the daily management of the Bank or with other members of the Bank Group, nor is he in any relationship or circumstances which would interfere with the exercise of his independent judgment. Dr. Khoo has demonstrated his ability to provide an independent, balanced and objective view in respect of the affairs of the Bank. Dr. Khoo has provided a written confirmation of independence to the Bank. The Board is satisfied that Dr. Khoo meets the independence requirements of the Listing Rules notwithstanding the length of his service with the Bank and believes that Dr. Khoo's knowledge and experience will continue to benefit the Bank and the Shareholders as a whole. The Board is of the view that Dr. Khoo should be re-designated as an Independent Non-executive Director at the 2013 AGM. For Dr. Khoo's details including his position with the Bank, experience and other directorships, please refer to Appendix 1.5 to this Circular.

RESOLUTIONS (5), (6) AND (7) — GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Bank held on 24th April, 2012, 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 30th April, 2013 upon the conclusion of the 2013 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 2013 AGM.

LETTER FROM THE CHAIRMAN

Based on the 2,228,213,554 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 222,821,355 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.

Conditional upon the passing of the Resolutions (5) and (6), an ordinary resolution to authorise the Directors to exercise the powers to allot, issue and otherwise deal with additional Shares 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 2013 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 2013 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 2013 AGM:

1. **Dr. the Hon. Sir David LI Kwok-po**, *GBM, GBS, OBE, MA Cantab. (Economics & Law), Hon. DSc. (Imperial), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. DSocSc (Lingnan), Hon. LLD (Hong Kong), Hon. LLD (Warwick), Hon. LLD (Cantab), Hon. DLitt (Macquarie), 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, Commandeur dans l'Ordre National de la Légion d'Honneur*
Chairman & Chief Executive and Chairman of the Nomination Committee

Sir David, aged 73, 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 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 Advisory Committee Member of the Chinese University of Hong Kong S.H. Ho College, an Honorary Fellow of the School of Accountancy, Central University of Finance and Economics and a Companion of the Chartered Management Institute. He was a Member of the Legislative Council of Hong Kong from 1985 to 2012.

Sir David is the Chairman of The Chinese Banks' Association, Limited. He is 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, a Member of the Advisory Board of the Judge Business School at the University of Cambridge and a Member of the International Advisory Council of the Cambridge Commonwealth Trust and Cambridge Overseas Trust. He is also an Emeritus Trustee of the Cambridge Foundation 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 the 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, Chairman and President of The Légion d'Honneur Club Hong Kong Chapter Association Limited and Chairman of the Executive Committee of The Marco Polo Society Limited.

Sir David is a Non-independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia), a Director of CaixaBank, S.A.^{Note} (listed in Spain), an Independent Non-executive Director of China Overseas Land & Investment 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 and The Hong Kong Mortgage Corporation Limited. He was an Independent Non-executive Director of COSCO Pacific Limited. 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, a Member of the Asia Business Council, a Member of the Deutsche Bank Asia Pacific Advisory Board, a Member of the Munich Re Greater China Advisory Board, and Chairman Emeritus of the Asian Youth Orchestra Board. He serves on the advisory boards of Federal Reserve Bank of New York's International Advisory Committee and Hospital for Special Surgery. Sir David is the Chairman of the INSEAD East Asia 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, 2012 and ending in March, 2015. In accordance with the Articles of Association, Sir David shall retire as a Director at the 2013 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\$400,000 (2012: HK\$350,000) per annum for being the Chairman of the Board and a Nomination Committee Chairman's fee of HK\$66,000 (2012: HK\$60,000) per annum. Under the existing service contract between the Bank and Sir David, he is receiving an annual salary of approximately HK\$9.43 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 65,758,621 (2.95%) Shares within the meaning of Part XV of the SFO. Of these Shares, Sir David was the beneficial owner of 56,748,158 Shares and he was deemed to be interested in 1,651,316 Shares through the interests of his spouse, Ms. Penny POON Kam-chui. He was also deemed to be interested in 159,147 Shares held by David Li Kwok-Po Charitable Foundation Limited, a charitable institution of which Sir David is a Director and the Sole Member, in addition to the share options being granted to him to subscribe for 7,200,000 Shares pursuant to the Staff Share Option Schemes (details of such share options were disclosed in the 2012 Annual Report of the Bank under the "Information on Share Options" section of 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 CaixaBank, 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 "Interest of Substantial Shareholders and Other Persons" section of the Report of the Directors in the Bank's 2012 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 62, 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 2013 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 fee of HK\$280,000 per annum for being a Deputy Chairman of the Bank (2012: a director's fee of HK\$230,000 per annum), a Remuneration Committee Chairman's fee of HK\$66,000 (2012: HK\$60,000) per annum, an Audit Committee member's fee of HK\$105,000 (2012: HK\$70,000) per annum and a Nomination Committee member's fee of HK\$38,500 (2012: HK\$35,000) per annum.

As at the Latest Practicable Date, Dr. Wong was interested in 14,103,667 (0.63%) Shares within the meaning of Part XV of the SFO. Of these Shares, Dr. Wong was the beneficial owner of 336,320 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 13,737,211 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**, *ScB, MBA*
Non-executive Director, Member of the Nomination Committee and the Remuneration Committee

Mr. Li, aged 63, was appointed a Director in 1995. He is Chairman of MCL Partners Limited, a Hong Kong based financial advisory and investment firm. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Cafe de Coral Holdings Limited, China Everbright International Limited, Kunlun Energy Company Limited, Kowloon Development Co. Ltd, Pokfulam Development Company Limited, Tai Ping Carpets International Limited and a Director of AFFIN Bank Berhad. 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 has an ScB in Civil Engineering from Brown University and a Master of Business Administration from Columbia University.

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 2013 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\$260,000 (2012: HK\$230,000) per annum, a Nomination Committee member's fee of HK\$38,500 (2012: HK\$35,000) per annum and a Remuneration Committee member's fee of HK\$38,500 (2012: HK\$35,000) per annum.

As at the Latest Practicable Date, Mr. Li was interested in 34,517,984 (1.55%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li was the beneficial owner of 25,730 Shares and he was deemed to be interested in 19,794 Shares through the interests of his spouse, Ms. Elizabeth Woo. The remaining 34,472,460 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 71, 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 was a Member of the National Committee of the Chinese People's Political Consultative Conference. He is a Director of Ping Ping Investment Company Ltd.

Mr. Lo is a Life Member of the Cornell University Council.

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 2013 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\$260,000 (2012: HK\$230,000) per annum, an Audit Committee Chairman's fee of HK\$180,000 (2012: HK\$120,000) per annum and a Remuneration Committee member's fee of HK\$38,500 (2012: HK\$35,000) 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, Hon. Ph.D*

Non-executive Director

(to be re-designated as an Independent Non-executive Director of the Bank subject to the approval of the Shareholders at the 2013 AGM)

Tan Sri Dr. Khoo, aged 74, 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 Pan Malaysian Industries Berhad (listed in Malaysia). He is also a Non-executive Director of SCMP Group Limited. 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 Morning Star Resources Limited, the Malaysia 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 2013 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\$260,000 (2012: HK\$230,000) per annum.

As at the Latest Practicable Date, Dr. Khoo was not interested in any Shares within the meaning of Part XV of the SFO.

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 53, 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 is a Director of hedge funds based in the UK and the EU. He is also a Director of 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 2013 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\$260,000 (2012: HK\$230,000) per annum.

As at the Latest Practicable Date, Mr. Li was interested in 14,845,433 (0.67%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li was the beneficial owner of 11,950,352 Shares, and he was deemed to be interested in 546,631 Shares through the interests of his children under the age of 18. Of the remaining 2,348,450 Shares, (i) 2,150,000 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) 198,450 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 2013 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 2,228,213,554 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 222,821,355 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 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>
2012	:		
	March	31.10	28.75
	April	29.60	28.05
	May	29.70	25.80
	June	28.40	24.95
	July	29.25	25.70
	August	30.00	26.70
	September	29.50	26.55
	October	29.60	28.30
	November	30.10	28.25
	December	31.30	29.10
2013	:		
	January	32.30	29.85
	February	32.45	30.35