
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



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,
DELETION OF MEMORANDUM OF ASSOCIATION,
AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

The notice of Annual General Meeting of The Bank of East Asia, Limited to be held in the Grand Ballroom, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 2nd May, 2014 at 11:30 a.m. is set out on pages 3 to 10 of this Circular.

Whether or not you are able to attend the 2014 AGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Bank's Share Registrar, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with effect from 31st March, 2014) as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2014 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 2014 AGM should you so wish.

25th March, 2014

DEFINITIONS

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

“2014 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 Friday, 2nd May, 2014 at 11:30 a.m. or any adjournment thereof;
“Articles of Association”	the articles of association of the Bank (as amended, modified or otherwise supplemented 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 limited liability company incorporated in Hong Kong;
“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 25th March, 2014;
“New Companies Ordinance”	The Companies Ordinance (Chapter 622 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 to it under 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”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	18th March, 2014, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Memorandum of Association”	the memorandum of association of the Bank;
“Nomination Committee”	the Nomination Committee of the Bank;
“Notice of Annual General Meeting”	the notice convening the 2014 AGM as set out on pages 3 to 10 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 the Bank;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	a subsidiary or subsidiaries (within the meaning of the New 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-fifth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-fifth 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 Friday, 2nd May, 2014 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, 2013.
2. To re-appoint KPMG as Auditors of the Bank and authorise the Directors to fix their remuneration.
3. To re-elect Directors:
 - (a) Professor Arthur LI Kwok-cheung
 - (b) Dr. Thomas KWOK Ping-kwong
 - (c) Mr. Richard LI Tzar-kai
 - (d) Mr. William DOO Wai-hoi
 - (e) Mr. KUOK Khoo-ean
 - (f) Mr. Peter LEE Ka-kit

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

Special Resolution

4. **"THAT:**

the Memorandum of Association of the Bank be and is deleted, and the Articles of Association of the Bank be and are hereby amended as follows:

(i) a new Article 1 be inserted:

'1. The name of the Company is "THE BANK OF EAST ASIA, LIMITED 東亞銀行有限公司".';

(ii) a new Article 2 be inserted:

'2. The liability of the Members is limited.';

(iii) Article 1 and its heading be amended by deleting them and replacing them with the following:

'MODEL ARTICLES

Model Articles not to apply

3. No regulations set out in any schedule to or notice made under any Ordinance concerning companies shall apply as regulations or articles of the Company.';

NOTICE OF ANNUAL GENERAL MEETING

- (iv) Article 2 be amended as follows:

replacing '85(D)' with '96(D)' in the definition of "Executive Director";

inserting the words '(Chapter 622 of the Laws of Hong Kong)' after the words 'Companies Ordinance' in the definition of "the Ordinance";

deleting the remaining wording after the definition of "Stock Exchange" and replacing it with the following:

'references to writing shall include typewriting, printing, lithography, photography and other modes (including telex, facsimile transmission and other electronic means) of representing or reproducing words in a legible and non-transitory form;

any words or expressions defined in the Ordinance in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be) save that "company" shall where the context permits include any company or body incorporated in Hong Kong or elsewhere;

words importing the singular include the plural and vice versa, words importing a gender include every gender;

where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective; and

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.';

- (v) Article 4B be amended by deleting it and replacing it with the following:

'Subject to the Ordinance and the Listing Rules, the Board may issue warrants or other rights and grant options to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine.';

- (vi) Article 5 be amended by deleting the words 'Companies Ordinance (Chapter 32)' and replacing them with the word 'Ordinance';

- (vii) Article 11 be amended by deleting it and replacing it with the following:

'Every person whose name is entered as a holder of any shares in the Register shall be entitled to receive within 10 business days or such other period as specified by the Stock Exchange from time to time in the Listing Rules after allotment or lodgment of a transfer to him of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide) one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate such reasonable out-of-pocket expenses as the Board may from time to time determine or such other amount as shall for the time being be approved by the Stock Exchange. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member who has transferred part of the shares comprised in his registered holding shall be entitled to a certificate for the balance without charge.';

NOTICE OF ANNUAL GENERAL MEETING

(viii) Article 13 be amended by deleting it and replacing it with the following:

‘All forms of certificate for share or loan capital or other securities of the Company shall, if required by the Ordinance or the Listing Rules, be issued under a Seal which shall only be affixed with the authority of the Directors. The Board may also by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.’;

(ix) Article 17 be amended by deleting the words ‘(whether on account of the nominal amount of the shares or by way of premium)’;

(x) Article 20 be amended by deleting ‘15’ and replacing it with ‘10’;

(xi) Article 21 be amended by deleting the words ‘whether on account of the nominal amount of the shares or by way of premium,’;

(xii) Article 23A be amended by deleting ‘15’ in sub-paragraph (ii) and replacing it with ‘10’;

(xiii) Article 25 be amended by inserting the words ‘of service’ after the words ‘not being less than fourteen days from the date’;

(xiv) Article 29 be amended by deleting ‘15’ and replacing it with ‘10’;

(xv) Article 37A be deleted entirely;

(xvi) Article 41 be amended by deleting it and replacing it with the following:

‘The Company may from time to time by ordinary resolution increase its share capital in any one or more of the ways set out in section 170 of the Ordinance.’;

(xvii) Article 44 be amended by deleting it and replacing it with the following:

‘The Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in section 170 of the Ordinance. Where any difficulty arises in regard to any permitted alteration under this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to or in accordance with the directions of the purchaser thereof. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.’;

NOTICE OF ANNUAL GENERAL MEETING

- (xviii) Article 47 be amended by deleting the words '(b) a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice; and (c) a meeting other than an annual general meeting or a meeting called for the passing of a special resolution' and replacing them with the words 'and (b) a meeting other than an annual general meeting' and inserting the words '(and if the meeting is to be held in two or more places (in accordance with the requirements of the Ordinance), the principal place of the meeting and the other place or places of the meeting)' after the words 'shall specify the place' in the first paragraph and by deleting the words 'in nominal value of the shares giving that right' in sub-paragraph (b) and replacing them with the words 'of the total voting rights at the meeting of all the Members';
- (xix) Article 57 be amended by inserting the words ', subject to the Ordinance and the Listing Rules,' after the words 'a resolution put to the vote of the meeting shall be decided on a poll except';
- (xx) Article 60 (*Deleted by Special Resolution on 16/04/2009*) be deleted entirely;
- (xxi) in Article 68B, '68C' be deleted and replaced with '77';
- (xxii) in Article 71A, '48' be deleted and replaced with '54';
- (xxiii) in Article 74A, '74' be deleted and replaced with '86';
- (xxiv) Article 81 (*Deleted by Special Resolution on 07/04/2006*) be deleted entirely;
- (xxv) Article 84 (*Deleted by Special Resolution on 25/03/2003*) be deleted entirely;
- (xxvi) Article 89 be amended by inserting the word 'transaction', before the words 'contract or arrangement' wherever used in that Article and paragraph (G) be amended by deleting it and replacing it with the following:

'A Director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction, contract or arrangement or proposed transaction, contract or arrangement with the Company shall declare the nature and extent of his interest, in the case of a transaction, contract or arrangement that has been entered into, as soon as reasonably practicable, or in the case of a proposed transaction, contract or arrangement, before the Company enters into the transaction, contract or arrangement. Such declaration must be made at a meeting of the Board or by notice in writing to the other Directors or by general notice and in accordance with the Ordinance. For the purposes of this Article, a general notice to the Board by a Director to the effect that (a) he has an interest in a specified company or firm and is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such transaction, contract or arrangement. A general notice must be given at a Board meeting, in which case it shall take effect on the date of the Board meeting, or in writing, in which case it shall take effect on the twenty-first day after the day on which it is sent to the Company. If the Company receives a general notice in writing from a Director, it must send a copy to the other Directors within 15 days after the day of receipt.';

NOTICE OF ANNUAL GENERAL MEETING

(xxvii) Article 108 be amended by inserting the words 'or electronic mail' after the words 'telex or cable or facsimile' in the first paragraph; and deleting '89(H)' in the second paragraph and replacing it with '100(H)' and be amended by inserting the word 'transaction', before the words 'contract or arrangement' whenever used in that paragraph.

(xxviii) Article 112 be amended by deleting it and replacing it with the following:

'The Board shall provide for the custody of every Seal. A Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by two Directors or by a Director and the Secretary (or some other person appointed by the Board) or by two other persons appointed by the Board and every instrument executed in this manner shall be deemed to be sealed and executed with the authority of the Directors previously given. Notwithstanding any other provision of these Articles, a document which requires execution under seal may be executed by the Company, without affixing the Seal thereto, by two Directors on the Company's behalf or by a Director and the Secretary (or some other person appointed by the Board) or by two other persons appointed by the Board and the Company may execute a document as a deed by executing it in such manner, with the document expressed to be executed and delivered by the Company as a deed.';

(xxix) Article 118 be amended by deleting the words '(including any share premium account or capital redemption reserve fund)' in sub-paragraph (A)(i)(d) and '(including share premium account or capital redemption reserve fund)' in sub-paragraph (A)(ii)(d);

(xxx) Article 123 be amended by deleting the words 'a share premium account and a capital redemption reserve, and';

(xxxi) Article 128 be amended by deleting it and replacing it with the following:

'(A) The Directors shall, from time to time, in accordance with the Ordinance, cause to be prepared and to be laid before the annual general meeting of the Company the financial statements required by the Ordinance. The Directors may also cause to be prepared a summary financial report if they think fit, which may be provided to Members and/or debenture holders instead of the financial statements subject to and in accordance with the Ordinance, the Listing Rules and any applicable laws, rules and regulations.

(B) A copy of the financial statements or the summary financial report shall, not less than 21 days before the meeting, be delivered or sent to every Member and debenture holder of the Company, or in the case of a joint holding to the Member or debenture holder (as the case may be) whose name stands first in the appropriate Register in respect of the joint holding, subject to and in accordance with the relevant requirements under the Ordinance, the Listing Rules and any applicable laws, rules and regulations. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.

(C) For the purpose of this Article, "summary financial report" shall have the meaning ascribed to it in the Ordinance.';

NOTICE OF ANNUAL GENERAL MEETING

- (xxxii) Article 131A be amended by deleting '128' and replacing it with '142';
- (xxxiii) Article 134 be amended by deleting the word 'Ordinance' and replacing it with the words 'Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)';
- (xxxiv) Article 135 be amended by deleting '135(B)' and replacing it with '152(B)' in the last paragraph;
- (xxxv) the Articles be renumbered as follows:
- 1 as 3, 2 as 4, 3 as 5, 4A as 6, 4B as 7, 4C as 8, 5 as 9, 6 as 10, 7 as 11, 8 as 12, 9 as 13, 10 as 14, 11 as 15, 12 as 16, 13 as 17, 14 as 18, 15 as 19, 16 as 20, 17 as 21, 18 as 22, 19 as 23, 20 as 24, 21 as 25, 22 as 26, 23 as 27, 23A as 28, 24 as 29, 25 as 30, 26 as 31, 27 as 32, 28 as 33, 29 as 34, 29A as 35, 30 as 36, 31 as 37, 32 as 38, 33 as 39, 34 as 40, 35 as 41, 36 as 42, 37B as 43, 38 as 44, 39 as 45, 40 as 46, 41 as 47, 42 as 48, 43 as 49, 44 as 50, 45 as 51, 46 as 52, 47 as 53, 48 as 54, 48A as 55, 49 as 56, 50 as 57, 51 as 58, 52 as 59, 53 as 60, 54 as 61, 55 as 62, 56 as 63, 57 as 64, 58 as 65, 59 as 66, 61 as 67, 62 as 68, 63 as 69, 64 as 70, 65 as 71, 66 as 72, 66A as 73, 67 as 74, 68A as 75, 68B as 76, 68C as 77, 69 as 78, 70 as 79, 71 as 80, 71A as 81, 72 as 82, 72A as 83, 72B as 84, 73 as 85, 74 as 86, 74A as 87, 75 as 88, 76 as 89, 77 as 90, 78 as 91, 79 as 92, 80 as 93, 82 as 94, 83 as 95, 85 as 96, 86 as 97, 87 as 98, 88 as 99, 89 as 100, 90 as 101, 91 as 102, 92 as 103, 93 as 104, 94 as 105, 95 as 106, 96 as 107, 97 as 108, 98 as 109, 98A as 110, 99 as 111, 100 as 112, 101 as 113, 102 as 114, 103 as 115, 104 as 116, 105 as 117, 106 as 118, 106A as 119, 107 as 120, 108 as 121, 109 as 122, 110 as 123, 111 as 124, 112 as 125, 113 as 126, 114 as 127, 115 as 128, 116 as 129, 117 as 130, 118 as 131, 119 as 132, 120A as 133, 120B as 134, 121 as 135, 122 as 136, 123 as 137, 124 as 138, 125 as 139, 126 as 140, 127 as 141, 128 as 142, 129 as 143, 130 as 144, 131 as 145, 131A as 146, 132 as 147, 132A as 148, 132B as 149, 133 as 150, 134 as 151 and 135 as 152;
- (xxxvi) Schedule A, Article 1 be amended by deleting the words 'their nominal value of'; and
- (xxxvii) Schedule A, Article 23 be amended by deleting '32' in the definition of "Companies Ordinance" and replacing it with '622', by deleting the words 'having a par value of HK\$2.50 and' in the definition of "Ordinary Shares", by deleting '2' and replacing it with '15' in the definition of "Subsidiary" and by deleting the words 'a par value of US\$1,000 each and' in the definition of "Substitute Preference Shares".

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolutions

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 number of ordinary shares in issue in the 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.”

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 in the share 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 maximum number of the shares to be repurchased pursuant to the approval in this paragraph shall not exceed 10% of the number of ordinary shares in issue in the 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."

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 maximum number of shares which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate number of shares 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, 25th March, 2014

Notes:

- (a) *For the purpose of determining the Shareholders who are entitled to attend and vote at the 2014 AGM, the Register of Members of the Bank will be closed from Wednesday, 30th April, 2014 to Friday, 2nd May, 2014 (both days inclusive). In order to qualify for attending and voting at the 2014 AGM, all transfer documents should be lodged for registration with Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with effect from 31st March, 2014), by 4:00 p.m. Tuesday, 29th April, 2014.*
- (b) *A member entitled to attend and vote at the 2014 AGM may appoint a proxy to attend and vote in his place. A proxy need not be a member.*
- (c) *The Articles of Association of the Bank are written in English. The Chinese version of the proposed amendments to the Articles of Association as set out in Appendix 2 to the Circular is a translation for reference only. Should there be any discrepancies, the English version will prevail.*
- (d) *As set out in the Letter from the Chairman included in the Circular, each of the resolutions set out in this Notice shall be voted on by poll and the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the 2014 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**

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*

Mr. Peter LEE Ka-kit*

Registered Office:

10 Des Voeux Road Central

Hong Kong

* *Non-executive Director*

** *Independent Non-executive Director*

To the Shareholders

25th March, 2014

Dear Sir or Madam,

INTRODUCTION

The purpose of this Circular is to provide you with information in connection with the convening of the 2014 AGM and explanation in connection with the matters to be dealt with at the 2014 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 2014 AGM is set out on pages 3 to 10 of this Circular.

A proxy form for use at the 2014 AGM is enclosed. Whether or not you are able to attend the 2014 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 (New Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with effect from 31st March, 2014) as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2014 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 2014 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, 2013 together with the Report of the Directors and the Independent Auditor's Report, are set out in the 2013 Annual Report which was sent together with this Circular to the Shareholders on the same date. The 2013 Annual Report may be viewed and downloaded from the column entitled "Investor Communication – Annual Reports/Interim Reports" under the "About BEA" 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 with the view of the Audit Committee) recommended that, subject to the approval of the Shareholders at the 2014 AGM, KPMG be re-appointed as the external auditors of the Bank for 2014.

RESOLUTION (3) — RE-ELECTION OF DIRECTORS

In accordance with Articles 74A, 75, 80 and 82 of the Articles of Association, Professor Arthur LI Kwok-cheung, Dr. Thomas KWOK Ping-kwong, Mr. Richard LI Tzar-kai, Mr. William DOO Wai-hoi, Mr. KUOK Khoon-ean and Mr. Peter LEE Ka-kit shall retire at the 2014 AGM and, being eligible, shall offer themselves for re-election. Mr. William DOO Wai-hoi indicated that subject to his re-election, it is his intention that he will continue to serve as an Independent Non-executive Director of the Bank for a term of approximately one year up to (and including) the day immediately preceding the date of the Annual General meeting of the Bank to be held in 2015. The Nomination Committee has duly noted Mr. Doo's intention during its review of the re-election of the Directors.

Details of the Directors who are proposed to be re-elected at the 2014 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 2014 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 2014 AGM, in particular, Dr. Thomas KWOK Ping-kwong who has served the Board for more than nine years. 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

Dr. Thomas KWOK Ping-kwong was appointed a Director of the Bank in 2001 and was designated as an Independent Non-executive Director in 2002. Dr. Kwok 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. Kwok 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. Kwok continues to demonstrate his ability to provide an independent, balanced and objective view to the affairs of the Bank. The Nomination Committee is satisfied that Dr. Kwok remains independent notwithstanding the length of his service and believes that Dr. Kwok's knowledge and experience will continue to benefit the Bank and the Shareholders of the Bank as a whole. The Board, on the recommendation of the Nomination Committee, is of the view that Dr. Kwok should be re-elected at the 2014 AGM. For Dr. Kwok's details (including his position with the Bank, experience and other directorships), please refer to Appendix 1.2 to this Circular.

RESOLUTION (4) — DELETION OF THE MEMORANDUM OF ASSOCIATION AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the 2014 AGM to delete the Memorandum of Association and amend the Articles of Association. A summary of and the reasons for the proposed amendments are set out below.

In order to take into account changes to company legislation resulting from the commencement of the New Companies Ordinance, including the removal of the requirement to have a memorandum of association, the abolition of the par value regime, the reduction of the threshold requirement for members to demand a poll, the removal of the power to issue share warrants to bearers and the changes to the requirements regarding sealing, the Bank plans to delete the Memorandum of Association in its entirety and amend certain of the Articles of Association and to renumber the Articles of Association. The proposal also contains some housekeeping amendments.

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

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

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

The Memorandum and Articles of Association of the Bank are currently published on the websites of the Bank at www.hkbea.com and Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. After the relevant special resolution has been approved by the Shareholders, the revised Articles of Association will be made available on the aforesaid two websites on or about 2nd May, 2014.

LETTER FROM THE CHAIRMAN

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

At the annual general meeting of the Bank held on 30th April, 2013, 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 2nd May, 2014 upon the conclusion of the 2014 AGM. The grant of fresh general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 10% of the number of ordinary shares in issue in the share capital of the Bank; and (ii) to repurchase Shares on the Stock Exchange up to 10% of the number of ordinary shares in issue in the share capital of the Bank is being sought from the Shareholders and the ordinary resolutions to grant these mandates to the Directors will be proposed at the 2014 AGM.

Based on the 2,290,496,521 Shares in issue as at the Latest Practicable Date (and assuming that there is no change in respect of the number of issued Shares 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 229,049,652 Shares.

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

Conditional upon the passing of Resolutions (5) and (6), an ordinary resolution to authorise the Directors to also exercise the power to allot, issue and otherwise deal with additional Shares of the Bank under the general mandate to issue shares in respect of the number of ordinary shares in the share capital of the Bank repurchased by the Bank will also be proposed for approval by the Shareholders at the 2014 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 2014 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 2014 AGM:

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

Professor Li, aged 68, was a Director of the Bank (1995-2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

Professor Li is a Member of the Executive Council of the Hong Kong Special Administrative Region (he was also a Member during 2002 to June 2007). He is also a Member of the National Committee of the Chinese People's Political Consultative Conference.

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited and Nature Flooring Holding Company Limited (formerly known as China Flooring Holding Company Limited), a Non-Independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia) and a Non-executive Director of BioDiem Ltd. (delisted from Australian Securities Exchange in November 2013). He was an Independent Non-executive Director of The Wharf (Holdings) Limited. Save as disclosed, Professor Li has not held any directorship in other listed public companies during the last three years.

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

Professor Li was the Secretary for Education and Manpower of the Government of HKSAR (2002-June 2007). Before these appointments, he was the Vice Chancellor of the Chinese University of Hong Kong (1996-2002) and was the Chairman of Department of Surgery and the Dean of Faculty of Medicine of the Chinese University of Hong Kong.

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

Professor Li is the brother of Dr. the Hon. Sir David LI Kwok-po, 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 uncle of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun. Save as disclosed, Professor 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, Professor Li shall retire as a Director at the 2014 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. Professor Li receives a fee of HK\$280,000 per annum for being the Deputy Chairman of the Board.

As at the Latest Practicable Date, Professor Li was interested in 25,582,386 (1.12%) Shares within the meaning of Part XV of the Securities and Futures Ordinance. Of these Shares, Professor Li was the beneficial owner of 10,646,183 Shares and he made a voluntary disclosure of 14,936,203 Shares held by a discretionary trust of which he is the founder but has no influence on how the trustee exercises his discretion.

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

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

2. **Dr. Thomas KWOK Ping-kwong**, SBS, MSc (Bus Adm), BSc (Eng), Hon DBA, Hon DEng, FCPA (Aust.), JP
Independent Non-executive Director, Member of the Nomination Committee and the Remuneration Committee

Dr. Kwok, aged 62, was appointed a Director in 2001. Dr. Kwok is Chairman and Managing Director of Sun Hung Kai Properties Limited, Chairman of Route 3 (CPS) Company Limited and Joint Chairman of IFC Development Limited. He was a Non-executive Director of SUNeVision Holdings Ltd. Save as disclosed, Dr. Kwok has not held any directorship in other listed public companies during the last three years.

Dr. Kwok holds a Master's degree in Business Administration from The London Business School, University of London and a Bachelor's degree in Civil Engineering from Imperial College, University of London. He also holds an Honorary Doctorate in Engineering from The Hong Kong Polytechnic University and an Honorary Doctorate in Business Administration from The Open University of Hong Kong. He is a Fellow of The Hong Kong Management Association and also a Fellow of The Australia Certified Public Accountants.

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

Dr. Kwok is the Chairman of the Board of Directors of the Faculty of Business and Economics, The University of Hong Kong. He is also an Executive Vice President and a Member of the Executive Committee of The Real Estate Developers Association of Hong Kong. In July 2007, the Government of the Hong Kong Special Administrative Region awarded Dr. Kwok the Silver Bauhinia Star for his distinguished community service. He is an Honorary Citizen of Guangzhou and a Standing Committee Member of the Chinese People's Political Consultative Conference Shanghai Committee.

In the past, Dr. Kwok served as a government appointed Member of the Commission on Strategic Development, a Member of the Exchange Fund Advisory Committee, the Construction Industry Council, the Council for Sustainable Development, Business Facilitation Advisory Committee and as a Non-official Member of the Provisional Minimum Wage Commission. He also previously served as a Board Member of the Community Chest of Hong Kong and as a Council Member of the Hong Kong Construction Association.

Dr. Kwok 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. Kwok shall retire as a Director at the 2014 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. Kwok receives a Director's fee of HK\$260,000 per annum, a Nomination Committee member's fee of HK\$38,500 per annum and a Remuneration Committee member's fee of HK\$38,500 per annum.

As at the Latest Practicable Date, Dr. Kwok was not interested in any Shares within the meaning of Part XV of the Securities and Futures Ordinance.

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

Dr. Kwok is currently subject to charges in relation to an alleged offence under the Prevention of Bribery Ordinance and two alleged offences at common law for conspiracy to commit misconduct in a public office.

Save as disclosed herein, there are no other matters relating to Dr. Kwok's re-election that need to be brought to the attention of the Shareholders nor any information is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

3. Mr. Richard LI Tzar-kai*Non-executive Director*

Mr. Li, aged 47, was appointed a Director in 2001. Mr. Li is an Executive Director and the Chairman of PCCW Limited, one of Asia's leading companies in Information and Communications Technologies (ICT). He is also the Executive Chairman and an Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust. He is also the Chairman and Chief Executive of the Pacific Century Group, an Executive Director and the Chairman of Pacific Century Premium Developments Limited, the Chairman and an Executive Director of Singapore-based Pacific Century Regional Developments Limited (listed in Singapore). 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 a representative of Hong Kong, China to the APEC Business Advisory Council, a Member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a Member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

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 2014 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 per annum.

As at the Latest Practicable Date, Mr. Li was deemed to be interested in 128,600 (0.01%) Shares which were held by PineBridge Investments LLC ("PBI LLC") in its capacity as an investment manager. PBI LLC is an indirect subsidiary of Chiltonlink Limited which is 100% owned by Mr. Li.

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. William DOO Wai-hoi**, *BSc, MSc, G.G., Chevalier de la Légion d'Honneur, JP*
Independent Non-executive Director and Member of the Audit Committee

Mr. Doo, aged 69, was appointed a Director in 2008. He is currently the Vice-chairman and Non-executive Director of New World Development Company Limited. He is an Executive Director of Lifestyle International Holdings Limited, an Independent Non-executive Director of Shanghai Industrial Urban Development Group Limited and the Chairman of Fung Seng Enterprises Limited. He was the Vice-chairman of New World China Land Limited and the Deputy Chairman of NWS Holdings Limited. Save as disclosed, Mr. Doo has not held any directorship in other listed public companies during the last three years.

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

Mr. Doo is a Member of the National Committee of the Twelfth Chinese People's Political Consultative Conference. He is a Governor of the Canadian Chamber of Commerce in Hong Kong and the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau.

Mr. Doo holds a Degree of Bachelor of Science from the University of Toronto, Canada and a Master Degree in Science from the University of California, U.S.A. He also holds a Diploma of Graduate Gemologist from the Gemologist Institute of America.

Mr. Doo is 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. Doo shall retire as a Director at the 2014 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. Doo receives a Director's fee of HK\$260,000 per annum and an Audit Committee member's fee of HK\$105,000 per annum.

As at the Latest Practicable Date, Mr. Doo was not interested in any Shares within the meaning of Part XV of the Securities and Futures Ordinance.

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

Mr. Doo indicated that subject to his re-election, it is his intention to continue to serve as an Independent Non-executive Director of the Bank for a term of approximately one year up to (and including) the day immediately preceding the date of the Annual General meeting of the Bank to be held in 2015.

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

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

5. **Mr. KUOK Khoon-ean**

Independent Non-executive Director and Member of the Nomination Committee

Mr. Kuok, aged 58, was appointed a Director in 2008. He is the Chairman of Kuok (Singapore) Limited, a Director of Kerry Group Limited and Managing Director of Kerry Holdings Limited. Mr. Kuok is also a Non-executive Director of Shangri-La Asia Limited; a Non-executive Director of Wilmar International Limited (listed in Singapore); a Non-executive Director (Independent) of IHH Healthcare Berhad (listed in Malaysia and Singapore) and a Director of Shangri-La Hotel Public Company Limited (listed in Thailand).

Mr. Kuok was Chairman and Executive Director of SCMP Group Limited from January 1998 until January 2013. He also served on the Board of The Post Publishing Public Company Limited from April 1999 to January 2013.

Save as disclosed, Mr. Kuok has not held any directorship in other listed public companies during the last three years.

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

Mr. Kuok is a graduate in Economics from the Nottingham University, U.K.

Mr. Kuok 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. Kuok shall retire as a Director at the 2014 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. Kuok receives a Director's fee of HK\$260,000 per annum and a Nomination Committee member's fee of HK\$38,500 per annum.

As at the Latest Practicable Date, Mr. Kuok was not interested in any Shares within the meaning of Part XV of the Securities and Futures Ordinance.

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

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

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

6. **Mr. Peter LEE Ka-kit, JP**
Non-executive Director

Mr. Lee, aged 50, was appointed a Director in May 2013. Mr. Lee is a Member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference. He is the Vice Chairman of Henderson Land Development Company Limited and Henderson Investment Limited, both of which are listed public companies, as well as Henderson Development Limited. He is also a Non-executive Director of The Hong Kong and China Gas Company Limited. He was a Non-executive Director of Intime Department Store (Group) Company Limited (now known as Intime Retail (Group) Company Limited). Save as disclosed, Mr. Lee has not held any directorship in other listed public companies during the last three years.

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

Mr. Lee has been appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region and awarded an Honorary University Fellowship by The University of Hong Kong since 2009. He was educated in the United Kingdom.

Mr. Lee 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. Lee shall retire as a Director at the 2014 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. Lee receives a Director's fee of HK\$260,000 per annum.

As at the Latest Practicable Date, Mr. Lee was deemed to be interested in 1,779,000 (0.08%) Shares. Of these Shares, 679,000 Shares were owned by Golf Limited which in turn is wholly-owned by Mr. Lee. He was also deemed to be interested in 1,100,000 Shares which were beneficially owned by a subsidiary of The Hong Kong and China Gas Company Limited ("HKCG") and Mr. Lee is a director of HKCG and a discretionary beneficiary of the discretionary trusts which indirectly control more than one third of the voting power at the general meeting of HKCG.

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

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

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

New Article 1

1. The name of the Company is “THE BANK OF EAST ASIA, LIMITED 東亞銀行有限公司”.

New Article 2

2. The liability of the Members is limited.

Article 1 (to be renumbered as Article 3) – ~~Table A~~ Model Articles not to apply

- ~~1.~~3. No regulations set out in any schedule to or notice made under any Ordinance concerning companies shall apply as regulations or articles of the Company.

Article 2 (to be renumbered as Article 4) – Interpretation

“Executive Director” means the Chief Executive and any other Director for the time being appointed to an office with the Company pursuant to Article ~~85(D)~~96(D);

“the Ordinance” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and every other Ordinance incorporated therewith, or any Ordinance or Ordinances substituted therefor; and in case of any such substitution the references in these presents to the provisions of the Ordinance shall be read as references to the provisions substituted therefor in the new Ordinance or Ordinances;

references to writing shall include typewriting, printing, lithography, photography and other modes (including telex ~~and~~, facsimile transmission and other electronic means) of representing or reproducing words in a legible and non-transitory form;

any words or expressions defined in the Ordinance in force at the date when these Articles or any part thereof are adopted shall bear the same meaning in these Articles or such part (as the case may be) save that “company” shall where the context permits include any company or body incorporated in Hong Kong or elsewhere;

words importing the singular include the plural and vice versa, words importing a gender include every gender;

where for any purpose an ordinary resolution of the Company is required, a special resolution shall also be effective; and

references to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Article 4B (to be renumbered as Article 7) – Issue of Subscription Warrants

~~4B.7. Subject to the Ordinance and the Listing Rules, the Board may issue warrants or other rights and grant options to subscribe for any class of shares or securities of the Company on such terms as it may from time to time determine. Where warrants are issued to bearer, no new warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such new warrant.~~

Article 5 (to be renumbered as Article 9) – Company to finance purchase of its own shares and warrants

~~5-9. The Company may exercise any powers conferred on the Company or permitted by or not prohibited by or not inconsistent with the Companies Ordinance (Chapter 32) or any other applicable ordinance, statute, act or law from time to time to acquire shares and warrants in the Company or to give, directly or indirectly, by means of a loan, guarantee, the provision of security or otherwise, financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares and warrants in the Company and should the Company acquire its own shares or warrants neither the Company nor the Directors shall be required to select the shares or warrants to be acquired rateably or in any other particular manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such acquisition or financial assistance shall only be made or given in accordance with any relevant rules, codes or regulations issued by the Stock Exchange, the Securities and Futures Commission or any other relevant regulatory authorities from time to time.~~

Article 11 (to be renumbered as Article 15) – Certificates to be issued

~~11.15. Every person whose name is entered as a holder of any shares in the Register shall be entitled, without payment, to receive within 10 business days or such other period as specified by the Stock Exchange from time to time in the Listing Rules after allotment or lodgment of a transfer to him of the shares in respect of which he is so registered (or within such other period as the terms of issue shall provide) one certificate for all such shares of any one class or several certificates each for one or more of such shares of such class upon payment for every certificate ~~after the first of such~~ reasonable out-of-pocket expenses as the Board may from time to time determine or such other amount as shall for the time being be approved by the Stock Exchange. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A Member who has transferred part of the shares comprised in his registered holding shall be entitled to a certificate for the balance without charge.~~

Article 13 (to be renumbered as Article 17) – Sealing of certificates

~~13.17. All forms of certificate for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide if required by the Ordinance or the Listing Rules, be issued under a Seal which shall only be affixed with the authority of the Directors. The Board may also by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.~~

Article 17 (to be renumbered as Article 21) – Board may make calls

~~17~~:21. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (~~whether on account of the nominal amount of the shares or by way of premium~~) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Member shall (subject to the Company serving upon him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine. A person upon whom a call is made shall remain liable on such call notwithstanding the subsequent transfer of the shares in respect of which the call was made.

Article 20 (to be renumbered as Article 24) – Interest on overdue sums

~~20~~:24. If a sum called in respect of a share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding ~~15~~10 per cent. per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

Article 21 (to be renumbered as Article 25) – Amounts deemed to be due in respect of calls

~~21~~:25. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, ~~whether on account of the nominal amount of the share or by way of premium~~, shall for all the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Articles as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 23A (to be renumbered as Article 28) – Indemnity against claims in respect of shares

~~23A~~:28. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability on the Company to make any payment, or empowers any government or taxing authority or government official to require the Company to make any payment, in respect of any shares held either jointly or solely by any Member or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Member by the Company or in respect of any such shares or for or on account or in respect of any Member and whether in consequence of:

- (a) the death of such Member;
- (b) the non-payment of any income tax or other tax by such Member;
- (c) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such Member or by or out of his estate; or
- (d) any other act or thing;

the Company in every such case:

- (i) shall be fully indemnified by such Member or his executor or administrator from all liability arising by virtue of such law; and
- (ii) may recover as a debt due from such Member or his executor or administrator (wherever constituted or residing) any monies paid by the Company under or in consequence of any such law, together with interest thereon at the rate of ~~15~~10 per cent. per annum thereon from the date of payment by the Company to the date of repayment by such Member or his executor or administrator.

Nothing contained in this Article shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such Member as aforesaid, his executor, administrator and estate wherever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

Article 25 (to be renumbered as Article 30) – Notice of liability to forfeiture

~~25-~~30. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Articles to forfeiture shall include surrender.

Article 29 (to be renumbered as Article 34) – Remaining liability for payment

~~29-~~34. A person whose shares have been forfeited shall thereupon cease to be a Member in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at the rate fixed by the terms of issue of the shares or, if no such rate is fixed, at the rate of ~~15~~10 per cent. per annum (or such lower rate as the Board may determine) from the date of forfeiture until payment and expenses of the Company that may have accrued by reason of such non-payment, in the same manner in all respects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited or for any consideration received on their disposal.

Article 37A – Fees

~~37A. A fee not exceeding 2.5 Hong Kong Dollars (or such other amount as shall for the time being be approved by the Stock Exchange) may be charged by the Company for registering any transfer, or other document relating to or affecting the title to any share, or for otherwise making any entry in the Register relating to any share.~~

Article 41 (to be renumbered as Article 47) – Company may increase capital

~~41:47. The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe in any one or more of the ways set out in section 170 of the Ordinance.~~

Article 44 (to be renumbered as Article 50) – Company may alter capital

~~44:50. The Company may from time to time by ordinary resolution:~~

- ~~(a) consolidate and divide all or any of alter its share capital into shares of larger amount than its existing shares;~~
- ~~(b) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the Ordinance) and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such deferred or qualified rights or be subject to any such restrictions as compared with, the other or others as the Company has power to attach to unissued or new shares;~~
- ~~(c) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled;~~

~~and may also by special resolution:~~

- ~~(d) subject to any confirmation or consent required by law, reduce its authorised and issued share capital or any capital redemption reserve or any share premium account in any manner. in any one or more of the ways set out in section 170 of the Ordinance. Where any difficulty arises in regard to any consolidation and division under paragraph (a) of permitted alteration under this Article, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to or in accordance with the directions of the purchaser thereof. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.~~

Article 47 (to be renumbered as Article 53) – Notice of meetings

47:53. Subject to such other minimum period as may be specified in the Listing Rules from time to time: (a) an annual general meeting shall be called by not less than twenty-one days' notice or twenty clear business days' notice, whichever is the longer; ~~(b) a meeting called for the passing of a special resolution shall be called by not less than twenty-one days' notice; and (c) and (b)~~ a meeting other than an annual general meeting ~~or a meeting called for the passing of a special resolution~~ shall be called by not less than fourteen days' notice or ten clear business days' notice, whichever is the longer. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place (and if the meeting is to be held in two or more places (in accordance with the requirements of the Ordinance), the principal place of the meeting and the other place or places of the meeting), day and time of meeting, and, in the case of special business, the general nature of that business. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given in manner hereinafter mentioned to all Members other than such as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors for the time being of the Company.

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

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

Article 57 (to be renumbered as Article 64) – Poll

57:64. At any general meeting a resolution put to the vote of the meeting shall be decided on a poll except, subject to the Ordinance and the Listing Rules, where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Procedural and administrative matters are those that (a) are not on the agenda of the meeting or in any supplementary circular to Members; and (b) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views.

Article 68B (to be renumbered as Article 76) – Corporate representative

~~68B~~:76. Subject to Article ~~68C~~77, any corporation which is a Member of the Company may in accordance with the Ordinance authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company.

Article 71A (to be renumbered as Article 81) – Sending proxy with nominations

~~71A~~:81. The Board may at the expense of the Company send or make available, by hand, by post, by electronic means (including by means of website) or otherwise, instruments of proxy (reply-paid or otherwise) to Members for use at any general meeting(s) or at any separate meeting(s) of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall subject to Article ~~48~~54 be issued to all (and not some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.

Article 74A (to be renumbered as Article 87) – Terms of elected Directors

~~74A~~:87. Subject to any express terms to the contrary in the relevant resolution for appointing any Director under Article ~~74~~86, any Director so elected by the Company shall be elected for a term of not more than approximately three years expiring at the conclusion of the annual general meeting of the Company held in the third year following the year of his appointment and for the avoidance of doubt, on expiration of his term he shall be deemed a retiring Director and eligible for re-appointment.

Article 89 (to be renumbered as Article 100) – Directors' interests

- 89:100. (A) A Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Article.
- (B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

- (C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested, and shall not be liable to account to the Company or the Members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.
- (D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).
- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof).
- (F) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other transaction, contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such transaction, contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- (G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a transaction, contract or arrangement or proposed transaction, contract or arrangement with the Company shall declare the nature and extent of his interest, in the case of a transaction, contract or arrangement that has been entered into, at the meeting of the Board at which the question of entering into the transaction, contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested as soon as reasonably practicable, or in the case of a proposed transaction, contract or arrangement, before the Company enters into the transaction, contract or arrangement. Such declaration must be made at a meeting of the Board or by notice in writing to the other Directors or by general notice and in accordance with the Ordinance. For the purposes of this Article, a general notice to the Board by a Director to the effect that (a) he is a member of has an interest in a specified company or firm and is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any transaction, contract or arrangement which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such transaction, contract or arrangement. A general notice must be given at a Board meeting, in which case it shall take effect on the date of the Board meeting, or in writing, in which case it shall take effect on the twenty-first day after the day on which it is sent to the Company. If the Company receives a general notice in writing from a Director, it must send a copy to the other Directors within 15 days after the day of receipt, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given

- (H) Save as otherwise provided by these Articles, a Director shall not be entitled to vote on (nor shall he be counted in the quorum in relation thereto) any resolution of the Board approving any transaction, contract or arrangement or any other proposal whatsoever in which he or any of his associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:
- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in the shares of that company, provided that, the Director and any of his associates are not in aggregate beneficially interested in 5 per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
 - (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which he or his associates may benefit; or
 - (b) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

- (v) any transaction, contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (l) A company shall be deemed to be a company in which a Director (together with any of his associates) owns 5 per cent. or more if and so long as (but only if and so long as) he (together with any of his associates) is (either directly or indirectly) the holder of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.
- (J) Where a company in which a Director (together with any of his associates) holds 5 per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (K) If any question shall arise at any meeting of the Board as to the materiality of a Director's interest or that of his associate(s) or the significance of a transaction, contract or arrangement or proposed transaction, contract or arrangement or as to the entitlement of any Director to vote or form part of a quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting (or, where question relates to the interest of the Chairman or that of his associate(s) to the other Directors at the meeting) and his ruling (or, as appropriate, the ruling of the other Directors) in relation to any other Director (or, as appropriate, the Chairman) shall be final and conclusive except in a case where the nature or extent of the interests of the Director and/or his associate(s) concerned (or, as appropriate, the Chairman and/or his associate(s)) as known to such Director (or, as appropriate, the Chairman) has not been fairly disclosed to the Board.
- (L) The Company may by resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

Article 108 (to be renumbered as Article 121) – Resolution in writing

~~108:~~121. A resolution in writing signed by all the Directors or by all the members of a committee for the time being entitled to receive notice of a meeting of the Board or, as the case may be, of such committee (provided that number is sufficient to constitute a quorum) shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned. A copy of a resolution signed and sent by a Director by telex or cable or facsimile or electronic mail shall be deemed to be a document signed by him for the purposes of this Article.

Provided that this Article shall not apply in relation to any transaction, contract or arrangement (not being one of the types specified in Article ~~89(H)~~100(H)) in which a Director or Directors are interested, unless the number of Directors signing the resolution who are not interested in the transaction, contract or arrangement would have constituted a quorum of Directors if a meeting had been held for the purpose of considering the transaction, contract or arrangement.

Article 112 (to be renumbered as Article 125) – Use of seals

~~112:~~125. The Board shall provide for the custody of every Seal. A Seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, any instrument to which the common seal is affixed shall be signed by two Directors or by a Director and the Secretary (or some other person appointed by the Board) or by two other persons appointed by the Board. ~~Every and every~~ instrument executed in ~~the manner provided by this Article~~ manner shall be deemed to be sealed and executed with the authority of the Directors previously given. Notwithstanding any other provision of these Articles, a document which requires execution under seal may be executed by the Company, without affixing the Seal thereto, by two Directors on the Company's behalf or by a Director and the Secretary (or some other person appointed by the Board) or by two other persons appointed by the Board and the Company may execute a document as a deed by executing it in such manner, with the document expressed to be executed and delivered by the Company as a deed.

Article 118 (to be renumbered as Article 131) – Option between cash and shares on dividends

- ~~118:~~131. (A) In respect of any dividend proposed to be paid or declared by the Board or by the Company in general meeting, the Board may propose and announce prior to or contemporaneously with the payment or declaration of such dividend:
- (i) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up provided that Members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment. In such case, the following provisions shall apply:
 - (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks' notice in writing to the holders of the shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;

- (d) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised (“the non-elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company’s reserve accounts ~~(including any share premium account or capital redemption reserve fund)~~ or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or
- (ii) that Members entitled to such dividend be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:
 - (a) the basis of any such allotment shall be determined by the Board;
 - (b) the Board, after determining the basis of allotment, shall give not less than two weeks’ notice in writing to the holders of the shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;
 - (c) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded;
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable on shares in respect whereof the share election has been duly exercised (“the elected shares”) and in lieu and in satisfaction thereof shares shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of any of the Company’s reserve accounts ~~(including share premium account or capital redemption reserve fund)~~ or profit and loss account or amounts otherwise available for distribution as the Board may determine such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and amongst the holders of the elected shares on such basis.

- (B) The shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the shares then in issue save only as regards participation:
- (i) in the relevant dividend (or the right to receive or to elect to receive an allotment of shares in lieu thereof as aforesaid); or
 - (ii) in any other distribution, bonus or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of its proposal to apply the provisions of sub-paragraph (i) and (ii) of paragraph (A) of this Article in relation to the relevant dividend or contemporaneously with its announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (A) of this Article shall rank for participation in such distribution, bonus or rights.
- (C) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of the Article with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled or are disregarded or rounded up or down, or whereby the benefit of fractional entitlements accrues to the Company rather than to the Members concerned). The Board may authorise any person to enter into, on behalf of all Members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.
- (D) The Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (A) of this Article a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to Members to elect to receive such dividend in cash in lieu of such allotment.
- (E) The Board may on any occasion when it makes a determination pursuant to paragraph (A) of this Article, resolve that no allotment of shares or rights of election for shares to be issued pursuant to such determination shall be made available or made to any Members with registered addresses in any particular territory or territories where the allotment of shares or the circulation of an offer of such rights of election would or might, in the opinion of the Board, be unlawful or would or might, in the opinion of the Board, be unlawful in the absence of a registration statement or other special formalities, and in such event the provision aforesaid shall be read and construed subject to such determination.

Article 123 (to be renumbered as Article 137) – Capitalisation issues

~~123~~137. The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, ~~a share premium account and a capital redemption reserve, and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.~~

Article 128 (to be renumbered as Article 142) – Distribution of accounts

- ~~128~~-142. (A) The Directors shall, from time to time, in accordance with the Ordinance, cause to be prepared and to be laid before the annual general meeting of the Company the ~~relevant financial documents~~ statements required by the Ordinance. The Directors may also cause to be prepared a summary financial report if they think fit, which may be provided to Members and/or debenture holders instead of the ~~relevant financial documents~~ statements subject to and in accordance with the Ordinance, the Listing Rules and any applicable laws, rules and regulations.
- (B) A copy of the ~~relevant financial documents~~ statements or the summary financial report shall, not less than 21 days before the meeting, be delivered or sent to every Member and debenture holder of the Company, or in the case of a joint holding to the Member or debenture holder (as the case may be) whose name stands first in the appropriate Register in respect of the joint holding, subject to and in accordance with the relevant requirements under the Ordinance, the Listing Rules and any applicable laws, rules and regulations. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.
- (C) For the purpose of this Article, ~~“relevant financial documents”~~ and ~~“summary financial report”~~ shall have the meaning ascribed to ~~them~~ it in the Ordinance.

Article 131A (to be renumbered as Article 146) – Manner of service

- ~~131A~~:146. (A) The signature to any notice or document by the Company may be written, typed, printed or made electronically.
- (B) Subject to any applicable laws, rules and regulations, any notice or document, including but not limited to the documents referred to in Article ~~128~~142 and any “corporate communication” within the meaning ascribed thereto in the Listing Rules, may be given in the English language only, in the Chinese language only or in both the English language and the Chinese language.

Article 134 (to be renumbered as Article 151) – Distribution in specie on liquidation

- ~~134~~:151. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Ordinance Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other assets upon which there is any liability.

Article 135 (to be renumbered as Article 152) – Indemnity

- ~~135~~:152. (A) Every Director, Executive Director, manager, secretary and officer of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Executive Director, manager, secretary or officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Ordinance in which relief from liability is granted to him by the Court.
- (B) The Company may purchase and maintain insurance for the benefit of the Company and/or any related company and/or of any Director, Executive Director, manager, secretary or officer of the Company against:
- (a) (in the case of the Company and/or any related company) any loss, damage, liability and claim which it may suffer or sustain in connection with any breach by the Directors (and/or other officers and/or other persons) or any of them of their duties to the Company;
- (b) (in the case of any Director, Executive Director, manager, secretary or officer of the Company) any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and

- (c) (in the case of any Director, Executive Director, manager, secretary or officer of the Company) any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article ~~135(B)~~152(B), “related company” means any company that is the Company’s subsidiary or holding company or a subsidiary of that holding company.

Schedule A – Article 1 – General

1. The Substitute Preference Shares are created pursuant to a resolution of the Shareholders of the Company dated 4th December, 2009 and a resolution of the Board of Directors of the Company dated 19th October, 2009 and, when issued, will be fully paid at ~~their nominal value of US\$1,000~~ per Substitute Preference Share. The Substitute Preference Shares rank pari passu without any preference among themselves and in priority to the Ordinary Shares.

Schedule A – Article 23 – Definitions

“**Companies Ordinance**” means the Companies Ordinance (Cap. ~~326~~222) of Hong Kong, as amended from time to time;

“**Ordinary Shares**” means the ordinary shares in the capital of the Company ~~having a par value of HK\$2.50~~ and having a right to participate in a Winding-Up of the Company in the surplus assets on a pro rata basis;

“**Subsidiary**” means each subsidiary, as defined in section 215 of the Companies Ordinance, for the time being of the Company;

“**Substitute Preference Shares**” means the perpetual non-cumulative step-up preference shares of the Company having ~~a par value of US\$1,000 each~~ and an aggregate liquidation preference of US\$500,000,000 issued on the Issue Date;

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 239 of the New Companies Ordinance:

- (i) At the 2014 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 Shares representing up to a maximum of 10% of number of Shares in issue in the share capital of the Bank as at the date of passing the resolution (the “**Repurchase Mandate**”). Based on the 2,290,496,521 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 229,049,652 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 Articles of Association and the laws of Hong Kong.
- (iv) There may be a 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 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>
2013	:		
	March	32.70	30.30
	April	32.25	29.25
	May	31.95	29.80
	June	30.45	26.50
	July	29.25	27.00
	August	32.50	28.90
	September	33.90	30.00
	October	33.65	32.00
	November	34.60	32.90
	December	35.00	31.90
2014	:		
	January	33.45	29.20
	February	33.40	28.50