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

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

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BEA 東亞銀行

The Bank of East Asia, Limited

東亞銀行有限公司

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

**NOTICE OF ANNUAL GENERAL MEETING,
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES AND BUY-BACK SHARES**

The notice of Annual General Meeting of The Bank of East Asia, Limited to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 5th May, 2017 at 11:30 a.m. is set out on pages 3 to 5 of this Circular.

Whether or not you are able to attend the 2017 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2017 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 2017 AGM should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

29th March, 2017

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

Notwithstanding any choice of means for the receipt of Corporate Communications (i.e. either receiving a printed copy or by electronic means through the Bank's website) previously made by Shareholders and communicated to the Bank, Shareholders may at any time change their choice, free of charge, by giving reasonable notice in writing to the Bank's Share Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by fax to (852) 2861 1465 or by email to BEA0023-ecom@hk.tricorglobal.com specifying your request together with your full name and contact telephone number.

DEFINITIONS

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

“2017 AGM”	an annual general meeting of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 5th May, 2017 at 11:30 a.m. or any adjournment thereof;
“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;
“Chief Executive”	shall have the meaning ascribed to it under the Listing Rules;
“Circular”	the circular to the Shareholders dated 29th March, 2017;
“Close Associate(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Companies Ordinance” or “Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Controlling Shareholder”	shall have the meaning ascribed to it under the Listing Rules;
“Core Connected Person(s)”	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;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	22nd March, 2017, 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;
“Nomination Committee”	the Nomination Committee of the Bank;
“Notice of Annual General Meeting”	the notice convening the 2017 AGM as set out on pages 3 to 5 of this Circular;
“Register of Members”	register of members of the Bank;
“Remuneration Committee”	the Remuneration Committee of the Bank;
“Risk Committee”	the Risk 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 Companies Ordinance) for the time being and from time to time of the Bank;
“Substantial Shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules; and
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs.

NOTICE OF ANNUAL GENERAL MEETING

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

Notice of Ninety-eighth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-eighth Annual General Meeting (“**2017 AGM**”) of the members of The Bank of East Asia, Limited (the “**Bank**”) will be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 5th May, 2017 at 11:30 a.m. for the following purposes:

1. To receive the Audited Financial Statements for the year ended 31st December, 2016 together with the Report of the Directors and the Independent Auditor’s Report thereon.
2. To re-appoint KPMG as Auditors of the Bank and authorise the Directors to fix their remuneration.
3. To re-elect the following Directors:
 - (a) Professor Arthur LI Kwok-cheung
 - (b) Dr. Peter LEE Ka-kit
 - (c) Mr. Meocre LI Kwok-wing
 - (d) Dr. the Hon. Henry TANG Ying-yen
 - (e) The Hon. CHAN Kin-por
 - (f) Dr. Delman LEE

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

4. “**THAT:**
 - (a) Subject to paragraph (b) of this Resolution, a general mandate be and is hereby unconditionally given to the Directors of the Bank 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;
 - (b) the number of ordinary shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue;
 - (ii) any option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Bank for the grant or issue to the employees of the Bank and its subsidiaries of options or rights to acquire shares of the Bank;
 - (iii) any scrip dividend or similar arrangement in accordance with the Articles of Association of the Bank; or

NOTICE OF ANNUAL GENERAL MEETING

- (iv) the exercise of rights of subscription or conversion under the terms of any options, warrants or similar rights granted or issued by the Bank or any securities which are convertible into shares of the Bank,

shall not exceed 10% of the number of ordinary shares of the Bank in issue as at the date of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Bank into a larger or smaller number of shares during the Relevant Period), and the said approval shall be limited accordingly; and

- (c) 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 shareholders of the Bank in general meeting.

‘Rights Issue’ means an offer of shares of the Bank or an issue of options, warrants or other securities giving the right to subscribe for shares of the Bank, open for a period fixed by the Board of Directors of the Bank to holders of shares of the Bank on the Register of Members on a fixed record date in proportion to their then holdings of such shares of the Bank (subject to such exclusions or other arrangements as the Board of Directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory outside of Hong Kong).”

5. **“THAT:**

- (a) a general mandate be and is hereby unconditionally granted to the Directors of the Bank to exercise during the Relevant Period all the powers of the Bank to buy back ordinary shares 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 bought back pursuant to the approval in this paragraph shall not exceed 10% of the number of ordinary shares of the Bank in issue as at the date of this Resolution (subject to adjustment in the case of any conversion of any or all of the shares of the Bank into a larger or smaller number of shares during the Relevant Period), and the said approval shall be limited accordingly; 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 shareholders of the Bank in general meeting."

6. "THAT, conditional on the passing of the Resolutions in item 4 and item 5 of the Notice of this Meeting, the general mandate granted to the Directors of the Bank to allot shares pursuant to the Resolution set out in item 4 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 of an amount representing the aggregate number of shares of the Bank bought back by the Bank under the authority granted pursuant to the Resolution set out in item 5 of the Notice of this Meeting."

By Order of the Board
Alson LAW Chun-tak
Company Secretary

Hong Kong, 29th March, 2017

Notes:

- (a) *For the purpose of determining the Shareholders who are entitled to attend and vote at the 2017 AGM, the Register of Members of the Bank will be closed from Thursday, 27th April, 2017 to Friday, 5th May, 2017 (both days inclusive). In order to qualify for attending and voting at the 2017 AGM, all transfer documents should be lodged for registration with Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:00 p.m. on Wednesday, 26th April, 2017.*
- (b) *A member entitled to attend and vote at the 2017 AGM may appoint one or more proxies to attend and vote in his place at the 2017 AGM (or at any adjournment thereof) provided that each proxy is appointed to represent the respective number of shares held by the member as specified in the relevant proxy form. A proxy need not be a member of the Bank.*
- (c) *To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, shall be delivered to Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the 2017 AGM or any adjournment thereof (as the case may be). Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.*
- (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 2017 AGM. Please refer to the Circular for details of the matters for which the resolutions are concerned.*
- (e) *If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 8:30 a.m. on the date of the 2017 AGM, the meeting will be postponed or adjourned. The Bank will post an announcement on the Hong Kong Exchanges and Clearing Limited's website (www.hkex.com.hk) and the Bank's website (www.hkbea.com) to notify Shareholders of the date, time and place of the rescheduled meeting.*

The 2017 AGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

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. Aubrey LI Kwok-sing*
Mr. Winston LO Yau-lai**
Mr. Richard LI Tzar-kai**
Mr. Stephen Charles LI Kwok-sze*
Mr. KUOK Khoon-ean**
Dr. Isidro FAINÉ CASAS*
Dr. Peter LEE Ka-kit*
Mr. Adrian David LI Man-kiu[#] *(Deputy Chief Executive)*
Mr. Brian David LI Man-bun[#] *(Deputy Chief Executive)*
Dr. Daryl NG Win-kong**
Mr. Masayuki OKU*
Dr. the Hon. Rita FAN HSU Lai-tai**
Mr. Meocre LI Kwok-wing**
Dr. the Hon. Henry TANG Ying-yen**
The Hon. CHAN Kin-por**
Dr. Delman LEE**

Registered Office:

10 Des Voeux Road Central
Hong Kong

[#] *Executive Director*
^{*} *Non-executive Director*
^{**} *Independent Non-executive Director*

29th March, 2017

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

The purpose of this Circular is to provide you with information in connection with the convening of the 2017 AGM and explanation in connection with the matters to be dealt with at the 2017 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 2017 AGM is set out on pages 3 to 5 of this Circular.

A proxy form for use at the 2017 AGM is enclosed. Whether or not you are able to attend the 2017 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2017 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 2017 AGM should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

LETTER FROM THE CHAIRMAN

RESOLUTION (1) — RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Bank for the year ended 31st December, 2016 together with the Report of the Directors and the Independent Auditor's Report, are set out in the 2016 Annual Report which will be sent to the Shareholders on 29th March, 2017. The 2016 Annual Report may then 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 financial statements 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 2017 AGM, KPMG be re-appointed as the external auditors of the Bank for 2017.

RESOLUTION (3) — RE-ELECTION OF DIRECTORS

In accordance with Articles 87, 88, 93 and 94 of the Articles of Association, Professor Arthur LI Kwok-cheung, Mr. Richard LI Tzar-kai, Mr. KUOK Khoon-ean, Dr. Peter LEE Ka-kit, Mr. Meocre LI Kwok-wing, Dr. the Hon. Henry TANG Ying-yen, The Hon. CHAN Kin-por and Dr. Delman LEE shall retire at the 2017 AGM.

Mr. Richard LI Tzar-kai and Mr. KUOK Khoon-ean have informed the Board that they would not offer themselves for re-election and accordingly will retire as a Director at the conclusion of the 2017 AGM. Save for Mr. Richard LI Tzar-kai and Mr. KUOK Khoon-ean, the other retiring Directors, being eligible, shall offer themselves for re-election at the 2017 AGM. Details of the Directors who are proposed to be re-elected at the 2017 AGM are set out in Appendix 1 to this Circular.

The re-election 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 2017 AGM. The Nomination Committee has also assessed the independence of all Independent Non-executive Directors ("INEDs") of the Bank including the INEDs to be re-elected at the 2017 AGM. All the INEDs of the Bank satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules.

LETTER FROM THE CHAIRMAN

RESOLUTIONS (4), (5) AND (6) — GENERAL MANDATES TO ISSUE SHARES AND BUY-BACK SHARES

At the annual general meeting of the Bank held on 8th April, 2016, 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 number of ordinary shares in issue in the share capital of the Bank; and (ii) to buy back Shares on the Stock Exchange up to 10% of the number of ordinary shares in issue in the 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 5th May, 2017 upon the conclusion of the 2017 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 buy back 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 2017 AGM.

Based on the 2,703,192,329 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 270,319,232 Shares.

The purpose of the general mandate is to ensure the Board has the flexibility to issue additional shares should the need ever arise, or if there is a suitable opportunity to broaden the Bank's capital base and strengthen its capital position to effectively support business development initiatives. As banking regulators globally continue to raise the bar of capital requirements, the Board considers it prudent to maintain certain flexibility through the general mandate.

The Board acknowledges the concern of minority Shareholders with respect the possible dilution of their shareholding interest resulting from the exercise of the general mandate to issue shares, and reaffirmed its commitment to only use the mandate in the interest of all Shareholders. Should the Board consider a re-issuance or re-purchase of shares, the Board will clearly communicate the rationale behind that decision and ensure it is fair and reasonable, and in the interest of the Shareholders as a whole.

While the Directors have no present intention to initiate a Share buy-back programme, the flexibility granted by the Share buy-back Mandate will enable the Bank to buy back Shares if Shares continue to trade at a significant discount to their underlying value.

The Directors wish to state that they have no immediate plan to issue any new Shares other than relating to scrip dividends and exercise of employee share options as described above.

The detailed Explanatory Statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed share buy-back resolution is set out in Appendix 2 to this Circular.

LETTER FROM THE CHAIRMAN

Conditional upon the passing of Resolutions (4) and (5), 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 bought back by the Bank will also be proposed for approval by the Shareholders at the 2017 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 2017 AGM.

Yours faithfully,

David LI Kwok-po

Chairman & Chief Executive

The following are the particulars of the 6 Directors proposed to be re-elected at the 2017 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 and Member of the Risk Committee

Professor Li, aged 71, 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 (“HKSAR”) (he was also a Member during 2002 to June 2007). He is a Member of the National Committee of the Chinese People’s Political Consultative Conference. Professor Li is also the Chairman of the Council for Sustainable Development of the Government of HKSAR and the Chairman of the Council of the University of Hong Kong.

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited and Nature Home Holding Company Limited, and a Non-executive Director (from May 2010 to December 2014, and was re-appointed on 20th January, 2016) of BioDiem Ltd. (delisted from Australian Securities Exchange in November 2013). He was a Non-Independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia) and a Director of CaixaBank, S.A. (listed in Spain). Save as disclosed, Professor Li has not held any directorship in other listed public companies during the last 3 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 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 2017 AGM and, being eligible, shall be re-elected for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank to be held in the third year following the year of his re-election and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Professor Li receives a fee of HK\$330,000 per annum for being the Deputy Chairman of the Board and a Risk Committee member's fee of HK\$100,000 per annum.

As at the Latest Practicable Date, Professor Li was interested in 49,760,203 (1.84%) Shares within the meaning of Part XV of the SFO. Of these Shares, Professor Li was the beneficial owner of 23,279,233 Shares and he was also deemed to be interested in 16,317,470 Shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 10,163,500 Shares held by an estate of which he is one of the executors.

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. Peter LEE Ka-kit**, *GBS, DBA (Hon), JP*
Non-executive Director and Member of the Remuneration Committee

Dr. Lee, aged 53, was appointed a Director in 2013. Dr. 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. Save as disclosed, Dr. Lee has not held any directorship in other listed public companies during the last 3 years.

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

Dr. 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 awarded an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in July 2014. He was awarded the Gold Bauhinia Star (GBS) in 2015 by the Government of the Hong Kong Special Administrative Region. He has been appointed Council Member of Hong Kong Trade Development Council for two years from 2016. He was educated in the United Kingdom.

Dr. 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, Dr. Lee shall retire as a Director at the 2017 AGM and, being eligible, shall be re-elected for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his re-election and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Dr. Lee receives a Director's fee of HK\$300,000 per annum and a Remuneration Committee member's fee of HK\$50,000 per annum.

As at the Latest Practicable Date, Dr. Lee was interested in 1,779,000 (0.07%) Shares within the meaning of Part XV of the SFO. Of these Shares, 679,000 Shares were owned by Golf Limited which in turn is wholly-owned by Dr. Lee. He was also deemed to be interested in 1,100,000 Shares ("Deemed Shares"). The Deemed Shares were beneficially owned by a subsidiary of The Hong Kong and China Gas Company Limited ("HKCG") and Dr. Lee is 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 Dr. Lee that is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules.

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

3. **Mr. Meocre LI Kwok-wing**, *BCom, CPA*

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

Mr. Li, aged 61, was appointed a Director in September, 2016. He is the Chief Executive of Alpha Alliance Finance Holdings Limited. Save as disclosed, Mr. Li has not held any directorship in other listed public companies during the last 3 years.

Mr. Li is an Independent Non-executive Director of The Bank of East Asia (China) Limited (“BEA China”), a wholly-owned subsidiary of the Bank. He is also the chairman of its audit committee and a member of its connected transactions control committee and risk management committee. 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 was the Managing Partner of Arthur Andersen, one of the major international accounting firms, taking charge of its Hong Kong and China operations from September 1993 to February 1995. He was the Managing Director and Head of Corporate Finance of NatWest Securities Asia from March 1995 to March 1998. He was also the Chief Executive of ICEA Finance Holdings Limited (from March 1998 to March 2002), an investment banking joint venture between The Industrial and Commercial Bank of China and the Bank, prior to the company’s becoming a wholly-owned subsidiary of the Bank, which was subsequently renamed as Tung Shing Holdings Company Limited and disposed to SinoPac Securities (Cayman) Holdings Limited on 6th April, 2016.

Mr. Li received a Bachelor of Commerce degree, with distinction, from University of Alberta, Canada. Upon graduation, he was awarded the Financial Executives Institute Silver Medal for “Highest Standing in Finance”. He also earned a Postgraduate Management Diploma from the Harvard Business School, and is a member of the Hong Kong Institute of Certified Public Accountants.

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 2017 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 re-election and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. 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\$300,000 per annum, an Audit Committee member’s fee of HK\$120,000 per annum and a Risk Committee member’s fee of HK\$100,000 per annum. He also receives a fee of RMB100,000 per annum for being a director of BEA China, a fee of RMB80,000 per annum for being the chairman of the audit committee of BEA China, a fee of RMB35,000 per annum for being a member of the connected transactions control committee of BEA China and a fee of RMB35,000 per annum for being a member of the risk management committee of BEA China.

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

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

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 Dr. the Hon. Henry TANG Ying-yen, *GBM, GBS, JP*

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

Dr. Tang, aged 64, was appointed a Director on 1st March, 2017. He was the Chief Secretary for Administration of the Hong Kong Special Administrative Region (“HKSAR”) Government from 2007 to 2011 and the Financial Secretary of HKSAR Government from 2003 to 2007. He served as a member of the Executive Council of Hong Kong from 1997 to 2011 and was a member of the Legislative Council of Hong Kong from 1991 to 1998.

Save as disclosed, Dr. Tang has not held any directorships in other listed public companies in the last 3 years.

Dr. Tang is a Standing Committee Member of the Chinese People’s Political Consultative Conference.

Dr. Tang received a Bachelor of Arts degree from the University of Michigan. In 1993, Dr. Tang was named Global Leader for Tomorrow by the World Economic Forum. In 1989, he won the Young Industrialist of Hong Kong award.

Dr. Tang is an Independent Non-executive Director of The Bank of East Asia (China) Limited (“BEA China”), a wholly-owned subsidiary of the Bank. He is also chairman of its risk management committee and a member of its audit committee and remuneration & nomination committee. Save as disclosed, Dr. Tang does not hold any position with the Bank or with other members of the Bank Group. Dr. Tang has not entered into any service contract with the Bank.

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

In accordance with the Articles of Association, Dr. Tang shall retire as a Director at the 2017 AGM and, being eligible, shall be re-elected for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his re-election and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. The fees payable to Directors are determined by the Board with reference to market trends. Dr. Tang will receive a director’s fee of HK\$300,000 per annum, an Audit Committee member’s fee of HK\$120,000 per annum, a Nomination Committee member’s fee of HK\$50,000 per annum and a Remuneration Committee member’s fee of HK\$50,000 per annum. He also receives a fee of RMB100,000 per annum for being a director of BEA China, a fee of RMB60,000 per annum for being the chairman of the risk management committee of BEA China, a fee of RMB40,000 per annum for being a member of the audit committee of BEA China and a fee of RMB35,000 per annum for being a member of the remuneration & nomination committee of BEA China.

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

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

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

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

5. **The Hon. CHAN Kin-por**, *BBS, JP*

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

Mr. Chan, aged 62, was appointed a Director on 15th March, 2017. He is currently a member of the Legislative Council (Insurance Functional Constituency) of Hong Kong Special Administrative Region (“LegCo”). Among other duties, he serves as Chairman of the LegCo Finance Committee.

Save as disclosed, Mr. Chan has not held any directorships in other listed public companies in the last 3 years.

Mr. Chan has extensive experience in the fields of banking and insurance. He is an Associate of The Chartered Insurance Institute (U.K.). He has become a member of the Munich Re China Advisory Board since 2009 after serving as the Chief Executive of the Munich Reinsurance Company – Hong Kong Branch for 4 years. Prior to these appointments, he had worked in various positions at one of the leading banks in Hong Kong for more than 3 decades and left as the Assistant General Manager and Head of its Insurance Group in 2005. He was also Chairman of the Chinese Insurance Association of Hong Kong from 1998 to 1999 and the Hong Kong Federation of Insurers from 2004 to 2005.

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

Mr. Chan 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. Chan shall retire as a Director at the 2017 AGM and, being eligible, shall be re-elected for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his re-election and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. The fees payable to Directors are determined by the Board with reference to market trends. Mr. Chan will receive a director’s fee of HK\$300,000 per annum, an Audit Committee member’s fee of HK\$120,000 per annum and a Risk Committee member’s fee of HK\$100,000 per annum.

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

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

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

6. **Dr. Delman LEE**, *BEng, DPhil*

Independent Non-executive Director and Member of the Risk Committee

Dr. Lee, aged 49, was appointed a Director on 21st March, 2017. He is currently the President and Chief Technology Officer of TAL Apparel Limited. He is also a non-executive director of Tradelink Electronic Commerce Limited. He was a non-executive director of Luckytex (Thailand) Public Co. Ltd. (listed in Thailand). Save as disclosed, Dr. Lee has not held any directorships in other listed public companies in the last 3 years.

Dr. Lee is a Council Member of The Hong Kong Productivity Council, a Council Member of The Hong Kong Management Association and the Vice Chairman of Sustainable Fashion Business Consortium. Dr. Lee possesses extensive experience in information technology and management in global operations. He also has a strong background in research.

Dr. Lee holds a doctorate from the University of Oxford and a Bachelor's degree in Electrical and Electronic Engineering from the Imperial College, London.

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

Dr. 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, Dr. Lee shall retire as a Director at the 2017 AGM and, being eligible, shall be re-elected for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his re-election and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. The fees payable to Directors are determined by the Board with reference to market trends. Dr. Lee will receive a director's fee of HK\$300,000 per annum and a Risk Committee member's fee of HK\$100,000 per annum.

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

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

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

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

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 buy-back of Shares and also constitutes the memorandum required under Section 239 of the Companies Ordinance:

- (i) At the 2017 AGM a resolution will be proposed that the Directors be given a general mandate to exercise all powers of the Bank to buy back 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 "Share Buy-back Mandate"). Based on the 2,703,192,329 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 Share Buy-back Mandate to buy-back a maximum of 270,319,232 Shares.
- (ii) Although the Directors have no present intention of any Share buy-back, they believe that the flexibility afforded by the Share Buy-back 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 buy back 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 bought back by the Bank. Furthermore, the Directors' exercise of the mandate granted under the Share Buy-back Mandate may lead to an increased volume of trading in Shares on the Stock Exchange.
- (iii) The Directors propose that buy-back of Shares under the Share Buy-back Mandate will be financed from the available cash flow or working capital facilities of the Bank and its Subsidiaries. In the buy-back of 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 financial statements) in the event that the proposed share buy-back is to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Share Buy-back 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 Close Associates of the Directors who have a present intention, in the event that the Share Buy-back 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 Share Buy-back Mandate in accordance with the Listing Rules and the laws of Hong Kong.

- (vii) If as a result of a share buy-back 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 Takeovers 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 Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any purchases pursuant to the Share Buy-back 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 Core 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 Share Buy-back 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>
2016	:	March	29.35	24.50
		April	30.00	26.85
		May	29.05	26.35
		June	30.00	27.45
		July	32.50	29.00
		August	34.35	30.90
		September	34.00	31.20
		October	33.45	30.80
		November	33.20	29.05
		December	33.45	29.25
2017	:	January	33.30	29.60
		February	34.75	31.95