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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, 11th May, 2018 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 2018 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 2018 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 2018 AGM should you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.

4th April, 2018

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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:

“2018 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, 11th May, 2018 at 11:30 a.m. or any adjournment thereof;
“Articles of Associations”	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time);
“Audit Committee”	the Audit Committee of the Bank;
“Auditors”	the auditors of the Bank for the time being;
“Bank”	The Bank of East Asia, Limited, a 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 4th April, 2018;
“Close Associate(s)”	shall have the meaning ascribed to it under the Listing Rules;
“Companies 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”	28th March, 2018, 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 2018 AGM as set out on pages 3 to 5 of this Circular;
“Register of Members”	register of members of the Bank;
“Senior Management”	the Chief Executive, Executive Directors, and 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-ninth Annual General Meeting

NOTICE IS HEREBY GIVEN that the Ninety-ninth Annual General Meeting (“**2018 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, 11th May, 2018 at 11:30 a.m. for the following purposes:

1. To receive the Audited Financial Statements for the year ended 31st December, 2017 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) Dr. Isidro FAINÉ CASAS
 - (b) Mr. Adrian David LI Man-kiu
 - (c) Mr. Brian David LI Man-bun

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 (as defined below) all the powers of the Bank to allot, issue and otherwise deal with additional shares of the Bank and to make, issue or grant offers, agreements, options, warrants, rights to subscribe for or convert any securities into shares of the Bank or other securities which would or might require shares in the Bank to be allotted, issued or otherwise dealt with either during or after the Relevant Period;
 - (b) the total number of ordinary shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option, warrant, right to subscribe for or convert or otherwise) by the Directors pursuant to the mandate in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (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 employees of the Bank and its subsidiaries of options or rights to subscribe for or 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 existing options, warrants, rights of subscription, convertible securities or similar rights granted or issued by 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, consolidation or subdivision 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 earliest 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 options, warrants or other securities giving the right to subscribe for shares of the Bank or which are convertible into 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 (as defined below) all the powers of the Bank to buy back ordinary shares of the Bank in accordance with all applicable laws and regulations and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other relevant 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, consolidation or subdivision 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 earliest 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, issue and otherwise deal with additional shares of the Bank pursuant to the Resolution set out in item 4 of the Notice of this Meeting be and is hereby extended by the addition thereto of the 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, 4th April, 2018

Notes:

- (a) *For the purpose of determining the Shareholders who are entitled to attend and vote at the 2018 AGM, the Register of Members of the Bank will be closed from Friday, 4th May, 2018 to Friday, 11th May, 2018 (both days inclusive). In order to qualify for attending and voting at the 2018 AGM, all transfer documents accompanied by the relevant share certificates 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 Thursday, 3rd May, 2018.*
- (b) *A member entitled to attend and vote at the 2018 AGM may appoint one or more proxies to attend and vote in his place at the 2018 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 2018 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. In such event, the instrument appointing a proxy shall be deemed to be revoked.*
- (d) *As set out in the Letter from the Chairman included in the circular to the Shareholders dated 4th April, 2018 (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 2018 AGM. Please refer to the Circular for details of the matters for which the resolutions are concerned.*
- (e) *The biographical details of all Directors who offer themselves for re-election at the 2018 AGM and an explanatory statement on share buy-back mandate are set out in Appendices 1 and 2 to the Circular.*
- (f) *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 2018 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 2018 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. Stephen Charles LI Kwok-sze*
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*

4th April, 2018

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 2018 AGM and explanation in connection with the matters to be dealt with at the 2018 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 2018 AGM is set out on pages 3 to 5 of this Circular.

A proxy form for use at the 2018 AGM is enclosed. Whether or not you are able to attend the 2018 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 2018 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 2018 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, 2017 together with the Report of the Directors and the Independent Auditor's Report, are set out in the 2017 Annual Report which will be sent to the Shareholders on 4th April, 2018. The 2017 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 2018 AGM, KPMG be re-appointed as the external auditors of the Bank for 2018.

RESOLUTION (3) — RE-ELECTION OF DIRECTORS

In accordance with Articles 87, 93 and 94 of the Articles of Association, Dr. Isidro FAINÉ CASAS, Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun shall retire at the 2018 AGM and, being eligible, shall offer themselves for re-election.

Details of the Directors who are proposed to be re-elected at the 2018 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 2018 AGM. Further, the Nomination Committee has also assessed the independence of all Independent Non-executive Directors ("**INEDs**") of the Bank. All the INEDs of the Bank satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules and the requirements of the guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong issued by the Hong Kong Monetary Authority.

Procedures for the appointment and re-election of Directors are disclosed in pages 84 and 86 of the Bank's 2017 Annual Report.

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 5th May, 2017, 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 of the Bank; and (ii) to buy back Shares on the Stock Exchange up to 10% of the number of ordinary shares in issue 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 11th May, 2018 upon the conclusion of the 2018 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 of the Bank; and (ii) to buy back Shares on the Stock Exchange up to 10% of the number of ordinary shares in issue 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 2018 AGM.

Based on the 2,767,399,291 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 276,739,929 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 to 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 of the Bank bought back by the Bank will also be proposed for approval by the Shareholders at the 2018 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 2018 AGM.

Yours faithfully,

David LI Kwok-po

Chairman & Chief Executive

The following are the particulars of the 3 Directors proposed to be re-elected at the 2018 AGM:

1. Dr. Isidro FAINÉ CASAS

Non-executive Director and Member of the Nomination Committee

Dr. Fainé, aged 75, was appointed a Director in 2009.

Dr. Fainé is the Chairman of the Board of trustees of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation ^{Note} (hereinafter "la Caixa" Banking Foundation).

Dr. Fainé is the Chairman of Criteria Caixa, S.A. Sociedad Unipersonal ^{Note} (hereinafter Criteria Caixa). Criteria Caixa is a non-listed holding company fully controlled by the "la Caixa" Banking Foundation, which manages all of the group's shareholdings in strategic sectors, including financial, energy, infrastructure, services, and real estate. Within financial sector, it has a stake in CaixaBank, S.A. (listed in Spain), the leading financial group in the Spanish retail banking market.

Dr. Fainé currently holds chairmanships and directorships in other listed companies, where "Criteria Caixa Group" has an interest, as follows:

- (i) Deputy Chairman of Telefónica, S.A. (integrated operator in the telecommunication sector, listed in Spain)
- (ii) Board Member of Suez, S.A. (an expert group in water and waste management, listed in France and Brussels)

Dr. Fainé was Director and Chairman of the Board of Gas Natural SDG, S.A. (listed in Spain) until 6th February, 2018, when he was appointed Honorary Chairman. He was also Second Vice Chairman of Sociedad General de Aguas de Barcelona, S.A. and First Vice Chairman of Repsol, S.A. (listed in Spain) until September 2016, a Director of Grupo Financiero Inbursa, S.A.B. de C.V. (listed in Mexico) until 2011 and a Board Member of Banco BPI, S.A. (listed in Portugal) until October 2016. Dr. Fainé was Chairman of Abertis Infraestructuras, S.A. until 11th May, 2009 when he was appointed First Vice Chairman, position that he held until 17th February, 2015. Dr. Fainé remained as Director of the company until 15th May, 2015, when he ceased on his position in Abertis Infraestructuras, S.A.. Save as disclosed, Dr. Fainé has not held any directorship in other listed public companies during the last 3 years.

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

Dr. Fainé is a Member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctorate Holders, Chairman of the Spanish Confederation of Savings Banks (CECA), Chairman of the European Savings Banks Group (ESBG) and Deputy Chairman of the World Savings Banks Institute (WSBI). He is also Chairman of the Spanish Confederation of Directors and Executives (CEDE), the Spanish Chapter of the Club of Rome and the Círculo Financiero. Dr. Fainé is also a Member of the Board of Trustees of the Prado Museum.

Dr. Fainé began his professional banking career as Investment Manager for Banco Atlántico in 1964, later becoming General Manager of Banco de Asunción in Paraguay in 1969. On his return to Barcelona, he held various managerial posts in financial entities: Head of Human Resources at Banca Riva y García (1973), CEO of Banca Jover (1974) and CEO of Banco Unión (1978).

Dr. Fainé joined “la Caixa” and was appointed Deputy Executive General Manager in 1982. He was appointed CEO in 1999 and was further appointed Chairman of Caixa d’Estalvis i Pensions de Barcelona “la Caixa” from June 2007 to June 2014. In June 2014, “la Caixa” becomes “la Caixa” Banking Foundation, in compliance with the Savings Banks and Banking Foundations Law of 27th December, 2013. He was a member of the Board of Directors of CaixaBank, S.A. (listed in Spain) since 2011, presiding from 2011 until his resignation in June 2016.

Among other academic and professional qualifications, Dr. Fainé holds a PhD in Economics, an International Senior Managers Program certificate in Business Administration from Harvard University, and a Diploma in Executive Management from the IESE Business School.

Dr. Fainé is not connected with any Directors and Senior Management 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. Fainé shall retire as a Director at the 2018 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. Fainé receives a Director’s fee of HK\$400,000 per annum and a Nomination Committee member’s fee of HK\$60,000 per annum.

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

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

Note *Criteria Caixa is a wholly-owned subsidiary of “la Caixa” Banking Foundation.*

Each of “la Caixa” Banking Foundation and Criteria Caixa is a substantial shareholder of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the “Interests of Substantial Shareholders and Other Persons” section of the Report of the Directors in the Annual Report 2017. Dr. Isidro FAINÉ CASAS is the Chairman of Criteria Caixa and the Chairman of the Board of trustees of “la Caixa” Banking Foundation.

2. **Mr. Adrian David LI Man-kiu**, MA (Cantab), MBA, LPC, JP
Executive Director & Deputy Chief Executive

Mr. Li, aged 44, was appointed a Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. In April 2009, he was appointed Deputy Chief Executive for Hong Kong Business, assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members.

Save as disclosed, Mr. Li does not hold any other positions with the Bank or with other members of the Bank Group.

Mr. Li is currently an Independent Non-executive Director of two listed companies under the Sino Group (Sino Land Company Limited and Tsim Sha Tsui Properties Limited), China State Construction International Holdings Limited and COSCO SHIPPING Ports Limited, and is a Non-executive Director of The Berkeley Group Holdings plc (listed in London). He also serves as a Member of the International Advisory Board of Abertis Infraestructuras, S.A. (listed in Spain). He was previously an Alternate Independent Non-executive Director of San Miguel Brewery Hong Kong Limited, an Independent Non-executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd (which is dual listed in Hong Kong and Shanghai) and Sino Hotels (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 a Member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Hong Kong United Youth Association. He is also a Board Member of The Community Chest of Hong Kong, a Member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority, a Trustee of The University of Hong Kong's occupational retirement schemes, an Advisory Committee Member of the Hong Kong Baptist University's School of Business and a Vice President of The Hong Kong Institute of Bankers' Council. Furthermore, he serves as a Member of the Election Committees responsible for electing the Chief Executive of the HKSAR and deputies of the HKSAR to the 13th National People's Congress. He also sits on the Judging Panel of the BAI Global Innovation Awards. Mr. Li was previously a Member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference, a Member of the All-China Youth Federation and Deputy Chairman of the Beijing Youth Federation.

Mr. Li holds a Master of Management Degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts Degree and Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a Member of The Law Society of England and Wales, and The Law Society of Hong Kong.

Mr. Li is the son of Dr. the Hon. Sir David LI Kwok-po, the nephew of Professor Arthur LI Kwok-cheung, Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the brother of Mr. Brian David LI Man-bun.

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

Mr. Adrian Li is employed as a Deputy Chief Executive of the Bank. In accordance with the Articles of Association, Mr. Li shall retire as a Director at the 2018 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. Mr. Li receives a Director's fee of HK\$400,000 per annum. As a Deputy Chief Executive of the Bank, Mr. Li receives an annual salary of approximately HK\$4 million and is entitled to a discretionary bonus and share options to be determined with reference to the remuneration policy of the Bank each year.

As at the Latest Practicable Date, Mr. Li was interested in 3,100,511 (0.11%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li was the beneficial owner of 1,059,142 Shares and he was deemed to be interested in 7,240 Shares through the interests of his child under the age of 18. Mr. Li made a voluntary disclosure of 2,034,129 Shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion. In addition, he has been granted share options to subscribe for 3,902,000 Shares of the Bank pursuant to the Bank's Staff Share Option Schemes.

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.

3. **Mr. Brian David LI Man-bun**, MA (Cantab), MBA, FCA, JP
Executive Director & Deputy Chief Executive

Mr. Li, aged 43, was appointed a Director in 2014. He joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. In April 2009, he was appointed Deputy Chief Executive, primarily responsible for the Bank's China and international businesses, and assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members.

Save as disclosed, Mr. Li does not hold any other positions with the Bank or other members of the Bank Group.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited, Hopewell Highway Infrastructure Limited and China Overseas Land & Investment Limited. Save as disclosed, Mr. Li has not held any directorships in other listed public companies in the last 3 years.

Mr. Li holds a number of public and honorary positions, including being a Member of the National Committee of the Chinese People's Political Consultative Conference, a Council Member of the Hong Kong Trade Development Council, Chairman of the Traffic Accident Victims Assistance Advisory Committee of the Government of Hong Kong Special Administrative Region ("**HKSARG**"), a Member of the HKSARG Aviation Development and Three-runway System Advisory Committee and a Member of Market Development Committee, Financial Services Development Council of the HKSARG.

He is a Council Member of The Hong Kong Management Association, a Member of the Hong Kong-Europe Business Council, a Member of the Hong Kong-Taiwan Business Co-operation Committee, and a Committee Member of the Hong Kong Chapter, the Institute of Chartered Accountants in England and Wales (the "**ICAEW**"). He is also a Vice Chairman of the Asian Financial Cooperation Association and a Member of the Financial Consulting Committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen.

Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Full Member of the Treasury Markets Association. Mr. Li is also a Fellow of the ICAEW. He holds an MBA degree from Stanford University as well as MA and BA degrees from the University of Cambridge.

Mr. Li is the son of Dr. the Hon. Sir David LI Kwok-po, the nephew of Professor Arthur LI Kwok-cheung, Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the brother of Mr. Adrian David LI Man-kiu.

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

Mr. Brian Li is employed as a Deputy Chief Executive of the Bank. In accordance with the Articles of Association, Mr. Li shall retire as a Director at the 2018 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. Mr. Li receives a Director's fee of HK\$400,000 per annum. As a Deputy Chief Executive of the Bank, Mr. Li receives an annual salary of approximately HK\$4 million and is entitled to a discretionary bonus and share options to be determined with reference to the remuneration policy of the Bank each year.

As at the Latest Practicable Date, Mr. Li was interested in 3,136,642 (0.11%) Shares within the meaning of Part XV of the SFO. Of these Shares, Mr. Li is the beneficial owner of 2,357,009 Shares. He is deemed to be interested in 779,633 Shares held by Triple Kingdom Limited which is wholly-owned by Mr. Li. In addition, he has been granted share options to subscribe for 3,902,000 Shares of the Bank pursuant to the Bank's Staff Share Option Schemes.

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

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

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed general mandate for buy-back of Shares and also constitutes the memorandum required under Section 239 of the Companies Ordinance:

- (i) At the 2018 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 of the Bank as at the date of passing the resolution (the “**Share Buy-back Mandate**”). Based on the 2,767,399,291 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 276,739,929 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>
2017	:		
	March	33.10	31.30
	April	32.65	30.60
	May	33.00	31.85
	June	34.10	32.45
	July	34.10	32.30
	August	36.00	32.60
	September	36.00	33.45
	October	35.10	33.60
	November	34.60	32.15
	December	34.80	32.25
2018	:		
	January	34.70	33.15
	February	35.45	31.15