

## 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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in BOC Hong Kong (Holdings) Limited (中銀香港(控股)有限公司), you should at once hand this circular and the accompanying proxy form and, if applicable, the Annual Report 2010 or the Summary Financial Report 2010 to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale 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.

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### Notice of Annual General Meeting

and

### Proposed General Mandates to Issue and Repurchase Shares

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A notice convening the Annual General Meeting of BOC Hong Kong (Holdings) Limited to be held at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 25 May 2011 at 2:00 p.m. (registration will begin at 1:30 p.m.) is set out in this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon, to the registered office of BOC Hong Kong (Holdings) Limited at 52nd Floor, Bank of China Tower, 1 Garden Road, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion of the proxy form and its return will not preclude you from attending and voting in person at the Annual General Meeting if you so wish.

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## DEFINITIONS

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

“AGM”	means the annual general meeting of the Company convened to be held on Wednesday, 25 May 2011 at 2:00 p.m. (registration will begin at 1:30 p.m.) at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong;
“Board” or “Board of Directors”	means the Board of Directors of the Company;
“BOC”	means Bank of China Limited, a joint stock commercial bank with limited liability established under the laws of the PRC, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively;
“BOC Life”	means BOC Group Life Assurance Company Limited, a company incorporated under the laws of Hong Kong, in which the Group and BOC hold equity interests of 51% and 49% respectively
“BOCHK”	means Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of the Company;
“BOCI”	means BOC International Holdings Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of BOC;
“Central Huijin”	means Central Huijin Investment Ltd.;
“Chiyu”	means Chiyu Banking Corporation Limited, a company incorporated under the laws of Hong Kong, in which BOCHK holds an equity interest of 70.49%;
“Committee(s)”	means the committee(s) established by the Board of Directors from time to time;
“Companies Ordinance”	means the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	means BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed on the Stock Exchange;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of PRC;
“Latest Practicable Date”	means 28 March 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“NCB (China)”	means Nanyang Commercial Bank (China), Limited, a company incorporated under the laws of PRC and an indirect wholly owned subsidiary of the Company;
“PRC”	means the People’s Republic of China;

## DEFINITIONS

“Share(s)”	means the share(s) of HK\$5.00 each in the share capital of the Company;
“Share Repurchase Mandate”	means the proposed general mandate to repurchase shares;
“Share Repurchase Resolution”	means the proposed resolution to approve the grant of the Share Repurchase Mandate; and
“Stock Exchange” or “Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited.

## LETTER FROM THE CHAIRMAN



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

*Board of Directors:*

Mr. XIAO Gang (Chairman) \*  
Mr. LI Lihui (Vice Chairman) \*  
Mr. HE Guangbei (Vice Chairman and Chief Executive)  
Mr. LI Zaohang \*  
Mr. ZHOU Zaiqun \*  
Mdm. ZHANG Yanling \*  
Mr. GAO Yingxin  
Dr. FUNG Victor Kwok King \*\*  
Mr. KOH Beng Seng \*\*  
Mr. SHAN Weijian \*\*  
Mr. TUNG Chee Chen \*\*  
Mr. TUNG Savio Wai-Hok \*\*

*Registered Office:*

52nd Floor  
Bank of China Tower  
1 Garden Road  
Hong Kong

\* *Non-executive Directors*

\*\* *Independent Non-executive Directors*

12 April 2011

Dear Shareholder,

On behalf of the Board of Directors, I invite you to attend the AGM to be held on Wednesday, 25 May 2011 at 2:00 p.m. at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong. **The AGM offers a valuable opportunity for you to meet the members of our Board and senior management and to ask questions on the operation, management and other issues relating to the Group.**

The items of business to be considered at the AGM are described in detail in the notice of the AGM which follows this letter. **Your participation at the AGM is very important and you can exercise your right to vote whether you choose to attend the meeting or not.** If you are unable to attend the AGM in person, we encourage you to vote by completing and returning the enclosed proxy form. Even if you have done so, you may still attend and vote in person at the AGM if you so wish.

We believe sound corporate governance is crucial to our development in the long term and we aspire to a high standard of governance. **As part of our ongoing efforts to enhance our corporate governance and transparency, we have provided in this circular background information to the resolutions to be proposed at the AGM** (see Appendix I and Appendix III), **biographical details of the retiring Directors standing for re-election** (see Appendix II) **and information on voting and other issues relating to the AGM** in the form of "Frequently Asked Questions" (see Appendix IV) so that shareholders have a better understanding of their rights and can make an informed decision in relation to the subject matters of the AGM.

## LETTER FROM THE CHAIRMAN

**All resolutions put to shareholders at general meetings will be voted on by poll.** For such purpose, we have engaged Computershare Hong Kong Investor Services Limited, the Company's share registrar, to act as the scrutineer. **Results of the poll voting will be published on the Company's website at [www.bochk.com](http://www.bochk.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk).**

**The Board considers that all resolutions proposed for consideration and approval by the shareholders at the AGM are in the best interests of the Company and its shareholders as a whole.** Accordingly, the Board recommends the shareholders to vote in favour of the proposed resolutions.

We look forward to seeing you and answering your questions at the AGM.

Yours faithfully,  
**XIAO Gang**  
*Chairman*

## NOTICE OF ANNUAL GENERAL MEETING



### 中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

*(Incorporated in Hong Kong with limited liability)*

(the "Company")

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held on Wednesday, 25 May 2011 at 2:00 p.m. (registration will begin at 1:30 p.m.) at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong for the purpose of transacting the following business:

### ORDINARY BUSINESS

1. To receive and consider the audited Statement of Accounts and the Reports of Directors and of the Auditor of the Company for the year ended 31 December 2010.
2. To declare a final dividend of HK\$0.572 per share for the year ended 31 December 2010.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditor of the Company and authorise the Board of Directors or a duly authorised Committee of the Board to determine their remuneration.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following ordinary resolutions:

5. **"THAT:**
  - (A) subject to paragraph (B) of this Resolution, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
  - (B) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to:
    - (i) a Rights Issue; or
    - (ii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
    - (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the Articles of Association of the Company from time to time; or
    - (iv) any share option scheme or savings-based share option plans or similar arrangement for the time being adopted by the Company for the grant or issue to eligible participants of such scheme, plan or arrangement of Shares or rights to acquire Shares, including without limitation pursuant to the rules of the Company's 2002 Share Option Scheme and 2002 Sharesave Plan, both of which were adopted by shareholders of the Company on 10 July 2002,

shall not exceed the aggregate of:

- (a) 20% or, in the case of issue of Shares solely for cash and unrelated to any asset acquisition, 5% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and

## NOTICE OF ANNUAL GENERAL MEETING

- (b) (if the Board of Directors is so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of the issued share capital of the Company purchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution),

and the said approval shall be limited accordingly; and

(C) for the purpose of this Resolution:

- (i) "Relevant Period" means the period from (and including) the date of passing this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by any applicable law to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

- (ii) "Rights Issue" means an offer of Shares open for a period fixed by the Board of Directors to the holders of Shares whose names appear on the Register of Members of the Company (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase Shares on the relevant register) on a fixed record date in proportion to their holdings of such Shares (and, if appropriate, such warrants and other securities) as at that date (subject to such exclusions or other arrangements as the Board of Directors 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 applicable to the Company); and

- (iii) "Shares" means ordinary shares of HK\$5.00 each in the capital of the Company."

6. "THAT:

- (A) subject to paragraph (B) of this Resolution, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or any other stock exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time), be and is hereby generally and unconditionally approved;

- (B) the aggregate nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(C) for the purpose of this Resolution:

- (i) "Relevant Period" means the period from (and including) the date of passing this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or by any applicable law to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

- (ii) "Shares" means ordinary shares of HK\$5.00 each in the capital of the Company."



## NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional on the passing of Resolutions 5 and 6, the general mandate granted to the Board of Directors to exercise the powers of the Company to allot, issue, grant, distribute or otherwise deal with additional Shares in the Company pursuant to Resolution 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the issued share capital of the Company purchased by the Company under the general mandate granted pursuant to Resolution 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing Resolutions 5 and 6.”

By Order of the Board  
**CHAN Chun Ying**  
*Company Secretary*

Hong Kong, 12 April 2011

*Registered Office:*  
52nd Floor  
Bank of China Tower  
1 Garden Road  
Hong Kong

*Notes:*

1. All resolutions put to shareholders at general meetings will be voted on by poll.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy needs not be a member of the Company, but must attend the meeting in person to represent him/her.
3. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, should be deposited at the registered office of the Company at least 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting or any adjournment thereof should he/she so wish.
4. The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the proposed final dividend, from Friday, 20 May 2011 to Wednesday, 25 May 2011 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the proposed final dividend, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 19 May 2011.
5. In relation to Resolution 3, the biographical details of all the Directors to be re-elected at the Annual General Meeting are provided in the section headed "Board of Directors and Senior Management" of the Annual Report 2010 and also in Appendix II to this Circular. Further, the retiring Independent Non-executive Directors standing for re-election, namely, Dr. FUNG Victor Kwok King and Mr. SHAN Weijian, have given annual confirmations of their independence to the Company. The term of office of Dr. FUNG and Mr. SHAN, who were both appointed in 2002 will be more than 9 years if re-elected at the Annual General Meeting for a further term of approximately 3 years. Based on the information available to the Board, and by reference to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the "Policy on Independence of Directors" adopted by the Board which sets out certain criteria on independence of the Independent Non-executive Directors, the Board considers that Dr. FUNG and Mr. SHAN are independent. Further, in view of the extensive knowledge and experience of Dr. FUNG and Mr. SHAN, the Board believes that their re-election is in the best interests of the Company and its shareholders as a whole.
6. In relation to Resolution 6, an explanatory statement (as required by the Listing Rules) is set out in Appendix III of this circular.
7. By Resolutions 5 and 7, approval is being sought from members, as a general mandate in compliance with section 57B of the Companies Ordinance and the Listing Rules, so that in the event it becomes desirable for the Company to issue any new Shares, the Board of Directors is given the flexibility and discretion to allot and issue new Shares up to 20% or 5% (as the case may be) of the issued share capital of the Company, together with such number of Shares as may be purchased by the Company pursuant to the general mandate under Resolution 6, as more particularly described in Resolutions 5, 6 and 7.
8. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholding. Accordingly, investors who wish to have joint shareholding in the Company should bear in mind the above provision when they decide how they wish their shares to be registered.

## APPENDIX I BUSINESS OF ANNUAL GENERAL MEETING

### 1. Audited financial statements for the year ended 31 December 2010

The results of the Group for the year ended 31 December 2010 are set out in the Company's Annual Report 2010 and a summary thereof is contained in the Company's Summary Financial Report 2010. Both Reports are available in English and Chinese and may be downloaded from the Company's website at [www.bochk.com](http://www.bochk.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk). You may also obtain a copy of either Report (in English or Chinese or both) free of charge from the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or by way of email to [bochk.ecom@computershare.com.hk](mailto:bochk.ecom@computershare.com.hk).

If you have any queries about how to obtain copies of the Reports or how to access those documents on the Company's website, please call the Company's hotline at (852) 2846 2700.

### 2. Declaration of 2010 final dividend

The Board has recommended a final dividend of HK\$0.572 per Share which is subject to approval of shareholders at the AGM. If approved, the final dividend will be paid on Wednesday, 1 June 2011 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 25 May 2011. Together with the interim dividend of HK\$0.40 per Share declared in August 2010, the total dividend payout for 2010 would be HK\$0.972 per Share.

### 3. Re-election of Directors

In accordance with Article 98 of the Company's Articles of Association, at each annual general meeting, one-third of the Directors or the nearest number to but not less than one-third of the Directors shall retire from office by rotation and be eligible for re-election. Accordingly, Mr. HE Guangbei, Mr. LI Zaohang, Dr. FUNG Victor Kwok King and Mr. SHAN Weijian will retire by rotation at the AGM, and, being eligible, offer themselves for re-election. Notwithstanding the provisions of the Companies Ordinance, separate resolutions will be proposed for the re-election of each of the aforesaid retiring Directors who offer themselves for re-election.

Information on the biographical details of the retiring Directors standing for re-election and their attendance records at Board and Committee meetings (if any) is set out in Appendix II of this circular.

All of the retiring Non-executive Directors are appointed for a term of approximately 3 years subject to rotation in accordance with the Company's Articles of Association. The aforesaid 3 years term will commence from the date of the annual general meeting in the year when their respective original term expires until the date of the third annual general meeting thereafter. Formal letters of appointment are in place to set out the key terms and conditions in relation to their appointment. Mr. HE Guangbei, being an Executive Director, is appointed pursuant to a service agreement signed with the Company. Save and except the aforesaid, all of the other retiring Directors do not have service contracts with the Company.

As a Director of the Company, each of the retiring Directors is entitled to receive a Director's fee of HK\$200,000 per annum together with additional fees for any service on Board Committee(s), that is HK\$100,000 per annum as a Committee chairman and HK\$50,000 per annum as a Committee member. The level of aforesaid fees were determined with reference to the duties and responsibilities with the Company and prevailing market conditions, and were approved by the shareholders at previous general meetings of the Company. The emolument of Mr. HE as an Executive Director was determined by the Board or a duly authorised Board Committee with reference to his duties and responsibilities in the Group, the performance of the Company and himself, and prevailing market conditions.

The term of office of the retiring Independent Non-executive Director, namely, Dr. FUNG Victor Kwok King and Mr. SHAN Weijian who were both appointed in 2002, will be more than 9 years if they are re-elected at the AGM for a further term of approximately 3 years. Based on the information available to the Board, and by reference to the Listing Rules and the "Policy on Independence of Directors" adopted by the Board which sets out certain criteria on independence of the Independent Non-executive Directors, the Board considers that Dr. FUNG and Mr. SHAN are independent. Further, in view of the extensive knowledge and experience of Dr. FUNG and Mr. SHAN, the Board believes that their re-election is in the best interests of the Company and its shareholders as a whole.

Mr. HE Guangbei is currently a director of BOC Life, a company in which BOC holds an equity interest of 49% through a wholly owned subsidiary. Mr. LI Zaohang is an Executive Director and Executive Vice President of BOC. BOC is the Company's controlling shareholder. Save as disclosed aforesaid, none of the retiring Directors has any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

## APPENDIX I BUSINESS OF ANNUAL GENERAL MEETING

All of the retiring Directors are also directors of BOCHK, the principal operating subsidiary of the Company. In addition, Mr. HE Guangbei is also a director of some subsidiaries within the Group other than BOCHK (Please refer to his biographical details in Appendix II). Save as disclosed aforesaid, none of the retiring Directors hold any position with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. HE Guangbei held 100,000 Shares in the capital of the Company, representing approximately 0.001% of the issued share capital of the Company as at the Latest Practicable Date. In addition, Mr. LI Zaohang was granted options by BOC Hong Kong (BVI) Limited, the Company's immediate holding company, pursuant to a Pre-listing Share Option Scheme to purchase Shares of the Company. As at the Latest Practicable Date, Mr. LI had outstanding options to purchase 1,446,000 Shares pursuant to the said Scheme, representing approximately 0.014% of the issued share capital of the Company as at the Latest Practicable Date. Further details of such interests in the Shares of the Company are set out in the Report of the Directors of the Company's Annual Report 2010. Save as disclosed aforesaid, none of the retiring Directors has any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Finally, in respect of each of the retiring Directors, there is nothing which needs to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules nor is there anything which needs to be brought to the attention of the shareholders.

#### 4. Re-appointment of Auditor

Pursuant to the "Policy on External Auditors" adopted by the Board, the Audit Committee reviewed and monitored and was satisfied with the independence and objectivity of PricewaterhouseCoopers, the Group's external auditor, and the effectiveness of their audit procedures, based on the principles and standards set out in the policy that were in line with international best practices. Upon the recommendation of the Audit Committee, the Board will propose that PricewaterhouseCoopers be re-appointed as auditor of the Group at the AGM. Subject to authorisation by the shareholders, the Board will authorise the Audit Committee to determine the remuneration of PricewaterhouseCoopers.

For 2010, the fee charged by PricewaterhouseCoopers was HK\$39 million, of which HK\$31 million was for audit services and HK\$8 million related to other services. Among the said HK\$8 million, HK\$4 million of which was the fee charged by PricewaterhouseCoopers in relation to issue of subordinated notes by BOCHK. For 2009, the fee charged by PricewaterhouseCoopers was HK\$35 million, of which HK\$29 million was for audit services and HK\$6 million related to other services.

The Audit Committee was satisfied that the non-audit services did not affect the independence of PricewaterhouseCoopers. The amount paid to PricewaterhouseCoopers for non-audit services in 2010 comprised mainly the tax-related services fee of HK\$2 million, the fee incurred incidental to the issue of subordinated notes by BOCHK of HK\$4 million and miscellaneous non-audit services fee of HK\$2 million.

#### 5. General Mandates to issue and repurchase shares

In view of the investors' concern regarding the potential dilution of the shareholders' value arising from the exercise of power pursuant to the grant of a general mandate to the Board to issue Shares, in 2010, the Board has voluntarily reduced the general mandate to issue Shares to 5% of the issued share capital as compared to the 20% permitted under the Listing Rules in the event that the issue of Shares is for cash and not related to any acquisition of assets for approval by the shareholders at the 2010 annual general meeting. By resolutions passed by the shareholders at the annual general meeting of the Company held on 20 May 2010, the Board was granted general mandates (i) to allot, issue and otherwise deal with Shares up to 20%, or in the case of issue of Shares solely for cash and unrelated to any asset acquisition, 5% of the issued share capital of the Company as at the date of passing the said resolutions, plus the aggregate number of Shares purchased by the Company; and (ii) to purchase Shares of the Company on the Stock Exchange up to 10% of the issued share capital of the Company as at the date of passing the said resolutions. Under the Companies Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the AGM, unless renewed at that meeting.

Taking into account of investors' concern and on the basis of full commitment of the Company to adopt a high standard of corporate governance, the Board proposes, as in the previous year, to restrict the general mandate to issue and allot Shares up to 5% (as opposed to 20% permitted under the Listing Rules) of the Company's issued share capital as at the date of shareholders' approval if the Shares are issued solely for cash and unrelated to any asset acquisition but otherwise, the mandate will remain 20%. As further safeguard of shareholders' rights, the Board has adopted the following internal policies for the exercise of such power in the case of an issue of Shares solely for cash:

- (a) The Board will not exercise the mandate at a discount that will result in significant dilution of shareholders' value; and

## APPENDIX I BUSINESS OF ANNUAL GENERAL MEETING

- (b) The Board will have regard to factors such as the Group's capital adequacy ratio and in particular, its Tier 1 capital, cost and benefit of raising Tier 2 capital, need for cash for the Group's business development, the principle that shareholders should be treated equally and even handedly, pro-rata rights of shareholders and the alternative of doing a rights issue.

The exercise of the Share Repurchase Mandate, on the other hand, will generally lead to an enhancement in shareholders' value in terms of, among others, net assets or earnings per share and return on equity. Accordingly, the Board proposes to maintain the Share Repurchase Mandate at 10% of the Company's issued share capital as at the date of shareholders' approval, as in year 2010. Again, for good corporate governance, the Board has adopted the following internal policies for the exercise of such power:

- (a) The Board will exercise the power upon the occurrence of the triggering events, namely:
- Market price of the Shares is lower than the fair value of the Shares.
  - The Group has surplus funds which is in excess of its short to mid term development requirements.
  - The Board considers it proper and appropriate to exercise the power for enhancing the return on equity or net assets or earnings per Share of the Company.
- (b) In general, such purchases will be made on the Stock Exchange. However, if it is expected that the size of the purchases may lead to a disorderly market for the Shares, then the Board will consider to make the purchases through a general offer, i.e. in proportion to the shareholding of all existing shareholders.
- (c) The purchase price should not be higher than the fair value of the Shares.

As at the Latest Practicable Date, the issued share capital of the Company comprised 10,572,780,266 Shares. Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares would be issued or repurchased prior to the AGM, exercise in full of the 20% and 5% general mandate to issue shares would result in the issue of 2,114,556,053 and 528,639,013 Shares respectively and the exercise in full of the Share Repurchase Mandate would result in the repurchase of 1,057,278,026 Shares.

The full text of the resolutions to renew the general mandate to allot and issue Shares and the Share Repurchase Mandate is set out in the notice of the AGM contained in this circular. The explanatory statement required by the Listing Rules to be sent to shareholders in connection with the Share Repurchase Mandate is set out in Appendix III to this circular.

## APPENDIX II BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS STANDING FOR RE-ELECTION

To enable shareholders to make an informed decision on the re-election of the retiring Directors who offer themselves for re-election at the AGM, we set out below the biographical details and attendance records at Board and Committee meetings (if any) of such retiring Directors for the information of shareholders.

**1. Mr. HE Guangbei, Vice Chairman and Chief Executive**

Aged 56 and appointed on 17 June 2002 as Non-executive Director and on 28 May 2003 as Vice Chairman and Chief Executive, is charged with overall responsibility for the business and operations of BOCHK and a member of the Strategy and Budget Committee of the Company and BOCHK. He is also Chairman of NCB (China), Chiyu and BOC Life, Vice Chairman of Hong Kong General Chamber of Commerce, and Director of Hong Kong Interbank Clearing Limited, HKICL Services Limited and Hong Kong Note Printing Limited. He is the designated representative of BOCHK to the Hong Kong Association of Banks where he serves as the presiding Chairman in 2011. He holds various public positions which include member of the HKMA Exchange Fund Advisory Committee, Banking Advisory Committee and Hong Kong Government Commission on Strategic Development, Honorary President of the Hong Kong Chinese Enterprises Association, general committee member of the Hong Kong General Chamber of Commerce and member of Hong Kong-Japan Business Co-operation Committee. Mr. HE joined BOC in 1980 and since then, he has assumed various positions at BOC and was posted to its New York Branch and Paris Branch. He was Managing Director of BOC from 1999 to 2004 and Executive Vice President from 2000 to 2003. Mr. HE graduated from the Beijing Second Foreign Languages Institute in 1979 with a Bachelor's Degree and obtained a Master's Degree in International Management Studies from the University of Texas at Dallas in 1985.

Mr. HE has attended all 7 Board meetings and all 7 Strategy and Budget Committee meetings held in 2010.

**2. Mr. LI Zaohang, Non-executive Director**

Aged 55 and appointed on 17 June 2002, is a Non-executive Director and a member of the Risk Committee and the Nomination and Remuneration Committee of the Company and BOCHK. He joined China Construction Bank ("CCB") in 1980 and had held various positions including Manager, Branch Manager, General Managers of various departments at CCB's Head Office and Executive Vice President. In 2000, Mr. LI joined BOC as Executive Vice President and has served as Managing Director and Executive Director successively. Mr. LI graduated from Nanjing University of Information Science and Technology.

Mr. LI has attended 6 out of 7 Board meetings, 6 out of 7 Risk Committee meetings and 5 out of 6 Nomination and Remuneration Committee meetings held in 2010.

**3. Dr. FUNG Victor Kwok King, Independent Non-executive Director**

Aged 65 and appointed on 17 June 2002, is an Independent Non-executive Director and a member of the Audit Committee and the Nomination and Remuneration Committee of the Company and BOCHK. Dr. FUNG holds Bachelor's and Master's Degrees in Electrical Engineering from the Massachusetts Institute of Technology and a Doctorate in Business Economics from Harvard University. He is Group Chairman of Li & Fung group of companies, including publicly listed Li & Fung Limited, Trinity Limited, Convenience Retail Asia Limited and Integrated Distribution Services Group Limited (which was privatised in October 2010). He is also an Independent Non-executive Director of Baosteel Group Corporation in PRC. He retired as Independent Non-executive Director of Orient Overseas (International) Limited and CapitaLand Limited in April 2009 and April 2010 respectively, and Non-executive Director of Hup Soon Global Corporation Limited in April 2009. In public service, Dr. FUNG is Honorary Chairman of International Chamber of Commerce. He is a member of the Chinese People's Political Consultative Conference and a vice chairman of China Centre for International Economic Exchanges. He is a member of the Commission on Strategic Development of the Hong Kong Government. Dr. FUNG is also Chairman of the Greater Pearl River Delta Business Council. From 1991 to 2000, he was Chairman of the Hong Kong Trade Development Council and from 1996 to 2003, he was the Hong Kong representative on the APEC Business Advisory Council. He was also Chairman of the Hong Kong Airport Authority from June 1999 to May 2008, Chairman of the Council of The University of Hong Kong from September 2001 to November 2009, Chairman of the International Chamber of Commerce from July 2008 to June 2010 and Chairman of the Hong Kong-Japan Business Co-operation Committee from September 2004 to September 2010. The Hong Kong Government awarded Dr. FUNG the Gold Bauhinia Star and Grand Bauhinia Medal in 2003 and 2010 respectively for his distinguished services to the community.

Dr. FUNG has attended 6 out of 7 Board meetings, 5 out of 6 Audit Committee meetings and 4 out of 6 Nomination and Remuneration Committee meetings held in 2010.

**4. Mr. SHAN Weijian, *Independent Non-executive Director***

Aged 57 and appointed on 17 June 2002, is an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Company and BOCHK. Mr. SHAN is the Chairman and Chief Executive Officer of PAG, an investment firm. He is director of a number of companies, including TCC International Holdings Limited, Changhwa Commercial Bank, Ltd., Taiwan Cement Corporation and Taishin Financial Holdings Co., Ltd. He was senior Partner of TPG, Co-Managing Partner of Newbridge Capital, Managing Director of JP Morgan, an assistant professor at the Wharton School of the University of Pennsylvania and an Investment Officer at the World Bank in Washington DC. Mr. SHAN graduated from the Beijing Institute of Foreign Trade with a major in English in 1979. He obtained a Master's Degree in Business Administration from the University of San Francisco in 1981, and received a Master of Arts Degree in Economics and a PhD Degree in Business Administration from the University of California at Berkeley in 1984 and 1987 respectively.

Mr. SHAN has attended all 7 Board meetings, all 6 Audit Committee meetings and 5 out of 6 Nomination and Remuneration Committees meetings held in 2010.

## APPENDIX III EXPLANATORY STATEMENT FOR SHARE REPURCHASE MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to shareholders for their consideration of the Share Repurchase Mandate which permits the purchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Share Repurchase Resolution. The Listing Rules provide that all purchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the board of directors of the company to make such purchases.

This Appendix also constitutes a memorandum of the terms of the Share Repurchase Mandate as required under Section 49BA of the Companies Ordinance.

### 1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 10,572,780,266 Shares.

Subject to the passing of the Share Repurchase Resolution and on the basis that no further Shares would be issued prior to the AGM, the Company would be allowed under the Share Repurchase Resolution to purchase a maximum of 1,057,278,026 Shares based on the issued share capital of the Company as at the Latest Practicable Date.

### 2. REASONS FOR SHARE REPURCHASE

The Board of Directors believes that the Share Repurchase Mandate is in the interests of the Company and its shareholders as a whole. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Board of Directors believes that such a purchase will benefit the Company and its shareholders as a whole.

### 3. FUNDING OF PURCHASES

In purchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount paid in connection with a purchase may only be made from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the purchase to the extent permissible under the Companies Ordinance.

If the Share Repurchase Mandate were to be carried out in full at any time during the proposed purchase period, the Board of Directors will ensure that there will not be any material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts of the Company for the year ended 31 December 2010.

### 4. SHARE PRICE

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date and up to the Latest Practicable Date were as follows:

	Share Price (HK\$)	
	Highest	Lowest
<b>2010</b>		
March	19.32	17.46
April	19.50	18.54
May	18.96	16.16
June	18.46	16.82
July	20.30	17.50
August	21.40	19.50
September	24.80	20.45
October	26.20	23.85
November	29.40	24.45
December	28.20	25.50
<b>2011</b>		
January	28.35	24.60
February	25.55	22.90
March (made up to the Latest Practicable Date)	25.60	23.40



**5. UNDERTAKING**

The Board of Directors has undertaken to the Stock Exchange that, so far as the same may be applicable, it will exercise the powers of the Company to make purchases pursuant to the Share Repurchase Mandate and in accordance with the Listing Rules, the applicable laws of Hong Kong and the regulations set out in the Memorandum and Articles of Association of the Company.

None of the Directors and, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company if the Share Repurchase Mandate is granted by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company. Save and except the Directors, no connected persons have undertaken not to sell any Shares held by them to the Company, in the event that the Share Repurchase Mandate is granted by the shareholders.

**6. EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

The Board of Directors is not aware of any consequences which the exercise in full of the Share Repurchase Mandate would have under the Hong Kong Code on Takeovers and Mergers. Based on the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance, as at the Latest Practicable Date, Central Huijin beneficially owned Shares representing approximately 66.06% of the issued share capital of the Company. If the Board were to exercise the Share Repurchase Mandate in full, Central Huijin's percentage shareholding in the Company would be increased to approximately 73.40%. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Hong Kong Code on Takeovers and Mergers.

The Board of Directors shall ensure that no purchase of Shares would result in the aggregate number of Shares held by public shareholders falling below the minimum percentage specified by the Stock Exchange in respect of the Company.

**7. PURCHASES MADE BY THE COMPANY**

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the 6 months preceding the date of this circular.



## APPENDIX IV FREQUENTLY ASKED QUESTIONS ON VOTING AND ANNUAL GENERAL MEETING

**Q : AM I ENTITLED TO VOTE?**

**A :** You are entitled to vote if you are a holder of Shares as of the record date on Wednesday, 25 May 2011.

**Q : HOW CAN I VOTE?**

**A :** How you vote depends on whether you are a registered or non-registered shareholder. You are a registered shareholder if you have a share certificate registered in your name. You are a non-registered shareholder if your shares are registered in the name of an intermediary (for example, a bank, a trustee or a securities broker). Please refer to the following Q&As on how to exercise your right to vote in either case.

**Q : HOW CAN I VOTE IF I AM A REGISTERED SHAREHOLDER?**

**A :** As a registered shareholder, you may vote in one of several ways:

(a) Attend the meeting

You are entitled to attend the AGM and cast your vote in person. In the case of corporate shareholder, the corporation must have submitted a properly executed proxy or appointment of corporate representative.

OR

(b) By proxy

If you do not plan to attend the AGM, you may cast your vote by proxy in one of two ways:

- You may authorise the Chairman of the AGM to vote your shares. You may convey your voting instructions by completing the enclosed proxy form in full, sign and return it to the registered office of the Company; OR
- You may appoint some other person to attend the AGM and vote your shares on your behalf. You may appoint up to two proxies to represent you. Your proxy needs not be a shareholder of the Company but he/she must attend the AGM in person. If you choose this option, you should print your appointee's name in the blank space on the enclosed proxy form, and complete and return the proxy form by following the detailed instructions stated on the proxy form.

To ensure that your vote is recorded, your proxy must be received by the Company no later than 2:00 p.m. on Monday, 23 May 2011.

**Q : HOW CAN I VOTE IF I AM A NON-REGISTERED SHAREHOLDER?**

**A :** If you are a non-registered shareholder and your shares are held by an intermediary (for example, a bank, a trustee or a securities broker), you will not receive a proxy form. You should contact the intermediary if you wish to vote.

**Q : HOW WILL MY SHARES BE VOTED IF I RETURN A PROXY FORM?**

**A :** By properly completing and returning a proxy form, you are authorising the person named in the proxy to attend the AGM and to vote your Shares. The Shares represented by your proxy form must be voted as you instruct in the form. If you do not specify in the proxy form how you wish the votes cast, your proxy will exercise his/her discretion as to how he/she may vote.

**Q : CAN I REVOKE A PROXY?**

**A :** If you are a registered shareholder and have returned a proxy form, you may revoke it by completing and signing a proxy form bearing a later date, and delivering it to the Company's registered office. However, in order to be valid, this latter proxy form should be received by the Company no later than 2:00 p.m. on Monday, 23 May 2011.

If you are a non-registered shareholder, you may revoke a proxy or voting instruction given to an intermediary by written notice to the intermediary, provided that the revocation is received before the deadline prescribed by the intermediary for such purpose.

**Q : CAN I ATTEND AND VOTE AT THE AGM IF I HAVE RETURNED A PROXY FORM?**

**A :** Even if you have completed and returned a proxy form, you can still attend and vote in person at the AGM if you so wish.

## APPENDIX IV FREQUENTLY ASKED QUESTIONS ON VOTING AND ANNUAL GENERAL MEETING

**Q : HOW ARE VOTES TAKEN AT THE AGM?**

**A :** All resolutions put to shareholders at general meetings will be voted on by poll.

**Q : HOW CAN I KNOW THE OUTCOME OF THE POLL RESULTS?**

**A :** The outcome of the poll results will be posted on the Company's website at [www.bochk.com](http://www.bochk.com) and the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) as soon as practicable following conclusion of the vote-counting.

**Q : HOW CAN I PUT FORWARD A PROPOSAL FOR CONSIDERATION BY THE SHAREHOLDERS AT A GENERAL MEETING?**

**A :** The following persons (the "Requisitionists") are entitled to put forward a proposal (which may properly be put to the meeting) for consideration by the shareholders at a general meeting:

- (a) any shareholders holding together at least 2.5% of the Company's issued share capital; or
- (b) any group of at least 50 shareholders holding together at least 20,000 Shares of the Company.

The request must be made in writing, signed by the Requisitionists and received by the Company not less than six weeks before the meeting if it is proposed to pass a resolution or not less than one week before the meeting in all other cases. The requisitionists must deposit a sum reasonably sufficient to meet the Company's expenses in complying with such request.

**Q : HOW CAN I CONVENE AN EXTRAORDINARY GENERAL MEETING?**

**A :** Any shareholders holding together at least 5% of the Company's issued share capital may request the Directors to convene an extraordinary general meeting. The requisition must state the objects of the meeting, be signed by the requisitioner(s) and deposited at the registered office of the Company. The Directors shall, within 21 days of the deposit of the requisition, call a general meeting to be held within a further period of 28 days.

**Q : WHAT IF I HAVE A QUESTION?**

**A :** If you have any questions regarding the AGM, please contact the Company Secretary as follows:

Address : 52nd Floor, Bank of China Tower,  
1 Garden Road, Hong Kong

Tel. No : (852) 2846 2700

Fax No. : (852) 2810 5830

Email : [investor\\_relations@bochk.com](mailto:investor_relations@bochk.com)