

**BOC HONG KONG (HOLDINGS) LIMITED**  
**(THE “COMPANY”)**  
**QUESTION AND ANSWER SESSION IMMEDIATELY AFTER**  
**ANNUAL GENERAL MEETING HELD ON 29 MAY 2012**

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**Attendance:**       **Executive Directors:**  
Mr. He Guangbei (Chief Executive)  
Mr. Gao Yingxin (Deputy Chief Executive)

**Senior Management:**  
Mr. Zhuo Chengwen (Chief Financial Officer)  
Mr. Wong See Hong David (Deputy Chief Executive)  
Mr. Yeung Jason Chi Wai (Deputy Chief Executive)  
Mr. Lee Wing Kwai Alex (Chief Operating Officer)  
Mdm. Zhu Yanlai (Assistant Chief Executive)

**Company Secretary:**  
Mr. Chan Chun Ying

Immediately after the annual general meeting held on 29 May 2012, Mr. He Guangbei, Vice Chairman and Chief Executive of the Company (together with its subsidiaries, collectively defined as the “**Group**”), took the chair of the Question and Answer session. CE He together with Mr. Gao Yingxin, Executive Director and Deputy Chief Executive, and the management, as authorised by the Board and Chairpersons of the Board’s committees, attended the Question and Answer session and answered the following questions raised by shareholders:

1. A shareholder expressed his concerns that the Group’s profit for 2011 was included a write-back of the provision made for the Lehman minibond incident in 2010 and wondered if the Group’s profit growth for 2012 would be sustainable. In addition, he also enquired whether the Group would consider adopting progressive dividend policy.

CE He replied that the Group’s profit reached a record high last year even excluding the impact on Lehman minibond incident and also performed well for the first quarter of 2012 as compared to the same period of last year. He

pointed out that given the global economic environment was relatively severe, particularly the evolving Eurozone debt crisis suppressed the growth of global economy. Meanwhile, the economic growth in Mainland had also slowed down as compared to the corresponding period of last year. All those factors had brought into negative impact on the Group's operating environment. He expressed his understanding on the shareholders' expectation for a higher profit to be achieved by the Group. He stressed that the management would continue to strive their best to pursue a record-high return for shareholders even facing volatile market conditions.

As regards to the shareholder's query on whether the Group would consider adopting progressive dividend policy, CE He indicated that the Group's dividend payout ratio had been maintaining in the range of 60% to 70%. Under such dividend policy, further increase of the dividend amount could be achieved by strengthening the Group's business performance and enhancing its profitability. In fact, the Group had already well achieved those targets in the past two to three years. He would expect the growth prospects could continue to remain sound in future. CE He also expressed much appreciation for the continuous support of the shareholders to the Group even under economic uncertainty. The management would overcome challenges with shareholders' support and strive to fulfill the Group's dividend commitments.

2. A shareholder wondered whether there would be any risk exposure of the Group to European countries and any impact on the Group imposed by the Basel III requirements.

CE He indicated that the recent situation in European countries was intricate, particularly due to the political instability in Greece. He added that the Group did not have any bond exposure to PIIGS (i.e. Portugal, Italy, Ireland, Greece and Spain) save for certain short-term trade finance business transactions with several regional banks in Europe, whereas the level of risk was well contained. CE He opined that implementation of the Basel III requirements would further enhance the financial stability of international financial institutions. The Group had been maintaining a strong and stable capital adequacy ratio that would be sufficient to meet the requirements imposed by Basel III.

3. In respect of the upcoming promulgation of a new policy on the cross-border RMB trade financing in Qianhai, Shenzhen, a shareholder asked if the Group had provided any loans to any Shenzhen enterprises and prepared for developing the captioned business.

DCE Gao replied that he had noticed the relevant news. The management had been proactively conducting researches in this regard while awaiting for the formal launch of such new RMB policy. CE He supplemented that an increasing number of customers in Mainland and Hong Kong would look forward to using RMB for loan financing and settlement, the Group was capable of rolling out relevant products and services upon formal announcement of relevant policy.

4. A shareholder expressed his appreciation of the promising dividend as declared by the Company and wondered if the management would have any strategies to increase the Company's stock price.

CE He thanked the shareholder for his recognition in respect of the Group's dividend policy. He, however, emphasised that the management could not have any direct control over the Company's stock price which would be fluctuated and affected by multiple factors, including the Group's business strategies as implemented and the operating performance being achieved. CE He was also pleased to inform the shareholders that the Group's ranking in The World's Strongest Bank, which was recently published by Bloomberg Markets Magazine, had been upgraded from the tenth last year to the second this year. He would expect that the announcement of such good news as well as the continuous devotion of management's efforts to the Group could be properly reflected in the stock price so as to bring higher returns to shareholders.

5. A shareholder stated that most shareholders were looking forward to receiving souvenirs (gift coupons) at the annual general meeting held by the Company. However, some shareholders who came late were only given a collection letter for redemption of the gift coupons at the office of the Share Registrar. He hoped that the management could make alternative arrangements to facilitate those elderly shareholders or those shareholders who were living outside Hong Kong Island for redemption of such gift coupons.

Secretary Chan explained that the number of participants of the annual general meeting had kept increasing significantly every year. Particularly, the number of

participants recorded for this year far exceeded the average increase over the past few years. Secretary Chan thanked the shareholder for his suggestion and recommended the shareholders who might need personalised arrangements for coupons redemption to leave their contacts to the staff for taking follow up actions. The Group would be pleased to assist the shareholders in handling of relevant redemption. CE He also took this opportunity to thank the shareholders for their active participation in the Group's annual general meeting.

*Postscript:*

*The Group had already made appropriate arrangements for the shareholders concerned to collect the gift coupons through various BOCHK's branches in early June.*

6. A shareholder would like to have the Bank of China Tower (the “**BOC Tower**”) opened to shareholders for visit.

DCE Yeung introduced that an observation deck on the 43rd floor of the BOC Tower was open to the public during office hours and a model showing the 1990s Central district was also displayed on that floor. As other floors had been taken up as the Group's offices or leased out to external parties, and therefore unable to open to the public. Besides, the public could also visit the “Hong Kong National Geopark - Prehistoric Story Room” located at the lobby level of the BOC Tower which was organised by Association for Geoconservation, Hong Kong and fully sponsored by BOCHK Charitable Foundation.

7. In addition, individual shareholders had expressed their views and suggestions with regard to the provision of RMB products and services by the Group to individual customers, subscription of the Commemorative Banknotes in Celebration of the Centenary of Bank of China, as well as the transactions handling efficiency at BOCHK's branches. Following the comments made by shareholders, the management of the Group concerned had responded to relevant shareholders on particular business and events. Individual shareholders had left their contact details to the Group for taking follow up actions.