

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 2012 or the Summary Financial Report 2012 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.

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**Notice of Annual General Meeting,
Proposed Re-election of Retiring Directors,
Proposed Appointment of Auditor
and
Proposed General Mandates to Issue and Repurchase Shares**

A notice convening the Annual General Meeting of BOC Hong Kong (Holdings) Limited to be held at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 28 May 2013 at 2:00 p.m. (registration will begin at 1:15 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 Tuesday, 28 May 2013 at 2:00 p.m. (registration will begin at 1:15 p.m.) at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, 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 (BVI)”	means BOC Hong Kong (BVI) Limited, a company incorporated under the laws of the British Virgin Islands, the immediate holding company of the Company and a wholly-owned subsidiary of BOCHKG;
“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;
“BOCHKG”	means BOC Hong Kong (Group) Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC;
“BOCI”	means BOC International Holdings Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC;
“BOCG Insurance”	means Bank of China Group Insurance Company Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOC;
“Central Huijin”	means Central Huijin Investment Ltd.;
“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 Hong Kong Stock Exchange;
“Director(s)”	means the director(s) of the Company;
“Group”	means the Company and its subsidiaries;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Latest Practicable Date”	means 3 April 2013, 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;

DEFINITIONS

“Nanyang”	means Nanyang Commercial Bank, Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of BOCHK;
“NCB (China)”	means Nanyang Commercial Bank (China), Limited, a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company;
“PRC”	means the People’s Republic of China;
“SFO”	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“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 BOARD



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) * *(resignation effective from 17 March 2013)*

Mr. LI Lihui (Vice Chairman) *

Mr. HE Guangbei (Vice Chairman and Chief Executive)

Mr. LI Zaohang *

Mr. ZHOU Zaiqun *

Mr. CHEN Siqing *

Mr. GAO Yingxin

Dr. FUNG Victor Kwok King **

Mr. KOH Beng Seng **

Mr. NING Gaoning **

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*

15 April 2013

Dear Shareholders,

The Board invites you to attend the AGM to be held on Tuesday, 28 May 2013 at 2:00 p.m. at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, 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, the Board encourages 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.

The Board believes sound corporate governance is crucial to our development in the long term and aspires 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 BOARD

All resolutions put to shareholders at the AGM will be voted on by poll. For such purpose, the Company has 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 and the Stock Exchange's website at 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,
On behalf of the Board
LI Lihui
Vice 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 Tuesday, 28 May 2013 at 2:00 p.m. (registration will begin at 1:15 p.m.) at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong for the purpose of transacting the following businesses:

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 2012.
2. To declare a final dividend of HK\$0.693 per share for the year ended 31 December 2012.
3. To re-elect Directors.
4. To appoint Messrs. Ernst & Young as Auditor of the Company and authorise the Board of Directors or a duly authorised Committee of the Board to determine the remuneration of the Auditor.

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 (if applicable) for the grant or issue to eligible participants of such scheme, plan or arrangement of Shares or rights to acquire Shares,

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 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 of Hong Kong Limited 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 of Hong Kong Limited (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, 15 April 2013

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

Notes:

1. All resolutions put to shareholders at the annual general meeting 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 need not be a member of the Company, but must attend the meeting in person to represent member.
3. In order to be valid, the instrument appointing a proxy together with the duly signed power of attorney or other authority, if any, or a notarially certified copy of such documents, 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 attend and vote at the meeting, from Thursday, 23 May 2013 to Tuesday, 28 May 2013 (both days inclusive), during which period no transfer of shares will be registered. In order to attend and vote at the meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged 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 Wednesday, 22 May 2013.
5. The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the proposed final dividend, from Monday, 3 June 2013 to Thursday, 6 June 2013 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged 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 Friday, 31 May 2013.
6. In relation to Resolution 3, the biographical details of all the retiring Directors are provided in the section headed "Board of Directors and Senior Management" of the Company's Annual Report 2012 and also in Appendix II to this circular. Further, Mr. SHAN Weijian, the retiring Independent Non-executive Director, who was appointed in 2002, has been serving the Board of the Company for more than 9 years. Mr. SHAN has given the annual confirmation of independence to the Company. Based on such confirmation and the information available to the Board, and by reference to the "Policy on Independence of Directors" adopted by the Board which sets out more stringent independence criteria than those contained in the Listing Rules, the Board considers that Mr. SHAN is independent. In addition, Mr. NING Gaoning, another retiring Independent Non-executive Director, has also given the annual confirmation of independence to the Company. In view of the extensive knowledge and experience of Mr. SHAN and Mr. NING, the Board believes that the re-election of Mr. SHAN and Mr. NING is in the best interests of the Company and its shareholders as a whole.
7. In relation to Resolution 6, an explanatory statement (as required by the Listing Rules) is set out in Appendix III to this circular.

NOTICE OF ANNUAL GENERAL MEETING

8. 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.
9. In case of joint shareholding, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority shall 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 the way in which their names being provided for share registration.

APPENDIX I BUSINESS OF ANNUAL GENERAL MEETING

1. Audited financial statements for the year ended 31 December 2012

The results of the Group for the year ended 31 December 2012 are set out in the Company's Annual Report 2012 and a summary thereof is contained in the Company's Summary Financial Report 2012. Both Reports are available in English and Chinese and may be downloaded from the Company's website at www.bochk.com and the Stock Exchange's website at 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 sending your request via email to bochk.ecom@computershare.com.hk.

If you have any queries about the collection of the Reports or the access of those corporate communications on the Company's website, please call the Company's hotline at (852) 2846 2700.

2. Declaration of 2012 final dividend

The Board has recommended a final dividend of HK\$0.693 per Share subject to approval of shareholders at the AGM. If approved, the final dividend will be paid on Friday, 14 June 2013 to shareholders whose names appear on the Register of Members of the Company on Thursday, 6 June 2013. Together with the interim dividend of HK\$0.545 per Share declared in August 2012, the total dividend payout for 2012 would be HK\$1.238 per Share.

3. Proposed re-election of retiring Directors

In accordance with Article 103 of the Company's Articles of Association, any Director newly appointed by the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election. Accordingly, Mr. NING Gaoning, being a Director so appointed during the year, shall retire at the AGM and, being eligible, offer himself for election.

In accordance with Article 98 of the Articles of Association and pursuant to Code A.4.2 of the Corporate Governance Code, Mr. LI Lihui, Mr. GAO Yingxin, Mr. SHAN Weijian and Mr. TUNG Chee Chen will retire by rotation at the AGM. Mr. TUNG Chee Chen has notified the Company that he has decided not to stand for re-election at the AGM. The other three retiring Directors, being eligible, will offer themselves for re-election. Separate resolutions will be proposed at the AGM for the re-election of each of the aforesaid retiring Directors who will offer themselves for re-election.

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

All of the retiring Directors are appointed for a term of approximately 3 years subject to rotation in accordance with the Company's Articles of Association and pursuant to the relevant requirements of the Listing Rules. The aforesaid 3-year term will commence from the date of the AGM at which 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 respective appointments. Mr. GAO Yingxin, being an Executive Director, is appointed pursuant to a service agreement entered into with the Company. Save for Mr. GAO, all of the other retiring Directors do not have any 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 rendered for the Board Committee(s), such fees are HK\$100,000 per annum for serving as a Committee chairman and HK\$50,000 per annum for serving as a Committee member. The present scale of Director's 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. GAO Yingxin 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. Details of emoluments of the retiring Directors are disclosed in Note 21 to the Financial Statements of the Company's Annual Report 2012.

Mr. SHAN Weijian, the retiring Independent Non-executive Director, who was appointed in 2002, has been serving the Board of the Company for more than 9 years. Mr. SHAN has given the annual confirmation of independence to the Company. Based on such confirmation and the information available to the Board, and by reference to the "Policy on Independence of Directors" adopted by the Board which sets out more stringent independence criteria than those contained in the Listing Rules, the Board considers that Mr. SHAN is independent. In addition, Mr. NING Gaoning, another retiring Independent Non-executive Director, has also given the annual confirmation of independence to the Company. In view of the extensive knowledge and experience of Mr. SHAN and Mr. NING, the Board believes that the re-election of Mr. SHAN and Mr. NING is in the best interests of the Company and its shareholders as a whole.

APPENDIX I BUSINESS OF ANNUAL GENERAL MEETING

Mr. LI Lihui is currently the Vice Chairman and the President of BOC, and also a Director of BOC (BVI) and BOCHK, the substantial shareholders of the Company within the meaning of Part XV of the SFO. In addition, Mr. GAO Yingxin is currently a Director of BOCG Insurance, a wholly-owned subsidiary of BOC. BOC is the controlling shareholder of the Company within the meaning of Part XV of the SFO. Save as disclosed above and in the biographical details of the retiring Directors set out in Appendix II to this circular, none of the retiring Directors has any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

All of the retiring Directors are also directors of BOCHK, the principal operating subsidiary of the Company. In addition, Mr. GAO Yingxin is also a director of certain subsidiaries of the Group. Save as disclosed above and in the biographical details of the retiring Directors set out in Appendix II to this circular, none of the retiring Directors hold any position with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. NING Gaoning had family interests in 25,000 Shares, representing approximately 0.0002% of the issued share capital of the Company. Further details of such interests in the Shares are set out in the Report of the Directors of the Company's Annual Report 2012. Save as disclosed above, none of the retiring Directors has any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters concerning the retiring Directors that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to the requirements of Listing Rule 13.51(2).

4. Proposed appointment of auditor

Messrs. PricewaterhouseCoopers ("PwC") will retire as auditor of the Company upon expiration of its current term of office at the close of the AGM.

On 25 March 2013, the Board resolved, with the recommendation from the Audit Committee of the Company, to propose the appointment of Messrs. Ernst & Young as the new auditor of the Company (the "Proposed Appointment") to fill the vacancy immediately following the retirement of PwC and to hold office until the conclusion of the next forthcoming annual general meeting of the Company, subject to the approval of shareholders of the Company at the AGM.

The Company has received a confirmation from PwC that there are no matters which PwC needs to bring to the attention of the shareholders of the Company in relation to the change of auditor of the Company. The Board has also confirmed that there is no disagreement between PwC and the Company, and there are no other matters in respect of the Proposed Appointment that need to be brought to the attention of shareholders of the Company.

Pursuant to relevant requirements issued by the Ministry of Finance of the PRC on the tenure of service of an auditor engaged by a financial institution, there are restrictions on the term of audit services provided by an accounting firm to a state-owned and state-controlled financial enterprise (the "PRC Requirements"). Accordingly, BOC, a joint stock commercial bank with limited liability established under the laws of the PRC primarily engaged in commercial banking activities, and a controlling shareholder of the Company, appointed Messrs. Ernst & Young Hua Ming as its auditor for the year 2013 at the second extraordinary general meeting of BOC held on 25 October 2012 with a view to complying with the PRC Requirements.

The Board is of the view that the Proposed Appointment would align the audit arrangements between the Company and BOC with a view to enhancing the efficiency of the audit services which would be in the best interests of the Company as well as its shareholders as a whole.

Pursuant to the "Policy on External Auditor Management" adopted by the Board, the Audit Committee reviewed and monitored and was satisfied with the independence and professionalism of Messrs. Ernst & Young, based on the principles and standards set out in the said Policy that were in line with international best practices. Subject to authorisation by the shareholders, the Board will authorise the Audit Committee to determine the remuneration of Messrs. Ernst & Young.

For 2012, the fee paid by the Group to PwC was HK\$37 million, of which HK\$33 million was for audit services and HK\$4 million related to other services. For 2011, the fee charged by PwC was HK\$38 million, of which HK\$32 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 PwC. The amount paid to PwC for non-audit services in 2012 comprised mainly the tax-related services fee of approximately HK\$2 million, and other non-audit services fee of approximately HK\$2 million.

5. General mandates to issue and repurchase Shares

The Board is aware of the investors' concerns regarding the potential dilution of the shareholders' value arising from the exercise of power pursuant to the grant of a general mandate to issue Shares. In 2012, the Board had voluntarily restricted the general mandate to issue Shares to 5% (as opposed to 20% permitted under the Listing Rules) of the issued share capital of the Company for approval by shareholders at the 2012 annual general meeting if the Shares are issued solely for cash and unrelated to any asset acquisition, otherwise the mandate to issue Shares will remain at 20%.

At the annual general meeting of the Company held on 29 May 2012, 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 thereof, plus the aggregate number of Shares purchased by the Company; and (ii) to purchase Shares on the Stock Exchange up to 10% of the issued share capital of the Company as at the date thereof. 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 consideration of the above 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 issued share capital of the Company as at the date of passing the relevant resolutions if the Shares are issued solely for cash and unrelated to any asset acquisition, otherwise the mandate to issue Shares will remain at 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
- (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, 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 2012. 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 shareholders' information.

1. **Mr. LI Lihui**, *Vice Chairman*

Born in 1952 and appointed on 26 June 2009, is the Vice Chairman of the Board of Directors and a member of the Nomination and Remuneration Committee of the Company and BOCHK. He is currently the Vice Chairman and the President of BOC and a Director of BOC (BVI) and BOCHKG. Prior to joining BOC in August 2004, Mr. LI served as the Deputy Governor of Hainan Province from September 2002 to August 2004. Mr. LI was an Executive Vice President of Industrial and Commercial Bank of China ("ICBC") from July 1994 to September 2002 and served in a number of positions at ICBC from January 1989 to July 1994, including the Deputy General Manager of the Fujian Branch, the Chief Representative of the Singapore Representative Office and the General Manager of the International Business Department. Mr. LI graduated from the Economics Department of Xiamen University in 1977 and obtained a Doctorate in Economics from the Guanghua School of Management of Peking University in 1999.

Mr. LI attended all 7 Board meetings and 5 out of 6 Nomination and Remuneration Committee meetings held in 2012.

2. **Mr. GAO Yingxin**, *Executive Director*

Aged 50 and appointed on 25 May 2007, is an Executive Director of the Company and BOCHK as well as the Deputy Chief Executive in charge of Corporate Banking and Financial Institutions. He is also Vice Chairman of NCB (China) and Director of Nanyang and BOCG Insurance. Before joining BOCHK, he was President and Chief Operating Officer of BOCI. Mr. GAO joined the BOC group in 1986 where he began working on financing projects for various industries at BOC's Head Office in Beijing. In 1999, he became General Manager of Corporate Banking at BOC Head Office where he was responsible for managing and building BOC group's customer relationships with and global financing for multinational corporations and premium domestic clients in the Mainland China. He was also in charge of BOC's major financing projects. From 1995 to 1996, he worked for the Finance Department of Northern Telecom (Nortel) Head Office in Canada. Mr. GAO graduated from the East China University of Science and Technology in Shanghai with a Master's Degree in Engineering in 1986.

Mr. GAO attended all 7 Board meetings held in 2012.

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

Aged 59 and appointed on 17 June 2002, is an Independent Non-executive Director, 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 also a director of TCC International Holdings Limited, a company listed on the Stock Exchange. Mr. SHAN is also a Governor of China Venture Capital and Private Equity Association Limited. Mr. SHAN resigned as a Director of Taishin Financial Holding Co., Ltd. and Taiwan Cement Corporation, both are companies listed in Taiwan, in May 2012 and June 2012 respectively. 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 attended all 7 Board meetings, 6 out of 7 Audit Committee meetings and 4 out of 6 Nomination and Remuneration Committee meetings held in 2012.

4. **Mr. NING Gaoning**, *Independent Non-executive Director*

Aged 54 and appointed on 24 August 2012, is an Independent Non-executive Director and a member of the Strategy and Budget Committee of the Company and BOCHK. Mr. NING is currently the Chairman of COFCO Corporation and COFCO (Hong Kong) Limited. Mr. NING is also an Executive Director of China Foods Limited, a Non-executive Director of China Agri-Industries Holdings Limited, a Non-executive Director of CPMC Holdings Limited, Chairman and Non-executive Director of China Mengniu Dairy Company Limited, all of which are companies listed in Hong Kong. In addition, Mr. NING is an Independent Director of Huayuan Property Co., Ltd. (a company listed in Shanghai) and a Director of BOCI. Mr. NING was a Director of Smithfield Foods, Inc. (a company listed in New York) until March 2011. Before joining COFCO Corporation, Mr. NING held various positions including Vice Chairman, Director and General Manager of China Resources (Holdings) Company Limited and certain of its subsidiaries. Mr. NING has over 20 years of experience in corporate management, investment and corporate finance, business restructurings and governmental relations. Mr. NING obtained a Bachelor's degree in Economics from Shandong University, China in 1983 and obtained a Master degree in Business Administration from University of Pittsburgh, United States in 1985.

Following the appointment of Mr. NING on 24 August 2012, there were 2 Board meetings and 2 Strategy and Budget Committee meetings held in 2012 for which Mr. NING did not attend.

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 2012.

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
2012		
April	24.15	21.35
May	24.45	21.05
June	24.00	20.85
July	23.90	22.60
August	24.95	23.55
September	24.80	23.20
October	25.00	23.30
November	24.30	23.20
December	24.50	23.60
2013		
January	27.00	24.15
February	27.10	25.30
March	27.10	25.40
April (made up to the Latest Practicable Date)	26.00	25.65

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, or have undertaken not to sell any Shares 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 SFO, 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 Tuesday, 28 May 2013.

To ensure that your vote is properly recorded, your proxy form must be deposited at the registered office of the Company no later than 2:00 p.m. on Sunday, 26 May 2013.

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 the following 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 form 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 either one of the following 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 in respect of your Shares on your behalf. You may appoint up to two proxies to represent you. Your proxy need 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 therein.

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 form to attend the AGM and to vote in respect of your Shares. Your proxy must vote in accordance with your voting instructions as specified in the proxy form. If you do not specify your voting instructions in the proxy form, your proxy will exercise his/her discretion to vote at the AGM.

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 registered office of the Company. However, in order to be valid, this latter proxy form must be deposited at the registered office of the Company no later than 2:00 p.m. on Sunday, 26 May 2013.

If you are a non-registered shareholder, you may revoke a proxy or voting instructions previously 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.

Q : HOW ARE VOTES TAKEN AT THE AGM?

A : All resolutions put to the shareholders at the AGM will be voted on by poll.

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

A : The results of the poll will be posted on the Company's website at www.bochk.com and the Stock Exchange's website at www.hkexnews.hk as soon as practicable following conclusion of the AGM.

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

A : The following persons are entitled to put forward a proposal (which may properly be put to the meeting) for consideration at the AGM of the Company:

- (a) any number of shareholders representing not less than 2.5% of the total voting rights of the Company on the date of the requisition; or
- (b) not less than 50 shareholders holding the Shares on which there has been paid up an average sum, per member, of not less than HK\$2,000.

The requisition specifying the proposal, duly signed by the shareholders concerned, together with a statement of not more than 1,000 words with respect to the matter referred to in the proposal must be deposited at the registered office of the Company (52nd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong), not less than six weeks before the AGM. The Company would take appropriate actions and make necessary arrangements, and the shareholders concerned would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Section 115A of the Companies Ordinance once valid documents are received.

Q : HOW CAN I CONVENE AN EXTRAORDINARY GENERAL MEETING?

A : You (or together with other shareholder(s)) holding not less than 5% of the issued capital of the Company may request the board of directors to convene an extraordinary general meeting. The requisition, duly signed by you (and/or the shareholder(s) concerned) must clearly state the objects of the meeting and must be deposited at the registered office of the Company, 52nd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong. The Company would take appropriate actions and make necessary arrangements in accordance with the requirements under Section 113 of the Companies Ordinance once a valid requisition is received.

Q : HOW CAN I PROPOSE A PERSON FOR ELECTION AS A DIRECTOR?

A : If you wish to propose a person other than a retiring Director for election as a Director at the AGM, you should lodge at the registered office of the Company (52nd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong), (a) a notice signed by you (other than the proposed person) duly qualified to attend and vote at the AGM of your intention to propose such person for election; and (b) a notice signed by the proposed person indicating his/her willingness to be elected.

The period during which the aforesaid notices may be given will be at least seven days. Such period will commence on the day after the despatch of the notice of the AGM for which such notices are given and end no later than seven days prior to the date of such meeting. The Company would take appropriate actions and make necessary arrangements, and you would be responsible for the expenses incurred in giving effect thereto in accordance with the requirements under Article 99 of the Articles of Association of the Company once valid notices are received.

Q : WHAT IF I HAVE A QUESTION?

A : You are welcome to send in any written enquiries to the Board for the attention of the Company Secretary either by post to the registered office of the Company at 52nd Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or by way of email to investor_relations@bochk.com.

The Company Secretary would direct the enquiries received to appropriate Board Member(s) or the Chairman of the Board Committee(s) who is in charge of the areas of concern referred therein for further handling. The Board, assisted by the Company Secretary, would make its best efforts to ensure that all such enquiries are addressed in a timely manner.