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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other securities dealer licensed as a licensed person under the Securities and Futures Ordinance, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Chong Hing Bank Limited (the “Bank”), you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, exchange participant or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PROPOSALS RELATING TO  
RE-ELECTION OF DIRECTORS AND  
GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES  
AND  
NOTICE OF 2017 ANNUAL GENERAL MEETING**

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The notice convening the 2017 Annual General Meeting of the Bank to be held on the 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Thursday, 18 May 2017 at 11 am, at which, among other things, the proposals relating to the Buy-back Mandate and the Issue Mandate will be considered, is set out on pages 5 to 8 of this circular.

Whether or not you are able to attend the 2017 Annual General Meeting, you are requested to complete and return the proxy form to the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). Such proxy form can also be downloaded from the Bank's website ([www.chbank.com](http://www.chbank.com)) or the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). Submission of a proxy form will not preclude you from attending and voting in person at the 2017 Annual General Meeting (or any adjournment of such meeting) should you so wish.

27 March 2017

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## DEFINITIONS

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

“2017 AGM”	the annual general meeting of the Bank to be held on the 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Thursday, 18 May 2017 at 11 am, notice of which is set out on pages 5 to 8 of this circular
“Articles”	the articles of association of the Bank
“Bank”	Chong Hing Bank Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Board”	the board of directors of the Bank
“Buy-back Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 6 in the notice of the 2017 AGM set out on pages 5 to 8 of this circular
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended from time to time
“Directors”	the directors of the Bank
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 7 in the notice of the 2017 AGM set out on pages 5 to 8 of this circular
“Latest Practicable Date”	20 March 2017, being the latest practicable date before the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	Share(s) in the capital of the Bank
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission of Hong Kong, as amended from time to time

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## LETTER FROM THE BOARD

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### Executive Directors

Mrs LEUNG Ko May Yee Margaret SBS, JP  
(Deputy Chairman, Managing Director and  
Chief Executive)

Mr ZONG Jianxin  
(Deputy Managing Director)

Mr LAU Wai Man  
(Deputy Managing Director)

### Registered Office

Ground Floor  
Chong Hing Bank Centre  
24 Des Voeux Road Central  
Hong Kong

### Non-executive Directors

Mr ZHANG Zhaoxing  
(Chairman)

Mr ZHU Chunxiu

Mr WANG Shuhui

Mr LI Feng

Mr CHOW Cheuk Yu Alfred BBS, JP

### Independent Non-executive Directors

Mr CHENG Yuk Wo

Mr MA Chiu Cheung Andrew

Mr LEE Ka Lun

Mr YU Lup Fat Joseph

Hong Kong, 27 March 2017

Dear Shareholders,

**PROPOSALS RELATING TO  
RE-ELECTION OF DIRECTORS AND  
GENERAL MANDATES TO BUY BACK SHARES AND TO ISSUE SHARES  
AND  
NOTICE OF 2017 ANNUAL GENERAL MEETING**

#### 1. INTRODUCTION

The purpose of this circular is to provide you with notice of the 2017 AGM together with the relevant information regarding the resolutions for, inter alia, (i) the re-election of Directors; and (ii) the grant of the Buy-back Mandate and the Issue Mandate that are proposed for the Shareholders to consider and, if thought fit, approve at the 2017 AGM.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF DIRECTORS

In accordance with Article 100 of the Articles, Messrs Lau Wai Man, Zhu Chunxiu, Wang Shuhui and Lee Ka Lun shall retire from office by rotation at the 2017 AGM and, being eligible, offer themselves for re-election.

The Nomination Committee of the Bank, after having reviewed the Board's composition, nominated Messrs Lau Wai Man, Zhu Chunxiu, Wang Shuhui and Lee Ka Lun to the Board for it to recommend them to stand for re-election by Shareholders at the 2017 AGM. The nominations were made in accordance with the objective criteria (including but not limited to gender, age, culture and educational background, ethnicity, professional experience, skills, knowledge and length of service) and with due regard for the benefits of diversity as set out in the Bank's Board Diversity Policy. The Nomination Committee had also taken into account those Directors' respective contributions to the Board and their commitment to their roles.

The Nomination Committee had also assessed the independence of each Independent Non-executive Director. On 15 February 2017, the Nomination Committee assessed and reviewed individual Independent Non-executive Director's annual confirmation of independence based on the independence criteria set out in Rule 3.13 of the Listing Rules, and affirmed that all Independent Non-executive Directors, including Mr Lee Ka Lun, remained to be independent.

The Board considers that the re-election of Messrs Lau Wai Man, Zhu Chunxiu, Wang Shuhui and Lee Ka Lun is in the interests of the Bank and its Shareholders as a whole.

Biographical details of the above-mentioned retiring Directors who are proposed to be re-elected at the 2017 AGM are set out in Appendix 1 to this circular.

### 3. BUY-BACK MANDATE AND ISSUE MANDATE

Pursuant to the ordinary resolutions passed by the Shareholders at the last annual general meeting of the Bank held on 13 May 2016, general and unconditional mandates were given to the Directors to (i) buy back Shares up to an aggregate number of Shares not exceeding 10% of the number of issued Shares as of the date of passing such resolution; and (ii) allot, issue and deal with additional Shares not exceeding 20% of the number of issued Shares as of the date of passing such resolution. Such general mandates will lapse at the conclusion of the 2017 AGM. Accordingly, resolutions will be proposed at the 2017 AGM to renew these mandates. No Shares have been bought back, allotted, issued or otherwise dealt with pursuant to the general mandates granted by the Shareholders at the last annual general meeting.

The Board takes the view that it would be in the interests of the Bank and its Shareholders as a whole if the general mandates were renewed. In this connection, the Board seeks Shareholders' approval to renew the Buy-back Mandate and the Issue Mandate subject to the restrictions described in Resolutions 6 and 7 respectively. The Board has no immediate plans to exercise the general mandates to buy back Shares or to issue additional Shares.

The explanatory statement giving certain information regarding the Buy-back Mandate as required by the Listing Rules is set out in Appendix 2 to this circular.

The purpose of the Issue Mandate is to give the Directors some flexibility to allot and issue Shares where they believe it is in the best interests of the Shareholders to do so, in particular pursuant to any capital raising or other strategic needs that may arise from time to time.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the number of Shares in issue of the Bank was 652,500,000 Shares. On the basis that no further Shares are issued and/or bought back by the Bank following the Latest Practicable Date and up to the date of the 2017 AGM, the maximum number of Shares to be allotted and issued under the Issue Mandate will be up to 130,500,000 Shares, representing 20% of the number of Shares in issue of the Bank.

Conditional upon the passing of Resolutions 6 and 7, an ordinary resolution to authorise the Directors to exercise the powers to allot, issue and deal with additional Shares under the Issue Mandate in respect of the aggregate number of Shares bought back under the Buy-back Mandate will also be proposed for approval by the Shareholders at the 2017 AGM.

#### **4. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2017 AGM will be decided by poll at the 2017 AGM. The chairman of the 2017 AGM will exercise his right to demand a poll pursuant to Article 64 of the Articles on each of the resolutions to be proposed at the 2017 AGM except where the chairman of the 2017 AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

After closure of the 2017 AGM, the poll results will be published on the websites of the Stock Exchange and the Bank.

#### **5. RECOMMENDATION**

The Directors consider that the re-election of Directors and the grant of the Buy-Back Mandate and the Issue Mandate are in the best interests of the Bank and its Shareholders as a whole, and recommend all Shareholders to vote in favour of the resolutions to be proposed at the 2017 AGM.

Yours faithfully,

By Order of the Board

**Zhang Zhaoxing**  
*Chairman*

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## NOTICE OF 2017 ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Chong Hing Bank Limited (the “Bank”) for the year of 2017 will be held on the 27th Floor, Chong Hing Bank Centre, 24 Des Voeux Road Central, Hong Kong on Thursday, 18 May 2017 at 11 am for the following purposes:

- (1) To receive the Consolidated Financial Statements and the Reports of the Directors and Auditor for the year ended 31 December 2016.
- (2) To declare a final cash dividend of HK\$0.39 per share for the year ended 31 December 2016.
- (3) To re-elect directors.
- (4) To fix the director’s fee.
- (5) To re-appoint PricewaterhouseCoopers as the Auditor of the Bank and to authorise the directors of the Bank to fix its remuneration.

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

(6) **THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to buy back Shares (as defined below), subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be bought back on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Code on Share Buy-backs pursuant to the approval in paragraph (a) of this resolution shall not exceed 10 per cent of the aggregate number of Shares in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF 2017 ANNUAL GENERAL MEETING

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(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Bank in general meeting.

“Shares” means shares in the capital of the Bank.

(7) **THAT**

- (a) subject to paragraph (c) of this resolution and pursuant to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to allot, issue and deal with additional Shares (as defined below) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Bank during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Bank pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to
  - (i) a Rights Issue (as defined below);
  - (ii) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Bank in accordance with the Articles of Association of the Bank;
  - (iii) an issue of Shares upon the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Bank; or
  - (iv) the exercise of any rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or similar rights issued by the Bank or any securities which are convertible into Shares, shall not exceed the aggregate of:
    - (aa) 20 per cent of the total number of Shares in the capital of the Bank in issue as at the date of passing this resolution; and
    - (bb) conditional upon the passing of Resolution 6, the aggregate number of Shares bought back by the Bank pursuant to the exercise by the directors of the powers of the Bank in accordance with the said Resolution 6,

and the said approval shall be limited accordingly; and

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## NOTICE OF 2017 ANNUAL GENERAL MEETING

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(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank;
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Bank in general meeting.

“Rights Issue” means an offer of Shares or an issue of options, warrants or other securities giving the right to subscribe for Shares open for a period fixed by the directors of the Bank to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).

“Shares” means shares in the capital of the Bank.

- (8) **THAT**, conditional upon the passing of Resolutions 6 and 7, the directors of the Bank be and are hereby authorised to exercise the powers of the Bank referred to in paragraph (a) of Resolution 7 in respect of the aggregate number of Shares of the Bank referred to in sub-paragraph (bb) of paragraph (c) of Resolution 7.

By Order of the Board

**Lai Wing Nga**  
*Company Secretary*

Hong Kong, 27 March 2017

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## NOTICE OF 2017 ANNUAL GENERAL MEETING

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### Notes:

- (i) A shareholder entitled to attend and vote at the 2017 annual general meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy does not have to be a shareholder of the Bank. Proxy forms are to be lodged with the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 48 hours before the time for the holding of the 2017 annual general meeting and any adjournment thereof.
- (ii) For the purpose of ascertaining the shareholders who are entitled to attend and vote at the 2017 annual general meeting, the register of members of the Bank will be closed from Friday, 12 May 2017 to Wednesday, 17 May 2017 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending and voting at the 2017 annual general meeting, all transfer documents, together with the relevant share certificates, must be lodged for registration with the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Thursday, 11 May 2017.
- (iii) For the purpose of ascertaining the shareholders who are qualified to receive the final cash dividend, the register of members of the Bank will be closed from Wednesday, 24 May 2017 to Friday, 26 May 2017 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for receiving the 2016 final cash dividend, all transfer documents, together with the relevant share certificates, must be lodged for registration with the Bank's share registrar and transfer office, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 pm on Tuesday, 23 May 2017.
- (iv) In accordance with Article 89 of the Articles of Association of the Bank, the directors shall be entitled to receive by way of remuneration for their services such sum as shall from time to time be determined by the Bank in general meeting by ordinary resolution. It is proposed under Resolution 4 that the director's fee for the year ending 31 December 2017 be fixed at HK\$450,000 for the Chairman who is a non-executive director, HK\$400,000 for each of the other non-executive directors, and HK\$400,000 for each of the independent non-executive directors. The director's fee for each of the executive directors remains unchanged at HK\$180,000 per annum.
- (v) The biographical details of the retiring directors who offer themselves for re-election at the 2017 annual general meeting and the Explanatory Statement containing information on the renewal of the general mandate for the buy-back by the Bank of its own shares are set out in the circular of which this notice forms part.
- (vi) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 8 am on the date of the 2017 annual general meeting, the meeting will be postponed or adjourned. The Bank will post an announcement on the Bank's website (www.chbank.com) and The Stock Exchange of Hong Kong Limited's website (www.hkexnews.hk) to notify shareholders of the date, time and place of the rescheduled meeting.

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

*As of the date of this notice, the Board of the Bank comprises:*

- *Executive Directors*  
*Mrs Leung Ko May Yee Margaret (Deputy Chairman, Managing Director and Chief Executive), Mr Zong Jianxin (Deputy Managing Director) and Mr Lau Wai Man (Deputy Managing Director);*
- *Non-executive Directors*  
*Mr Zhang Zhaoxing (Chairman), Mr Zhu Chunxiu, Mr Wang Shuhui, Mr Li Feng and Mr Chow Cheuk Yu Alfred; and*
- *Independent Non-executive Directors*  
*Mr Cheng Yuk Wo, Mr Ma Chiu Cheung Andrew, Mr Lee Ka Lun and Mr Yu Lup Fat Joseph.*

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## APPENDIX 1 - BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Biographical details of the retiring Directors proposed to be re-elected at the 2017 AGM are set out as follows:

### **Mr LAU Wai Man**

aged 58, has been appointed an Executive Director of the Bank since August 2001 and was appointed as Deputy Managing Director and re-designated as Alternate Chief Executive of the Bank in May 2016. He has been an Executive Director and Alternate Chief Executive of Yuexiu Financial Holdings Limited, the immediate holding company of the Bank, since February 2014. Mr Lau joined the Bank as the Chief Auditor in 1988, and was Deputy Chief Executive Officer from July 2007 to March 2013 and Chief Executive Officer from March 2013 to May 2016. Before joining the Bank, he had worked for an international bank and a global accounting firm.

Mr Lau holds a Bachelor of Law degree and a Master of Business Administration degree. He is a Vice President of the Council of the Hong Kong Institute of Bankers, a Certified Financial Planner<sup>CM</sup> and a member of the Hong Kong Institute of Certified Public Accountants. He was a fellow of the Association of Chartered Certified Accountants and a senior associate of the Australian Institute of Bankers.

As of the Latest Practicable Date, Mr Lau does not have any interest or short position in the shares or underlying shares of the Bank or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Lau has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. In addition to his directorship in the Bank, Mr Lau is a Director of all the subsidiaries of the Bank. Mr Lau does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Lau, who has not entered into any service contract with the Bank, shall retire by rotation, but shall then be eligible for re-election under the Articles of Association of the Bank. Details of Mr Lau's remuneration are set out in note 42 to the consolidated financial statements in the Bank's Annual Report 2016.

Save as disclosed above, there is no other information about Mr Lau that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

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## APPENDIX 1 - BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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### **Mr ZHU Chunxiu**

aged 54, has been appointed a Non-executive Director of the Bank since February 2014. Mr Zhu is the Vice-chairman and General Manager of Guangzhou Yue Xiu Holdings Limited and Yue Xiu Enterprises (Holdings) Limited (“Yuexiu”), and is also a Non-executive Director of Yuexiu Financial Holdings Limited, the immediate holding company of the Bank. He is the Chairman and an Executive Director of Yuexiu Transport Infrastructure Limited (Stock Code: 01052) and the Vice-chairman and an Executive Director of Yuexiu Property Company Limited (Stock Code: 00123), both of which are listed on the Stock Exchange. Mr Zhu was a Director of Guangzhou Rural Commercial Bank (formerly known as Guangzhou Rural Credit Union). Prior to joining Yuexiu in 2013, Mr Zhu was the Vice-chairman and General Manager of Guangzhou Finance Holdings Group Co., Ltd. (formerly known as Guangzhou International Holding Group Co., Ltd.). Mr Zhu has extensive experience in the operation and management of large financial institutions and banks. He is a deputy to the 14th and 15th sessions of the Guangzhou City People’s Congress.

Mr Zhu was awarded the Degree in Executive Master of Business Administration by Sun Yat-Sen University, and holds the economist qualification in China.

As of the Latest Practicable Date, Mr Zhu does not have any interest or short position in the shares or underlying shares of the Bank or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Zhu has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the position disclosed above, Mr Zhu does not hold any position in the Bank or any of its subsidiaries. Mr Zhu does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Zhu, who has not entered into any service contract with the Bank, shall retire by rotation, but shall then be eligible for re-election under the Articles of Association of the Bank. Details of Mr Zhu’s remuneration are set out in note 42 to the consolidated financial statements in the Bank’s Annual Report 2016.

Save as disclosed above, there is no other information about Mr Zhu that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

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## APPENDIX 1 - BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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### **Mr WANG Shuhui**

aged 45, has been appointed a Non-executive Director of the Bank since February 2014. He is a Non-executive Director of Yuexiu Financial Holdings Limited, the immediate holding company of the Bank, and a Director of Guangzhou Yuexiu Financial Holdings Group Co., Ltd. (formerly known as Guangzhou Friendship Group Co., Ltd.), a company listed on the Shenzhen Stock Exchange (Stock Code: 000987). Mr Wang was an Executive Director of Yuexiu Transport Infrastructure Limited, a company listed on the Stock Exchange (Stock Code: 01052), from November 2009 to March 2014, and was a Director and a Deputy General Manager of Guangzhou Yue Xiu Holdings Limited and Yue Xiu Enterprises (Holdings) Limited (“Yuexiu”). Before joining Yuexiu in May 2006, Mr Wang had over 13 years of experience in Guangzhou Securities Co., Ltd. and had held various senior management positions (including the Project Manager of the Securities Issuance Consultancy Department, Manager of the Research and Development Department, Director of the Office of the CEO, General Manager of the Human Resource Department and the Assistant to the CEO, Board Secretary, Vice President) within the company. Mr Wang has solid knowledge and extensive professional experiences in financial industry and is familiar with the practice in the financial markets of Mainland China and the practice of listed company business operation.

Mr Wang graduated from the School of Finance of the Southwestern University of Finance and Economics and holds a Master degree in Monetary Economics and Banking and an economist qualification from Jinan University.

As of the Latest Practicable Date, Mr Wang does not have any interest or short position in the shares or underlying shares of the Bank or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Wang has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the position disclosed above, Mr Wang does not hold any position in the Bank or any of its subsidiaries. Mr Wang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Wang, who has not entered into any service contract with the Bank, shall retire by rotation, but shall then be eligible for re-election under the Articles of Association of the Bank. Details of Mr Wang’s remuneration are set out in note 42 to the consolidated financial statements in the Bank’s Annual Report 2016.

Save as disclosed above, there is no other information about Mr Wang that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

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## APPENDIX 1 - BIOGRAPHICAL DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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### **Mr LEE Ka Lun**

aged 61, has been appointed an Independent Non-executive Director of the Bank since February 2014. Mr Lee has been an Independent Non-executive Director of Yuexiu Financial Holdings Limited, the immediate holding company of the Bank, since November 2013. He is also an Independent Non-executive Director of Yuexiu Property Company Limited (“Yuexiu Property”; Stock Code: 00123), Chow Sang Sang Holdings International Limited (Stock Code: 00116), REXLot Holdings Limited (Stock Code: 00555), Medicskin Holdings Limited (Stock Code: 08307) and Ever Harvest Group Holdings Limited (Stock Code: 01549), all of which are listed on the Stock Exchange.

Mr Lee is an accountant by profession and is a Fellow of the Association of Chartered Certified Accountants in the UK. He has over 20 years of experience in banking and auditing.

As of the Latest Practicable Date, Mr Lee was interested in 3,200,000 shares in Yuexiu Property (an associated corporation of the Bank) within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr Lee has not held any other directorships in other Hong Kong or overseas listed public companies in the last three years. Other than the position disclosed above, Mr Lee does not hold any position in the Bank or any of its subsidiaries. Mr Lee does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Bank.

Mr Lee, who has not entered into any service contract with the Bank, shall retire by rotation, but shall then be eligible for re-election under the Articles of Association of the Bank. Details of Mr Lee’s remuneration are set out in note 42 to the consolidated financial statements in the Bank’s Annual Report 2016.

Save as disclosed above, there is no other information about Mr Lee that is required to be disclosed pursuant to Rule 13.51(2)(h) – (v) of the Listing Rules, and there are no other matters in relation to his re-election that need to be brought to the attention of the shareholders of the Bank.

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## **APPENDIX 2 - EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE**

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This Appendix serves as an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Buy-back Mandate and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance:

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the number of Shares in issue was 652,500,000 Shares. Subject to the passing of the resolution in relation to the Buy-back Mandate and on the basis that no further Shares are issued and/or bought back by the Bank following the Latest Practicable Date and up to the date of the 2017 AGM, exercise in full of the Buy-back Mandate would result in up to 65,250,000 Shares being bought back by the Bank during the period from the date of passing of Resolution 6 in the notice of the 2017 AGM set out on pages 5 to 8 of this circular up to whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Bank; or
- (ii) the expiration of the period within which the next annual general meeting of the Bank is required by law to be held; or
- (iii) the revocation or variation of the authority given under Resolution 6 by an ordinary resolution of the Shareholders in general meeting.

### **2. REASONS FOR THE BUY-BACK**

The Directors believe that it is in the best interests of the Bank and its Shareholders as a whole to have a general authority from the Shareholders to enable the Bank to buy back the Shares in the market. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Bank's net asset value and/or its earnings per Share and will only be made when the Directors believe that such buy-backs will benefit the Bank and the Shareholders as a whole.

### **3. FUNDING OF BUY-BACK**

In buying back Shares, the Bank may only apply funds legally available for such purpose in accordance with its Articles, the applicable laws of Hong Kong and the Listing Rules.

There might be a material adverse impact on the working capital or gearing position of the Bank (as compared with the position disclosed in the Annual Report for the year ended 31 December 2016) in the event that the Buy-back Mandate is exercised in full at any time. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Bank.

### **4. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Bank if the Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

If, as a result of any buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Bank increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Bank and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

## APPENDIX 2 - EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE

Based on the disclosure made to the Bank under Part XV of the Securities and Futures Ordinance, as at the Latest Practicable Date, Yuexiu Financial Holdings Limited, the immediate holding company of the Bank, is interested in 489,375,000 Shares, representing 75 percent of the number of Shares in issue of the Bank.

If the Directors were to exercise the Buy-back Mandate in full, the percentage shareholding of Yuexiu Financial Holdings Limited would be increased from 75 percent to approximately 83.33 percent of the number of Shares in issue of the Bank. Such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors, however, have no present intention of exercising the Buy-back Mandate in such a way (if it were to be exercised at all) that would result in the public shareholding falling below the minimum percentage prescribed under the Listing Rules.

No core connected persons (as defined in the Listing Rules) have notified the Bank that they have a present intention to sell any Shares to the Bank, or have undertaken not to do so, if the Buy-back Mandate is approved by the Shareholders.

### 5. SHARE BUY-BACK MADE BY THE BANK

No buy-back has been made by the Bank of its Shares in the six months before the Latest Practicable Date.

### 6. SHARE PRICES

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

	Price per share	
	Highest HK\$	Lowest HK\$
<b>2016</b>		
March	16.220	15.020
April	16.820	15.640
May	16.940	16.040
June	16.760	15.520
July	16.860	15.620
August	16.980	15.200
September	15.900	15.240
October	15.800	15.240
November	15.460	14.760
December	15.520	14.500
<b>2017</b>		
January	15.400	14.880
February	16.080	14.980
March ( <i>up to and including the Latest Practicable Date</i> )	17.200	16.060