

**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 or transferred all your shares in Hang Seng Bank Limited, you should at once hand this Circular and the accompanying Form of Proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**恒生銀行**  
**HANG SENG BANK**

**PROPOSALS RELATING TO GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY-BACK SHARES,  
RE-ELECTION AND ELECTION OF DIRECTORS  
AND  
NOTICE OF 2018 ANNUAL GENERAL MEETING**

**恒生銀行有限公司**  
**Hang Seng Bank Limited**  
*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 11)

The notice convening the 2018 AGM of the Bank to be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on Thursday, 10 May 2018 at 3:30 pm, at which, among other things, the proposals relating to general mandates to issue Shares and to buy-back Shares of the Bank will be considered, is set out on pages 16 to 20 of this Circular.

Whether or not you intend to attend the 2018 AGM, you are requested to complete and return the Form of Proxy to the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 3:30 pm on Tuesday, 8 May 2018 or not less than 48 hours before the time appointed for holding any adjourned meeting (as the case may be). Such Form of Proxy can also be downloaded from the Bank's website ([www.hangseng.com](http://www.hangseng.com)) or HKEx's website ([www.hkexnews.hk](http://www.hkexnews.hk).) Submission of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the 2018 AGM.

Shareholders or proxies who attend the 2018 AGM in person will each receive ONE souvenir as a token of the Bank's appreciation. If a shareholder is also appointed as proxy/proxies of other shareholder(s), or a proxy represents multiple shareholders, the number of souvenir each of the aforesaid shareholder or proxy will receive is limited to ONE.

21 March 2018

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## DEFINITIONS

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

“2018 AGM”	the annual general meeting of the Bank to be held on Thursday, 10 May 2018 at 3:30 pm at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong or any adjournment thereof
“AGM”	annual general meeting
“Articles of Association”	the articles of association of the Bank, as amended from time to time
“Bank” or “Company”	Hang Seng Bank Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 11)
“Board” or “Directors”	the Board of Directors of the Bank or a duly authorised committee thereof for the time being
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong, as amended from time to time
“corporate communications”	any document(s) issued or to be issued by the Bank for the information or action of any holders of its securities including, but not limited to, (a) the directors’ report and annual report together with a copy of the auditor’s report and, where applicable, a summary financial report; (b) the interim report and, where applicable, a summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a form of proxy
“HKEx”	Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a wholly owned subsidiary of HSBC Holdings
“HSBC Holdings”	HSBC Holdings plc which is incorporated in England with limited liability and the holding company of HSBC Group, and the shares of which are listed on the Stock Exchange (Stock Code: 5)
“INED(s)”	Independent Non-executive Director(s) of the Bank
“Latest Practicable Date”	14 March 2018, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein

<b>DEFINITIONS</b>
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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“NED(s)”	Non-executive Director(s) of the Bank
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended from time to time
“Share Buy-back Mandate”	a general mandate to buy-back Shares on the Stock Exchange representing up to 10% of the number of Shares in issue of the Bank as at the date of passing the resolution for approving the Share Buy-back Mandate
“Share(s)”	ordinary share(s) of the Bank
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers

## LETTER FROM THE CHAIRMAN

### HANG SENG BANK LIMITED

*(Incorporated in Hong Kong with limited liability)*

*Directors:*

Dr Raymond K F Ch'ien GBS, CBE, JP, *Chairman*<sup>\*</sup>  
Ms Louisa Cheang, *Vice-Chairman and Chief Executive*  
Dr John C C Chan GBS, JP<sup>\*</sup>  
Mr Nixon L S Chan<sup>#</sup>  
Dr Henry K S Cheng GBM<sup>\*</sup>  
Ms L Y Chiang JP<sup>\*</sup>  
Dr Fred Zulu Hu<sup>\*</sup>  
Ms Margaret W H Kwan  
Ms Irene Y L Lee<sup>\*</sup>  
Ms Sarah C Legg<sup>#</sup>  
Dr Eric K C Li GBS, OBE, JP<sup>\*</sup>  
Dr Vincent H S Lo GBM, JP<sup>#</sup>  
Mr Kenneth S Y Ng<sup>#</sup>  
Mr Richard Y S Tang SBS, JP<sup>\*</sup>  
Mr Peter T S Wong JP<sup>#</sup>  
Mr Michael W K Wu<sup>\*</sup>

*Registered Office:*

83 Des Voeux Road Central  
Hong Kong

<sup>\*</sup> *Independent Non-executive Directors*

<sup>#</sup> *Non-executive Directors*

21 March 2018

*To the Shareholders*

Dear Sir or Madam

**PROPOSALS RELATING TO GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY-BACK SHARES,  
RE-ELECTION AND ELECTION OF DIRECTORS  
AND  
NOTICE OF 2018 AGM**

#### INTRODUCTION

The purpose of this Circular is to seek your approval of the proposals to (a) grant to the Board general mandates to issue Shares and to buy-back Shares; and (b) re-elect and elect Directors, and to provide you with information in connection with the same. Shareholders' approval of such proposals will be sought at the 2018 AGM.

## LETTER FROM THE CHAIRMAN

### GENERAL MANDATES TO ISSUE SHARES AND TO BUY-BACK SHARES

Similar to the AGM of the Bank held on 12 May 2017, ordinary resolutions will be proposed at the 2018 AGM to grant to the Board (a) the Share Buy-back Mandate; and (b) the general mandate to allot, issue and otherwise deal with additional Shares up to a limit equal to, where the additional Shares are to be allotted wholly for cash, 5% and, in any other case, 20% of the number of Shares in issue of the Bank as at the date of passing the resolution for approving the relevant mandate. The purpose of the general mandate to issue Shares is to enable the Board to issue additional Shares should the need arise (for example, in the context of a transaction which has to be completed speedily). The Board considers it a good corporate governance practice for the Bank to impose a limit of 5% where additional Shares are allotted wholly for cash. The 20% limit to the general mandate to issue additional Shares is imposed pursuant to the Listing Rules. No Shares have been bought-back and no Shares have been allotted, issued or otherwise dealt with pursuant to the general mandates granted by the Shareholders at the last AGM. The Board has no present intention to exercise the general mandates to issue additional Shares or to buy-back Shares.

As at the Latest Practicable Date, the number of Shares in issue was 1,911,842,736 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 2018 AGM, the Bank would be allowed under the general mandate to issue Shares to allot and to issue up to 382,368,547 Shares, representing 20% of the number of Shares in issue of the Bank as at the date of passing the resolution.

Under the terms of the Companies Ordinance and the Listing Rules, the general mandates granted to the Board at the 2017 AGM will lapse upon conclusion of the 2018 AGM, unless being renewed at the 2018 AGM. 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, resolutions will be proposed to renew these mandates. The explanatory statement giving certain information regarding the Share Buy-back Mandate as required by the Listing Rules is set out in **Appendix I** to this Circular.

### RE-ELECTION AND ELECTION OF DIRECTORS

At the 2018 AGM, the Directors retiring by rotation in accordance with the Bank's Articles of Association are Dr Henry K S Cheng, Dr Fred Zulu Hu, Ms Irene Y L Lee, Mr Richard Y S Tang and Mr Peter T S Wong. Both Dr Cheng and Mr Tang have informed the Board of their intention of not seeking re-election at the 2018 AGM in order to devote more time to their own businesses. Save for Dr Cheng and Mr Tang, all the other aforesaid retiring Directors will offer themselves for re-election at the 2018 AGM.

Further, pursuant to Article 104 of the Articles of Association, any Director newly appointed by the Board shall hold office until the next following AGM, and shall then be eligible for election. Accordingly, Ms Louisa Cheang and Ms Margaret W H Kwan, being Directors so appointed since the last AGM, shall retire at the 2018 AGM and, being eligible, offer themselves for election.

Particulars of the above-mentioned Directors offering for re-election or election (as the case may be) at the 2018 AGM are set out in **Appendix II** to this Circular.

## LETTER FROM THE CHAIRMAN

The Bank's Nomination Committee, which comprises a majority of INEDs, considers that Dr Fred Zulu Hu, Ms Irene Y L Lee and Mr Peter T S Wong continue to contribute effectively and are committed to their roles. Accordingly, the Nomination Committee has nominated and the Board has recommended the aforesaid retiring Directors to stand for re-election as Directors at the 2018 AGM.

Further, the Nomination Committee has also assessed and reviewed each INED's independence based on the independence criteria set out in Rule 3.13 of the Listing Rules and Hong Kong Monetary Authority Guidance on "Empowerment of INEDs in the Banking Industry in Hong Kong", and has affirmed that all INEDs, including, Dr Fred Zulu Hu and Ms Irene Y L Lee, remain independent.

### POLL VOTING AT THE 2018 AGM

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in the notice of the 2018 AGM will be decided by poll at the 2018 AGM. The Chairman of the 2018 AGM will demand a poll on each of the resolutions in accordance with Article 61 of the Articles of Association.

Article 67 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every Share held by that Shareholder. An explanation of the detailed procedures of voting by poll will be provided to the Shareholders at the 2018 AGM.

### RECOMMENDATION

The Board believes that the proposed general mandate to issue Shares and the Share Buy-back Mandate, re-election and election of Directors, and re-appointment of auditor are in the best interests of the Bank and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the resolutions to be proposed at the 2018 AGM.

Yours faithfully

**Raymond K F Ch'ien**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, and also as a memorandum of the terms of a proposed buy-back, as required by Section 239(2) of the Companies Ordinance, to provide information to Shareholders with regard to the Share Buy-back Mandate.

## **1. SHARE CAPITAL – NUMBER OF SHARES IN ISSUE**

As at the Latest Practicable Date, the number of Shares in issue was 1,911,842,736 Shares. Subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued and/or bought-back prior to the 2018 AGM, exercise in full of the Share Buy-back Mandate would result in up to 191,184,273 Shares being bought-back by the Bank from the date of the 2018 AGM until the conclusion of the next AGM to be held in 2019.

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

The Board believes 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 Board to buy-back Shares in the market. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Bank and/or net assets per Share and/or earnings per Share and will only be made when the Board believes that such buy-back will benefit the Bank and its Shareholders as a whole.

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

Buy-back of Shares will be funded entirely from the Bank's available cash flow or working capital, and will, in any event, be made out of funds legally available for the buy-back in accordance with the Bank's Articles of Association and the applicable laws of Hong Kong.

There might be a material adverse effect on the working capital requirements or gearing levels of the Bank (as compared with the position disclosed in the audited financial statements contained in the Annual Report for the year ended 31 December 2017) in the event that the Share Buy-back Mandate is exercised in full at any time. The Board does not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or gearing levels of the Bank which, in the opinion of the Board, are from time to time appropriate for the Bank.

## **4. GENERAL**

The Board has undertaken to the Stock Exchange that (so far as the same may be applicable) it will only exercise the power under the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

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 Share Buy-back Mandate is approved by the Shareholders.



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, nor have they undertaken not to sell any Shares to the Bank, if the Share Buy-back Mandate is approved by the Shareholders.

According to the Listing Rules, except pursuant to a waiver granted by the Stock Exchange, the Bank shall not knowingly purchase its Shares from a core connected person and a core connected person shall not knowingly sell Shares to the Bank, on the Stock Exchange.

The Board is not aware of any consequences which could arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Share Buy-back Mandate. As at the Latest Practicable Date, HSBC beneficially owned Shares representing approximately 62.14% of the number of Shares in issue of the Bank. If the Board was to exercise the Share Buy-back Mandate in full, the percentage shareholding of HSBC would be increased to approximately 69.05% 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 Rule 26 of the Takeovers Code.

No buy-back has been made by the Bank of its Shares in the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

## **5. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date, and for the period from 1 March 2018 up to the Latest Practicable Date, were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2017</b>		
March	163.60	155.90
April	159.50	153.00
May	165.30	157.00
June	165.90	159.00
July	170.80	160.00
August	180.00	168.00
September	190.40	178.00
October	195.30	184.70
November	193.00	180.30
December	194.50	184.80
<b>2018</b>		
January	194.80	185.60
February	197.50	175.00
1 to 14 March (made up to the Latest Practicable Date)	196.50	183.30

## APPENDIX II

## PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION/ELECTION

Particulars of the Directors subject to re-election or election (as the case may be) at the 2018 AGM are set out below:

**Ms Louisa CHEANG**

Vice-Chairman and Chief Executive

*Aged 54*

*Joined the Board* since July 2017

*Other positions held within Hang Seng Group*

**^Hang Seng Bank Limited** – Chairman of Executive Committee; Member of Nomination Committee  
**Hang Seng Bank (China) Limited** – Chairman; Chairman of Nomination Committee  
**Hang Seng Indexes Company Limited** – Chairman of Hang Seng Index Advisory Committee  
Chairman of other subsidiaries in Hang Seng Group

*Other major appointments*

**China Union Pay** – International Advisor  
**Ho Leung Ho Lee Foundation** – Member of Board of Trustees  
**HSBC Amanah Malaysia Berhad** – Non-Independent Executive Director  
**^HSBC Holdings plc** – Group General Manager  
**Qianhai & Shekou Area of Shenzhen, China (Guangdong) Pilot Free Trade Zone, and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen** – Member of the Consulting Committee  
**The Community Chest of Hong Kong** – Board Member  
**The Hongkong and Shanghai Banking Corporation Limited** – Director  
**The Hong Kong Institute of Bankers** – Vice President  
**The Twelfth Jiangsu Provincial Committee of the Chinese People's Political Consultative Conference** – Member

*Past major appointments*

**HSBC** – Group Head of Retail Banking (2014 – 2017)  
**The Hongkong and Shanghai Banking Corporation Limited** – Alternate Chief Executive (2009 – 2014)  
Regional Head of Retail Banking and Wealth Management, Asia Pacific (2010 – 2014)  
Regional Director of Personal Financial Services, Asia Pacific (2009 – 2010)  
Head of Personal Financial Services, Hong Kong (2007 – 2009)  
Head of Marketing, Asia Pacific (2004 – 2007)  
Head of Marketing, Hong Kong (2002 – 2003)  
Senior Manager Product and Marketing (2000 – 2001)  
Senior Manager Credit Card Product Development (1999 – 2000)

*Qualifications*

Bachelor of Social Sciences – The University of Hong Kong  
Honorary Certified Financial Management Planner – The Hong Kong Institute of Bankers

**APPENDIX II****PARTICULARS OF DIRECTORS OFFERING  
FOR RE-ELECTION/ELECTION****Dr Fred Zulu HU**

Independent Non-executive Director

*Aged 54**Joined the Board* since May 2011*Other position held within Hang Seng Group***^Hang Seng Bank Limited** – Member of Risk Committee*Other major appointments***China Medical Board** – Trustee**^Dalian Wanda Commercial Properties Co., Ltd.** – Independent Non-executive Director**^Hong Kong Exchanges and Clearing Limited** –

Independent Non-executive Director; Member of Investment Advisory Committee;

Member of Project Oversight Committee; Member of Remuneration Committee

**National Center for Economic Research at Tsinghua University** – Director and Professor**Primavera Capital Limited** – Founder and Chairman**The Nature Conservancy Asia Pacific Region** – Co-Chairman**^YUM China Holdings, Inc.** –

Non-executive Chairman; Chairman of Nominating and Governance Committee

*Past major appointments***^Hong Kong Exchanges and Clearing Limited** – Member of Nomination Committee (2015 – 2017)**^Great Wall Pan Asia Holdings Limited (formerly known as “Armada Holdings Limited”)** –

Independent Non-executive Director (2010 – 2016)

**Yale-China Association** – Trustee (2010 – 2016)**^Shanghai Pudong Development Bank Co., Ltd.** –

External Supervisor (2008 – 2016)

Independent Director (2002 – 2008)

**Securities and Futures Commission** – Member of Advisory Committee (2009 – 2011)**Goldman Sachs Group Inc.** –

Chairman of Greater China (2008 – 2010)

Managing Director (2000 – 2010)

**HKSAR Commission on Strategic Development** – Member (2007 – 2009)*Qualifications*

Master of Arts and Doctor of Philosophy in Economics – Harvard University, USA

Master of Science in Engineering Science – Tsinghua University, PRC

## APPENDIX II

## PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION/ELECTION

**Ms Margaret W H KWAN**

Executive Director and Head of Retail Banking and Wealth Management

*Aged 58*

*Joined the Board* since May 2017

*Other positions held within Hang Seng Group*

**^Hang Seng Bank Limited** – Member of Executive Committee

**Hang Seng Bank (Trustee) Limited** – Director

**Hang Seng Credit Limited** – Director

**Hang Seng Finance Limited** – Director

**Hang Seng Futures Limited** – Director

**Hang Seng Indexes Company Limited** – Member of Hang Seng Index Advisory Committee

**Hang Seng Insurance Company Limited** – Director

**Hang Seng Investment Management Limited** – Director

**Hang Seng Securities Limited** – Director

**Hang Seng Security Management Limited** – Director

**Haseba Investment Company Limited** – Director

*Other major appointment*

**Employers' Federation of Hong Kong** – Elected Member of General Committee

*Past major appointments*

**^Hang Seng Bank Limited** –

Head of Consumer Assets (2013 – 2016)

Head of Unsecured Loans (2005 – 2013)

Senior Marketing and Business Development Manager, Unsecured Lending (2002 – 2005)

Senior Marketing Communications Manager (2001 – 2002)

Manager, Marketing Communications (1995 – 2001)

**^Standard Chartered Bank** – Advertising Manager (1990 – 1994)

*Qualification*

Bachelor of Social Sciences in Business Studies – The University of Hong Kong

## APPENDIX II

## PARTICULARS OF DIRECTORS OFFERING FOR RE-ELECTION/ELECTION

**Ms Irene Y L LEE**

Independent Non-executive Director

*Aged 64*

*Joined the Board* since May 2014

*Other positions held within Hang Seng Group*

**^Hang Seng Bank Limited** – Chairman of Risk Committee; Member of Audit Committee

*Other major appointments*

**^Cathay Pacific Airways Limited** –

Independent Non-executive Director; Chairman of Audit Committee and Remuneration Committee

**^CLP Holdings Limited** –

Independent Non-executive Director;

Member of Audit Committee, Finance & General Committee and Sustainability Committee

**^Hysan Development Company Limited** –

Executive Chairman; Chairman of Nomination Committee and Strategy Committee

**^HSBC Holdings plc** – Independent Non-executive Director

**The Hongkong and Shanghai Banking Corporation Limited** –

Independent Non-executive Director; Member of Audit Committee; Member of Risk Committee

*Past major appointments*

**^Noble Group Limited** –

Independent Non-executive Director; Member of Audit Committee; Member of Investment and Capital Markets Committee (2012 – 2017)

Member of Nominating Committee (2013 – 2017)

Member of Risk Committee (2014 – 2017)

**JP Morgan Australia** – Member of Advisory Council (2005 – 2013)

**^QBE Insurance Group Limited** – Non-executive Director (2002 – 2013)

**^Keybridge Capital Limited** –

Non-executive Chairman (2009 – 2012)

Executive Chairman (2006 – 2009)

**The Myer Family Company Pty Limited** – Non-executive Director (2009 – 2011)

**ING Bank (Australia) Limited** – Non-executive Director (2005 – 2011)

**Australian Government Takeovers Panel** – Member (2001 – 2010)

**Sealcorp Holdings Limited** – Chief Executive Officer (1998 – 1999)

**^Commonwealth Bank of Australia** – Head of Corporate Finance (1993 – 1998)

**Citicorp Investment Bank Limited in New York, London and Sydney** –

Executive Director (1977 – 1987)

*Qualifications*

Bachelor of Arts Degree – Smith College, USA

Barrister-at-Law in England and Wales

Member – The Honourable Society of Gray's Inn, UK

**Mr Peter T S WONG JP**  
Non-executive Director

*Aged 66*

*Joined the Board* since May 2005

*Other position held within Hang Seng Group*

**^Hang Seng Bank Limited** – Member of Nomination Committee

*Other major appointments*

**Justice of the Peace**

**^Bank of Communications Co., Ltd.** – Vice Chairman and Non-executive Director

**^Cathay Pacific Airways Limited** – Independent Non-executive Director

**Chongqing Mayor's International Economic Advisory Council** – Member

**Economic Development Commission of HKSAR Government** – Non-official Member

**Hong Kong General Chamber of Commerce** – Vice Chairman; Member of General Committee

**Hong Kong Monetary Authority** – Member of The Exchange Fund Advisory Committee

**HSBC Bank (China) Company Limited** – Chairman and Non-executive Director;

Chairman of Nomination Committee; Member of Remuneration Committee

**HSBC Bank Malaysia Berhad** – Non-Independent Executive Director

**^HSBC Holdings plc** – Group Managing Director; Member of Group Management Board

**International Consultative Conference on the Future Economic Development of Guangdong Province** –

Economic Advisor to the Governor of Guangdong Province of the People's Republic of China

**Our Hong Kong Foundation Limited** – Special Counsellor

**Qianhai & Shekou Area of Shenzhen, China (Guangdong) Pilot Free Trade Zone, and**

**Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen** –

Member of the Consulting Committee

**The Community Chest of Hong Kong** –

Board Member; First Vice President; Chairman of Executive Committee

**The Hongkong and Shanghai Banking Corporation Limited** –

Deputy Chairman and Chief Executive; Executive Director

**The Hong Kong Institute of Bankers** – President

**The Thirteenth National Committee of the Chinese People's Political Consultative Conference** –  
Member

*Past major appointments*

**The Eleventh Hubei Provincial Committee of the Chinese People's Political Consultative Conference –**

Member (2012 – 2018)

Member of Standing Committee (2013 – 2018)

**International Advisor to the Mayor of Tianjin** (2010 – 2013)

**Greater Pearl River Delta Business Council** – Member (2006 – 2013)

**HSBC Bank (Vietnam) Ltd** – Vice-Chairman and Non-executive Director (2010 – 2012)

**^Ping An Insurance (Group) Company of China, Ltd.** – Non-executive Director (2006 – 2012)

**Hong Kong Institute for Monetary Research** –

Member of the Board of Directors (2010 – 2011)

**HSBC Bank Australia Limited** – Non-executive Director (2010 – 2011)

**^Hong Kong Exchanges and Clearing Limited** – Member of Risk Management Committee (2010)

**Hong Kong Trade Development Council** –

Chairman of Financial Services Advisory Committee (2006 – 2010)

**Hong Kong Monetary Authority** – Member of Banking Advisory Committee (2005 – 2010)

**The Hong Kong Association of Banks** – Chairman (2001, 2004, 2006 and 2009)

*Qualifications*

Bachelor's Degree in Computer Science; MBA in Marketing and Finance; MSc in Computer Science  
– Indiana University, USA

Fellow – The Hong Kong Management Association

**APPENDIX II****PARTICULARS OF DIRECTORS OFFERING  
FOR RE-ELECTION/ELECTION**

^ The securities of these companies are listed on a securities market in Hong Kong or overseas.

Notes:

1. *The interests of Ms Louisa Cheang, Dr Fred Zulu Hu, Ms Margaret W H Kwan, Ms Irene Y L Lee and Mr Peter T S Wong in the Shares of the Bank, if any, within the meaning of Part XV of the SFO as at 31 December 2017 have been disclosed in the section “Directors’ and Alternate Chief Executives’ Interests” of the Report of the Directors attached to the Bank’s 2017 Annual Report.*
2. *Ms Louisa Cheang is the Group General Manager of HSBC Holdings and Director of HSBC; Ms Irene Y L Lee is an INED of both HSBC Holdings and HSBC; Mr Peter T S Wong is the Group Managing Director of HSBC Holdings, Deputy Chairman, Chief Executive and Executive Director of HSBC. HSBC has an interest in the Shares of the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO, details of which are disclosed in the section “Substantial Interests in Share Capital” of the Report of the Directors attached to the Bank’s 2017 Annual Report.*
3. *Save as disclosed above, the Directors subject to re-election or election (as the case may be) (a) have not held any directorships in other publicly listed companies, whether in Hong Kong or overseas, during the last three years; (b) do not hold any other positions in the Bank or its subsidiaries; and (c) do not have any other relationships with any Directors, senior management, or substantial or controlling shareholders of the Bank.*
4. *All the Directors subject to re-election or election (as the case may be) (except Ms Louisa Cheang and Ms Margaret W H Kwan who are full time employees of the Bank) will receive Directors’ fees in the amounts approved from time to time by Shareholders at the AGMs of the Bank. The current amounts of Directors’ fees have been determined with reference to market practices, Directors’ workload and required commitment. A Director will also receive a fee for duties assigned to and services provided by him/her as Chairman or member of various Board Committees of the Bank. Such fees have been determined with reference to the Remuneration Policy of the Bank.*
5. *Details of the emoluments of Ms Louisa Cheang (being the Bank’s Chief Executive) and Ms Margaret W H Kwan (being the Bank’s Head of Retail Banking and Wealth Management) have been disclosed by the Bank in the announcements dated 8 June and 27 April 2017 respectively. The aforesaid emoluments have been determined with reference to the Remuneration Policy of the Bank. Details of the emoluments of the other Directors on a named basis have been disclosed in Note 16 to the Bank’s Financial Statements as contained in the Bank’s 2017 Annual Report.*
6. *All the Directors offering for re-election or election (as the case may be) have provided valuable advice and contributed their respective experience and expertise both at and outside board/committee meetings. They have also given independent guidance to the Board and the Board Committees over the years. Their re-election or election (as the case may be) will continue to enhance the governance and oversight of the Bank at both the Board and the Board Committee levels.*



**APPENDIX II****PARTICULARS OF DIRECTORS OFFERING  
FOR RE-ELECTION/ELECTION**

7. *None of the Directors subject to re-election or election (as the case may be), except Ms Margaret W H Kwan, have any service contracts with the Bank. The terms of appointment of NEDs (including INEDs) are three years except that where a NED (or an INED) has served on the Board for more than nine years, then his/her term of appointment is one year, renewable annually.*
8. *Save as disclosed above, none of the Directors subject to re-election or election (as the case may be) have any information which is required to be disclosed under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters relating to the re-election or election (as the case may be) of the Directors that need to be brought to the attention of the Shareholders.*
9. *Biographical details of Directors of the Bank are also available on the website of the Bank ([www.hangseng.com](http://www.hangseng.com)).*

<b>NOTICE OF ANNUAL GENERAL MEETING</b>
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**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Hang Seng Bank Limited (the “Bank”) will be held at Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Hong Kong on Thursday, 10 May 2018 at 3:30 pm to transact the following businesses:

- (1) to receive and consider the audited financial statements and the Reports of the Directors and of the Auditor for the year ended 31 December 2017;
- (2) to re-elect or elect (as the case may be) the following Directors:
  - (a) Ms Louisa Cheang;
  - (b) Dr Fred Zulu Hu;
  - (c) Ms Margaret W H Kwan;
  - (d) Ms Irene Y L Lee; and
  - (e) Mr Peter T S Wong;
- (3) to re-appoint PricewaterhouseCoopers as auditor of the Bank and to authorise the Directors of the Bank to determine the remuneration of the auditor;

and to consider and, if thought fit, to pass, with or without modifications, the following Resolutions as Ordinary Resolutions:

- (4) **“THAT**
  - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Bank during the Relevant Period (as hereinafter defined) of all the powers of the Bank to buy-back shares of the Bank be and is hereby generally and unconditionally approved;
  - (b) the aggregate number of the shares in the Bank which may be bought-back on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the number of shares of the Bank in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

<b>NOTICE OF ANNUAL GENERAL MEETING</b>
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- (c) for the purpose of this Resolution:

“Relevant Period” means the period from (and including) the date of passing 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 the Companies Ordinance (Cap. 622, Laws of Hong Kong) to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting.”; and

(5) **“THAT**

- (a) subject to paragraph (c) of this Resolution and, pursuant to Section 141 of the Companies Ordinance, the exercise by the Directors of the Bank during the Relevant Period (as hereinafter defined) of all the powers of the Bank to allot, issue and deal with additional shares of the Bank and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Bank) 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 (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Bank) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Bank allotted or agreed conditionally or unconditionally to be allotted or issued (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 hereinafter defined), or (ii) the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Bank which carry rights to subscribe

## NOTICE OF ANNUAL GENERAL MEETING

for or are convertible into shares of the Bank, or (iii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such schemes or similar arrangements of shares or rights to acquire shares of the Bank, or (iv) 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, shall not exceed, where the shares are to be allotted wholly for cash, 5% and in any event 20% of the number of shares of the Bank in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from (and including) the date of passing 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 the Companies Ordinance (Cap. 622, Laws of Hong Kong) to be held; and
- (iii) the revocation or variation of the authority given by this Resolution by ordinary resolution of the shareholders in general meeting;

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares in the Bank, open for a period fixed by the Directors of the Bank to holders of shares of the Bank or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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).”

By Order of the Board

**C C Li**  
*Secretary*

21 March 2018

## NOTICE OF ANNUAL GENERAL MEETING

### *Notes:*

1. *A Shareholder entitled to attend and vote at the 2018 AGM (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote instead of the Shareholder. A proxy needs not also be a Shareholder of the Bank. Shareholders or proxies who attend the 2018 AGM in person will each receive ONE souvenir as a token of the Bank's appreciation. If a shareholder is also appointed as proxy/proxies of other shareholder(s), or a proxy represents multiple shareholders, the number of souvenir each of the aforesaid shareholder or proxy will receive is limited to ONE.*
2. *The Directors of the Bank have declared a fourth interim dividend of HK\$3.10 per share for 2017. The Register of Shareholders of the Bank was closed on 7 March 2018 for the purpose of ascertaining Shareholders' entitlement to the 2017 fourth interim dividend. The fourth interim dividend will be payable on 23 March 2018 to Shareholders whose names appeared on the Register of Shareholders of the Bank on 7 March 2018.*
3. *Brief biographical details of all Directors who offer themselves for re-election or election (as the case may be) at the 2018 AGM are set out in Appendix II to the Circular dated 21 March 2018 of which this notice forms part.*
4. *Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the 2018 AGM. Article 67 of the Articles of Association provides that on a poll, every Shareholder present in person or by proxy shall have one vote for every share held by that Shareholder. An explanation of the detailed procedures of conducting a poll will be provided to Shareholders at the 2018 AGM.*
5. *The Register of Shareholders of the Bank will be closed, for the purpose of determining Shareholders' entitlement to attend and vote at the 2018 AGM, from Monday, 7 May 2018 to Thursday, 10 May 2018 (both days inclusive), during which period no transfer of shares will be registered. To be entitled to attend and vote at the 2018 AGM, all transfer documents, accompanied by the relevant share certificates, should be lodged with the Bank's Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 pm on Friday, 4 May 2018.*
6. *If Typhoon Signal No.8 or above is expected to be hoisted or a Black Rainstorm Warning Signal is expected to be in force at any time between 12:00 noon and 5:00 pm on the day of the 2018 AGM, then the 2018 AGM will be postponed and the Shareholders will be informed of the date, time and venue of the postponed meeting by a supplementary notice, posted on the Bank's website ([www.hangseng.com](http://www.hangseng.com)) and the website of HKEx ([www.hkexnews.hk](http://www.hkexnews.hk)).*

*If Typhoon Signal No.8 or above or a Black Rainstorm Warning Signal is cancelled at or before 12:00 noon on the day of the 2018 AGM and, where conditions permit, the 2018 AGM will be held as scheduled.*

*The 2018 AGM will be held as scheduled when an Amber or Red Rainstorm Warning Signal is in force.*

*Shareholders should decide on their own whether they would attend the 2018 AGM under bad weather conditions bearing in mind their own situations and, if they do so, they are advised to exercise care and caution.*

## NOTICE OF ANNUAL GENERAL MEETING

7. *As at the date hereof, the Board of Directors of the Bank comprises Dr Raymond K F Ch'ien\* (Chairman), Ms Louisa Cheang (Vice-Chairman and Chief Executive), Dr John C C Chan\*, Mr Nixon L S Chan#, Dr Henry K S Cheng\*, Ms L Y Chiang\*, Dr Fred Zulu Hu\*, Ms Margaret W H Kwan, Ms Irene Y L Lee\*, Ms Sarah C Legg#, Dr Eric K C Li\*, Dr Vincent H S Lo#, Mr Kenneth S Y Ng#, Mr Richard Y S Tang\*, Mr Peter T S Wong# and Mr Michael W K Wu\*.*

*\* Independent Non-executive Directors*

*# Non-executive Directors*

**THIS CIRCULAR** in both English and Chinese is now available in printed form and on the Bank's website ([www.hangseng.com](http://www.hangseng.com)) and HKEx's website ([www.hkexnews.hk](http://www.hkexnews.hk)). Shareholders who:

- (a) browse this Circular on the Bank's website and wish to receive a printed copy; or
- (b) receive this Circular in either English or Chinese version and wish to receive a printed copy in the other language version,

may send a completed request form, which can be obtained from the Bank's Registrar or downloaded from the Bank's website ([www.hangseng.com](http://www.hangseng.com)) or HKEx's website ([www.hkexnews.hk](http://www.hkexnews.hk)), to the Bank's Registrar:

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong  
Email: [hangseng@computershare.com.hk](mailto:hangseng@computershare.com.hk)

If Shareholders who have chosen (or are deemed to have chosen) to read this Circular on the Bank's website have difficulty in reading or gaining access to this Circular via the Bank's website for any reason, the Bank will promptly send this Circular in printed form free of charge upon the Shareholders' request.

Shareholders may change their choice of means of receipt or language of the Bank's future corporate communications at any time, free of charge, by giving the Bank c/o the Bank's Registrar reasonable notice in writing or by email to [hangseng@computershare.com.hk](mailto:hangseng@computershare.com.hk).



**恒生銀行有限公司**  
**Hang Seng Bank Limited**  
**Incorporated in Hong Kong with limited liability**  
Registered Office and Head Office: 83 Des Voeux Road Central, Hong Kong

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*Member HSBC Group*