

THE BANK OF EAST ASIA, LIMITED
EIGHTY-FOURTH ANNUAL GENERAL MEETING

MINUTES of the Eighty-Fourth Annual General Meeting of The Bank of East Asia, Limited held in the Ballroom, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Tuesday, 25th March, 2003 at 11:00 a.m.

PRESENT

Dr. David K.P. Li	-	Chairman & Chief Executive
Dr. Li Fook-wo	-	Director
Mr. George Ho	-	Director
Mr. Wong Chung-hin	-	Director
Mr. Alan F.S. Li	-	Director
Dr. Lee Shau-kee	-	Director
Dr. Simon F.S. Li	-	Director
Dr. Allan C.Y. Wong	-	Director
Mr. Joseph Y.W. Pang	-	Executive Director
Dr. William M.W. Mong	-	Director
Mr. Chan Kay-cheung	-	Executive Director
Mr. Winston Y.L. Lo	-	Director
Mr. Thomas P.K. Kwok	-	Director
Mr. Richard T.K. Li	-	Director
Ms. Molly K.L. Ho	-	Company Secretary
Mr. Steve Roder	-	Partner of KPMG
Various shareholders whose names appeared on the attendance sheets of the meeting.		

ABSENT

Mr. Aubrey K.S. Li	-	Director
Dr. Khoo Kay-peng	-	Director

1. A quorum being present, the Company Secretary declared the meeting open. The Notice convening the meeting was taken as read. In accordance with article 57(a) of the Articles of Association of the Bank, the Chairman would demand a poll on all resolutions put to the vote of the meeting. The polls for all resolutions would be taken all at the same time, after all the resolutions had been put to the vote of the meeting. The Bank had appointed KPMG as the scrutineer for the polls.
2. Mr. Steve Roder, Partner of KPMG, read the Report of the Auditors to the shareholders.

Mr. David Webb, a shareholder, noted that the distributable profit of the Bank decreased by 19.5%. However, Directors' total remuneration increased by 3%, in particular salaries and other emoluments increased by 15.7%. Mr. David Webb enquired of the Remuneration Committee on what basis is the increase justified. Mr. David Webb raised a concern on the composition of the Committee which comprises two Li Family members and he enquired whether they have recused themselves from deciding the remuneration of the Chief Executive. Mr. Webb further enquired about the guidance for the present year given the falling profit last year.

Mr. George Ho, Chairman of the Remuneration Committee, clarified that there are five Committee members. Three of them are Independent Non-executive Directors while

the other two are members of the Li Family. On the question of the increase of salaries and other emoluments, part of the increase is due to a HK\$1.5 million compensation for leave not taken, to comply with the new accounting standards.

Dr. David Li clarified that this HK\$1.5 million compensation for leave was a payment for over 800 days leave accumulated from previous years.

Mr. David Webb further enquired that even after deducting this HK\$1.5 million leave payment, there is still an increase of HK\$504,000.

Mr. Chan Kay-cheung summarised that the leave payment for the Chief Executive was HK\$1.5 million while the total leave payment for the other two executive directors was around HK\$550,000, making a total of about HK\$2 million. After the deduction of this HK\$2 million compensation leave payment, the total package of both the Chief Executive and two Deputy Chief Executives had been reduced.

3. Resolution No. 1 – To receive and consider the Profit and Loss Account and Balance Sheets for the year ended 31st December, 2002 together with the Reports of the Directors and of the Auditors

The resolution in respect of the adoption of the Profit and Loss Account and Balance Sheets for the year ended 31st December, 2002 together with the Reports of the Directors and of the Auditors was proposed by the Chairman and seconded by Mr. Peter Poon Wing-kin. The Chairman demanded that the resolution be decided upon by a poll.

4. Resolution No. 2 – To declare a final dividend of 35 cents per share

The resolution in respect of declaration of a final dividend of 35 cents per share was proposed by the Chairman and seconded by Mr. Peter Poon Wing-kin. The Chairman demanded that the resolution be decided upon by a poll.

5. Resolution No. 3 – To re-election Directors of the Bank

In accordance with the Articles of Association of the Bank, Mr. George Ho, Mr. Wong Chung-hin, Dr. Lee Shau-kee, Dr. Simon F.S. Li and Dr. Allan C.Y. Wong retired and, with the exception of Mr. George Ho who did not seek re-appointment, all the retiring Directors, being eligible, offered themselves for re-election.

(a) Re-election of Mr. Wong Chung-hin

The resolution in respect of the re-election of Mr. Wong Chung-hin as Director of the Bank was proposed by the Chairman and seconded by Mr. Cheung Ka-man. The Chairman demanded that the resolution be decided upon by a poll.

(b) Re-election of Dr. Lee Shau-kee

The resolution in respect of the re-election of Dr. Lee Shau-kee as Director of the Bank was proposed by the Chairman and seconded by Mr. Cheung Ka-man. The Chairman demanded that the resolution be decided upon by a poll.

Mr. David Webb noted that Dr. Lee Shau-kee is the controlling and majority shareholder of Henderson Land which listed The Bank of East Asia, Limited (“BEA”) as its principal banker. Further, Dr. Li is an Independent Non-executive

Director of two of the companies in the Henderson Group, namely, Henderson Cyber Limited and The Hong Kong and China Gas Company Limited. Dr. Lee Shau-kee is a member of the Audit Committee of the Bank but he did not attend any of the three meetings of the Committee during the year. Mr. David Webb enquired the reason for his not attending those meetings and expressed doubts on the independence of Dr. Lee Shau-kee given the relationships he had stated. Mr. David Webb indicated that he would vote against the resolution.

Dr. David Li advised that BEA is only one of the several principal bankers of the Henderson Group. Dr. Lee Shau-kee contributed greatly by providing advice to the Board even though he might not have attended all the meetings due to his busy schedules. Dr. Lee Shau-kee did pass information to the Bank regarding his views.

Dr. David Li further advised that he was considered by the Stock Exchange to be an Independent Non-executive Director of the Henderson Group and Dr. Lee Shau-kee was also considered to be an Independent Non-executive Director of BEA. Dr. Li further reminded the meeting that BEA's exposure to Henderson Group is governed by the Hong Kong Monetary Authority.

(c) Re-election of Dr. Simon F.S. Li

The resolution in respect of the re-election of Dr. Simon F.S. Li as Director of the Bank was proposed by the Chairman and seconded by Mr. Cheung Ka-man. The Chairman demanded that the resolution be decided upon by a poll.

(d) Re-election of Dr. Allan C.Y. Wong

The resolution in respect of the re-election of Dr. Allan C.Y. Wong as Director of the Bank was proposed by the Chairman and seconded by Mr. Cheung Ka-man. The Chairman demanded that the resolution be decided upon by a poll.

6. Resolution No. 4 – To re-appoint KPMG as Auditors of the Bank

The resolution in respect of the re-appointment of KPMG as Auditors of the Bank was proposed by the Chairman and seconded by Ms. Ng Yuk-ping. The Chairman demanded that the resolution be decided upon by a poll.

Mr. David Webb enquired whether, apart from the audit fees, KPMG or its affiliates received any other fees for other services provided to the Bank during the year and if so, what the amount was.

Mr. Chan Kay-cheung advised that only fees for tax services in the amount of approximately HK\$100,000 had been paid.

7. Resolution No. 5 – To grant a general mandate to the Directors to issue additional shares

The following ordinary resolution was proposed by the Chairman and seconded by Ms. Ng Yuk-ping:

“THAT

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period all the powers of the Bank to allot, issue and dispose of additional shares of the Bank and to make or grant offers, agreements,

options or warrants which would or might require the exercise of such powers either during or after the Relevant Period, not exceeding 20% of the aggregate nominal value of the share capital of the Bank in issue as at the date of this Resolution as increased by the scrip dividend issue approved pursuant to item 2 of the Notice of this Meeting; otherwise than any shares which may be issued pursuant to the following events:

- (i) a rights issue;
 - (ii) the exercise of the rights of conversion attached to the Convertible Bonds due 2003 issued by the Bank;
 - (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Bank and its subsidiaries of shares or rights to acquire shares of the Bank; or
 - (iv) any scrip dividend or similar arrangement in accordance with the Articles of Association of the Bank; and
- (b) for the purposes of this Resolution: ‘Relevant Period’ means the period from the passing of this Resolution until whichever is the earlier 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 date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the members in general meeting.”

The Chairman demanded that the resolution be decided upon by a poll.

Mr. David Webb commented that the general mandate of 20% is below the international standard. He advised that should the Bank feel the need to issue shares to raise cash, a rights issue should be considered. Mr. David Webb suggested that the Bank should lower the general mandate to the international standard of 5% per year or 7.5% over a three years rolling period. Mr. David Webb indicated that he would vote against this resolution and against resolution No. 7 on the extension. He would vote in favour of the buy-back mandate because this is on-market repurchase. Dr. David Li advised that the Board will give consideration to Mr. Webb’s proposal next year.

8. Resolution No. 6 – To grant a general mandate to the Directors to repurchase the Bank’s own shares

The following ordinary resolution was proposed by the Chairman and seconded by Ms. Lau Wai-yee:

“THAT

- (a) a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period all the powers of the Bank to repurchase ordinary shares of HK\$2.50 each in the capital of the Bank in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time provided however that the aggregate nominal amount of the shares to be repurchased pursuant to the approval in this paragraph shall not exceed 10% of the share capital of the Bank in issue as at the date of this Resolution as increased by the scrip dividend issue approved pursuant to item 2 of the Notice of this Meeting; and

- (b) for the purposes of this Resolution:
'Relevant Period' means the period from the passing of this Resolution until whichever is the earlier 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 date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the members in general meeting."

The Chairman demanded that the resolution be decided upon by a poll.

9. Resolution No. 7 – To extend the genral mandate granted to the Directors pursuant to Resolution No. 5

The following ordinary resolution was proposed by the Chairman and seconded by Ms. Lau Wai-yee:

"THAT, conditional on the passing of Resolutions in item 5 and item 6 of the Notice of this Meeting, the general mandate granted to the Directors to allot shares pursuant to the Resolution set out in item 5 of the Notice of this Meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Bank repurchased by the Bank under the authority granted pursuant to the Resolution set out in item 6 of the Notice of this Meeting."

The Chairman demanded that the resolution be decided upon by a poll.

10. Resolution No. 8 – To amend the Articles of Association of the Bank

The following special resolution was proposed by the Chairman and seconded by Mr. Ng Suk-tin:

"THAT the Articles of Association of the Bank be and are hereby amended in the following manner:

- (a) By deleting Article 84 in its entirety.
- (b) By adding the words "or more" immediately after the words "from time to time appoint one" and by deleting the word "Executive" and substituting therefor the word "Executive(s)" in Article 85(A).
- (c) By deleting the word "Executive" and substituting therefor the word "Executive(s)" in Article 85(B).
- (d) By deleting the word "Executive" and substituting therefor the word "Executive(s)" in Article 85(C).
- (e) By deleting the word "Executive" and substituting therefor the word "Executive(s)" in Article 86.

- (f) By deleting the existing Article 101 in its entirety and substituting therefor with the following new Article 101:
101. Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him either in writing or by word of mouth or by telephone or by facsimile at the facsimile number from time to time notified to the Company by such Director or by telex or telegram at the address from time to time notified to the Company by such Director or by electronic mail at the electronic mail address from time to time notified to the Company by such Director or in such other manner as the Board may from time to time determine. A Director absent or intending to be absent from Hong Kong may request the Board that notices of Board meetings shall during his absence be sent to him in such manner as described above, but such notices need not be given any earlier than notices given to Directors not so absent and in the absence of any such request it shall not be necessary to give notice of a Board meeting to any Director who is for the time being absent from Hong Kong. A Director may waive notice of any meeting either prospectively or retrospectively.
- (g) By deleting the existing Article 102 in its entirety and substituting therefor with the following new Article 102:
102. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be four. A meeting of the Directors may be held by means of telephone or videoconferencing or any other electronic means provided that all participants are thereby able to communicate immediately by voice with all other participants. Any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.
- (h) By deleting the existing Article 128 in its entirety and substituting therefor with the following new Article 128:
128. (A) The Directors shall, from time to time, in accordance with the Ordinance, cause to be prepared and to be laid before the annual general meeting of the Company the relevant financial documents required by the Ordinance. The Directors may also cause to be prepared a summary financial report if they think fit, which may be provided to Members and/or debenture holders instead of the relevant financial documents in circumstances permitted by the Stock Exchange.
- (B) Subject to paragraph (C) below, a copy of the relevant financial documents or the summary financial report shall, not less than 21 days before the meeting, be delivered or sent by post to the registered address of every Member and debenture holder of the Company, or in the case of a joint holding to the Member or debenture holder (as the case may be) whose name stands first in the appropriate Register in respect of the joint holding. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.
- (C) Where a Member or debenture holder of the Company has, in accordance with the Ordinance and any rules prescribed by the Stock Exchange from time to time, consented to treat the publication of the relevant financial documents and/or the summary financial report on

the Company's computer network as discharging the Company's obligation under the Ordinance to send a copy of the relevant financial documents and/or the summary financial report, then subject to compliance with the publication and notification requirements of the Ordinance and any rules prescribed by the Stock Exchange from time to time, publication by the Company on the Company's computer network of the relevant financial documents and/or the summary financial report at least 21 days before the date of the meeting shall, in relation to each such Member or debenture holder of the Company, be deemed to discharge the Company's obligations under paragraph (B) above.

(D) For the purpose of this Article, "relevant financial documents" and "summary financial report" shall have the meaning ascribed to them in the Ordinance.

(i) By deleting the existing Article 130 in its entirety and substituting therefor with the following new Article 130:

130. Any notice or document to be given or issued under these Articles shall be in writing, except that any such notice or document to be given or issued by or on behalf of the Company under these Articles (including any "corporate communication" within the meaning ascribed thereto in the Listing Rules) shall be in writing which may or may not be in a transitory form and may be recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form (including an electronic communication and publication on a computer network) whether having physical substance or not may be served or delivered by the Company by any of the following means subject to and to such extent permitted by and in accordance with the Ordinance, the Listing Rules and any applicable laws, rules and regulations:

- (i) personally;
- (ii) by sending it through the post in a properly prepaid letter, envelope or wrapper addressed to a Member at his registered address as appearing in the Register or in the case of another entitled person (as defined in the Ordinance), to such address as he may provide;
- (iii) by delivering or leaving it at such address as aforesaid;
- (iv) by advertisement in an English language newspaper and a Chinese language newspaper in Hong Kong;
- (v) by transmitting it as an electronic communication to the entitled person at such electronic address as he may have provided; or
- (vi) by publishing it on a computer network.

In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.

(j) By deleting the existing Article 131 in its entirety and substituting therefor with the following new Article 131:

131. Any notice or document (including any "corporate communication" within the meaning ascribed thereto in the Listing Rules) given or issued by or on behalf of the Company:

- (i) if sent by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the

- envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office (airmail if posted from Hong Kong to an address outside Hong Kong) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so properly prepaid, addressed and put into such post office shall be conclusive evidence thereof;
- (ii) if not sent by post but delivered or left at a registered address by the Company, shall be deemed to have been served on the day it was so delivered or left;
 - (iii) if published by way of a newspaper advertisement, shall be deemed to have been served on the date on which it is advertised in one English language newspaper and one Chinese language newspaper in Hong Kong;
 - (iv) if sent as an electronic communication, shall be deemed to have been served at the time when the notice or document is transmitted electronically provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender's control shall not invalidate the effectiveness of the notice or document being served; and
 - (v) if published on the Company's computer network, shall be deemed to have been served on the day on which the notice or document is published on the Company's computer network to which the entitled person may have access.
- (k) By adding the following new Article 131A immediately after Article 131:
- 131A. (A) The signature to any notice or document by the Company may be written, typed, printed or made electronically.
- (B) Subject to any applicable laws, rules and regulations, any notice or document, including but not limited to the documents referred to in Article 128 and any "corporate communication" within the meaning ascribed thereto in the Listing Rules, may be given in the English language only, in the Chinese language only or in both the English language and the Chinese language.
- (l) By deleting the existing Article 135 in its entirety and substituting therefor with the following new Article 135:
135. Every Director, Executive Director, manager, secretary and officer of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Executive Director, manager, secretary or officer in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under the Ordinance in which relief from liability is granted to him by the Court."

The Chairman demanded that the resolution be decided upon by a poll.

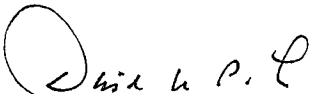
11. The Chairman announced that Mr. George Ho would retire as a Director of the Bank with effect from 25th March, 2003 on conclusion of the Annual General Meeting. On behalf of the Board, the Chairman expressed gratitude to Mr. Ho for his invaluable contribution to the Bank during his past 35 years of service. On behalf of the Bank, the Chairman presented a commemorative gift to Mr. Ho.

12. After all the voting papers had been collected, the Meeting had an interval from 12:00 noon to 2:30 p.m. for the Share Registrar to count the votes.
13. The poll results were announced by the Company Secretary at 2:30 p.m. as follows:

Resolutions	No. of Votes (%)	
	For	Against
1. To receive and consider the Profit and Loss Account and Balance Sheets for the year ended 31 st December, 2002 together with the Reports of the Directors and of the Auditors. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	467,251,130 (99.53%)	2,199,790 (0.47%)
2. To declare a final dividend of 35 cents per share. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	467,265,666 (99.53%)	2,199,040 (0.47%)
3a. To re-elect Mr. WONG Chung-hin as Director. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	461,775,258 (99.33%)	3,111,240 (0.67%)
3b. To re-elect Dr. LEE Shau-kee as Director. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	456,926,090 (98.29%)	7,951,624 (1.71%)
3c. To re-elect Dr. Simon LI Fook-sean as Director. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	461,760,088 (99.33%)	3,122,640 (0.67%)
3d. To re-elect Dr. Allan WONG Chi-yun as Director. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	461,776,613 (99.33%)	3,112,040 (0.67%)
4. To re-appoint KPMG as Auditors of the Bank. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	462,501,164 (99.52%)	2,253,590 (0.48%)
5. To grant a general mandate to the Directors to issue additional shares. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	461,035,638 (98.21%)	8,386,076 (1.79%)
6. To grant a general mandate to the Directors to repurchase the Bank's own shares. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	467,190,740 (99.52%)	2,245,840 (0.48%)
7. To extend the general mandate granted to the Directors pursuant to item 5. As more than 50% of the votes were cast in favour of the resolution, the resolution was carried.	461,990,407 (98.42%)	7,433,876 (1.58%)
8. To amend the Articles of Association of the Bank. As more than 75% of the votes were cast in favour of the resolution, the resolution was carried.	391,317,173 (83.50%)	77,324,773 (16.50%)

The poll results would be published in the newspapers and posted on the website of Hong Kong Exchanges and Clearing Limited and the website of the Bank.

14. There being no other business, the Chairman declared the meeting concluded.


 Chairman