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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 registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Bank of East Asia, Limited, you should at once hand this circular 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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The Bank of East Asia, Limited
(Incorporated in Hong Kong with limited liability in 1918)

**PROPOSALS FOR
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The notice of annual general meeting of The Bank of East Asia, Limited to be held at the Ballroom, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Tuesday, 25th March, 2003 at 11:00 a.m. is set out on pages 42 to 47 of the Annual Report 2002 of the Company sent together with this circular. A shareholder may appoint a proxy to attend and vote in his place. A proxy need not be a member. A completed form of proxy must be deposited with Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.

3rd March, 2003

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at the Ballroom, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Tuesday, 25th March, 2003, at 11:00 a.m., the notice of which is set out on pages 42 to 47 of the Annual Report 2002 of the Company sent together with this circular or, where the context so admits, any adjournment thereof;
“Annual Report and Accounts”	the profit and loss accounts, balance sheets, group accounts (if any), reports of the Directors and of the Auditors and other documents (if any) as are required by the Companies Ordinance to be laid before a general meeting of a company;
“Articles of Association”	the articles of association of the Company, as originally adopted, or as from time to time altered in accordance with the Companies Ordinance;
“Auditors”	the auditors for the time being and from time to time of the Company;
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“Company”	The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability;
“Directors”	the directors of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange;
“Shareholders”	holders of Shares;
“Shares”	shares of HK\$2.50 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of section 2(4) of the Companies Ordinance) of the Company whether incorporated in Hong Kong or elsewhere; and
“Summary Financial Report”	in relation to a listed company, a summary financial report of the Company which complies with section 141CF(1) of the Companies Ordinance.



BEA 東亞銀行

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

Executive Directors:

Dr. The Hon. David LI Kwok-po
(Chairman and Chief Executive)

Mr. Joseph PANG Yuk-wing
(Deputy Chief Executive)

Mr. CHAN Kay-cheung
(Deputy Chief Executive)

Registered Office:

10 Des Voeux Road Central
Hong Kong

Non-executive Directors:

Dr. LI Fook-wo

Mr. Alan LI Fook-sum

Dr. The Hon. Simon LI Fook-sean

Mr. Aubrey LI Kwok-sing

Dr. William MONG Man-wai

Tan Sri Dr. KHOO Kay-peng

Mr. Richard LI Tzar-kai

Independent Non-executive Directors:

Mr. George HO

Mr. WONG Chung-hin

Dr. LEE Shau-kee

Dr. Allan WONG Chi-yun

Mr. Winston LO Yau-lai

Mr. Thomas KWOK Ping-kwong

3rd March, 2003

To the Shareholders

Dear Sir or Madam,

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. INTRODUCTION

The purpose of this circular is to give you information on the proposals to amend the Articles of Association, for your consideration and, if thought fit, approval at the AGM to be held on 25th March, 2003.

2. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Financial Reports

On 4th January, 2002, amendments to the Companies Ordinance came into force to permit a listed company incorporated in Hong Kong to send, subject to the consent of the relevant recipient, copies of Summary Financial Reports in place of the Annual Report and Accounts to its shareholders, debenture holders and any other person entitled for the purposes of a general meeting of the Company. A listed company is also allowed, subject to the consent of the relevant recipient, to treat the publication of the Annual Report and Accounts and/or the Summary Financial Report on a computer network as discharging its obligation under the Companies Ordinance to send a copy of the relevant documents to its shareholders, debenture holders and any other person entitled.

Prior to these amendments to the Companies Ordinance, it was necessary for the Company to send each Shareholder and debenture holder, among others, a copy of the Annual Report and Accounts. The Articles of Association, in its present form, require the delivery of printed copies of Annual Reports and Accounts to Shareholders and debenture holders, and does not permit the Company to send Summary Financial Reports to Shareholders and debenture holders. In order to take advantage of the potential cost savings resulting from the amendments to the Companies Ordinance, a special resolution will be proposed at the AGM to amend the Articles of Association, among other things, to allow the Company to distribute Summary Financial Reports to Shareholders and debenture holders who would prefer to receive these in place of the Annual Report and Accounts and to enable the Company to offer Shareholders and debenture holders the choice to forego receipt of a printed copy of either the Annual Report and Accounts or the Summary Financial Report and to rely on the versions of those documents published on the Company's website.

Even if Shareholders vote in favour of the special resolution, they will still be able to choose to receive printed copies of the Annual Report and Accounts.

Corporate Communications

Chapter 2 of the Listing Rules was amended on 15th February, 2002 to allow listed companies to send or otherwise make available corporate communications, including but not limited to the Annual Report and Accounts, the Summary Financial Report, the interim report, notices of general meetings and circulars, to holders of securities using electronic means and in either English or Chinese only or in both English and Chinese if that is allowed under applicable laws and regulations and the listed company's own constitutional documents.

LETTER FROM THE BOARD OF DIRECTORS

In order to achieve such flexibility under the new rules, the Directors propose to introduce certain amendments to the Articles of Association which will enable the Company, subject to the extent permitted by the Companies Ordinance, Listing Rules and any applicable laws, rules and regulations:

- (1) with the shareholders' prior consent, to send or otherwise make available the Company's corporate communications (within the meaning ascribed thereto under the Listing Rules) using electronic means; and
- (2) to send the Company's corporate communications to shareholders in either the English language only, the Chinese language only or in both the English language and the Chinese language.

Even if Shareholders vote in favour of the special resolution, there will be no change in the manner in which the Company issues corporate communications to Shareholders unless and until notice has been sent to Shareholders to ascertain their wishes with respect to the various options available for receiving corporate communications.

Indemnity

An amendment to the Articles of Association will also be proposed at the AGM to the effect that the Auditors will be excluded as a party entitled to be indemnified by the Company against all liabilities incurred by the Auditors. The Directors consider that it is inappropriate for the Company to give an indemnity to the Auditors.

General changes to modernise and update the Articles of Association

The Directors propose that a number of additional amendments be made to the Articles of Association to modernise and update certain provisions relating to the management of the Company. The changes are summarised as follows:

- (1) the Articles of Association provide that the Chief Executive of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. The Directors consider that the Chief Executive, if he is a Director, should also be subject to rotation requirements. It is proposed that the relevant Articles of Association be deleted so that the exemption from rotation requirements applicable to the Chief Executive of the Company will be removed;
- (2) it is proposed that the Articles of Association be amended to allow the Company to appoint more than one Chief Executive in order to accommodate any future development and expansion of the business of the Company; and
- (3) it is proposed that the Articles of Association be amended to specifically provide that notices of meetings of the Directors may be issued in writing, by word of mouth, by telephone, by facsimile, by telex or telegram, or by electronic mail or in

LETTER FROM THE BOARD OF DIRECTORS

such other manner to the Directors as the Board may from time to time determine, and that meetings of the Directors may be conducted by means of telephone or videoconferencing or any other electronic means.

Annual General Meeting

A special resolution to amend the Articles of Association is proposed at the AGM. The notice of annual general meeting of The Bank of East Asia, Limited to be held at the Ballroom, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on Tuesday, 25th March, 2003 at 11:00 a.m. is set out on pages 42 to 47 of the Annual Report 2002 of the Company sent together with this circular. Details of the special resolution are set out in the notice of AGM.

A shareholder may appoint a proxy to attend and vote in his place. A proxy need not be a member. A completed form of proxy must be deposited with Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.

Existing Articles 84, 85, 86, 101, 102, 128, 130, 131 and 135 of the Articles of Association, which will be amended/replaced as described above, are set out in the Appendix to this circular.

3. RECOMMENDATION

The Directors consider that the adoption of the proposed amendments to the Articles of Associations are in the **best** interests of the Company and the Shareholders, and accordingly recommend you to vote in favour of the special resolution to be proposed at the AGM.

Yours faithfully,
By Order of the Board
David LI Kwok-po
Chairman and Chief Executive

- “Article 101” Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. 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 in writing to him at his last known address or any other address given by him to the Company for this purpose, 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.
- “Article 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. 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.
- “Article 128” A copy of every balance sheet and profit and loss account, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors’ report, shall be sent to each person entitled thereto in accordance with the requirements of the Ordinance, and copies shall also be sent in appropriate numbers to the Stock Exchange in accordance with the terms of any listing agreement for the time being binding on the Company or with the continuing obligations binding on the Company by virtue of any listing.
- “Article 130” Any notice or other document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid letter addressed to such Member at his registered address as appearing in the Register or by delivering it to or leaving it at such registered address addressed as aforesaid. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Alternatively, a notice may be served on any Member by advertisement in one leading local English and one leading local Chinese newspaper circulating in Hong Kong for such period as the Directors think fit.

- “Article 131” Any such notice or other document, if sent by post, shall be deemed to have been served or delivered 24 hours after the time when it was put in the post (airmail if posted from Hong Kong to an address outside Hong Kong), and in proving such service or delivery it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left. Any notice served by advertisement shall be deemed to be given on the first date on which it is advertised in both one leading local English and one leading local Chinese newspaper.
- “Article 135” Every Director, Executive Director, manager, secretary, officer and auditor 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, officer or auditor 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.