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The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Directors proposed to amend the Articles of Association to, inter alia, clarify existing practices of the Bank and codify certain existing requirements under the law. The Directors proposed these amendments with a view to increasing the flexibility of certain internal matters of the Bank and to bring them more in line with market practices. Certain minor housekeeping amendments to the Articles of Association will also be proposed.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of passing a special resolution at the 2007 AGM. A circular containing, inter alia, information on the proposed amendments to the Articles of Association and notice of the 2007 AGM is to be despatched to the Shareholders upon publication of this announcement.

The directors of The Bank of East Asia, Limited (the "Bank") (the "Directors") proposed to amend the existing Articles of Association of the Bank (the "Articles of Association") to, inter alia, clarify existing practices of the Bank and codify certain existing requirements under the law. The Directors proposed these amendments with a view to increasing the flexibility of certain internal matters of the Bank and to bring them more in line with market practices. Certain minor housekeeping amendments to the Articles of Association will also be proposed at the Annual General Meeting of the Bank to be held on Thursday, 12th April, 2007 (the "2007 AGM").

Summary of the major changes to the Articles of Association include the following:

- (a) whilst the Articles of Association already allowed the Board to receive payments made by the Shareholders in advance of any call on Shares, the Board shall also be given the power to repay any amount paid by a Shareholder in advance of call on Shares;
- (b) without prejudice to any right or remedy that the Bank has under the law, in the event that the Bank is made liable by any authority to make any payment such as tax or duty as a result of the death of a Shareholder, the non-payment of duty in respect of the estate of a Shareholder after his death or the non-payment of tax by a Shareholder, the Bank shall be fully indemnified by the relevant Shareholder or the administrator of his estate against such payment made by the Bank;
- (c) it is proposed to clarify that upon the forfeiture of Shares held by a Shareholder, subject to certain exceptions, the interests, claims and demands of such Shareholder against the Bank shall be extinguished;
- (d) the Board shall be given the power to postpone a general meeting if it is impractical or unreasonable to hold the meeting on the designated date;
- (e) the Board shall be given the power to send proxy in blank or nominating any one or more Directors or any other persons to act as proxy;
- (f) it is proposed to clarify that a proxy shall have the power to demand a poll at a general meeting and to vote on a resolution proposed at a general meeting as he thinks fit and speak at a general meeting;
- (g) it is proposed to clarify that an instrument of proxy shall remain to be valid notwithstanding (i) the death or insanity of the Shareholder who appointed the proxy; or (ii) the revocation of a proxy or the transfer of the Shares in respect of which the proxy was appointed if such death, insanity, revocation or transfer was not notified to the Bank before the commencement of the general meeting at which the instrument of proxy will be used;
- (h) it is proposed to clarify that minutes of a general meeting or Board meeting signed by the chairman of such meeting or the next succeeding meeting shall constitute sufficient evidence of the holding of the meeting and the matters passed at the meeting, unless the contrary is proved;
- (i) in respect of payment of dividend by the Bank, in addition to providing a right to the Shareholders to elect to receive scrip dividend or cash payment, the Shareholders may instead resolve that only scrip dividend will be made without the right to elect;
- (j) in order to bring the Bank's practice more in line with market practices and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Board shall have the power to exclude, from the entitlement to receive scrip dividend or a right to elect to receive scrip dividend or cash payment, Shareholders in jurisdictions where the allotment of Shares might in the opinion of the Board be unlawful or would require registration formalities to be carried out. Instead, such Shareholders would only be entitled to receive cash payment for the dividend; and
- (k) it is proposed to clarify that any person who becomes entitled to a Share by way of transfer, operation of law or any other means shall be bound by the notice given to the person from whom he derived his title at a time before his name is entered into the register of Shareholders of the Bank.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of passing a special resolution at the 2007 AGM. A circular containing, inter alia, information on the proposed amendments to the Articles of Association together with a notice convening the 2007 AGM is to be despatched to the Shareholders upon publication of this announcement.

By Order of the Board

Molly HO Kam-lan

Company Secretary

Hong Kong, 12th March, 2007.

As at the date of this announcement, the Executive Directors of the Bank are: Dr. The Hon. Sir David LI Kwok-po (Chairman and Chief Executive), Mr. Joseph PANG Yuk-wing (Deputy Chief Executive) and Mr. CHAN Kay-cheung (Deputy Chief Executive); the Non-executive Directors of the Bank are: Dr. LI Fook-wo, Mr. Aubrey LI Kwok-sing, Dr. William MONG Man-wai, Tan Sri Dr. KHOO Kay-peng, Mr. Richard LI Tzar-kai, Mr. Eric LI Fook-chuen and Mr. Stephen Charles LI Kwok-sze; and the Independent Non-executive Directors are: Mr. WONG Chung-hin, Dr. LEE Shau-kee, Dr. Allan WONG Chi-yun, Mr. Winston LO Yau-lai, Mr. Thomas KWOK Ping-kwong, Mr. TAN Man-kou and Mr. Kenneth LO Chin-ming.