

For Immediate Release

BEA Launches Capital Guaranteed Potential Booster Equity Linked Deposit – Series 2

Hong Kong, 23rd February, 2005 – The Bank of East Asia (“BEA”) today announces the launch of a principal protected investment product, the Capital Guaranteed Potential Booster Equity Linked Deposit – Series 2 (the “Linked Deposit”). The product will be offered from 24th February to 9th March, 2005.

The Linked Deposit is one of many investment products currently being offered as part of BEA’s Linked Deposit Series. It is a highly competitive investment alternative to traditional time deposits.

The Linked Deposit is 100% principal protected and coupon payment will be made semi-annually after each Observation Date. Investors will earn a Bonus Coupon if the Fixing Values of all the Stocks in the Underlying Stock Basket are greater than or equal to their respective Initial Spot Prices (the “Trigger Event”) on any Observation Date. When the Trigger Event occurs, the maximum investment period of five years will be shortened and the Linked Deposit will be terminated and mature automatically. The shortest possible tenor is six months.

The longer it takes for the Trigger Event to occur, the higher the Bonus Coupon will be. If the Trigger Event occurs on the first Observation Date, the Bonus Coupon will be 8% for six months. This Bonus Coupon will gradually step up by 2% semi-annually on each Observation Date, reaching as high as 26% on the last Observation Date at the end of Year 5. If the Trigger Event does not occur on any Observation Date, a 0.5% Guaranteed Coupon will be paid. Therefore, if the Trigger Event occurs on the last Observation Date, investors will have received an aggregated coupon of 30.5% (4.5% Guaranteed Coupon plus 26% Bonus Coupon). However, even if the Trigger Event never occurs, investors will still receive an aggregated Guaranteed Coupon of 5% over the life of the Deposit.

The Linked Deposit is suitable for investors who have confidence in the Underlying Stock Basket, in which all ten globally recognised stocks are carefully selected by BEA.

No subscription fee or management fee will be levied when Linked Deposits are placed and early withdrawal of Linked Deposits is only allowed from the second year onwards (please refer to the table below for details). BEA will also provide overdraft facilities at a competitive interest rate to selected customers upon request.

For further details, please refer to the Principal Brochure of the Capital Guaranteed Potential Booster Equity Linked Deposit – Series 2.

Details of the Linked Deposit:

Offer Period	24 th February, 2005 – 9 th March, 2005
Minimum Deposit Amount for Each Investor	USD 10,000 or its multiple
Minimum Aggregate Deposit Amount for All Investors	USD 30,000,000
Trade Date	10 th March 2005 (subject to the Fixing Business Day convention)

Settlement Date	15 th March 2005 ¹ (or the third Hong Kong and New York Business Day after the Trade Date, whichever shall be later)
Maturity Date	13 th March, 2010 (or the third Hong Kong and New York Business Day after the tenth Observation Date, whichever shall be later and subject to the occurrence of the Trigger Event)
Fees & Charges	No fees and charges are payable by investors. All related charges incurred by BEA are already inherently contained in and subsumed into the calculation of the interest rate and other variables under the Linked Deposit.
Early Redemption	Redemption prior to maturity is only permitted from one year after the Settlement Date on the third Business Day of March, June, September or December and is subject to costs, losses, and expenses absolutely determined by BEA. Please refer to the Early Redemption section of the Principal Brochure.

Disclaimer:

1. This Linked Deposit is not the same as nor should it be treated as, a substitute for normal time deposits.
2. By participating in such Linked Deposit, the investors are committed to holding the Linked Deposit until the Maturity Date (unless the Trigger Event occurs prior to the Maturity Date).
3. If on every Observation Date, any one or more Stocks in the Underlying Stock Basket performs negatively, investors will only receive the Guaranteed Coupon on the relevant Coupon Payment Dates and need to hold the Linked Deposit for five years until the Maturity Date.
4. Investors should note that if they choose to redeem the Linked Deposit before the Maturity Date, they **may not receive the full original invested capital nor the Total Guaranteed Coupon**. The invested capital and the Total Guaranteed Coupon would only be 100% protected if investors hold the Linked Deposit until the Maturity Date or upon the occurrence of the Trigger Event, as the case may be.
5. This Linked Deposit is denominated in USD. Investors who wish or intend to convert the Deposit Amount and / or coupon into a different currency (e.g. Hong Kong Dollar) are subject to the relevant foreign exchange risk.
6. Investors should fully understand about all the risks associated in the Linked Deposit before making an investment decision.
7. Investors should seek independent legal and financial advice.
8. Investment involves risk, information regarding the Linked Deposit is for reference only, please refer to the Principal Brochure for details.

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¹ Settlement Date refers to the date when the Deposit Amount of the investors is settled to create such Linked Deposit.