

For Immediate Release

BEA Receives Approval to Conduct RMB Business in Beijing

Hong Kong, 26th September, 2005 – The Bank of East Asia (“BEA”) today announces that its Beijing Branch has obtained approval from the China Banking Regulatory Commission to conduct Renminbi (“RMB”) business. With this approval, BEA’s Beijing Branch becomes the Bank’s eighth branch to provide RMB services on the Mainland. Beijing Branch also holds the distinction of being the first branch of any Hong Kong-based bank in Beijing to successfully obtain approval to conduct RMB business under the Closer Economic Partnership Arrangement (“CEPA”).

CEPA provides Hong Kong’s financial institutions with greater access to the Mainland market under preferential terms. Under CEPA, a branch must be in operation for a minimum of two years (formerly three years) before it may apply to conduct RMB business. As a result, BEA’s Beijing Branch, which opened in 2003, is permitted to conduct RMB business one year earlier. Such relaxation further enhances the customer value of Beijing Branch leading up to the liberalisation of the Mainland’s banking industry starting from the end of 2006.

In accordance with the regulations, Beijing Branch will offer RMB services to local enterprises, foreign-invested enterprises, foreign individuals, as well as Hong Kong, Macau, and Taiwan residents. The scope of service covers deposits, loans and overdrafts, bill acceptance and discounts, issuance of documentary credits and bank guarantees, remittances and international settlements, the buying and selling of foreign currencies, and inter-bank borrowing.

BEA has one of the most extensive RMB service networks of any foreign bank operating in China. In addition to its Beijing Branch, BEA currently has seven other branches providing the same services in China, namely Shanghai, Shenzhen, Dalian, Guangzhou, Zhuhai, Xi’an, and Xiamen branches.

The Bank’s RMB service network covers China’s major urban centres including the above-mentioned eight prime cities where BEA’s branches have been sanctioned to provide RMB services, plus the cities of Tianjin, Nanjing, Qingdao, Wuhan, Kunming, Shenyang, Fuzhou, Chengdu, Chongqing, and Jinan. The Bank also offers RMB services throughout the provinces of Jiangsu, Zhejiang, Guangdong, Guangxi, and Hunan.

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About BEA's China Services

As one of the foreign banks with the most extensive branch coverage on the Mainland, BEA's network includes nine branches (Shanghai, Shenzhen, Xiamen, Guangzhou, Zhuhai, Dalian, Xi'an, Beijing, and Chengdu), four sub-branches (two in Shanghai, one each in Guangzhou and Shenzhen), and seven representative offices (Fuzhou, Qingdao, Wuhan, Tianjin, Chongqing, Suzhou, and Dongguan). BEA has also obtained approval to open its Hangzhou Branch, Chongqing Branch (an upgrade of the existing representative office), Shenzhen Nanshan Sub-branch, Shanghai Xintiandi Sub-branch, Dalian Huafu Sub-branch and Xi'an South Gate Sub-branch. By the time, BEA's extensive China network will consist of 25 outlets across the Mainland.

BEA provides a wide range of banking services to a growing customer base in China. In addition to foreign currency services extended to all types of customers, the Bank offers Renminbi services to the same clientele (except local residents) through its eight branches in Beijing, Shanghai, Shenzhen, Dalian, Guangzhou, Zhuhai, Xi'an, and Xiamen. For more details on the Bank's China services, please visit BEA's China website at www.hkbea.com.cn.