

For Immediate Release

BEA Offers Equity Linked Deposit – Multiple-Up Coupon Series

*Enjoy potentially higher returns with Equity Linked Deposit
– Multiple-Up Coupon Series*

Hong Kong, 31st October, 2005 – The Bank of East Asia (“BEA”) today announces the launch of a new investment product, Equity Linked Deposit – Multiple-Up Coupon Series (the “Linked Deposit”).

The Linked Deposit is a short to medium term investment alternative (usually from six months to three years) that provides investors with an opportunity to capture Multiple-Up Potential Coupon by capitalising on the positive performance of an underlying stock. At maturity, investors will receive either the Deposit Amount plus a potential coupon (if any) in cash or shares of the underlying stock.

The Multiple-Up Potential Coupon¹ is payable only if the Fixing Value of the underlying stock on the Determination Date is greater than the predetermined Multiple-Up Start Value. The value of the potential coupon is equal to a predetermined Coupon Multiplier times the upside performance of the underlying stock and is capped by a Maximum Potential Coupon². The greater the positive performance of the underlying stock on the Determination Date is, the greater the potential coupon an investor will earn.

At maturity, depending on whether or not the Fixing Value falls below the Reference Value on the Determination Date, investors will receive either the Deposit Amount plus a potential coupon (if any) in cash, or a certain number of shares of the underlying stock calculated based on the predetermined Reference Value. If the Fixing Value of the underlying stock falls to zero on the Determination Date, the investor’s maximum mark-to-market loss will be the entire Deposit Amount. Hence, investors should be aware of the risk that this Linked Deposit is not a principal protected investment.

Under the structure of the Linked Deposit, investors can freely choose³ the deposit tenor, Reference Value, Multiple-Up Start Value, Multiple-Up Stop Value, and any underlying stock from the Main Board of the Stock Exchange of Hong Kong to suit their particular investment view, risk appetite, and return expectation⁴.

¹ Multiple-Up Potential Coupon = Deposit Amount x {Coupon Multiplier x [(Fixing Value / Multiple-Up Start Value) – 1]}.

² Maximum Potential Coupon = The maximum amount of potential coupon that investors may earn for the Linked Deposit expressed in a certain percentage of the Deposit Amount and is equal to Coupon Multiplier x [(Multiple-Up Stop Value / Multiple-Up Start Value) – 1].

³ The Bank of East Asia, Limited has absolute discretion to reject any selection of deposit tenor, Reference Value, Multiple-Up Start Value, Multiple-Up Stop Value, and / or underlying stock prior to the Settlement Date under impractical situations. Impractical situations include, but are not limited to, low liquidity of the selected underlying stock and low Reference Value that cannot generate reasonable potential coupon.

⁴ Investors should note that Reference Value and Multiple-Up Start Value have a positive correlation with Maximum Potential Coupon and Coupon Multiplier.

The Linked Deposit is suitable for investors who have confidence in the selected underlying stock and believe that the underlying stock will not fall below the predefined Reference Value on the Determination Date. Nonetheless, if the stock price does fall below that value, the principal of the Linked Deposit will be converted into shares of the underlying stock at the Reference Value.

Investors in the Linked Deposit do not need to pay any service charge when the Linked Deposit is placed, as all related charges incurred by the Bank will be inherently contained in and subsumed into the calculation of the coupon rate and other variables. If the underlying stock is delivered to investors on the Maturity Date, the only fee payable by investors will be the stamp duty.

For further details of the Linked Deposit, please refer to the Principal Brochure of Equity Linked Deposit – Multiple-Up Coupon Series or visit BEA's website at www.hkbea.com.

Disclaimer:

1. This Linked Deposit is not the same as nor should it be treated as a substitute for normal time deposits.
2. Investors should realise that this is not a principal protected investment as they may receive shares of the underlying stock at maturity instead of their original Deposit Amount and the mark-to-market value of the received stocks may be substantially less than their original investment.
3. If a foreign currency is used as the deposit currency, investors may have to bear the risk of currency fluctuation as exchange rates may rise or fall.
4. Investors should fully understand all the risks associated with the Linked Deposit before making an investment decision.
5. Investors should seek independent legal and financial advice.
6. Early withdrawal (in part or in full) is not allowed prior to the Maturity Date.
7. This Linked Deposit is rather sophisticated in structure when compared with the normal equity linked deposits. Investors should refer to the Application Form and Risk Declaration before participating into this Linked Deposit.

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