

For Immediate Release

**BEA Launches Capital Guaranteed FTSE Xinhua China 25
Index Linked Deposit - Series 17 (USD) & 18 (HKD)**

Hong Kong, 7th December, 2005 – The Bank of East Asia (“BEA”) today announces the launch of Capital Guaranteed FTSE Xinhua China 25 Index Linked Deposit – Series 17 (USD) & Series 18 (HKD) (the “Linked Deposit”). The offering period will be from 7th December, 2005 to 10th January, 2006.

The return of the Linked Deposit is linked to the performance of the FTSE Xinhua China 25 Index¹ (the “Index”). The Linked Deposit is 100% principal protected and provides an opportunity for early maturity if the predetermined Target Percentage at 20% is reached (“Target Redemption Event”) on any monthly Observation Date. The original tenor of two years can be shortened by the Target Redemption Event. The shortest possible tenor is eight months.

However, even if the Target Percentage is not reached prior to maturity, investors will still earn a coupon equal to the higher of the Sum of Monthly Performance up to the last Observation Date or the Guaranteed Coupon (3%) at maturity.

The monthly observation takes a unique Cliquet structure approach in which each month’s performance is compared to the immediately preceding month, rather than the usual comparison between each month and its initial fixing. This arrangement can help minimise any abrupt shocks. A local cap of 2.5% and a local floor of 5% will apply.

The Index consists of some of the largest and most liquid Chinese stocks (Red Chip and H shares) listed on the Stock Exchange of Hong Kong. In addition, the composition of the Index is evenly distributed to avoid concentration in one or two particular industries, which may influence the overall Index performance.

The Linked Deposit is suitable for investors who have confidence in the underlying Index and is a highly competitive investment alternative to traditional time deposits. No subscription or management fees will be levied when the Linked Deposit is placed. (Please refer to the Fees and Charges section below).

During the offering period from now to 10th January, 2006, investors will be entitled to receive a HKD100 PARKnSHOP gift coupon for the first subscription amount of USD10,000 for Series 17 or HKD100,000 for Series 18, and an additional HKD50 PARKnSHOP gift coupon for every subsequent amount of USD5,000 for Series 17 or HKD50,000 for Series 18. The higher subscription amount the investors place, the more gift coupons they will receive.

For further details, please refer to the Principal Brochure of the Capital Guaranteed FTSE Xinhua China 25 Index Linked Deposit – Series 17 (USD) & Series 18 (HKD) or visit BEA’s website at www.hkbea.com.

¹ The FTSE Xinhua China 25 Index is calculated by or on behalf of FTSE / Xinhua Index Limited. FTSE / Xinhua Index Limited does not sponsor, endorse, or promote this product.

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Details of the Linked Deposit:

Offer Period	7 th December, 2005 to 10 th January, 2006
Minimum Deposit Amount for Each Investor	USD5,000 or multiple (Series 17) HKD50,000 or multiple (Series 18)
Minimum Aggregate Deposit Amount for All Investors	USD20,000,000 (Series 17) HKD100,000,000 (Series 18)
Trade Date	11 th January, 2006
Settlement Date	13 th January, 2006
Determination Date	11 th January, 2008
Maturity Date	15 th January, 2008 (subject to the Target Redemption Event)
Fees & Charges	No fees and charges are payable by investors. All related charges incurred by the Bank are already inherently contained in and subsumed into the calculation of the coupon rate and other variables under the Linked Deposit.

Risk Factors:

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, investors are committed to holding the Linked Deposit until the Maturity Date.
3. Investors will receive the Guaranteed Coupon at maturity if the Index performs undesirably and the Sum of Monthly Performance up to the last Observation Date is less than the Guaranteed Coupon.
4. The overall performance of the Linked Deposit may not consistently align with the performance of the Index.
5. Investors should note that this Linked Deposit does not allow early redemption. Investors must hold the Linked Deposit until maturity.
6. Series 17 is denominated in USD. Investors who wish or intend to convert the Deposit Amount and / or any coupon into a different currency (e.g. Hong Kong Dollar) are subject to the relevant foreign exchange risk.
7. Investors should fully understand all the risks associated with the Linked Deposit before making an investment decision.
8. Investors should seek independent legal and financial advice.

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