

**For Immediate Release**

## **BEA Reduces MPF Master Trust Scheme Fees**

**Hong Kong, 11<sup>th</sup> October, 2007** - The Bank of East Asia, Limited (“BEA”) today announces a reduction in the fees of two constituent funds under its MPF Master Trust Scheme. The Sponsor’s Fee of the BEA (MPF) Capital Preservation Fund will be lowered from 1.55% to 1.2% per annum and the BEA (MPF) Global Bond Fund will be lowered from 1.55% to 1.45% per annum effective 1<sup>st</sup> November, 2007.

The BEA (MPF) Capital Preservation Fund solely invests in Hong Kong dollar-denominated instruments, namely short-term deposits and debt securities issued by banks, corporations, and governments. Its investment objective is to achieve a minimum rate of return while maintaining the stability of the principal amount invested.

The BEA (MPF) Global Bond Fund invests in a range of Approved Pooled Investment Funds to obtain exposure to global bond markets. Its investment objective is to provide total investment return over the medium to long-term by investing in global bonds, with some exposure to money market instruments.

According to Mr. Charles Kwun, Director & Chief Executive of the Bank of East Asia (Trustees) Limited, “We at BEA always place the interests of our MPF customers first. That’s why the fees of all of the funds under our two MPF schemes are reasonably priced from 1.2% to 1.55% per annum. By lowering the Sponsor’s Fee of our Capital Preservation Fund and Global Bond Fund, we will also enhance our competitiveness in the marketplace.”

Mr. Kwun added that the Hong Kong Mandatory Provident Fund Scheme has just been operating for approximately seven years (since December 2000), which makes it a relatively young system when compared to similar retirement fund systems in other countries. Therefore, there is still room for improvement in the legislation, operational efficiency, and cost structure of the MPF funds.

BEA is one of the two approved trustees to operate both the Master Trust Scheme and Industry Scheme in Hong Kong. Offering a wide range of products and providing some of the strongest investment returns in the market, BEA has built a reputation as one of Hong Kong’s premier MPF providers. Since 2003, BEA has been consistently ranked as one of the top three MPF service providers according to the Yearly Mercer MPF Index. BEA also won the *AsianInvestor* (“AI”) magazine’s “Hong Kong MPF Master Trust of the Year” award in May of this year as part of AI’s 2007 Achievement Awards. BEA received this prestigious industry award in recognition of the exceptional performance of its MPF services.

## About The Bank of East Asia

Incorporated in Hong Kong in 1918, BEA is dedicated to providing comprehensive retail and commercial banking services to its customers in Hong Kong, Greater China, and overseas. BEA is the largest independent local bank in Hong Kong, with total consolidated assets of HK\$343.2 billion (US\$43.9 billion) as of 30<sup>th</sup> June, 2007. The Bank is listed on the Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

With more than 200 outlets worldwide, BEA operates an extensive international network covering Hong Kong and Greater China, the United States, Canada, the United Kingdom, the British Virgin Islands, and Southeast Asia. For more information on BEA, please visit any BEA branch or the Bank's homepage at [www.hkbea.com](http://www.hkbea.com).

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