

For Immediate Release

BEA Hong Kong Dollar (HK\$) Bond Fund Helps Investors Capture Progressive Growth through Bond Investment

Customers Can Enjoy a Full Waiver of the Preliminary Charge

Hong Kong, 3rd July, 2008 – The Bank of East Asia, Limited (“BEA”) today announces the launch of the BEA Hong Kong Dollar (HK\$) Bond Fund (the “Fund”), which helps investors capture long-term potential growth in Hong Kong dollar-denominated interest bearing securities.

In view of the uncertainty currently clouding world markets, many investors are now taking a more defensive stance by allocating some assets in the bond market. Hong Kong’s bond market enjoys strong credibility, given the high quality of most issuers of Hong Kong dollar-denominated bonds, and the strong performance of these majority of the bonds. Thus, investors have begun shifting their focus to Hong Kong dollar bonds in order to enjoy greater risk control over their investment portfolios.

Professionally managed by experienced specialists from BEA Union Investment Management Limited (“BEA Union Investment”), a joint venture between BEA and Union Asset Management Holding AG (“Union Investment”), the Fund invests in a diversified portfolio of Hong Kong dollar-denominated high quality bonds with a focus on governments, quasi-governmental organisations, multilateral international agencies, and blue chip corporations.

“The global economy is in the midst of economic contraction, and short-dated interest rates are expected to remain low for a while,” said Mr. Henry Wong, Head of Fixed Income at BEA Union Investment. “Investment in the Fund is favourable to investors, as it provides them with steady interest income in this volatile investment environment. In addition, the bonds that the Fund invests in are less subject to price fluctuation as they are high in credit quality, with an average credit rating of not lower than a single A,” he added.

Mr. John Lai, Chief Investment Officer of BEA Union Investment said, “In general, investors should diversify their investments by selecting different investment products to reduce risk generated by uncertainty. For example, investors could use a dual aggressive-defensive strategy by selecting relatively high risk/return funds such as the BEA Hong Kong Growth Fund and relatively low risk/return funds such as the BEA Hong Kong Dollar (HK\$) Bond Fund for their investment portfolios to reduce overall risk and achieve above-market returns.”

From now until 31st July, 2008, investors who subscribe to the Fund and/or other specified BEA Funds and meet designated total subscription amounts will enjoy as much as a full waiver of the subscription fee for the fund of the lowest subscription amount. In addition, customers may win a Panasonic 50" Full HD Plasma TV or other rewards if their accumulative total subscription amount for BEA Funds meets the designated amounts.

For details of the Fund and the terms and conditions of the promotional offers, please call the Enquiry Hotline on (852) 2211 1311, or visit any BEA branch or the Bank's homepage at www.hkbea.com.

Fund Facts

	Class B Units
Fund Inception Date	2 nd June, 2008
Fund Base Currency	HK dollar
Minimum Initial Investment Amount	HK\$10,000*
Minimum Additional Investment Amount	HK\$5,000*
Minimum Holding Amount	HK\$10,000*
Management Fee	0.75% p.a.
Trustee Fee	0.075% p.a.
Preliminary Charge	Up to 5% of issue price
Realisation Charge	Waived [#]
Investment Manager	BEA Union Investment Management Limited

* (i) Inclusive of the preliminary charge (for Class B Units only)

(ii) The Manager may at his/her discretion agree to accept applications for investments of smaller amounts.

Pursuant to the Trust Deed of the Fund, the Manager is entitled to levy a realisation charge on the realisation of Class B Units of up to 0.5% of the realisation price of such Units. The Manager currently agrees to waive such realisation charge.

Disclaimer:

Investments in the Fund are subject to investment risks, including the possible loss of the principal amount invested. Investors should be aware that the price of units may go up as well as down, as the investments of the Fund are subject to market fluctuations and to the risks inherent in all investments. Investors should read the Explanatory Memorandum of the Fund for detailed information prior to any subscription. Past performance of the Fund is not indicative of future performance.

The Fund has been authorised by the Securities and Futures Commission in Hong Kong. However, such authorisation does not imply official approval or recommendation.

About BEA Union Investment Management Limited

BEA Union Investment is the asset management joint venture established by BEA and Union Investment. The joint venture has incorporated the business and infrastructure of BEA's wholly-owned asset management subsidiary, East Asia Asset Management Limited ("EAAM") in which Union Investment acquired a 49% stake in April 2007. BEA Union Investment is the sole investment management centre for both BEA and Union Investment in Asia.

About Union Asset Management Holding AG

Established in 1956, Union Investment is one of the largest German fund management groups with US\$255 billion in assets under management as at 31st December, 2007. Union Investment has built up a comprehensive range of over 680 mutual, private label, and specialised funds, managing about 5 million private and 1,200 institutional investment accounts. For more information on Union Investment, please visit www.union-investment.com.

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\$394 billion (US\$50.51 billion) as of 31st December, 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 220 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.

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BEA – Serving customers through one of Hong Kong's largest banking networks, with over 130 branches and SupremeGold Centres around town