

For Immediate Release

Announcement

Hong Kong, 24th September, 2008 – It has come to the notice of The Bank of East Asia, Limited (“BEA”) that malicious rumours have been circulated questioning the stability of the Bank. The Management of BEA understands that these rumours were first disseminated via electronic devices late in the afternoon on 23rd September.

The Management of BEA hereby states in the strongest possible terms that such rumours have no basis in fact. The Management further confirms that the Bank’s financial position is sound and stable. As of 30th June, 2008, the total consolidated assets of BEA stood at HKD396.6 billion. The Bank’s capital adequacy ratio is 14.6%, well above the international required level.

The Management of BEA takes this incident very seriously. Upon learning of the malicious rumours, the Management of BEA immediately reported the matter to the Police and the Hong Kong Monetary Authority. The Police are taking expedient and appropriate measures in response.

The Management takes this opportunity to announce that its total outstanding exposures to Lehman Brothers and AIG are HKD422.8 million and HKD49.9 million, respectively.

The business of the Bank remains normal, and all BEA branches operate as usual on 24th September, following the lowering of the No. 8 typhoon signal.

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