

For immediate Release

**BEA received regulatory approval for talks with
AFFIN Holdings Berhad in Malaysia**

Hong Kong, 24th November, 2006 –The Bank of East Asia, Limited (BEA) announced today that it had received approval from Malaysia’s central bank, Bank Negara Malaysia, to commence negotiations with one of Malaysia’s largest financial services groups, AFFIN Holdings Berhad (AHB) regarding a strategic alliance. The negotiations offer the potential for BEA to acquire a substantial minority stake in AHB.

The negotiations are at a preliminary stage and there can be no certainty about the outcome, or that any agreement will be reached. At present, no terms have been agreed in respect of the proposed strategic alliance and acquisition of a substantial minority stake in AHB.

Dr. David K.P. Li, Chairman and Chief Executive of BEA said: “AHB is one of Malaysia’s largest financial groups. AHB has enormous growth potential, particularly in the retail banking, Islamic Banking and wealth management businesses. It is envisaged that BEA will contribute to the proposed alliance by leveraging its expertise in technology and risk management, and its extensive network in Hong Kong and China, to assist AHB to accelerate target growth over the long term.”

AHB is listed on Bursa Malaysia Securities Berhad. Its main activities include the provision of commercial and investment banking services, money broking, fund and unit trust management, underwriting of life and general insurance businesses and stockbroking operations which are conducted through its subsidiaries and associate.

AHB achieved a consolidated profit before tax of RM331.4 million in the year 2005. Its major profit contributor, AFFIN Bank Berhad (ABB) recorded a profit before tax of RM229.4 million. As of 30th June 2006, AHB has consolidated total assets of RM34.8 billion, ABB has total assets of RM28.3 billion and 82 branches.

In Malaysia, Bank Negara Malaysia’s approval is required before any discussions concerning a potential investment into a licensed banking and financial institution may commence. No commitment regarding the outcome of discussions can be made at this stage.

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 HKD263.3 billion (USD33.91 billion) as of 30th June, 2006. BEA is listed on the Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

With more than 170 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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For press enquiries, please contact:

Mr. Peter W.H. Yuen
Head of Overseas Branch Operations & Development Department
International Division, BEA
Tel: (852) 3608 0228
Email: yuenpwh@hkbea.com

BEA – Serving customers through one of Hong Kong's largest banking networks, with over 110 branches and SupremeGold Centres around town