

For Immediate Release

BEA Offers Equity Linked Deposit – Discount Share Accumulation Series
*Investors Can Purchase Favourite Stock at Lower Price and
Enjoy Attractive Potential Return*

Hong Kong, 3rd July, 2006 – The Bank of East Asia (“BEA”) has today announced the launch of a new investment product, Equity Linked Deposit – Discount Share Accumulation Series (the “Linked Deposit”).

The Linked Deposit is a short to medium term investment alternative (from six months to three years) that provides investors with an opportunity to acquire their favourite stock (the “Stock”) at a discount on the Stock price on the Trade Date (the “Reference Value”), and capture potential competitive returns in a bullish market. The Linked Deposit is denominated in HKD and the minimum Deposit Amount is only HKD100,000.

The number of shares of the Stock that investors can accumulate for the whole investment period is subject to the occurrence of the Trigger Event¹. As long as the Trigger Event does not occur, investors will accumulate a certain number of shares of the Stock at the Reference Value on each Scheduled Business Day² up to the Determination Date subject to the terms of the Linked Deposit. Alternatively, if the Trigger Event does occur during the investment period, the Linked Deposit will mature early and investors will receive shares of the Stock of which the amount is accumulated up to but excluding the Trigger Event Occurrence Date (if any) plus the Remaining Balance of the Deposit Amount that has not been used to accumulate shares.

Attractive potential return may be earned from investing in the Linked Deposit depending on the price performance of the Stock as compared with the Reference Value. So long as the Stock price stays higher than its Reference Value, the potential return that investors may earn from the acquired shares would be positive. However, investors should realise that they will not accumulate any additional shares once the Trigger Event has occurred. If the price of the Stock falls below its Reference Value, investors may lose some or all of the Deposit Amount that they have invested.

Under the structure of the Linked Deposit, investors can freely choose the deposit tenor, Reference Value or Trigger Event Price and a Stock from the Main Board of the Stock Exchange of Hong Kong to suit their particular investment outlook, risk appetite, and return expectation³.

¹ A Trigger Event occurs when the Fixing Value of the Stock on any Scheduled Business Day before the Maturity Date is equal to or greater than the Trigger Event Price.

² Scheduled Business Day: A day on which the Stock Exchange of Hong Kong is scheduled to be open for trading for its regular trading session.

³ The Bank has absolute discretion to reject any selection of deposit tenor, Reference Value, Trigger Event Price, and / or Stock prior to the Trade Date under impractical situations. Impractical situations include, but are not limited to, low liquidity of the selected Stock resulting in difficulty in generating a stream of Stock accumulation. Investors should also note that the Trigger Event Price has a positive correlation with the Reference Value.

The Linked Deposit is suitable for investors who have a bullish view on the Stock and would like to acquire the Stock continuously throughout the whole investment period at the Reference Value, even if the Stock price falls below the Reference Value continually or to zero after the Trade Date which results in the investor losing some or all of the Deposit Amount that they have invested.

Investors in the Linked Deposit do not need to pay any service charge when the Linked Deposit is placed, as all related charges incurred by the Bank will be inherently contained in and subsumed into the calculation of the variables. Stamp duty shall be paid by investors on the delivery of the Stock.

For further details of the Linked Deposit, please refer to the Principal Brochure of Equity Linked Deposit – Discount Share Accumulation Series or visit BEA's website at www.hkbea.com.

Risk Factors:

1. This Linked Deposit is not the same as, nor should it be treated as, a substitute for normal time deposits.
2. In the worst-case scenario, where the investors receive shares only and the value of the shares falls to zero, the investors run the risk of loss of the entire Deposit Amount.
3. If the Stock is suspended from trading on, or delisted from, the Stock Exchange of Hong Kong, a Trigger Event may, at the election of the Bank in its absolute discretion, be deemed to have occurred whereupon the Linked Deposit may terminate early.
4. Investors should realise that they cannot acquire any further shares if the Fixing Value of the Stock on any Scheduled Business Day during the investment period is equal to or greater than its Trigger Event Price.
5. If the Trigger Event occurs on the Settlement Date, investors will only receive the original Deposit Amount on the Trigger Event Delivery Date and no shares will be delivered.
6. In all cases, the Deposit Amount, whether or not it has been used to accumulate shares, will not be entitled to any interest payment.
7. Investors should bear reinvestment risk if the Trigger Event occurs and the Linked Deposit terminates early, or if they receive cash in lieu of Stock delivery pursuant to the terms of the Linked Deposit.
8. Investors should realise that the number of shares to be delivered on each Scheduled Delivery Date or Trigger Event Delivery Date may involve odd lots. Investors may suffer from the risk of liquidity when selling those odd lots.
9. Investors should fully understand all the risks associated in the Linked Deposit before making an investment decision.
10. Investors should seek independent legal and financial advice.
11. Early withdrawal (in part or in full) is not allowed prior to the Maturity Date (unless the Trigger Event occurs).
12. This Linked Deposit is relatively sophisticated in structure, when compared with normal equity linked deposits. Investors should refer to the Application Form and Risk Declaration before participating in this Linked Deposit.

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 HKD238.8 billion (USD30.79 billion) as of 31st December, 2005. 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 160 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 branch or the Bank's homepage at www.hkbea.com.

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