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## **The Bank of East Asia, Limited**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 23)

### **SEC Investigation - Dr. The Hon. Sir David LI Kwok-po**

The Chairman and Chief Executive of the Bank, Dr. Li, has received a notice from the SEC indicating that the SEC may bring a civil enforcement action against Dr. Li for alleged breaches of the Exchange Act. Dr. Li has denied such allegations and the Board of the Bank, after careful consideration, has concluded that Dr. Li is fully able to continue with his duties as Chairman and Chief Executive of the Bank. Further announcements will be made in due course should there be any further developments.

The Board of Directors (the "**Board**") of The Bank of East Asia, Limited (the "**Bank**") has been informed by its Chairman, Dr. The Hon. Sir David LI Kwok-po ("**Dr. Li**"), that on 18<sup>th</sup> July, 2007 (on 17<sup>th</sup> July, 2007, New York time), he received a notice from the US Securities and Exchange Commission (the "**SEC**") in connection with an investigation into trading in the shares of Dow Jones & Company, Inc. ("**Dow Jones**"). The Notice indicates that staff of the SEC is considering recommending that the SEC may bring a civil enforcement action against Dr. Li for alleged breaches of sections 10(b) and 14(e) of the Exchange Act, and Rules 10b-5 and 14e-3 promulgated under the Exchange Act. No such action has yet been commenced by the Commission. Dr. Li has indicated to the Board that he strenuously denies the apparent allegations being made by the staff of the SEC. Further, if the SEC does commence proceedings against Dr. Li, he will defend himself vigorously and strongly believes that he will prevail in court in this matter. In the meantime, he intends to continue to carry out all his business and public duties while defending his good name and reputation. The Board notes that Dr. Li categorically denies any apparent allegations being made by the staff of the SEC. The Board notes that, since the case may involve possible litigation, Dr. Li is unable to offer any other comment.

The Board has considered the matter carefully and has concluded that Dr. Li is fully able to continue with his duties as Chairman and Chief Executive of the Bank, and the Board strongly supports him doing so. The Board will continue to monitor the matter and will make such, if any, further announcements as are appropriate in order to ensure that shareholders and the investing public are kept apprised of material developments, if any.

By order of the Board  
**Molly HO Kam-lan**  
Company Secretary

Hong Kong, 19<sup>th</sup> July, 2007.

*As at the date of this announcement, the Executive Directors of the Bank are: Dr. The Hon. Sir David LI Kwok-po (Chairman and Chief Executive) and Mr. Joseph PANG Yuk-wing (Deputy Chief Executive); Non-executive Directors of the Bank are: Dr. LI Fook-wo; Mr. Aubrey LI Kwok-sing, Dr. William MONG Man-wai, Tan Sri Dr. KHOO Kay-peng, Mr. Richard LI Tzar-kai, Mr. Eric LI Fook-chuen and Mr. Stephen Charles LI Kwok-sze; and Independent Non-executive Directors are: Mr. WONG Chung-hin, Dr. LEE Shau-kee, Dr. Allan WONG Chi-yun, Mr. Winston LO Yau-lai, Mr. Thomas KWOK Ping-kwong, Mr. TAN Man-kou and Mr. Kenneth LO Chin-ming.*