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BEA 東亞銀行

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 23)

SEC Investigation and Settlement - Dr. The Hon. Sir David LI Kwok-po

A settlement has been entered into between the SEC, Dr. Li, the Chairman and Chief Executive of the Bank, and others under investigation by the SEC in connection with trading in shares in Dow Jones. In order to settle the matter expeditiously, Dr. Li has, without admitting or denying liability, agreed to pay a civil penalty of US\$ 8.1 million. Noting all the circumstances, and having considered the matter carefully, the Board of the Bank has concluded that it would fully support Dr. Li in continuing as the Chairman and Chief Executive of the Bank, as Dr. Li's continuing role as the Chairman and Chief Executive of the Bank will be, in the Board's opinion, in the best interests of the Bank and its shareholders.

This announcement is made on behalf of all of the Board of Directors (the "**Board**") of The Bank of East Asia, Limited (the "**Bank**") except its Chairman, Dr. The Hon. Sir David LI Kwok-po ("**Dr. Li**"). The Board confirms that Dr. Li has not participated, nor has he sought to participate, in the making of this announcement.

The Board refers to its previous announcement made on 19th July, 2007 when it confirmed that Dr. Li had notified the Bank that on 18th July, 2007 (on 17th July, 2007, New York time), he had 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 Board now refers to the settlement of the SEC's investigation between the SEC, Mr. Kan King Wong ("**Mr. Wong**"), Ms. Charlotte Ka On Wong Leung ("**Ms. Leung**"), Mr. Michael Leung ("**Mr. Leung**") and Dr. Li (the "**Settlement**"), which was announced yesterday, 5th February, 2008 New York time. The settlement will involve the SEC formally filing civil proceedings in the United States District Court, Southern District of New York. So far as Dr. Li is concerned, the SEC will in those proceedings allege that he alerted Mr. Leung to News Corporation's offer for Dow Jones stock before it was made public, and that Mr. Leung subsequently traded in Dow Jones stock, with assistance from Mr. Wong and Ms. Leung, and Mr. Wong also traded in Dow Jones stock. The SEC alleges that Mr. Leung netted profits of approximately US\$ 8 million and Mr. Wong netted profits of approximately US\$ 40,000. There will be no allegation or suggestion by the SEC in the civil proceedings that Dr. Li himself traded in Dow Jones stock or in any way financially benefited from any information he may have had

about the offer by News Corporation. Mr. Leung, Mr. Wong, Ms. Leung and Dr. Li will consent to judgment in the SEC's civil proceedings. So far as Dr. Li is concerned, he has agreed, in order to settle the matter expeditiously, to pay a civil penalty of US\$ 8.1 million. Dr. Li does not admit to any of the allegations and in accordance with SEC's policy, he agrees otherwise not to take any action or make any public statement denying the allegations. Dr. Li remains free to defend himself in any litigation or proceedings to which the SEC is not a party.

The Board has considered the matter carefully. The Board has concluded that, in the circumstances, Dr. Li is fully able to continue with his duties as Chairman and Chief Executive of the Bank and it is in the best interests of the Bank and its shareholders that Dr. Li should be supported in continuing in his roles.

The Board extends its full support to Dr. Li and looks forward to the Bank and Dr. Li now being able to put this matter behind them.

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

Hong Kong, 6th February, 2008.

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, Professor Arthur LI Kwok-cheung, 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, Mr. Kenneth LO Chin-ming, Mr. KUOK Khoon-ean and Mr. William DOO Wai-hoi.