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**BEA 東亞銀行**

**The Bank of East Asia, Limited**

*(Incorporated in Hong Kong with limited liability in 1918)*

(Stock Code: 23)

## **ANNOUNCEMENT UNUSUAL PRICE MOVEMENTS**

Reference is made to Rule 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The Board of directors (“Board”) of The Bank of East Asia, Limited (the “Bank”) has noted the decrease in the trading price of the shares of the Bank today. The Board wishes to state that it is not aware of any reasons for such decrease, but it notes that there are certain articles appearing in the press today regarding the Bank’s investments and also market rumours in relation to the operational and financial position and stability of the Bank.

The Bank has issued a news release earlier today to clarify the rumours. The Board hereby reiterates in the strongest possible terms that such articles and rumours have no basis in fact.

The Bank’s total outstanding exposures to Lehman Brothers and AIG are HKD422.8 million and HKD49.9 million, respectively. The Board confirms that the Bank’s financial position is sound and stable. As of 30th June, 2008, the total consolidated assets of the Bank stood at HKD396.6 billion. The Bank’s capital adequacy ratio is 14.6%, which is well above the international required level.

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

Other than as disclosed above, the Bank confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules, and neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules that is or may be of a price-sensitive nature. **Accordingly, investors are advised to exercise caution when trading in shares of the Bank.**

Made by the order of the Bank, the Board of the Directors of which (except Professor Arthur LI Kwok-cheung, Dr. William MONG Man-wai, Tan Sri Dr. KHOO Kay-peng, Mr. Thomas KWOK Ping-kwong, Mr. Richard LI Tzar-kai, Mr. Kenneth LO Chin-ming and Mr. Stephen Charles LI Kwok-sze, who cannot be contacted before the release of this announcement) individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board

**David LI Kwok-po**

*Chairman & Chief Executive*

Hong Kong, 24<sup>th</sup> September, 2008.

*As at the date of this announcement, the Executive Directors of the Bank are: Dr. The Hon. Sir David LI Kwok-po (Chairman & Chief Executive) and Mr. Joseph PANG Yuk-wing (Deputy Chief Executive); 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. Kenneth LO Chin-ming, Mr. KUOK Khoon-ean and Mr. William DOO Wai-hoi; and Non-executive Directors of the Bank are: 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.*