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The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)
(Stock Code: 23)

VOLUNTARY ANNOUNCEMENT ACQUISITION OF SHARES IN SCMP GROUP LIMITED AND ENTRY INTO AN OPTION AGREEMENT IN RESPECT THEREOF

This is a voluntary announcement made by the Bank.

The board of directors of the Bank announces that, on 27th February, 2009, the Bank entered into the BEA S&P Agreement and the BEA Option Agreement with Kerry pursuant to which it acquired shares in SCMP Group Limited and was granted a put option in respect of those shares by Kerry.

This is a voluntary announcement made by The Bank of East Asia, Limited (the “Bank”).

The agreements

The board of directors of the Bank is pleased to announce that, on 27th February, 2009, the Bank entered into:

- (i) a sale and purchase agreement with Kerry Media Limited (“**Kerry**”) in respect of the sale and purchase of 75,000,000 shares of par value HK\$0.10 in SCMP Group Limited, representing approximately 4.8% of the issued share capital of SCMP Group Limited (the “**Sale Shares**”) for aggregate consideration of HK\$127,500,000 (the “**BEA S&P Agreement**”); and
- (ii) an option agreement (comprising an ISDA master agreement, the schedule and credit support annex thereto and a confirmation) with Kerry in respect of the grant by Kerry to the Bank of put options in relation to the Sale Shares (the “**BEA Option Agreement**”).

Full details of each of the BEA S&P Agreement and the BEA Option Agreement and the transactions contemplated thereunder are set forth in an announcement dated as of 27th February, 2009 issued by the board of directors of Kerry.

Information on the parties

The Bank is a licensed bank incorporated and domiciled in Hong Kong. The principal activities of the Bank and its subsidiaries are the provision of banking and related financial services and business, corporate and investor services.

Kerry is a company incorporated in the British Virgin Islands with limited liability. It is an investment holding company.

General

The Bank has submitted to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) that, in connection with the acquisition of the Sale Shares, the profits ratio under Rule 14.07(2) of The Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) is not applicable in light of the anomalous result of the profits ratio test caused by the current general adverse economic and market conditions, the constraint of using data in respect of the Bank and SCMP Group Limited from completely different time periods during which economic and market conditions and outlook were vastly different, and the write-off by the Bank of its collateralised debt obligations during the year ended 31st December, 2008, which the Bank considers to be an extraordinary and one-off event. Accordingly, the transaction contemplated under the BEA S&P Agreement and the BEA Option Agreement does not constitute a notifiable transaction for the Bank under the Listing Rules.

For and on behalf of
The Bank of East Asia, Limited
Mr. Joseph PANG Yuk-wing
Executive Director & Deputy Chief Executive

Hong Kong, 2nd March, 2009

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); 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; 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. Kenneth LO Chin-ming, Mr. William DOO Wai-hoi, Mr. KUOK Khoon-ean and Mr. Valiant CHEUNG Kin-piu.