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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)

2011 INTERIM SCRIP DIVIDEND SCHEME – CALCULATION OF MARKET VALUE

The scrip entitlements under the 2011 Interim Scrip Dividend Scheme would be calculated as an amount equal to 95% of the average of the closing prices of the existing shares of the Bank on The Stock Exchange of Hong Kong Limited from Monday, 29th August, 2011 to Friday, 2nd September, 2011 (both days inclusive). It is now determined that the said average closing price is HK\$29.91. Therefore, the market value for calculation of the scrip entitlements is HK\$28.4145 per share.

In our circular to shareholders of The Bank of East Asia, Limited (the “**Bank**”) dated 25th August, 2011, it was announced that the Directors had declared an interim dividend for the six months ended 30th June, 2011 in cash at HK\$0.43 per share; and that any shareholder entitled to receive such dividend would be given the option to elect to receive new, fully paid ordinary shares in lieu of cash (“**New Shares**”). The scrip entitlements would be calculated as an amount equal to 95% of the average of the closing prices of the existing shares of the Bank on The Stock Exchange of Hong Kong Limited from Monday, 29th August, 2011 to Friday, 2nd September, 2011 (both days inclusive). It is determined that the said average closing price is HK\$29.91. Therefore, the market value for calculation of the scrip entitlements is HK\$28.4145 per share. Accordingly, the number of New Shares which shareholders will receive in respect of their existing shares for which forms containing an election to receive shares in lieu of cash will have been lodged with the share registrar of the Bank by 4:00 p.m. on Friday, 9th September, 2011 will be calculated as follows:

$$\begin{array}{rcll} \text{Number of New Shares} & = & \text{Number of shares} & \times \\ \text{to be received} & & \text{elected for scrip} & \\ & & & \frac{\text{HK\$0.43}}{\text{HK\$29.91} \times \frac{95}{100}} \end{array}$$

The number of New Shares to be received will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will be refunded in cash to the respective shareholders concerned. The New Shares will, on issue, not be entitled to the interim dividend in respect of the six months ended 30th June, 2011, but will rank pari passu in all other respects with the existing shares of the Bank.

Certificates for the New Shares and dividend warrants in respect of the interim dividend will be despatched to shareholders by ordinary mail on or about Monday, 19th September, 2011. Shareholders who elect for dividend wholly or partly in scrip form will receive one share certificate for the New Shares.

For and on behalf of
The Bank of East Asia, Limited
Alson LAW Chun-tak
Company Secretary

Hong Kong, 2nd September, 2011

As at the date of this announcement, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po (Chairman & Chief Executive), Professor Arthur LI Kwok-cheung* (Deputy Chairman), Dr. Allan WONG Chi-yun** (Deputy Chairman), Mr. WONG Chung-hin**, Dr. LEE Shau-kee**, Mr. Aubrey LI Kwok-sing*, Mr. Winston LO Yau-lai**, Tan Sri Dr. KHOO Kay-peng*, Dr. Thomas KWOK Ping-kwong**, Mr. Richard LI Tzar-kai*, Mr. Kenneth LO Chin-ming**, Mr. Eric LI Fook-chuen*, Mr. Stephen Charles LI Kwok-sze*, Mr. William DOO Wai-hoi**, Mr. KUOK Khoon-ean**, Mr. Valiant CHEUNG Kin-piu** and Dr. Isidro FAINÉ CASAS*.

* Non-executive Directors

** Independent Non-executive Directors