

NEWS RELEASE**AFFIN Holdings Berhad and The Bank of East Asia, Limited Sign a Memorandum of Understanding to Establish a Strategic Partnership**

Kuala Lumpur, 26th August, 2010 – AFFIN Holdings Berhad (“AHB”) and The Bank of East Asia, Limited (“BEA”), Hong Kong, have today signed a memorandum of understanding (“MoU”) to formally establish a strategic partnership. Under the MoU, the two financial institutions will jointly develop their business potential in Mainland China, Hong Kong, Malaysia, and other key markets where they both operate.

This strategic partnership signifies the beginning of of long-term collaboration between AHB and BEA and the MoU outlines the framework for the mutually beneficial co-development of businesses between AHB and BEA.

Commenting on today’s signing ceremony, Yang Berbahagia Gen (R) Tan Sri Dato’ Seri Mohd Zahidi bin Haji Zainuddin, Chairman of AHB said “This strategic partnership will enhance AHB’s ability to support its customers with businesses or intending to have business presence in Mainland China and Hong Kong by leveraging on BEA’s strong presence and extensive branch network there”.

“We are confident that this strategic alliance will place both AHB and BEA in a better position in many important Asian markets, and enable us to tap an even wider range of business opportunities. Furthermore, our alliance is just the starting point from which we intend to explore co-operation in other areas that will bring benefits to both AHB and BEA”. “The partnership will create a unique growth opportunity for both AHB and BEA and will also provide a strong foundation for advancing AHB’s strategy to be one of the Malaysia’s premier consumer and business focused banking group”.

“With the signing of the MOU, there will be a mutually beneficial and long-term business relationship for AFFIN and BEA to explore the possibilities of further cooperation and participation in other areas of business such as treasury, islamic banking, investment banking, asset management, factoring, transactional banking, corporate and investor advisory service, corporate business referrals, trade risk participation and staff training.”, he added.

According to Dr. David K.P. Li, Chairman and Chief Executive of BEA said, “This MoU strengthens the ability of both BEA and AHB to serve customers and explore business opportunities in Greater China and Southeast Asia – two of the world’s most dynamic markets. Through this alliance, we look forward to delivering to our customers an even wider range of innovative products and services developed in co-operation with AHB.”

About AFFIN Holdings Berhad

AFFIN Holdings Berhad is a major home-grown financial services conglomerate in Malaysia. The Group's activities focus on commercial, Islamic and investment banking services, money broking, fund management and the underwriting of life and general insurance business. The prominent shareholder of AFFIN Holdings Berhad is Lembaga Tabung Angkatan Tentera, the nation's premier superannuation fund manager for the armed forces. As at 30th June 2010 the Group's unaudited paid-up capital stood at RM1.5 billion, with a Group shareholders' fund of RM 5.1 billion.

For more information on AHB, please visit the Company's homepage at www.affin.com.my.

About The Bank of East Asia, Limited

Incorporated in Hong Kong in 1918, BEA is dedicated to providing comprehensive retail and commercial banking services to its customers in Hong Kong and other major markets around the world. BEA is the largest independent local bank in Hong Kong, with total consolidated assets of HK\$478.1 billion (US\$61.4 billion) as of 30th June, 2010. The Bank is listed on The Stock Exchange of Hong Kong and is one of the constituent stocks of the Hang Seng Index.

With over 240 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of Greater China, North America, the United Kingdom, and Southeast Asia. For more information on BEA, please visit BEA's homepage at www.hkbea.com.

If you have further enquiries or require more information, please contact:

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