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International Bank of Asia Limited

(Incorporated in Hong Kong with limited liability)

POSSIBLE DISPOSAL OF INTERESTS BY CONTROLLING SHAREHOLDERS

The Board of Directors (the "**Board**") of International Bank of Asia Limited ("**IBA**") has been informed that Arab Banking Corporation (B.S.C.), the controlling shareholder of IBA, and China Everbright Limited are considering the possibility of disposing of their interests in IBA. This may or may not lead to a general offer.

Shareholders and potential investors are reminded to exercise caution when dealing in the shares of IBA.

At the request of IBA, trading in its shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 13 December 2002. Application has been made by IBA for the resumption of trading of its shares on the Stock Exchange with effect from 9:30 a.m. on 16 December 2002.

IBA has noted an increase in the trading price and volume of its shares on Thursday, 12 December 2002 and articles in the press on Friday, 13 December 2002.

The Board wishes to announce that it has been informed that Arab Banking Corporation (B.S.C.), the controlling shareholder of IBA, and China Everbright Limited which are interested in 55 per cent. and 20 per cent. of the issued share capital of IBA respectively, are considering the possibility of disposing of their interests in IBA. The Board understands that limited information has been provided, pursuant to confidentiality agreements, to a restricted number of parties in relation to such possible sale. This may or may not lead to a general offer. This consideration is still at a preliminary stage and there is no assurance that any transaction will eventually be consummated. **Shareholders and potential investors are reminded to exercise caution when dealing in the shares of IBA.**

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A paid announcement will be published in the newspapers on Saturday, 14 December and Monday, 16 December 2002.

By Order of the Board

International Bank of Asia Limited

Mike M Murad

Vice Chairman, Managing Director and Chief Executive Officer

Hong Kong, 13 December 2002

The Directors of IBA jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and that there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.