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INTERNATIONAL BANK OF ASIA LIMITED
港基國際銀行有限公司

(incorporated in Hong Kong with limited liability)

CLARIFICATION ANNOUNCEMENT : –
POSSIBLE DISPOSAL OF INTEREST BY CONTROLLING SHAREHOLDER AND
RESUMPTION OF TRADING

The Board of Directors ("**Board**") of International Bank of Asia Limited ("**IBA**") has noted the article which appeared in local media on 26th January, 2003 which named the Hong Leong Group as a potential buyer of the controlling interest in IBA held by Arab Banking Corporation (B.S.C.) ("**ABC**") and which speculated on possible prices for ABC's interest.

The Board has now been informed by ABC that limited information has been provided to Hong Leong Bank Berhad pursuant to confidentiality undertakings, in relation to a possible sale. However, as IBA announced on 23rd January, 2003, ABC is engaged in preliminary talks with a number of parties following the receipt of indicative expressions of interest. **The Board has also been informed that no terms, including as to price, have been agreed with any potential buyer.** A further announcement will be made at an appropriate time. There is no assurance that any transaction will eventually be consummated nor any indication of the terms of any consummated transaction, if any. Pending such announcement, the Board does not intend to comment on press speculation.

Shareholders and potential investors are reminded to exercise caution when dealing in the shares of IBA and should not rely on press speculation.

At the direction of the Exchange, trading in the shares of IBA has been suspended with effect from 10:00 a.m., 27th January, 2003. Pending the release of this announcement, application has been made by IBA for the resumption of trading of its shares on the Exchange with effect from 9:30 a.m. on 28th January, 2003.

By Order of the Board
International Bank of Asia Limited
Mike M Murad
Vice Chairman, Managing Director and
Chief Executive Officer

Hong Kong, 27th January, 2003

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.