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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)

PROGRESS ANNOUNCEMENT : –

POSSIBLE DISPOSAL OF INTEREST BY CONTROLLING SHAREHOLDER

The Board of Directors (“**Board**”) of International Bank of Asia Limited (“**IBA**”) refers to its previous announcements dated 13 December, 23 December 2002, 23 January, 26 February, 26 March and 24 April 2003. The Board has been informed by Arab Banking Corporation (B.S.C.) (“**ABC**”) that it is still considering its options in relation to the possibility of disposing of its 55 per cent. equity interest in IBA and that ABC is engaged in talks with a number of parties following the receipt of indicative expressions of interest. The Board also understands that China Everbright Limited may still consider a possible sale of its 20 per cent. stake in IBA should an offer be made although no final decision has been reached. The Board has also been informed that there is no assurance that any transaction will eventually be consummated. A further announcement will be made at an appropriate time. **Shareholders and potential investors are reminded to exercise caution when dealing in the shares of IBA and should not rely on press speculation.**

By Order of the Board

International Bank of Asia Limited

Mike M Murad

*Vice Chairman, Managing Director and
Chief Executive Officer*

Hong Kong, 23 May 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.

Please also refer to the published version of this announcement in The South China Morning Post.