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If you have sold or transferred all your shares in The Bank of East Asia, Limited, you should at once hand this Circular to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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BEA 東亞銀行

The Bank of East Asia, Limited
東亞銀行有限公司

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

**NOTICE OF ANNUAL GENERAL MEETING,
RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES
AND BUY-BACK SHARES,
CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO FRAMEWORK AGREEMENT
FOR LOAN TRANSACTIONS
AND
AMENDMENTS TO ARTICLES OF ASSOCIATION**

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders



Gram Capital Limited
嘉林資本有限公司

The notice of Annual General Meeting of The Bank of East Asia, Limited to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 9 May 2025 at 11:30am is set out on pages 5 to 9 of this Circular.

Whether or not you are able to attend the 2025 AGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Bank's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2025 AGM or adjourned meeting (as the case may be). Completion and delivery of the proxy form will not preclude you from attending and voting at the 2025 AGM should you so wish.

14 April 2025

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DEFINITIONS

In this Circular, the following expressions shall have the following meanings unless the context requires otherwise:

"2025 AGM"	an annual general meeting of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 9 May 2025 at 11:30am or any adjournment thereof
"Annual Cap(s)"	the annual caps set by the Bank for the Loan Transactions in respect of each of the financial years ending 31 December 2025 (commencing on 9 May 2025), 2026 and 2027 and the period from 1 January to 8 May 2028
"Articles of Association"	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time)
"Associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the Audit Committee of the Bank
"Auditor"	the auditor of the Bank for the time being
"Bank" or "BEA"	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 23)
"Bank Group", "BEA Group" or "Group"	the Bank and its Subsidiaries, and "BEA Group Company" means any member of the BEA Group
"Board"	the board of Directors
"Buy-back Mandate"	the general mandate to buy back Shares
"Buyer"	the relevant BEA Group Company or SMBC Group Company which acquires a Loan or takes a Risk Participation (as the case may be)
"CCASS"	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
"Chief Executive(s)"	has the meaning ascribed to it under the Listing Rules
"Circular"	the Circular to the Shareholders dated 14 April 2025
"Close Associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)

DEFINITIONS

"Condition"	has the meaning ascribed to it in the paragraph headed "Framework Agreement – Condition" in the "Letter from the Board"
"Continuing Connected Transaction(s)"	the Loan Transaction(s) as contemplated under the Framework Agreement
"Connected Person"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules
"Core Connected Person(s)"	has the meaning ascribed to it under the Listing Rules
"Default"	for a Risk Participation Transaction, the Seller not receiving from the borrower of the Loan, on or before the relevant due date of the Loan, any moneys due (or expressed to be due, or determined by the Seller acting in good faith to be due)
"Director(s)"	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require
"financial year"	a financial year of the Bank
"Framework Agreement"	the framework agreement dated 23 January 2025 and entered into between BEA and SMBC
"Guidance on Empowerment of INEDs"	the guidance on Empowerment of Independent Non-Executive Directors (INEDs) in the Banking Industry in Hong Kong issued by the Hong Kong Monetary Authority
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKEX"	Hong Kong Exchanges and Clearing Limited
"Hong Kong" or "HKSAR"	The Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	a committee of the Board comprising all the Independent Non-executive Directors, namely Dr Allan WONG Chi-yun, Dr the Hon. Rita FAN HSU Lai-tai, Mr Meocre LI Kwok-wing, Dr the Hon. Henry TANG Ying-yen, Dr Delman LEE, Mr William Junior Guilherme DOO and Dr David MONG Tak-yeung

DEFINITIONS

"Independent Financial Adviser" or "Gram Capital"	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to provide advice to the Independent Board Committee and the Independent Shareholders regarding the Continuing Connected Transactions
"Independent Shareholder(s)"	Shareholder(s) (other than SMBC and its associates) who are not required to abstain from voting on the relevant resolutions at the 2025 AGM
"Issue Mandate"	the general mandate to issue, allot and/or deal with Shares, including any sale or transfer of treasury shares out of treasury
"Latest Practicable Date"	7 April 2025, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time)
"Loan(s)"	means any of the following: <ul style="list-style-type: none">(a) syndicated loan(s) entered into by the Seller as the lender;(b) loan(s) and commitments for trade transaction(s) entered into by the Seller as the lender; and(c) such other transactions of a nature similar to any of the above.
"Loan Transaction(s)"	the Transfer Transaction(s), the Risk Participation Transaction(s), or any one of them
"Nomination Committee"	the Nomination Committee of the Bank
"Notice of Annual General Meeting"	the notice convening the 2025 AGM as set out on pages 5 to 9 of this Circular
"percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"Register of Members"	register of members of the Bank
"Risk Participation"	the risk participation of a Buyer in a Loan provided by a Seller, on either a funded or unfunded basis
"Risk Participation Agreement"	the agreement to be entered into between a Seller and a Buyer in respect of a Risk Participation

DEFINITIONS

"Risk Participation Transaction"	a transaction in which a Buyer participates in the risk of a Loan provided by a Seller pursuant to the relevant Risk Participation Agreement
"Seller"	a relevant BEA Group Company or SMBC Group Company which offers to assign a Loan or assign the commitment of a Loan
"Senior Management"	Co-Chief Executives and Deputy Chief Executives of the Bank
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	fully paid ordinary share(s) of the Bank
"Shareholder(s)"	holder(s) of Shares
"SMBC"	Sumitomo Mitsui Banking Corporation, a company incorporated under the laws of Japan
"SMBC Group"	SMBC and its subsidiaries, as may exist from time to time, throughout the duration of the Term, and "SMBC Group Company" means any member of the SMBC Group
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsidiary" or "Subsidiaries"	a subsidiary or subsidiaries (within the meaning of the Companies Ordinance) for the time being and from time to time of the Bank
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs
"Term"	has the meaning ascribed to it in the paragraph headed "Framework Agreement – Term" in the "Letter from the Board"
"Transfer Document"	the documents to be entered into between the Seller and the Buyer in relation to the assignment of a Loan
"Transfer Transaction"	the assignment of a Loan from the Seller to the Buyer pursuant to the relevant Transfer Document
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"US"	United States of America
"US\$"	United States dollars, the lawful currency of the US
"%"	per cent.

NOTICE OF ANNUAL GENERAL MEETING

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

Notice of One Hundred and Sixth Annual General Meeting

NOTICE IS HEREBY GIVEN that the One Hundred and Sixth Annual General Meeting (the "**2025 AGM**") of the members of The Bank of East Asia, Limited (the "**Bank**") will be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 9 May 2025 at 11:30am for the following purposes:

1. To receive the Audited Financial Statements for the year ended 31 December 2024 together with the Report of the Directors and the Independent Auditor's Report thereon.
2. To re-appoint KPMG as Auditor of the Bank and authorise the Directors to fix the Auditor's remuneration.
3. To re-elect the following Directors:
 - (a) Dr the Hon. Sir David LI Kwok-po
 - (b) Dr Allan WONG Chi-yun
 - (c) Mr Aubrey LI Kwok-sing
 - (d) Mr Stephen Charles LI Kwok-sze
 - (e) Dr Daryl NG Win-kong
 - (f) Dr the Hon. Rita FAN HSU Lai-tai

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions:

Ordinary Resolutions

4. **"THAT:**
 - (a) subject to paragraph (b) of this Resolution, a general mandate be and is hereby unconditionally given to the Directors of the Bank to exercise during the Relevant Period (as defined below) all the powers of the Bank to allot, issue and otherwise deal with additional shares of the Bank (including by way of sale or transfer of any treasury shares) and to make, issue or grant offers, agreements, options, warrants, rights to subscribe for or convert any securities into shares of the Bank or other securities which would or might require shares in the Bank to be allotted, issued or otherwise dealt with either during or after the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of ordinary shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option, warrant, right to subscribe for or convert or otherwise) by the Directors of the Bank pursuant to the mandate in paragraph (a) of this Resolution, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) any option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Bank for the grant or issue of options or rights to subscribe for or acquire shares of the Bank;
- (iii) any scrip dividend or similar arrangement in accordance with the Articles of Association of the Bank; or
- (iv) the exercise of rights of subscription or conversion under the terms of any existing options, warrants, rights of subscription, convertible securities or similar rights granted or issued by the Bank,

shall not exceed 10% of the number of ordinary shares of the Bank in issue (excluding treasury shares, if any) as at the date of this Resolution (subject to adjustment in the case of any conversion, consolidation or subdivision of any or all of the shares of the Bank into a larger or smaller number of shares during the Relevant Period), and the said approval shall be limited accordingly; and

(c) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Bank;
- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of shareholders of the Bank in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

"Rights Issue" means an offer of shares of the Bank or options, warrants or other securities giving the right to subscribe for shares of the Bank or which are convertible into shares of the Bank, open for a period fixed by the Board of Directors of the Bank to holders of shares of the Bank on the Register of Members on a fixed record date in proportion to their then holdings of such shares of the Bank (subject to such exclusions or other arrangements as the Board of Directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory outside of Hong Kong)."

5. **"THAT:**

- (a) a general mandate be and is hereby unconditionally granted to the Directors of the Bank to exercise during the Relevant Period (as defined below) all the powers of the Bank to buy back ordinary shares of the Bank in accordance with all applicable laws and regulations and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other relevant stock exchange as amended from time to time provided however that the maximum number of the shares to be bought back pursuant to the approval in this paragraph shall not exceed 10% of the number of ordinary shares of the Bank in issue (excluding treasury shares, if any) as at the date of this Resolution (subject to adjustment in the case of any conversion, consolidation or subdivision of any or all of the shares of the Bank into a larger or smaller number of shares during the Relevant Period), and the said approval shall be limited accordingly; and

- (b) for the purposes of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Bank;
- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of shareholders of the Bank in general meeting."

NOTICE OF ANNUAL GENERAL MEETING

6. **"THAT**, conditional on the passing of the Resolutions in item 4 and item 5 of the Notice of this Meeting, the general mandate granted to the Directors of the Bank to allot, issue and otherwise deal with additional shares of the Bank pursuant to the Resolution set out in item 4 of the Notice of this Meeting be and is hereby extended by the addition thereto of the number of shares of the Bank bought back by the Bank under the authority granted pursuant to the Resolution set out in item 5 of the Notice of this Meeting."
7. **"THAT:**
- (a) the entering into of the framework agreement dated 23 January 2025 between the Bank and Sumitomo Mitsui Banking Corporation (the **"Framework Agreement"**), a copy of which is tabled at this Meeting and marked "A" and initialled by the chairman of this Meeting for identification purpose, and all the transactions contemplated thereunder, and the proposed annual caps set out in the Circular, be and are hereby approved and confirmed; and
 - (b) any one Director of the Bank be and is hereby authorised for and on behalf of the Bank to do all such acts and things and sign, agree, ratify or execute all such documents which he/she in his/her discretion consider(s) necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Framework Agreement and any of the transactions contemplated thereunder and to agree to such variations, amendments or waivers of matters relating thereto as are, in the opinion of such Director, in the interests of the Bank."

Special Resolution

8. **"THAT** the existing Articles of Association of the Bank be and are hereby amended as detailed in the explanatory statement on the proposed amendments to the existing Articles of Association set out in Appendix 6 to the circular of the Bank dated 14 April 2025 of which this Notice forms part and such amended Articles of Association, a copy of which is tabled at this Meeting and marked "B" and initialled by the chairman of this Meeting for identification purpose, be and are hereby approved and adopted as the new Articles of Association of the Bank, in substitution for, and to the exclusion of, the existing Articles of Association of the Bank."

By Order of the Board

Alson LAW Chun-tak

Company Secretary

Hong Kong, 14 April 2025

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) For the purpose of determining the Shareholders who are entitled to attend and vote at the 2025 AGM, the Register of Members of the Bank will be closed from Tuesday, 6 May 2025 to Friday, 9 May 2025 (both days inclusive). In order to qualify for attending and voting at the 2025 AGM, all transfer documents accompanied by the relevant share certificates should be lodged for registration with the Bank's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:00pm on Friday, 2 May 2025.
- (b) A member entitled to attend and vote at the 2025 AGM may appoint one or more proxies to attend and vote in his/her place at the 2025 AGM (or at any adjournment thereof) provided that each proxy is appointed to represent the respective number of shares held by the member as specified in the relevant proxy form. A proxy need not be a member of the Bank.
- (c) To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, shall be delivered to the Bank's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the 2025 AGM or any adjournment thereof (as the case may be). Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.
- (d) As set out in the Letter from the Board included in the circular to the Shareholders dated 14 April 2025 (the "**Circular**"), each of the resolutions set out in this Notice shall be voted on by poll and the Board recommends the Shareholders to vote in favour of the resolutions to be proposed at the 2025 AGM. Please refer to the Circular for details of the matters for which the resolutions are concerned.
- (e) The biographical details of all Directors who offer themselves for re-election at the 2025 AGM and an explanatory statement on share buy-back mandate are set out in Appendices 1 and 2 to the Circular, respectively.
- (f) The Letter from the Independent Board Committee, the Letter from Gram Capital and general information of the Bank Group are set out in Appendices 3 to 5 to the Circular, respectively.
- (g) Details of the proposed amendments to the Articles of Association of the Bank are set out in Appendix 6 to the Circular. The Articles of Association are written in English, and the Chinese version of such proposed amendments as set out in the said Appendix 6 is a translation for reference only. Should there be any discrepancies, the English version shall prevail.
- (h) If there is a tropical cyclone warning signal No. 8 or above, a "black" rainstorm warning or "extreme conditions" announced by the Government of the Hong Kong Special Administrative Region is in force in Hong Kong at or at any time after 8:30am on the date of the 2025 AGM, the meeting will be postponed or adjourned. The Bank will post an announcement on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Bank (www.hkbea.com) to notify Shareholders of the date, time and place of the rescheduled meeting.

The 2025 AGM will be held as scheduled when an "amber" or "red" rainstorm warning is in force. Shareholders should make their own decision as to whether they would attend the meeting in person under bad weather conditions, taking into account their own situations.

LETTER FROM THE BOARD

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

Board of Directors:

Dr the Hon. Sir David LI Kwok-po[#] (*Executive Chairman*)

Professor Arthur LI Kwok-cheung^{*} (*Deputy Chairman*)

Dr Allan WONG Chi-yun^{**} (*Deputy Chairman*)

Mr Aubrey LI Kwok-sing^{*}

Mr Winston LO Yau-lai^{*}

Mr Stephen Charles LI Kwok-sze^{*}

Mr Adrian David LI Man-kiu[#] (*Co-Chief Executive*)

Mr Brian David LI Man-bun[#] (*Co-Chief Executive*)

Dr Daryl NG Win-kong^{*}

Mr Masayuki OKU^{*}

Dr the Hon. Rita FAN HSU Lai-tai^{**}

Mr Meocre LI Kwok-wing^{**}

Dr the Hon. Henry TANG Ying-yen^{**}

Dr Delman LEE^{**}

Mr William Junior Guilherme DOO^{**}

Dr David MONG Tak-yeung^{**}

Dr Francisco Javier SERRADO TREPAT^{*}

Registered Office:

10 Des Voeux Road Central

Hong Kong

[#] *Executive Director*

^{*} *Non-executive Director*

^{**} *Independent Non-executive Director*

14 April 2025

To the Shareholders

Dear Sir or Madam,

INTRODUCTION

The purpose of this Circular is to provide you with information in connection with the convening of the 2025 AGM and explanation in connection with the matters to be dealt with at the 2025 AGM. In accordance with the relevant requirements under the Listing Rules and the Articles of Association, each of the resolutions set out in the Notice of Annual General Meeting shall be voted on by poll.

A notice convening the 2025 AGM is set out on pages 5 to 9 of this Circular.

LETTER FROM THE BOARD

A proxy form for use at the 2025 AGM is enclosed in this Circular. Whether or not you are able to attend the 2025 AGM, please complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Bank's Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2025 AGM or adjourned meeting (as the case may be). Completion and delivery of the proxy form will not preclude you from attending and voting at the 2025 AGM should you so wish.

RESOLUTION (1) – RECEIVING THE AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Bank for the year ended 31 December 2024, together with the Report of the Directors and the Independent Auditor's Report, are set out in the Annual Report 2024. The Annual Report 2024 may then be viewed and downloaded from the column entitled "Investor Communication – Annual Reports/Interim Reports" under the "About BEA" section of the Bank's website (www.hkbea.com) and HKEX's website (www.hkexnews.hk). The audited financial statements have been reviewed by the Audit Committee.

RESOLUTION (2) – RE-APPOINTMENT OF AUDITOR

With reference to the *Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors* published by the Accounting and Financial Reporting Council on 16 December 2021, the Audit Committee has given due consideration to the audit quality and audit fees when selecting and making recommendation to the Board on the re-appointment of KPMG as the Bank's external auditor for 2025.

The Board (which agreed with the view of the Audit Committee) recommended that, subject to the approval of the Shareholders at the 2025 AGM, KPMG be re-appointed as the external auditor of the Bank for 2025.

RESOLUTION (3) – RE-ELECTION OF DIRECTORS

In accordance with Articles 87, 93 and 94 of the Articles of Association, Dr the Hon. Sir David LI Kwok-po, Dr Allan WONG Chi-yun, Mr Aubrey LI Kwok-sing, Mr Winston LO Yau-lai, Mr Stephen Charles LI Kwok-sze, Dr Daryl NG Win-kong, Mr Masayuki OKU and Dr the Hon. Rita FAN HSU Lai-tai shall retire at the 2025 AGM.

Mr Winston Lo and Mr Masayuki Oku have informed the Board that they would not offer themselves for re-election and will therefore retire as Directors at the conclusion of the 2025 AGM. Save for Mr Winston Lo and Mr Masayuki Oku, all the other retiring Directors, being eligible, shall offer themselves for re-election at the 2025 AGM.

Details (including biographies) of the Directors who are proposed to be re-elected at the 2025 AGM are set out in Appendix 1 to this Circular.

LETTER FROM THE BOARD

The re-election of Directors has been reviewed by the Nomination Committee, which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the 2025 AGM. The recommendation was made in accordance with the *Procedures for Nomination of Directors*, and *Board Succession and Diversity Policy* and its objective criteria including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, independence and length of service. A Board Skills Matrix is set out on page 86 of the Corporate Governance Report of the Bank's Annual Report 2024. Biographical details of Directors of the Bank are also available on the Bank's website (www.hkbea.com).

The Nomination Committee has also conducted an independence assessment for all Independent Non-executive Directors of the Bank ("**INED(s)**"), in particular, Dr Allan Wong and Dr Rita Fan, who have served the Board for more than 9 years and are regarded as "long-serving INEDs". Both Dr Wong and Dr Fan will seek re-election as an INED at the 2025 AGM. All the INEDs satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules and the requirements of the Guidance on Empowerment of INEDs.

In addition to assessing compliance with the regulatory requirements on independence of INEDs, the independence assessment includes also, inter alia, an assessment of all credit facilities granted to the INEDs and their relatives. The Nomination Committee considered that all facilities, which are granted on normal commercial terms, at arm's length and in the ordinary course of business of the Bank, are not material business dealings between the Bank and each of the INEDs. Therefore, the independence of the respective INEDs is not affected.

The Bank has also assessed the time commitment of each of the Directors to ensure all Directors are fit and proper for their roles. The Nomination Committee is satisfied that the existing Directors (including all those Directors who will seek re-election at the 2025 AGM) confirmed to have fulfilled the Bank's minimum time commitment required for performing their roles and responsibilities and are considered to have devoted sufficient time commitment, efforts and attention to the Bank Group's affairs.

Dr Allan Wong was appointed a Director of the Bank in 1995 and was re-designated as an INED in 1999. He was appointed as a Deputy Chairman of the Bank in 2009. As Chairman and Group Chief Executive Officer of a leading electronic products manufacturer, VTech Holdings Limited, Dr Wong provides valuable insights into innovative technology and manufacturing practices that facilitate the digital transformation of the Bank. Dr Wong's extensive knowledge and experience in the manufacturing sector will continue to bring valuable insights that support the development and growth of the Bank and enhance the diversified representation of the Board.

For Dr Wong's details (including his position with the Bank, experience and other directorships), please refer to Appendix 1.2 to this Circular.

Dr Rita Fan was appointed as an INED in 2016 and is the first female joining the Board. Dr Fan is one of Hong Kong's best-known public figures and has an outstanding track record of service to the community. The Nomination Committee believes that her unique skills, knowledge and experience, particularly in Hong Kong-Chinese Mainland relations, will provide the Bank with deeper insight and advice into the Chinese Mainland. Dr Fan's re-election demonstrates the Board's continued efforts to bring diversity and new perspectives that will support the Bank's development and growth.

LETTER FROM THE BOARD

For Dr Fan's details (including her position with the Bank, experience and other directorships), please refer to Appendix 1.6 to this Circular.

The Nomination Committee, taking into account the following factors, has assessed the independence of Dr Allan Wong and Dr Rita Fan and is satisfied that both of them (notwithstanding the length of their service) remain independent:

- (i) Both of them met the independence criteria set out in Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs. Each of them has provided an annual written confirmation of his/her independence to the Bank.
- (ii) Both of them are not involved in the daily management of the Bank nor in any relationships or circumstances which would interfere with the exercise of their independent judgment.
- (iii) Each of them continued to demonstrate his/her ability to provide an independent, balanced and objective view to the affairs of the Bank Group in previous years.
- (iv) Each of them has the required skills, experience, integrity and independence to continue to be an INED.

In view of the above, the Board, on the recommendation of the Nomination Committee, is of the view that each of them remains independent, despite the fact that both of them are "long-serving INEDs", and should be re-elected at the 2025 AGM. Their re-election will benefit the Bank and the Shareholders as a whole.

All Directors offering for re-election at the 2025 AGM have provided valuable advice and contributed their respective experience and expertise to the Board and the Bank. In view of the Directors' invaluable experience and their commitment to their roles, the Board believes that their re-elections are in the best interests of the Bank and the Shareholders.

After taking into account the above factors, the Board, on the recommendation of the Nomination Committee, is of the view that Dr David Li, Dr Allan Wong, Mr Aubrey Li, Mr Stephen Li, Dr Daryl Ng and Dr Rita Fan should be re-elected at the 2025 AGM.

Procedures for the appointment and re-election of Directors are disclosed on pages 82 and 84 of the Bank's Annual Report 2024.

RESOLUTIONS (4), (5) AND (6) – GENERAL MANDATES TO ISSUE SHARES AND BUY-BACK SHARES

At the annual general meeting of the Bank held on 10 May 2024, approval was given by the Shareholders for the granting of, inter alia, the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 10% of the number of ordinary shares in issue of the Bank; and (ii) to buy back Shares on the Stock Exchange up to 10% of the number of ordinary shares in issue of the Bank, as at the date of passing the relevant resolutions. In accordance with the terms of the approval, these general mandates will expire on 9 May 2025 upon the conclusion of the 2025 AGM.

LETTER FROM THE BOARD

At the 2025 AGM, approval will be sought from the Shareholders for the ordinary resolutions to grant the Issue Mandate and the Buy-back Mandate as follows:

- (i) to authorise the Directors to allot, issue and otherwise deal with Shares (including by way of sale or transfer of any treasury shares out of treasury) not exceeding 10% of the number of ordinary shares in issue of the Bank (excluding treasury shares, if any); and
- (ii) to authorise the Directors to buy back Shares on the Stock Exchange up to 10% of the number of ordinary shares in issue of the Bank (excluding treasury shares, if any).

In respect of the Issue Mandate, based on the 2,630,112,083 Shares in issue as at the Latest Practicable Date (and assuming that there is no change in respect of the number of issued Shares and no Shares were bought back and cancelled or held as treasury shares after the Latest Practicable Date and up to the passing of the relevant resolution), the Bank will therefore be allowed under the mandate to issue (or sell or transfer, in the case of treasury shares) a maximum of 263,011,208 Shares.

The purpose of the Issue Mandate is to ensure the Board has the flexibility to issue additional Shares should the need ever arise, or if there is a suitable opportunity to broaden the Bank's capital base and strengthen its capital position to effectively support business development initiatives. As banking regulators globally continue to raise the bar of capital requirements, the Board considers it prudent to maintain certain flexibility through the general mandate.

The Board acknowledges the concern of minority Shareholders with respect to the possible dilution of their shareholding interest resulting from the exercise of the Issue Mandate, and reaffirmed its commitment to only use the mandate in the interests of all Shareholders. Should the Board consider an issuance of Shares, the Board will clearly communicate the rationale behind that decision and ensure it is fair and reasonable, and in the interests of the Shareholders as a whole.

The Board notes that with effect from 17 April 2025, the Companies Ordinance will be amended to introduce flexibility for Hong Kong companies to cancel shares bought back and/or to adopt a framework to (i) allow shares bought back to be held in treasury and (ii) govern the resale of treasury shares. Following such changes to the Companies Ordinance, if the Bank buys back Shares pursuant to the Buy-back Mandate, the Bank may (i) cancel the Shares bought back and/or (ii) hold such Shares in treasury, subject to market conditions and the capital management needs of the Bank at the relevant time such buy-back of Shares are made. If the Bank holds Shares in treasury, any resale of Shares held in treasury will be subject to the ordinary resolution relating to the Issue Mandate at the 2025 AGM in accordance with the Listing Rules and the Companies Ordinance.

As disclosed in the Bank's Annual Report 2024, the Bank bought back a total of 34,602,200 Shares on the Stock Exchange at an aggregate consideration (excluding expenses) of approximately HK\$342.23 million during the year ended 31 December 2024. The grant of the Buy-back Mandate by the Shareholders at the 2025 AGM to the Directors to buy back Shares on the Stock Exchange will enable the Bank to continue the share buy-back (where considered appropriate).

LETTER FROM THE BOARD

The Board wishes to state that it has no immediate plan to issue any new Shares or sell or transfer any treasury shares other than relating to scrip dividends and exercise of employee share options, where appropriate.

The Explanatory Statement required under the Listing Rules in connection with the proposed resolution for the Buy-back Mandate is set out in Appendix 2 to this Circular.

Conditional upon the passing of Resolutions (4) and (5), an ordinary resolution to authorise the Directors to also exercise the power to allot, issue and otherwise deal with additional Shares (including the sale or transfer of treasury shares out of treasury) under the Issue Mandate in respect of the number of ordinary shares of the Bank bought back by the Bank will also be proposed for approval by the Shareholders at the 2025 AGM.

RESOLUTION (7) – CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FRAMEWORK AGREEMENT FOR LOAN TRANSACTIONS

Reference is made to the announcement of the Bank dated 23 January 2025 in relation to the Framework Agreement.

The Framework Agreement

On 23 January 2025, BEA entered into the Framework Agreement with SMBC, pursuant to which the BEA Group and the SMBC Group may engage in Loan Transactions pursuant to the terms of the Framework Agreement.

The principal terms of the Framework Agreement are set out below:

Date:	23 January 2025
Parties:	(1) BEA (2) SMBC
Term:	Subject to fulfilment of the Condition, the Framework Agreement shall be effective on and from 9 May 2025 until 8 May 2028.
Condition:	The Framework Agreement shall be conditional upon BEA having obtained Independent Shareholders' approval in accordance with the applicable requirements of the Listing Rules in respect of: (i) the entering into of the Framework Agreement by BEA and the transactions contemplated thereunder, and (ii) the Annual Caps for the Term.
Subject matter:	At any time and from time to time during the Term, the BEA Group and the SMBC Group may enter into Loan Transaction(s) upon such terms and conditions as may be mutually agreed between the parties thereto, provided that each Loan Transaction shall fully comply with the terms and conditions of the Framework Agreement.

Each Loan Transaction may take the form of Transfer Transaction and/or Risk Participation Transaction.

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Payment terms: For a Transfer Transaction, all payments shall be made by the Buyer to the Seller in immediately available funds upon completion of the relevant transaction (or as otherwise agreed between the parties and set out in the relevant Transfer Document).

For a Risk Participation Transaction that is on funded basis, all payments shall be made by the Buyer to the Seller in accordance with the terms of the relevant Risk Participation Agreement in immediately available funds on the start date of the relevant Risk Participation Agreement (or as otherwise agreed between the parties and set out in the relevant Risk Participation Agreement). (When the Seller receives a repayment from the borrower of the relevant Loan, the relevant principal amount of the Loan in which the Buyer participated shall be passed on to the Buyer within the timeframe as agreed between the parties and set out in the relevant Risk Participation Agreement. The Seller shall pay to the Buyer the relevant amount of interest on the Loan in which the Buyer participated at such rate and at such time as agreed between the parties and set out in the relevant Risk Participation Agreement.)

For a Risk Participation Transaction that is on unfunded basis, all payments shall be made by the Buyer to the Seller in accordance with the terms of the relevant Risk Participation Agreement in immediately available funds within four calendar days after the Seller notifies the Buyer in writing about the Default (or as otherwise agreed between the parties and set out in the relevant Risk Participation Agreement). (The Seller shall pay an upfront fee to the Buyer for its Risk Participation in the Loan in the amount as agreed between the parties and set out in the relevant Risk Participation Agreement.)

Pricing: The consideration payable by the Buyer to the Seller on all Loan Transactions contemplated under the Framework Agreement shall be negotiated and agreed in good faith on an arm's length basis with normal commercial terms between the Seller and the Buyer. The following factors shall be considered in determining the consideration payable by the Buyer to the Seller in a Loan Transaction, including but not limited to:

- (a) the book value of the Loan;
- (b) an appropriate adjustment to be made to the book value of the Loan to reflect the appropriate risks of the Loan;
- (c) the interest rate of the Loan and the prevailing market interest rate;
- (d) the remaining tenure of the Loan;

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- (e) each party's internal credit control policy and/or any other applicable risk considerations;
- (f) the risk profile of the borrower or other transaction parties of the Loan; and
- (g) the terms available to each party from independent third parties for similar or comparable transactions.

The table below sets out the historical transaction amounts and the Annual Caps in respect of the total transaction amount for the Continuing Connected Transactions:

	For the financial year ended 31 December			For the period from 1 January 2025 to the Latest Practicable Date
	2022	2023	2024	
Historical transaction amount (HK\$ million)	Nil	850	1,107	Nil
	For the period from 9 May to 31 December 2025	For the financial year ending 31 December		For the period from 1 January to 8 May 2028
	2025	2026	2027	2028
Annual Cap (HK\$ million)	5,000	5,000	5,000	2,000

The Annual Caps cover the gross amount of all the Loans subject to the Loan Transactions whether the relevant BEA Group Companies act as the Buyer or the Seller. The Risk Participation Transaction, depending on its detailed terms and conditions (including but not limited to funding arrangement, risk exposure and interest/fee structure) as agreed between the parties and set out in the relevant Risk Participation Agreement, may constitute a receipt or provision of financial assistance by the BEA Group under the Listing Rules. As the Transfer Transaction and the Risk Participation Transaction will in effect involve redistributing credit risk and financial exposure of a Loan between the BEA Group and the SMBC Group and are transactions of similar nature, the Framework Agreement covers both types of transactions.

The Annual Caps have been determined with reference to (i) the historical transaction amounts for Loan Transactions between the BEA Group and the SMBC Group; and (ii) the anticipated transaction amounts between the BEA Group and the SMBC Group for each of the financial years ending 31 December 2025 (commencing on 9 May 2025), 2026 and 2027 and for the period from 1 January to 8 May 2028.

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The SMBC Group provides to the BEA Group a list of Loans that are available for transfer or for risk participation from time to time. In 2024, the aggregate book value of Loans that the Bank was interested in negotiating from the relevant list was approximately HK\$4,600 million. Using this as a reference, the BEA Group anticipates that the transaction amounts between the BEA Group and the SMBC Group for each of the financial years ending 31 December 2025 (commencing on 9 May 2025), 2026 and 2027 will be approximately HK\$5,000 million per year. For the period from 1 January to 8 May 2028, the anticipated transaction amounts are expected to be around HK\$2,000 million, representing approximately one-third of the annual cap for a full year with a certain buffer amount. The amount of Loan Transactions to be carried out will depend on, among other things, the Loans offered by the SMBC Group, the BEA Group's assessment of those Loans and prevailing market conditions.

Since SMBC is a Connected Person of the Bank under the Listing Rules, any transactions between the BEA Group and the SMBC Group must be compliant with the Listing Rules. If independent shareholders' approval is necessary for specific transactions, the BEA Group can only proceed after obtaining the required approval. This compliance requirement has limited the BEA Group's ability to timely capture certain opportunities in the past. By entering into the Framework Agreement, the Bank will no longer need to make separate announcements or seek independent shareholders' approval for each Loan Transaction, as long as the transactions fall within the agreed Annual Caps and adhere to the relevant internal control procedures. This streamlined approach is expected to significantly enhance cooperation between the BEA Group and the SMBC Group, allowing both parties to pursue suitable Loan Transactions more efficiently and effectively.

Internal Control Procedures

BEA has formulated specific measures and policies, including connected transactions management policies and management measures for connected transactions under the Listing Rules, to ensure that all connected transactions of the Bank Group are properly controlled and monitored. The policies aim to establish an effective framework for monitoring connected transactions (including the transactions with connected parties stipulated under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and connected transactions under the Listing Rules), help maintain sound business operations, establish risk monitoring system and ensure that all the connected transactions are conducted in the interests of the Shareholders as a whole. The management measures aim to standardise and specify the division of management responsibilities and duties as well as monitoring mechanism in connection with the connected transactions of the Bank Group, protect the Shareholders' overall interests and also the interests of BEA and its stakeholders. The connected transactions of the Bank Group shall be implemented in accordance with the principles, rules and procedures stipulated in the policies and management measures.

LETTER FROM THE BOARD

As part of the internal control and risk management procedures, the relevant business units/branches/subsidiaries and/or the Credit Committee of the Bank shall carry out certain procedures prior to the signing of any Transfer Document or Risk Participation Agreement, which include reviewing the terms of specific Loan Transactions between the BEA Group and the SMBC Group including but not limited to the risk assessment of the relevant Loans and repayment terms, reviewing the factors taken into consideration in determining the pricing as set out in the paragraph headed "The Framework Agreement – Pricing" above, and/or comparing the terms with terms of comparable transactions which may involve obtaining quote from other syndicated lenders or lenders of other loans to the same borrowers and comparing the terms with the specific Loans to ensure that (i) the Loan Transactions are entered into in the ordinary and usual course of business of the Bank Group and are on normal commercial terms and arm's length basis; (ii) the pricing policies and/or other contract terms of the Loan Transactions are fair and reasonable and in the interests of the Bank and the Shareholders as a whole; and (iii) the terms of the specific Loan Transactions are no less favourable to the Bank than those available to the Bank from independent third parties for similar or comparable transactions.

In addition, as part of the internal control and risk management procedures and to ensure that the Continuing Connected Transactions do not exceed the relevant Annual Caps, an independent unit of the Bank shall be responsible for monitoring the transaction amounts.

The Bank's management shall report on the Continuing Connected Transactions to the Board and/or relevant Board committees each year, such that they may conduct review to ensure that the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Bank Group and are on normal commercial terms; and (ii) the terms of the Continuing Connected Transactions are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

The INEDs will also conduct an annual review of the Continuing Connected Transactions in accordance with the Listing Rules. BEA will engage its external auditor to report on the Continuing Connected Transactions every financial year. The external auditor will provide a letter to the Board confirming the matters required under the Listing Rules including whether the Continuing Connected Transactions are carried out in accordance with the relevant pricing policies.

Reasons for and benefits of entering into the Framework Agreement

In the ordinary course of business, the Bank Group may engage in Loan Transactions with the SMBC Group from time to time. The Directors consider that it is in the best interests of the Bank to enter into the Framework Agreement, as it will enhance cooperation in the loan financing business between the BEA Group and the SMBC Group. The Framework Agreement will facilitate both groups in pursuing suitable Loan Transactions, thereby diversifying the Bank Group's loan portfolio.

By establishing the Annual Caps, the Bank will not be required to make separate announcement(s) and/or seek independent shareholders' approval, as applicable, for each Loan Transaction to be entered into with the SMBC Group during the term of the Framework Agreement, provided that the respective Annual Caps are not exceeded and relevant internal control procedures are adhered to. This will enable the Bank Group to capture opportunities in suitable Loan Transactions more efficiently.

LETTER FROM THE BOARD

To the best knowledge of the Directors, none of the Directors has a material interest in the transactions contemplated under the Framework Agreement. Accordingly, no Director is required to abstain from voting on the relevant resolutions of the Board approving the Framework Agreement.

General Information

BEA

Incorporated in Hong Kong in 1918, BEA is a leading Hong Kong-based financial services group listed on the Stock Exchange, with total consolidated assets of HK\$877.8 billion (US\$113.0 billion) as of 31 December 2024.

BEA provides a comprehensive range of wholesale banking, personal banking, wealth management and investment services to customers through an extensive network of about 120 outlets covering Hong Kong, the Chinese Mainland, Macau, Taiwan, Southeast Asia, the United Kingdom, and the United States. For more information, please visit: www.hkbea.com.

SMBC

SMBC (a Substantial Shareholder of the Bank) and its group companies offer a broad range of financial services centred on banking.

The ultimate beneficial owner of SMBC is Sumitomo Mitsui Financial Group, Inc. Sumitomo Mitsui Financial Group, with banking operations as a foundation, offers a broad array of banking, credit card, leasing, information, investment securities, and other financial services.

Implications under the Listing Rules

As SMBC is a Substantial Shareholder of the Bank, SMBC is a Connected Person of the Bank under the Listing Rules. Therefore, the entering into of the Framework Agreement between BEA and SMBC and the transactions contemplated thereunder constitute continuing connected transactions of BEA under the Listing Rules.

As one or more applicable percentage ratios in respect of the Framework Agreement exceed 5%, the Framework Agreement and the Continuing Connected Transactions are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, having made all reasonable enquires, SMBC is interested in 574,516,317 Shares (representing approximately 21.84% of the issued Shares). Therefore, SMBC and its Associates shall abstain from voting on the resolution in relation to the Framework Agreement and transactions contemplated thereunder (including the Annual Caps) at the 2025 AGM. Save as aforesaid, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder has a material interest in the Framework Agreement and is required to abstain from voting on the resolution in relation to the Framework Agreement and transactions contemplated thereunder (including the Annual Caps) at the 2025 AGM.

LETTER FROM THE BOARD

Recommendations

The Board has set up the Independent Board Committee to review the Continuing Connected Transactions and provide advice to the Independent Shareholders. The Bank has appointed Gram Capital as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders regarding the Continuing Connected Transactions.

Your attention is drawn to the letter from the Independent Board Committee which contains the advice of the Independent Board Committee to the Independent Shareholders regarding the resolution(s) to approve the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) in Appendix 3, and the letter of advice from Gram Capital which contains its advice to the Independent Board Committee and the Independent Shareholders regarding the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) in Appendix 4.

The Directors (including the INEDs whose opinion has been set out in the letter from the Independent Board Committee after taking into consideration the advice of Gram Capital) are of the view that the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are entered into in the ordinary and usual course of business of the Bank Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of the Framework Agreement together with the Annual Caps are fair and reasonable and in the interests of the Bank and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolution(s) relating thereto at the 2025 AGM.

RESOLUTION (8) – AMENDMENTS TO ARTICLES OF ASSOCIATION

A special resolution will be proposed at the 2025 AGM to amend the Articles of Association.

The Bank proposes certain amendments to the Articles of Association to tie in with the latest legal and regulatory requirements in relation to treasury shares and communication with shareholders by means of website, following the relevant forthcoming amendments to the Companies Ordinance and the amendments to the Listing Rules which took effect on 11 June 2024. The legal advisers to the Bank, Deacons, have confirmed that the proposed amendments comply with the requirements of the Listing Rules and the laws of Hong Kong. The Bank also confirms that there is nothing unusual about the proposed amendments for a company listed on the main board of the Stock Exchange. The Board is of the view that none of the proposed amendments would adversely affect the rights of Shareholders in any aspects.

The proposed amendments to the Articles of Association shall be subject to the passing of a special resolution by the Shareholders at the 2025 AGM. Details of the proposed amendments to the Articles of Association are set out in Appendix 6 to this Circular. The Articles of Association are currently published on the websites of the Bank (www.hkbea.com) and HKEX (www.hkexnews.hk). After the relevant special resolution has been approved by the Shareholders, the new Articles of Association will be made available on the two aforesaid websites.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the above proposals are in the interests of the Bank and the Shareholders and accordingly recommend that all Shareholders vote in favour of the resolutions to be proposed at the 2025 AGM.

Yours faithfully,
For and on behalf of the Board of
The Bank of East Asia, Limited

David LI Kwok-po
Executive Chairman

The following are the particulars of the six Directors proposed to be re-elected at the 2025 AGM:

1. **Dr the Hon. Sir David LI Kwok-po**, GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur
Executive Chairman and Member of the Nomination Committee

Sir David, aged 86, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. On 1 July 2019, Sir David stepped down as Chief Executive and was re-designated as Executive Chairman of the Bank. Sir David is also the Chairman of The Bank of East Asia (China) Limited and The Bank of East Asia Charitable Foundation Limited, both the Bank's wholly-owned subsidiaries.

Sir David is an Independent Non-executive Director of The Hong Kong and China Gas Company Limited (listed in Hong Kong), The Hongkong and Shanghai Hotels, Limited (listed in Hong Kong) and San Miguel Brewery Hong Kong Limited (listed in Hong Kong). He was an Independent Non-executive Director of Vitasoy International Holdings Limited (listed in Hong Kong).

Sir David is a Member of the Council of the Treasury Markets Association. He is Founding Chairman of The Friends of Cambridge University in Hong Kong Limited, Chairman of the Advisory Board of The Salvation Army Hong Kong and Macau Territory, Chairman of the Executive Committee of St. James' Settlement and a Fellow of the Hong Kong Academy of Finance. He was a Member of the Executive Council of Hong Kong from 2005 to 2008 and the Legislative Council of Hong Kong from 1985 to 2012. He was appointed Vice Chairman of the Basic Law Drafting Committee of the HKSAR in 1985.

Sir David is the brother of Professor Arthur LI Kwok-cheung, the cousin of Mr Aubrey LI Kwok-sing and Mr Stephen Charles LI Kwok-sze, and the father of Mr Adrian David LI Man-kiu and Mr Brian David LI Man-bun.

Save as disclosed above, Sir David (i) has not held any directorship in other listed public companies in last 3 years; (ii) does not hold any other position in the Bank Group; and (iii) does not have any relationship with any Directors, Senior Management or Substantial Shareholders of the Bank.

There is an appointment letter between the Bank and Sir David providing that the term of his appointment as a Director shall be for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment or re-election, and on expiration of his term, he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Sir David receives a Director's fee of HK\$600,000 per annum (for being the Chairman of the Board) and a Nomination Committee member's fee of HK\$70,000 per annum. Sir David is employed as the Executive Chairman of the Bank, whose existing service contract is on a three-year term commencing in July 2022 and ending in June 2025. As the Executive Chairman of the Bank, Sir David receives salaries and allowances of approximately HK\$11.9 million each year and is entitled to a discretionary bonus and share options/restricted share units to be determined with reference to the remuneration policy of the Bank.

As at the Latest Practicable Date, Sir David was interested or deemed to be interested in a total of 99,618,810 Shares within the meaning of Part XV of the SFO. These interests comprise (i) 96,241,743 Shares held by Sir David personally; (ii) 2,881,086 Shares held by his spouse, Madam Penny POON Kam-chui; and (iii) 495,981 Shares held by David Li Kwok-po Charitable Foundation Limited, a charitable institution of which Sir David is a director and the sole member. In addition, Sir David was also interested in 9,489,989 underlying Shares in respect of outstanding share options granted to him pursuant to the Bank's Staff Share Option Schemes.

There is no information relating to Sir David that is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Sir David's re-election that need to be brought to the attention of the Shareholders.

2. **Dr Allan WONG Chi-yun**, GBS, MBE, BSc, MSEE, Hon. DTech, JP
Deputy Chairman, Independent Non-executive Director, Chairman of the Nomination Committee, Member of the Audit Committee, the Remuneration Committee and the Risk Committee

Dr Wong, aged 74, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited (listed in Hong Kong). Dr Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Limited (listed in Hong Kong).

Dr Wong is a Member of the Chief Executive's Council of Advisers of the Government of the HKSAR.

Dr Wong holds a Bachelor of Science degree in electrical engineering from the University of Hong Kong, a Master of Science degree in electrical and computer engineering from the University of Wisconsin and an honorary degree of Doctor of Technology from the Hong Kong Polytechnic University.

Save as disclosed above, Dr Wong (i) has not held any directorship in other listed public companies in last 3 years; (ii) does not hold any other position in the Bank Group; and (iii) does not have any relationship with any Directors, Senior Management or Substantial Shareholders of the Bank.

There is an appointment letter between the Bank and Dr Wong providing that the term of his appointment as a Director shall be for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment or re-election, and on expiration of his term, he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Dr Wong receives a fee of HK\$475,000 per annum (for being the Deputy Chairman of the Board), a Nomination Committee Chairman's fee of HK\$110,000 per annum, an Audit Committee member's fee of HK\$170,000 per annum, a Remuneration Committee member's fee of HK\$70,000 per annum and a Risk Committee member's fee of HK\$170,000 per annum.

As at the Latest Practicable Date, Dr Wong was interested or deemed to be interested in a total of 25,423,190 Shares within the meaning of Part XV of the SFO. These interests comprise (i) 464,393 Shares held by Dr Wong personally; (ii) 136 Shares held by his spouse, Madam Margaret KWOK Chi-wai (deceased); (iii) 7,543,427 Shares held by Wong Chung Man Limited, which is wholly-owned by Dr Wong; and (iv) 17,415,234 Shares held by a discretionary trust, The Allan Wong 2020 Trust, of which Dr Wong is a founder and an eligible beneficiary.

Dr Wong has met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs.

There is no information relating to Dr Wong that is required to be disclosed pursuant to Rules 13.51(2) (h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Dr Wong's re-election that need to be brought to the attention of the Shareholders.

3. **Mr Aubrey LI Kwok-sing**, *ScB, MBA*

Non-executive Director and Member of the Risk Committee

Mr Li, aged 75, was appointed a Director in 1995. He is Chairman of IAM Family Office Limited and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. Mr Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Kowloon Development Co. Ltd (listed in Hong Kong) and Pokfulam Development Company Limited (listed in Hong Kong). He was an Independent Non-executive Director of Café de Coral Holdings Limited (listed in Hong Kong).

Mr Li has an ScB in Civil Engineering from Brown University and a Master of Business Administration from Columbia University.

Mr Li is the cousin of Dr the Hon. Sir David LI Kwok-po, Professor Arthur LI Kwok-cheung and Mr Stephen Charles LI Kwok-sze, and the uncle of Mr Adrian David LI Man-kiu and Mr Brian David LI Man-bun.

Save as disclosed above, Mr Li (i) has not held any directorship in other listed public companies in last 3 years; (ii) does not hold any other position in the Bank Group; and (iii) does not have any relationship with any Directors, Senior Management or Substantial Shareholders of the Bank.

There is an appointment letter between the Bank and Mr Li providing that the term of his appointment as a Director shall be for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment or re-election, and on expiration of his term, he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Mr Li receives a Director's fee of HK\$450,000 per annum and a Risk Committee member's fee of HK\$170,000 per annum.

As at the Latest Practicable Date, Mr Li was interested or deemed to be interested in a total of 19,404,126 Shares within the meaning of Part XV of the SFO. These interests comprise (i) 1,038,507 Shares (including 32,581 Shares to be allotted pursuant to the Bank's 2024 Second Interim Scrip Dividend Scheme (the "**Scrip Dividend Scheme**")) held by Mr Li personally; (ii) 31,337 Shares (including 983 Shares to be allotted pursuant to the Scrip Dividend Scheme) held by his spouse, Madam Elizabeth WOO; and (iii) 18,334,282 Shares held by a trust, LEVA Trust, of which Mr Li is the founder/settlor.

There is no information relating to Mr Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr Li's re-election that need to be brought to the attention of the Shareholders.

4. **Mr Stephen Charles LI Kwok-sze**, BSc (Hons.), ACA
Non-executive Director

Mr Li, aged 65, was appointed a Director in 2006. He is a Member of the Institute of Chartered Accountants in England and Wales. Mr Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, United Kingdom. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong and board positions with international investment funds.

Mr Li is a member of the Executive Committee and the Honorary Treasurer of The Keswick Foundation.

Mr Li is the cousin of Dr the Hon. Sir David LI Kwok-po, Professor Arthur LI Kwok-cheung and Mr Aubrey LI Kwok-sing, and the uncle of Mr Adrian David LI Man-kiu and Mr Brian David LI Man-bun.

Save as disclosed above, Mr Li (i) has not held any directorship in other listed public companies in last 3 years; (ii) does not hold any other position in the Bank Group; and (iii) does not have any relationship with any Directors, Senior Management or Substantial Shareholders of the Bank.

There is an appointment letter between the Bank and Mr Li providing that the term of his appointment as a Director shall be for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment or re-election, and on expiration of his term, he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Mr Li receives a Director's fee of HK\$450,000 per annum.

As at the Latest Practicable Date, Mr Li was interested or deemed to be interested in a total of 13,379,573 Shares within the meaning of Part XV of the SFO. These interests comprise (i) 13,129,023 Shares of which Mr Li was the beneficial owner; and (ii) 250,550 Shares of which his spouse, Madam Lee Wendy, was the beneficial owner.

There is no information relating to Mr Li that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Mr Li's re-election that need to be brought to the attention of the Shareholders.

5. **Dr Daryl NG Win-kong**, SBS, BA, MSc, DHL, Hon. DBA, JP
Non-executive Director and Member of the Risk Committee

Dr Ng, aged 46, was appointed a Director in 2015. He is currently an Executive Director and Deputy Chairman of Sino Land Company Limited (listed in Hong Kong), Tsim Sha Tsui Properties Limited (listed in Hong Kong) and Sino Hotels (Holdings) Limited (listed in Hong Kong). He is also the Chairman, Non-independent & Non-executive Director of Yeo Hiap Seng Limited (listed in Singapore).

Dr Ng holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York, an Honorary Doctor of Humane Letters Degree from Savannah College of Art and Design and an Honorary Doctor of Business Administration, *honoris causa* from Hong Kong Metropolitan University. He is also Honorary Fellow of The Hong Kong University of Science and Technology and Hong Kong Metropolitan University.

Dr Ng is a member of the Global Leadership Council of Columbia University in the City of New York, a member of the Standing Committee of the 14th Beijing Municipal Committee of the Chinese People's Political Consultative Conference and a member of the 10th and 11th Committees of the All-China Youth Federation. He is the President of Hong Kong United Youth Association, a Council Member of the Hong Kong Committee for UNICEF, a Council Member of The Hong Kong Management Association, a Governor of Our Hong Kong Foundation Limited, a Council Member of Hong Kong Chronicles Institute Limited, a Council Member of the Employers' Federation of Hong Kong, a Member of the Board of Hong Kong Science and Technology Parks Corporation, the Chairman of HKSTP Foundation Limited, the Chairman of Greater Bay Area Homeland Youth Community Foundation Limited, a member of the Council for Carbon Neutrality and Sustainable Development of the HKSAR Government, a member of the Culture Commission of the HKSAR Government, a member of the Advisory Council on the Environment of the HKSAR Government, a member of the Steering Committee of the Research, Academic and Industry Sectors One-plus (RAISe+) Scheme of Innovation and Technology Commission of the HKSAR Government, a Trustee of The University of Hong Kong's Occupational Retirement Schemes, a Member of the Court of the Hong Kong University of Science and Technology, a Member of the Board of Hong Kong Academy for Wealth Legacy of Financial Services Development Council, a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore, a member of International Advisory Council of Singapore Management University, a Special Advisor to UNESCO Asia-Pacific Awards for Cultural Heritage Conservation, a member of the HKTDC Infrastructure Development Advisory Committee, a Director of The Real Estate Developers Association of Hong Kong, a Vice Patron of The Community Chest of Hong Kong and a Member of the Board of Hong Kong Palace Museum Limited.

Dr Ng was awarded the Jing Hua Award by the People's Government of Beijing Municipality and conferred the Insignia of Knight in the National Order of Merit (Chevalier de l'Ordre National du Mérite) by the Government of France.

Save as disclosed above, Dr Ng (i) has not held any directorship in other listed public companies in last 3 years; (ii) does not hold any other position in the Bank Group; and (iii) does not have any relationship with any Directors, Senior Management or Substantial Shareholders of the Bank.

There is an appointment letter between the Bank and Dr Ng providing that the term of his appointment as a Director shall be for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of his appointment or re-election, and on expiration of his term, he shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Dr Ng receives a Director's fee of HK\$450,000 per annum and a Risk Committee member's fee of HK\$170,000 per annum.

As at the Latest Practicable Date, Dr Ng was not interested in any Shares within the meaning of Part XV of the SFO.

There is no information relating to Dr Ng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Dr Ng's re-election that need to be brought to the attention of the Shareholders.

6. **Dr the Hon. Rita FAN HSU Lai-tai**, *GBM, GBS, DSocSc, JP*
Independent Non-executive Director, Chairman of the Remuneration Committee and Member of the Nomination Committee

Dr Fan, aged 79, was appointed a Director in 2016. She is currently an Independent Non-executive Director of COSCO SHIPPING Ports Limited (listed in Hong Kong). She was an Independent Non-executive Director of China Overseas Land & Investment Limited (listed in Hong Kong).

Dr Fan is one of Hong Kong's best-known public figures and has an outstanding track record of community service. Dr Fan was appointed to the Legislative Council from 1983 to 1992 and was a Member of the Executive Council from 1989 to 1992. She became the President of the Provisional Legislative Council in 1997, and has since been re-elected as the President of the First, Second and Third Legislative Council until 30 September 2008. Dr Fan served as President of the legislature of the HKSAR for 11 years.

In the lead-up to Hong Kong's reunification with China, Dr Fan played a valuable role as a Member of the Preliminary Working Committee for the Preparatory Committee for the HKSAR from 1993 to 1995 and of the Preparatory Committee for the HKSAR from 1995 to 1997. She was elected as a Hong Kong Deputy to the 9th, 10th, 11th, and 12th sessions of the National People's Congress ("**NPC**") during 1998 to 2018, and was concurrently a Member of the Standing Committee of the 11th and 12th sessions of the NPC from 2008 to 2018. Dr Fan is a Non-official Member of the Candidate Eligibility Review Committee of the HKSAR. She is also serving as the Chairman of Board of Management of the Endeavour Education Centre Limited and the Endeavour Education Trust, and a Member of the Supervisory Managing Organisation of the Nina and Teddy Wang Charitable Trust.

After graduating from St. Stephen's Girls' College, Dr Fan studied at the University of Hong Kong, and was awarded a Bachelor degree in Science and a Master degree in Social Science. She was awarded Honorary Doctorate degrees in Social Science by the University of Hong Kong, the City University of Hong Kong, the Hong Kong Polytechnic University, and the Education University of Hong Kong; and an Honorary Doctorate in Law from the China University of Political Science and Law. Her record of public service was acknowledged by the HKSAR Government through the award of the Gold Bauhinia Star in 1998 and Hong Kong's top award, the Grand Bauhinia Medal, in 2007.

Save as disclosed above, Dr Fan (i) has not held any directorship in other listed public companies in last 3 years; (ii) does not hold any other position in the Bank Group; and (iii) does not have any relationship with any Directors, Senior Management or Substantial Shareholders of the Bank.

There is an appointment letter between the Bank and Dr Fan providing that the term of her appointment as a Director shall be for a term of not more than approximately 3 years expiring at the conclusion of the annual general meeting of the Bank held in the third year following the year of her appointment or re-election, and on expiration of his term, she shall be deemed a retiring Director and eligible for re-election. The fees payable to the Directors are determined by the Board with reference to market trends. Dr Fan receives a Director's fee of HK\$450,000 per annum, a Remuneration Committee Chairman's fee of HK\$110,000 per annum and a Nomination Committee member's fee of HK\$70,000 per annum.

As at the Latest Practicable Date, Dr Fan was not interested in any Shares within the meaning of Part XV of the SFO.

Dr Fan has met the independence guidelines set out in Rule 3.13 of the Listing Rules and the Guidance on Empowerment of INEDs.

There is no information relating to Dr Fan that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there are no other matters relating to Dr Fan's re-election that need to be brought to the attention of the Shareholders.

The following is the Explanatory Statement required under the Listing Rules in connection with the Buy-back Mandate and also constitutes the memorandum required under Section 239 of the Companies Ordinance:

- (i) At the 2025 AGM a resolution will be proposed that the Directors be given a Buy-back Mandate to exercise all powers of the Bank to buy back on the Stock Exchange Shares representing up to a maximum of 10% of number of Shares in issue of the Bank (excluding treasury shares, if any) as at the date of passing the resolution. Based on the 2,630,112,083 Shares in issue as at the Latest Practicable Date (and assuming that there is no change in respect of the number of issued Shares of the Bank and no Shares were bought back and cancelled or held as treasury shares after the Latest Practicable Date and up to the passing of the relevant resolution), the Bank will therefore be allowed under the Buy-back Mandate to buy back a maximum of 263,011,208 Shares.
- (ii) The Board believes that the flexibility afforded by the Buy-back Mandate will be beneficial to the Bank and the Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when depressed market conditions arise and Shares are trading at a discount to their underlying value, the ability of the Bank to buy back Shares will be beneficial to those Shareholders who retain their investment in the Bank since their percentage interests in the assets of the Bank will increase in proportion to the number of Shares bought back by the Bank. Furthermore, the Directors' exercise of the mandate granted under the Buy-back Mandate may lead to an increased volume of trading in Shares on the Stock Exchange.
- (iii) The Board proposes that buy-back of Shares under the Buy-back Mandate will be financed from the available cash flow or working capital facilities of the Bank and its Subsidiaries. In the buy-back of Shares, the Bank may only apply funds legally available for such purpose in accordance with the Articles of Association and the laws of Hong Kong.
- (iv) There may be a material adverse impact on the working capital or gearing position of the Bank (as compared with the position disclosed in the Bank's most recent published audited financial statements) in the event that the proposed share buy-back is to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such extent as will, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Bank.
- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any Close Associates of the Directors who have a present intention, in the event that the Buy-back Mandate is granted by Shareholders, to sell Shares to the Bank.
- (vi) The Directors have undertaken to exercise the power of the Bank to make purchases pursuant to the Buy-back Mandate in accordance with the Listing Rules and the laws of Hong Kong.

- (vii) If as a result of a share buy-back a Shareholder's proportionate interest in the voting rights of the Bank increases, such increase will be treated as an acquisition of voting rights for purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, may be treated as having obtained or consolidated control of the Bank and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Board is not aware of any consequence which would arise under the Takeovers Code as a consequence of any purchases pursuant to the Buy-back Mandate.
- (viii) The Bank bought back a total of 4,761,000 Shares on the Stock Exchange in the six months prior to the Latest Practicable Date, with details as follows:

Date of Share Buy-back	No. of Shares bought back	Price per Share paid	
		Highest HK\$	Lowest HK\$
7 October 2024	271,800	10.64	10.52
8 October 2024	776,600	10.66	10.08
9 October 2024	679,000	10.28	9.93
10 October 2024	805,800	10.30	10.12
14 October 2024	433,800	10.30	10.02
15 October 2024	545,800	10.18	9.94
16 October 2024	314,400	10.14	9.92
17 October 2024	266,000	10.30	9.93
18 October 2024	181,200	10.38	10.18
21 October 2024	175,000	10.44	10.00
22 October 2024	151,000	10.08	9.97
23 October 2024	82,000	10.08	9.93
24 October 2024	78,600	10.08	9.91

- (ix) No Core Connected Persons of the Bank have notified it of a present intention to sell Shares to the Bank and no such persons have undertaken not to sell any such Shares to the Bank in the event that the Buy-back Mandate is granted by the Shareholders.

- (x) The highest and lowest prices at which Shares had been traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date are as follows:

			Highest HK\$	Lowest HK\$
2024	:	April	9.95	9.01
		May	10.96	9.90
		June	10.46	9.58
		July	10.26	9.60
		August	9.95	9.10
		September	10.26	9.16
		October	10.74	9.65
		November	9.93	9.41
		December	10.10	9.57
2025	:	January	9.96	9.57
		February	11.78	9.75
		March	12.24	11.34
		April (up to the Latest Practicable Date)	11.80	10.22

- (xi) Neither this Explanatory Statement nor the proposed share buy-back has any unusual features.
- (xii) After the amendments to the Companies Ordinance relating to treasury shares having become effective, Shares bought back by the Bank may be held as treasury shares or may be cancelled subject to, among others, market conditions and the capital management needs of the Bank at the relevant time of the buy-back(s), which may change due to actual circumstances. Shareholders and potential investors should pay attention to any announcement to be published by the Bank in the future, including but not limited to, any next day disclosure return (which shall identify, among others, the number of Shares bought back that are to be held in treasury or cancelled upon such buy-back) and relevant monthly return.

For any treasury shares of the Bank deposited with CCASS, the Bank shall hold the repurchased shares as treasury shares in a segregated account in CCASS. The Bank shall, upon completion of the share repurchase, give clear written instructions to its share registrar and the relevant broker to update the record to clearly identify those repurchased shares held in CCASS as treasury shares. The listing of all Shares which are bought back by the Bank but not held as treasury shares shall be automatically cancelled upon buy-back.

The following is the text of a letter of advice from the Independent Board Committee setting out its recommendation to the Independent Shareholders for the purpose of inclusion in this Circular.

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)

(Stock Code: 23)

14 April 2025

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS – FRAMEWORK AGREEMENT FOR LOAN TRANSACTIONS

We refer to the circular dated 14 April 2025 of the Bank (the "**Circular**") of which this letter forms part.

Capitalised terms used in the Circular shall have the same meanings in this letter unless the context otherwise requires. We have been appointed by the Board to form the Independent Board Committee to advise you in connection with the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps), details of which are set out in the "Letter from the Board" in the Circular.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Framework Agreement (including the Annual Caps) are fair and reasonable and on normal commercial terms or better and whether the entering into of the Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Bank Group and in the interests of the Bank and the Shareholders as a whole.

We wish to draw your attention to the section headed "Resolution (7) – Continuing Connected Transactions in relation to Framework Agreement for Loan Transactions" in the "Letter from the Board", as set out on pages 10 to 22 of the Circular, and the letter of advice from Gram Capital, as set out on pages 35 to 43 of the Circular. Having considered the terms of the Framework Agreement and the Annual Caps and the advice given by Gram Capital and the principal factors and reasons taken into consideration by it in arriving at its advice, we are of the opinion that the entering into of the Framework Agreement and the transactions contemplated thereunder are in the ordinary and usual course of business of the Bank Group and in the interests of the Bank and the Shareholders as a whole, and the terms of the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the 2025 AGM to approve the Framework Agreement and the transactions contemplated thereunder (including the Annual Caps).

Yours faithfully,

Independent Board Committee
The Bank of East Asia, Limited

Independent Non-executive Directors:

Dr Allan WONG Chi-yun

Dr the Hon. Rita FAN HSU Lai-tai

Mr Meocre LI Kwok-wing

Dr the Hon. Henry TANG Ying-yen

Dr Delman LEE

Mr William Junior Guilherme DOO

Dr David MONG Tak-yeung

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

14 April 2025

To: The independent board committee and the independent shareholders
of The Bank of East Asia, Limited

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the Circular dated 14 April 2025 issued by the Bank to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 23 January 2025, the Bank entered into the Framework Agreement with SMBC, pursuant to which the BEA Group and the SMBC Group may engage in Loan Transactions pursuant to the terms of the Framework Agreement with a term of three years from 9 May 2025 until 8 May 2028, subject to fulfilment of the Condition.

With reference to the Board Letter, the Continuing Connected Transactions constitute continuing connected transactions under Chapter 14A of the Listing Rules, and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Dr Allan WONG Chi-yun, Dr the Hon. Rita FAN HSU Lai-tai, Mr Meocre LI Kwok-wing, Dr the Hon. Henry TANG Ying-yen, Dr Delman LEE, Mr William Junior Guilherme DOO and Dr David MONG Tak-yeung (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Continuing Connected Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Continuing Connected Transactions are in the interests of the Bank and the Shareholders as a whole and are in the ordinary and usual course of business of the BEA Group; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Continuing Connected Transactions at the 2025 AGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Gram Capital and the Bank during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Bank, the Directors and the management of the Bank (collectively, the **"Management"**). We have assumed that all information and representations that have been provided by the Management, for which they are solely and wholly responsible, are true and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Continuing Connected Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Bank. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Bank, SMBC and each of their respective subsidiaries or associates, nor have we considered the taxation implications on the BEA Group or the Shareholders as a result of the Continuing Connected Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Bank.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Continuing Connected Transactions, we have taken into consideration the following principal factors and reasons:

Information on the BEA Group

With reference to the Board Letter, the BEA Group provides a comprehensive range of wholesale banking, personal banking, wealth management and investment services to customers through an extensive network of about 120 outlets covering Hong Kong, the Chinese Mainland, Macau, Taiwan, Southeast Asia, the United Kingdom, and the US.

Set out below are the audited consolidated financial information of the BEA Group for the two years ended 31 December 2024 as extracted from the Bank's annual results announcement for the year ended 31 December 2024 (the "**2024 AR Announcement**"):

	For the year ended 31 December 2024 HK\$ million	For the year ended 31 December 2023 HK\$ million	Year-on-year change %
Operating income	20,979	20,746	1.12
- <i>Net interest income</i>	16,529	16,874	(2.04)
- <i>Net non-interest income</i>	4,450	3,872	14.93
Profit for the year before taxation	5,840	5,310	9.98
Profit for the year	4,629	4,136	11.92
	As at 31 December 2024 HK\$ million	As at 31 December 2023 HK\$ million	Year-on-year change %
Loans and advances to customers	527,829	526,984	0.16
Net assets	105,739	108,326	(2.39)

According to the above table, the BEA Group recorded net interest income of approximately HK\$16.53 billion for FY2024, representing a decrease of approximately 2.04% as compared to that for FY2023; while the BEA Group's net non-interest income was approximately HK\$4.45 billion for FY2024, representing an increase of approximately 14.93% as compared to that for FY2023. With reference to the 2024 AR Announcement, (i) the decrease in net interest income was mainly due to a narrowed net interest margin caused by reduction in interest rates; and (ii) the increase in net non-interest income was mainly due to increased investment activities and third-party insurance sales, growth in net trading and hedging results and net results from other financial instruments.

Driven by (i) an increase in the BEA Group's operating income; and (ii) a substantial decrease in impairment losses on associate, the BEA Group's profit for FY2024 increased by approximately 11.92% as compared to that for FY2023.

As at 31 December 2024, the BEA Group's loans and advances to customers was approximately HK\$527.83 billion and net assets were approximately HK\$105.74 billion.

With reference to the 2024 AR Announcement, going forward, the Bank will actively seek new opportunities while continuing to manage risks prudently and maintaining a robust balance sheet. The Bank will continue to centralise, streamline, and digitalise all aspects of its activities in pursuit of becoming a truly seamless and frictionless cross-boundary bank.

Information on SMBC

With reference to the Board Letter, SMBC and its group companies offer a broad range of financial services centred on banking. The ultimate beneficial owner of SMBC is Sumitomo Mitsui Financial Group, Inc. Sumitomo Mitsui Financial Group, with banking operations as a foundation, offers a broad array of banking, credit card, leasing, information, investment securities, and other financial services. SMBC is a Substantial Shareholder of the Bank.

Reasons for and benefits of entering into the Framework Agreement

With reference to the Board Letter,

- (i) in the ordinary course of business, the BEA Group may engage in Loan Transactions with the SMBC Group from time to time. The Directors consider that it is in the best interests of the Bank to enter into the Framework Agreement, as it will enhance cooperation in the loan financing business between the BEA Group and the SMBC Group. The Framework Agreement will facilitate both groups in pursuing suitable Loan Transactions, thereby diversifying the BEA Group's loan portfolio.
- (ii) By establishing the Annual Caps, the Bank will not be required to make separate announcement(s) and/or seek independent shareholders' approval, as applicable, for each Loan Transaction to be entered into with the SMBC Group during the term of the Framework Agreement, provided that the respective Annual Caps are not exceeded and relevant internal control procedures are adhered to. This will enable the BEA Group to capture opportunities in suitable Loan Transactions more efficiently.

As illustrated in the section headed "Information on the BEA Group" above, the BEA Group's loans and advances to customers was approximately HK\$527.83 billion. As advised by the Management, the BEA Group engages in loan transfer and risk participation business activities, which are part of its ordinary operations.

Having considered the above, we are of the view that the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the BEA Group and in the interests of the Bank and the Shareholders as a whole.

Principal terms of the Continuing Connected Transactions

Set out below are the summarised terms of the Continuing Connected Transactions as contemplated under the Framework Agreement. Details of the Framework Agreement are set out under the sub-section headed "The Framework Agreement" under the section headed "RESOLUTION (7) – CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FRAMEWORK AGREEMENT FOR LOAN TRANSACTIONS" of the Board Letter.

Agreement date

23 January 2025

Parties

1. The Bank
2. SMBC

Term

Subject to fulfilment of the Condition, the Framework Agreement shall be effective on and from 9 May 2025 until 8 May 2028.

Condition

The Framework Agreement shall be conditional upon the Bank having obtained Independent Shareholders' approval in accordance with the applicable requirements of the Listing Rules in respect of: (i) the entering into of the Framework Agreement by the Bank and the transactions contemplated thereunder, and (ii) the Annual Caps for the Term.

Subject matter

At any time and from time to time during the Term, the BEA Group and the SMBC Group may enter into Loan Transaction(s) upon such terms and conditions as may be mutually agreed between the parties thereto, provided that each Loan Transaction shall fully comply with the terms and conditions of the Framework Agreement.

Each Loan Transaction may take the form of Transfer Transaction and/or Risk Participation Transaction.

Pricing

The consideration payable by the Buyer to the Seller on all Loan Transactions contemplated under the Framework Agreement shall be negotiated and agreed in good faith on an arm's length basis with normal commercial terms between the Seller and the Buyer (the "**Pricing Policies**"). The following factors shall be considered in determining the consideration payable by the Buyer to the Seller in a Loan Transaction (the "**Consideration Factors**"), including but not limited to:

- (a) the book value of the Loan;
- (b) an appropriate adjustment to be made to the book value of the Loan to reflect the appropriate risks of the Loan;
- (c) the interest rate of the Loan and the prevailing market interest rate;
- (d) the remaining tenure of the Loan;
- (e) each party's internal credit control policy and/or any other applicable risk considerations;
- (f) the risk profile of the borrower or other transaction parties of the Loan; and
- (g) the terms available to each party from independent third parties for similar or comparable transactions.

With reference to the Board Letter, the Bank has formulated specific measures and policies (the "**IC Procedures**"), including connected transactions management policies and management measures for connected transactions under the Listing Rules, to ensure that all connected transactions of the BEA Group are properly controlled and monitored. Details of the IC Procedures are set out in the sub-section headed "Internal Control Procedures" under the section headed "RESOLUTION (7) – CONTINUING CONNECTED TRANSACTIONS IN RELATION TO FRAMEWORK AGREEMENT FOR LOAN TRANSACTIONS" of the Board Letter. We consider that the effective implementation of the IC Procedures can ensure fair pricing of the Loan Transactions.

We consider that the Pricing Policies (including the Consideration Factors) and the IC Procedures will facilitate fair pricing of the Loan Transactions.

We noted from the Bank's announcements dated 19 July 2023 and 16 August 2024 that the BEA Group conducted certain Loan Transactions with the SMBC Group in 2023 and 2024 (the "**Historical Transactions**"). For our due diligence purpose, we obtained from the Bank relevant assessment and approval records of the Historical Transactions. We noted from the aforesaid records that the Bank assessed the Consideration Factors applicable to the Historical Transactions and nothing from the aforesaid records had come to our attention that causes us to doubt the compliance of the Pricing Policies in respect of the Historical Transactions.

Annual Caps

Set out below are (i) the historical transaction amounts for each of the three years ended 31 December 2024 and the period from 1 January 2025 to the Latest Practicable Date; and (ii) the Annual Caps for the Term as extracted from the Board Letter:

	For the year ended 31 December 2022	For the year ended 31 December 2023	For the year ended 31 December 2024	For the period from 1 January 2025 to the Latest Practicable Date
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Historical transaction amount	Nil	850	1,107	Nil
	For the period from 9 May 2025 to 31 December 2025 ("2025 Period")	For the year ending 31 December 2026 ("FY2026")	For the year ending 31 December 2027 ("FY2027")	For the period from 1 January 2028 to 8 May 2028 ("2028 Period")
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Annual Caps	5,000	5,000	5,000	2,000

With reference to the Board Letter, the Annual Caps have been determined with reference to (i) the historical transaction amounts for Loan Transactions between the BEA Group and the SMBC Group; and (ii) the anticipated transaction amounts between the BEA Group and the SMBC Group for each of the financial years ending 31 December 2025 (commencing on 9 May 2025), 2026 and 2027 and for the period from 1 January 2028 to 8 May 2028. The Annual Caps cover the gross amount of all the Loans subject to the Loan Transactions, regardless of whether the relevant BEA Group Company acts as the Buyer or the Seller.

As advised by the Management, from time to time, (i) SMBC provides a list of Loans that the SMBC Group might transfer to the BEA Group or make available for the BEA Group's risk participation; and (ii) BEA Group assesses the aforesaid list, identifies Loans that it might be interested in (the "**Preliminary Assessment**"), and further negotiates with the SMBC Group for potential Loan Transactions.

To assess the fairness and reasonableness of the Annual Caps, we obtained from the Bank the record on the latest Preliminary Assessment conducted in 2024. According to the aforesaid record, the aggregated book value of the Loans in which the Bank might be interested for further negotiation was approximately HK\$4,600 million (the "**BEA Possible Purchase Amount**").

As advised by the Management, the BEA Group estimates that the possible Loans size it may purchase or participate in each year aligns with the BEA Possible Purchase Amount, subject to market conditions and business opportunities.

As further advised by the Management, the SMBC Group did not purchase or participate in any of the BEA Group's Loans during the three years ended 31 December 2024. Accordingly, the Bank anticipates the annual purchase amount by the SMBC Group to be approximately 10% of the BEA Possible Purchase Amount.

Given the above, the Bank sets the Annual Caps at HK\$5,000 million on an annual basis (the "**Base Annual Cap**"). We also noted from the 2024 AR Announcement that the Base Annual Cap represents only approximately 0.95% of the BEA Group's loans and advances to customers of HK\$527,829 million as at 31 December 2024.

As aforementioned, the Framework Agreement shall be conditional upon the Bank having obtained Independent Shareholders' approval in accordance with the applicable requirements of the Listing Rules in respect of: (i) the entering into of the Framework Agreement by the Bank and the transactions contemplated thereunder, and (ii) the Annual Caps for the Term. As a result, the BEA Group did not conduct any Loan Transaction with the SMBC Group during the period from 1 January 2025 to the Latest Practicable Date. Accordingly, the Bank applied the Base Annual Cap as the Annual Cap for the 2025 Period to cater for the Loan Transactions to be conducted during the 2025 Period after obtaining Independent Shareholders' approval in the 2025 AGM.

The Bank also applied the Base Annual Cap as the Annual Cap for each of FY2026 and FY2027. In addition, as the 2028 Period represents around one-third of the year 2028, the Bank sets the Annual Cap of HK\$2,000 million for the 2028 Period with reference to the aforesaid time proportion and top-up buffer.

Having considered the above, we are of the view that the Annual Caps for the Term are fair and reasonable.

Shareholders should note that as the Annual Caps for the Term relate to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to the end of the Term, they do not represent forecasts of amount of the Loan Transactions under the Continuing Connected Transactions. Consequently, we express no opinion as to how closely the actual amount of the Loan Transactions under the Continuing Connected Transactions will correspond with the Annual Caps.

Listing Rules implication

As confirmed by the Management, the Bank shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the value of the Continuing Connected Transactions must be within the Annual Caps for the Term; (ii) the terms of the Continuing Connected Transactions must be reviewed by the independent non-executive Directors annually; and (iii) details of the independent non-executive Directors' annual review on the terms of the Continuing Connected Transactions (together with the Annual Caps) must be included in the Bank's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the Auditor must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Continuing Connected Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the BEA Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transaction; and (iv) have exceeded the Annual Caps.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Continuing Connected Transactions and thus the interest of the Independent Shareholders will be safeguarded.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Continuing Connected Transactions (including the Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the BEA Group and are in the interests of the Bank and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the 2025 AGM to approve the Framework Agreement and the Continuing Connected Transactions (including the Annual Caps) and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Notes: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Bank. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

2. DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors or Chief Executives of the Bank in the shares, underlying shares or debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Bank and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Bank and the Stock Exchange, were as follows:

A. Interests in shares and underlying shares of the Bank

Name	Capacity and nature	No. of Shares	No. of Share Options	Total	% of the issued voting Shares
David LI Kwok-po	Beneficial owner	96,241,743	9,489,989	109,108,799	4.15
	Interest of spouse	2,881,086			
	Interest of corporation	495,981			
Arthur LI Kwok-cheung	Beneficial owner	16,257,812		34,272,467	1.30
	Interest of corporation	18,014,655			
Allan WONG Chi-yun	Beneficial owner	464,393		25,423,190	0.97
	Interest of spouse	136			
	Interest of corporation	7,543,427			
	Founder and beneficiary of discretionary trust	17,415,234			

Name	Capacity and nature	No. of Shares	No. of Share Options	Total	% of the issued voting Shares
Aubrey LI Kwok-sing	Beneficial owner	1,038,507			
	Interest of spouse	31,337			
	Founder/Settlor of trust	18,334,282		19,404,126	0.74
Stephen Charles LI Kwok-sze	Beneficial owner	13,129,023			
	Interest of spouse	250,550		13,379,573	0.51
Adrian David LI Man-kiu	Beneficial owner	1,768,597	12,639,071		
	Settlor/Founder of discretionary trust	2,261,292		16,668,960	0.63
Brian David LI Man-bun	Beneficial owner	3,544,384	12,039,339		
	Interest of corporation	889,306		16,473,029	0.63
David MONG Tak-yeung	Interest of corporations	6,041,926		6,041,926	0.23

Notes:

1. Dr the Hon. Sir David LI Kwok-po was the beneficial owner of 96,241,743 Shares and he was deemed to be interested in 2,881,086 Shares through the interests of his spouse, Madam Penny POON Kam-chui. He was also deemed to be interested in 495,981 Shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which Dr the Hon. Sir David LI Kwok-po is a director and the sole member.
2. Professor Arthur LI Kwok-cheung was the beneficial owner of 16,257,812 Shares and he was deemed to be interested in 18,014,655 Shares held by Dapa Company Limited, which is wholly-owned by him.
3. Dr Allan WONG Chi-yun was the beneficial owner of 464,393 Shares and he was deemed to be interested in 136 Shares through the interests of his spouse, Madam Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 7,543,427 Shares held by Wong Chung Man Limited, which is wholly-owned by him. He was also deemed to be interested in 17,415,234 Shares held by a discretionary trust, The Allan Wong 2020 Trust, of which Dr Allan WONG Chi-yun is a founder and an eligible beneficiary.
4. Mr Aubrey LI Kwok-sing was the beneficial owner of 1,038,507 Shares (including 32,581 Shares to be allotted pursuant to the Scrip Dividend Scheme) and he was deemed to be interested in 31,337 Shares (including 983 Shares to be allotted pursuant to the Scrip Dividend Scheme) through the interests of his spouse, Madam Elizabeth WOO. He was also deemed to be interested in 18,334,282 Shares held by a trust, LEVA Trust, of which he is the founder/settlor.
5. Mr Stephen Charles LI Kwok-sze was the beneficial owner of 13,129,023 Shares. He was also deemed to be interested in 250,550 Shares of which his spouse, Madam Lee Wendy, was the beneficial owner.

6. Mr Adrian David LI Man-kiu was the beneficial owner of 1,768,597 Shares (including 55,486 Shares to be allotted pursuant to the Scrip Dividend Scheme). He has made a voluntary disclosure of 2,261,292 Shares (including 70,945 Shares to be allotted pursuant to the Scrip Dividend Scheme) indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.
7. Mr Brian David LI Man-bun was the beneficial owner of 3,544,384 Shares (including 111,199 Shares to be allotted pursuant to the Scrip Dividend Scheme). He was also deemed to be interested in 889,306 Shares (including 27,900 Shares to be allotted pursuant to the Scrip Dividend Scheme) held by Triple Kingdom Limited, which is wholly-owned by him.
8. Dr David MONG Tak-yeung was deemed to be interested in 6,041,926 Shares held by certain corporations, out of which (i) 5,306,771 Shares were held by Shun Hing Electronic Trading Co., Ltd., and (ii) 735,155 Shares were held by Shun Hing Technology Co. Ltd.. He directly/indirectly controls one-third or more of the voting power at a general meeting of these corporations.
9. The percentages of shareholding in the table were calculated based on the number of total issued Shares as at the Latest Practicable Date, being 2,630,112,083 Shares.

B. Interest in debt securities of the Bank

Name	Capacity and nature	Type of debt securities	Amount of debentures
David LI Kwok-po	Interest of spouse	5.825% Additional Tier 1 Undated Capital Securities with a face value of US\$650 million (the " AT1 Notes ")	US\$2,000,000 ¹
	Interest of spouse	6.625% Non-Preferred Loss Absorbing Notes due 2027 with a face value of US\$500 million (the " LAC Notes I ")	US\$3,000,000 ¹
	Interest of spouse	6.75% Dated Subordinated Notes due 2034 with a face value of US\$650 million (the " Subordinated Notes ")	US\$2,000,000 ¹
Allan WONG Chi-yun	Founder and beneficiary of discretionary trust	6.75% Non-Preferred Loss Absorbing Notes with a face value of US\$500 million (the " LAC Notes II ")	US\$3,000,000 ²
Winston LO Yau-lai	Beneficial owner	LAC Notes I	US\$480,000 ³

Notes:

1. Dr the Hon. Sir David LI Kwok-po was deemed to be interested in the AT1 Notes, LAC Notes I and Subordinated Notes through the interests of his spouse, Madam Penny POON Kam-chui. The AT1 Notes, LAC Notes I and Subordinated Notes were issued by the Bank under its US\$6,000 million Medium Term Note Programme (the **"MTN Programme"**) and listed on the Stock Exchange in October 2020, March 2024 and June 2024 respectively.
2. Dr Allan WONG Chi-yun was deemed to be interested in the LAC Notes II held by a discretionary trust, The Allan Wong 2020 Trust, of which Dr Allan WONG Chi-yun is a founder and an eligible beneficiary. The LAC Notes II were issued by the Bank under the MTN Programme and listed on the Stock Exchange in March 2023.
3. Mr Winston LO Yau-lai was the beneficial owner of the LAC Notes I. The LAC Notes I were issued by the Bank under the MTN Programme and listed on the Stock Exchange in March 2024.

Save as disclosed above, each of the other Directors did not have any interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations as at Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or Chief Executives of the Bank had any interests or short positions in the shares, underlying shares and debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Bank and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Bank and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (not being Directors or Chief Executives of the Bank) had, or were deemed to have, interests or short positions in the shares, underlying shares and debentures of the Bank which would fall to be disclosed to the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register kept by the Bank pursuant to section 336 of the SFO:

Name	Capacity and nature	No. of Shares	% of the issued voting Shares
SMBC	Beneficial owner	574,516,317 ¹	21.84
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	574,516,317 ¹	21.84
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	508,519,684 ²	19.33
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	508,519,684 ²	19.33
Guoco Management Company Limited	Beneficial owner	435,691,137 ^{3, 4}	16.57 ⁵
Guoco Group Limited	Interest of corporation	435,691,137 ³	16.57
GuoLine Overseas Limited	Interest of corporation	435,691,137 ³	16.57 ⁵
GuoLine Capital Assets Limited	Interest of corporation	435,691,137 ³	16.57
QUEK Leng Chan	Interest of corporation	435,691,137 ³	16.57
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	435,691,137 ⁴	16.57
Davos Investment Holdings Private Limited	Interest of corporation	435,691,137 ⁴	16.57
KWEK Leng Kee	Interest of corporation	435,691,137 ⁴	16.57

Notes:

1. Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in SMBC. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 574,516,317 Shares held by SMBC.
2. Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("**la Caixa**") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("**Criteria Caixa**"). "la Caixa" was deemed to be interested in the 508,519,684 Shares held by Criteria Caixa.

3. The references to 435,691,137 Shares in Notes 3 and 4 relate to the same block of Shares. Guoco Management Company Limited was the beneficial owner of 435,691,137 Shares. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited, which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Overseas Limited and Guoco Group Limited were both deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited. GuoLine Capital Assets Limited was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Overseas Limited.

QUEK Leng Chan was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of his 49.11% interest in GuoLine Capital Assets Limited.

4. The references to 435,691,137 Shares in Notes 3 and 4 relate to the same block of Shares. GuoLine Capital Assets Limited was 34.49% held by Hong Leong Investment Holdings Pte. Ltd., which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of their interests in GuoLine Capital Assets Limited.

KWEK Leng Kee was deemed to be interested in the 435,691,137 Shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.

5. GuoLine Overseas Limited is a wholly-owned subsidiary of GuoLine Capital Assets Limited and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by GuoLine Capital Assets Limited and Guoco Group Limited, GuoLine Overseas Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.

6. The percentages of shareholding in the table were calculated based on the number of total issued Shares as at Latest Practicable Date, being 2,630,112,083 Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (not being a Director or Chief Executives of the Bank) who had, or was deemed to have, interests or short positions in the shares, underlying shares and debentures of the Bank which would fall to be disclosed to the Bank under the provisions of Divisions 2 and 3 of Part XV of the SFO or, which were recorded in the register kept by the Bank pursuant to section 336 of the SFO.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract or a proposed service contract with any member of the Bank Group which was not expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Bank Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Bank Group were made up.

6. COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor their Close Associates had any interest in a business other than the Bank Group, which competes or is likely to compete, either directly or indirectly, with the businesses of the Bank Group, and required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

7. DIRECTORS' INTERESTS IN THE BANK GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE BANK GROUP

As at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which have been, since 31 December 2024 (the date to which the latest published audited consolidated financial statements of the Bank Group were made up), acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Bank Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Bank Group.

8. QUALIFICATIONS AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice in respect of the Continuing Connected Transactions contained in this Circular:

Name	Qualification
Gram Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to provide advice to the Independent Board Committee and the Independent Shareholders regarding the Continuing Connected Transactions

As at the Latest Practicable Date, Gram Capital did not have: (a) any shareholding, directly or indirectly, in any member of the Bank Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Bank Group; and (b) any interest, either direct or indirect, in any assets which had been, since 31 December 2024 (the date to which the latest published audited consolidated financial statements of the Bank Group were made up), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Bank Group. The above expert has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear.

9. DOCUMENTS ON DISPLAY

A copy of the Framework Agreement will be published on the HKEXnews website operated by the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.hkbea.com) for a period of 14 days from the date of this Circular (both days inclusive).

This appendix sets out the proposed amendments to the existing Articles of Association introduced by the new Articles of Association, which are shown as mark-ups. Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the new Articles of Association.

Article 4 – Interpretation

"treasury shares" means the shares of the Company held by the Company continuously since they were bought back or were regarded as having been bought back in accordance with the Ordinance;

New Articles 12A to 12C – Treasury shares

12A. Subject to the Ordinance, shares of the Company that have been purchased or redeemed by the Company or any shares of the Company surrendered to it may be held as treasury shares in accordance with the Ordinance. Shares held by the Company as treasury shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred as the Board may determine on such terms and subject to such conditions as it in its absolute discretion thinks fit in accordance with the Ordinance and subject to the Listing Rules.

12B. No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to Members on a winding up) may be declared or paid in respect of a treasury share.

12C. The Company or its nominee(s) shall be entered in the Register as the holder of the treasury shares provided that:

- (a) the Company or its nominee(s) shall not be treated as a Member for any purpose in relation to the treasury shares and shall not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void; and
- (b) a treasury share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued shares at any given time, whether for the purposes of these Articles or the Ordinance, save that an allotment of shares as fully paid bonus shares in respect of a treasury share is permitted and shares allotted as fully paid bonus shares in respect of a treasury share shall be treated as treasury shares.

Article 145 – Time of service

145. Subject to the Ordinance, the Listing Rules and any applicable laws, rules and regulations, any notice or document (including any "corporate communication" within the meaning ascribed thereto in the Listing Rules) sent, supplied, given or issued by or on behalf of the Company:
- (i) if sent by hand, shall be deemed to have been served when the notice or document is delivered;
 - (ii) if sent by post, shall be deemed to have been served on the business day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office (airmail if posted from Hong Kong to an address outside Hong Kong) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so properly prepaid, addressed and put into such post office shall be conclusive evidence thereof;
 - (iii) if published by way of a newspaper advertisement, shall be deemed to have been served on the date on which it is advertised in one specified English language newspaper and one specified Chinese language newspaper in Hong Kong (within the meaning of section 203 of the Ordinance, as amended from time to time, or any section in the Ordinance substituted thereof);
 - (iv) if sent by electronic means, shall be deemed to have been served at the time which is 24 hours after the notice or document is transmitted electronically provided that no notification that the notice or document sent by electronic means has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender's control shall not invalidate the effectiveness of the notice or document being served; and
 - (v) if made available on a computer network (including the Company's website), shall be deemed to have been served at the time which is 24 hours after the notice or document is first made available on such computer network; ~~whether or not a notification is required to be sent by the Company in accordance with the Ordinance, the Listing Rules or any applicable laws, rules and regulations.~~