

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.



BEA 東亞銀行

The Bank of East Asia, Limited

(Incorporated in Hong Kong with limited liability in 1918)
(Stock Code: 23)

SUBSCRIPTION OF 111,572,600 NEW SHARES BY THE SUBSCRIBER

The Bank entered into the Subscription Agreement with the Subscriber after trading hours on 4th December, 2012 in relation to the subscription as principal of 111,572,600 Shares in the share capital of the Bank at HK\$29.59 per New Share. The Subscription Price represents a discount of approximately 0.37% to the closing price of HK\$29.70 per Share as quoted on the Stock Exchange on the Latest Trading Date.

The gross proceeds of the Subscription will be HK\$3,301.4 million. The Directors intend to apply the net proceeds to further broaden the Bank's capital base and strengthen its capital position, which would effectively support business development initiatives. The New Shares, representing approximately 5.01% of the entire issued share capital of the Bank as enlarged by the Subscription, will be allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Bank held on 24th April, 2012.

The Subscription Agreement

After trading hours on 4th December, 2012, the Bank entered into the Subscription Agreement with the Subscriber, namely Sumitomo Mitsui Banking Corporation, pursuant to which the Subscriber has agreed to subscribe as principal and the Bank has agreed to allot and issue 111,572,600 Shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiry, the Subscriber and its ultimate beneficial owners are independent of the Bank and are not connected persons of the Bank as at the date of the Subscription Agreement.

Total number of New Shares

111,572,600 New Shares, to be subscribed for and issued and allotted pursuant to the Subscription Agreement, represent approximately 5.27% of the entire issued share capital of the Bank prior to the Subscription and approximately 5.01% of the entire issued share capital of the Bank as enlarged by the Subscription.

Subscription Price

HK\$29.59 per New Share, representing (i) a discount of approximately 0.37% to the closing price of HK\$29.70 per Share as quoted on the Stock Exchange on the Latest Trading Date;

(ii) a discount of approximately 0.20% to the average closing price of HK\$29.65 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Latest Trading Date; and (iii) a premium of approximately 0.20% to the average closing price of HK\$29.53 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Latest Trading Date.

The Subscription Price was determined by the Bank and the Subscriber after arm's length negotiations by reference to the recent trading prices of the Shares.

Condition of the Subscription

The Subscription is conditional upon the Listing Committee granting listing of and permission to deal in the Shares to be allotted and issued under the Subscription Agreement and such listing and permission not being subsequently revoked prior to the issue thereof.

If the Condition is not fulfilled within 30 days after the date of signing of the Subscription Agreement or such later date as may be agreed between the Bank and the Subscriber, the Subscription Agreement shall terminate save as otherwise stated.

Completion

Completion of the Subscription Agreement is expected to take place on the second Business Day after the date on which the Condition is satisfied.

Mandate to Issue the Subscription Shares

The New Shares will be allotted and issued under the general mandate granted to the Directors at the annual general meeting of the Bank held on 24th April, 2012 and as such, no shareholder approval will be required. Under the general mandate, the Bank is allowed to allot and issue up to 209,992,385 Shares. Such general mandate has not yet been utilised as at the date of this announcement.

Ranking of New Shares

The New Shares, when issued and fully paid, will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the New Shares including the right to any dividends or distributions. The New Shares, each with a par value of HK\$2.50, will upon issue represent an aggregate nominal value for the Bank of HK\$278,931,500.

Shareholding Structure

Based on the information available to the Directors as at the date of this announcement and on the assumption that the shareholding structure of the Bank remains unchanged save as otherwise contemplated herein, set out below are the shareholding structures of the Bank immediately before and after the completion of the Subscription Agreement:

Names of Shareholders	Immediately before the Subscription		Immediately after the Subscription	
	Number of Shares held (Shares)	Approximate percentage of shareholding (%)	Number of Shares held (Shares)	Approximate percentage of shareholding (%)
Subscriber				
- Sumitomo Mitsui Banking Corporation	99,981,338	4.73	211,553,938	9.50

Names of Shareholders	Immediately before the Subscription		Immediately after the Subscription	
	Number of Shares held (Shares)	Approximate percentage of shareholding (%)	Number of Shares held (Shares)	Approximate percentage of shareholding (%)
Directors (note)				
- David LI Kwok-po	57,558,621	2.72	57,558,621	2.58
- Arthur LI Kwok-cheung	24,684,510	1.17	24,684,510	1.11
- Allan WONG Chi-yun	14,103,667	0.67	14,103,667	0.63
- WONG Chung-hin	430,035	0.02	430,035	0.02
- LEE Shau-kee	3,192,183	0.15	3,192,183	0.14
- Aubrey LI Kwok-sing	34,517,984	1.63	34,517,984	1.55
- Winston LO Yau-lai	-	-	-	-
- KHOO Kay-peng	-	-	-	-
- Thomas KWOK Ping-kwong	-	-	-	-
- Richard LI Tzar-kai	128,600	0.01	128,600	0.01
- Kenneth LO Chin-ming	-	-	-	-
- Eric LI Fook-chuen	37,154,735	1.76	37,154,735	1.67
- Stephen Charles LI Kwok-sze	14,845,433	0.70	14,845,433	0.67
- William DOO Wai-hoi	-	-	-	-
- KUOK Khoon-ean	-	-	-	-
- Valiant CHEUNG Kin-piu	-	-	-	-
- Isidro FAINÉ CASAS	-	-	-	-
Public shareholders (other than the Subscriber)	1,828,713,848	86.45	1,828,713,848	82.12
Total	2,115,310,954	100	2,226,883,554	100

Note: It includes the Shares held by the relevant Director himself, his spouse and children (under the age of 18), corporation(s) controlled by him and the relevant trust.

Reasons and Benefits of the Subscription

The Bank is a licensed bank incorporated and domiciled in Hong Kong. The principal activities of the Bank and its subsidiaries are the provision of banking and related financial services and business, corporate and investor services.

The Subscription represents a good opportunity for the Bank to broaden its capital base. The Directors consider that the terms of the Subscription Agreement are fair and reasonable and are in the interests of the Shareholders as a whole.

The Subscriber, namely Sumitomo Mitsui Banking Corporation, and its group companies offer a broad range of financial services including banking, leasing, securities, investment, and other credit related businesses globally.

Use of Proceeds

The amount to be raised from the Subscription is HK\$3,301.4 million and is estimated to be approximately HK\$3,295.9 million after deducting the related expenses of the Subscription. The net Subscription Price is approximately HK\$29.54 per New Share. The Bank currently intends to apply the net proceeds as general working capital and for the future expansion of the Group.

Application for Listing

Application will be made to the Listing Committee for listing of, and permission to deal in, the New Shares on the Stock Exchange.

Fund raising activities in the last 12 months

Pursuant to the subscription agreements entered into between the Bank and the relevant parties, the Bank issued subordinated notes due 2022 in an aggregate principal amount of SGD600 million and SGD200 million on 13th March, 2012 and 27th April, 2012 (the notes issue dates) respectively. The aggregate net proceeds of the said issues are approximately SGD796 million which are being used for general working capital purposes.

Definitions

“associates”	shall have the same meaning as defined in the Listing Rules
“Bank”	The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong and Tokyo
“Connected person(s)”	shall have the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Bank
“Group”	the Bank together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Trading Date”	4 th December, 2012, being the latest trading date of the Bank prior to the publication of this announcement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Shares”	111,572,600 Shares to be allotted and issued to the Subscriber pursuant to the Subscription Agreement
“Share(s)”	Ordinary share(s) in the share capital of the Bank, with a par value of HK\$2.50 each
“Condition”	the condition set forth in the Subscription Agreement as described under the heading “Condition of the Subscription” in this announcement
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	the subscriber of the New Shares, namely Sumitomo Mitsui Banking Corporation, a company incorporated in Japan with limited liability
“Subscription”	the subscription of Shares by the Subscriber pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement between the Bank and the Subscriber dated 4 th December, 2012
“Subscription Price”	the subscription price of HK\$29.59 per Share under the Subscription
“%”	per cent.

By order of the Board
Alson LAW Chun-tak
Company Secretary

Hong Kong, 4th December, 2012

As at the date of this announcement, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po (Chairman & Chief Executive), Professor Arthur LI Kwok-cheung (Deputy Chairman), Dr. Allan WONG Chi-yun** (Deputy Chairman), Mr. WONG Chung-hin**, Dr. LEE Shau-kee**, Mr. Aubrey LI Kwok-sing*, Mr. Winston LO Yau-lai**, Tan Sri Dr. KHOO Kay-peng*, Dr. Thomas KWOK Ping-kwong**, Mr. Richard LI Tzar-kai*, Mr. Kenneth LO Chin-ming**, Mr. Eric LI Fook-chuen*, Mr. Stephen Charles LI Kwok-sze*, Mr. William DOO Wai-hoi**, Mr. KUOK Khoon-ean**, Mr. Valiant CHEUNG Kin-piu** and Dr. Isidro FAINÉ CASAS*.*

** Non-executive Directors*

*** Independent Non-executive Directors*