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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF TRICOR HOLDINGS LIMITED

On 5th October, 2016, the Bank, NWS Holdings and East Asia Secretaries entered into a share purchase agreement with Trivium for the sale of all the issued shares of Tricor held by East Asia Secretaries to Trivium for a cash consideration of HK\$6,469.7 million. Goldman Sachs acted as sole financial advisor to the Bank and NWS Holdings.

As one or more of the relevant percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Bank under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to: (1) the announcement published by The Bank of East Asia, Limited (the "**Bank**") on 15th February, 2016 in relation to, among other things, a review by the Bank of its strategic investment in Tricor Holdings Limited ("**Tricor**"), including a possible sale of the entire interest held by the Bank and NWS Holdings Limited ("**NWS Holdings**") in Tricor; and (2) the interim results announcement published by the Bank on 19th August, 2016 providing an update on such review and a subsequent plan to sell the entire interest held by the Bank and NWS Holdings in Tricor. As of the date of this announcement, Tricor is 75.61% owned by the Bank and 24.39% owned by NWS Holdings, in each case through East Asia Secretaries (BVI) Limited ("**East Asia Secretaries**"). Goldman Sachs acted as sole financial advisor to the Bank and NWS Holdings.

The Bank is pleased to announce that, on 5th October, 2016, the Bank, NWS Holdings and East Asia Secretaries entered into a share purchase agreement (the "**Share Purchase Agreement**") with Trivium Investment Limited ("**Trivium**"), a company which is wholly owned and controlled by Permira funds, for the sale of all the issued shares of Tricor held by East Asia Secretaries to Trivium (the "**Disposal**").

As one or more of the relevant percentage ratios under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Bank under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

The major terms of the Share Purchase Agreement are set out below.

SHARE PURCHASE AGREEMENT

Consideration

The consideration for the Disposal is HK\$6,469.7 million payable by Trivium to East Asia Secretaries in cash upon closing of the Disposal.

The consideration was determined after arm's length negotiations between Permira, the Bank and NWS Holdings by reference to (i) the historical and future business and financial performance of Tricor; (ii) the net cash position of Tricor; (iii) the share price performance of trading comparable companies; and (iv) recent precedent transactions.

Guarantee

Each of the Bank and NWS Holdings has severally unconditionally and irrevocably guaranteed to Trivium (in proportion to their respective interests in Tricor) that East Asia Secretaries will comply with its payment obligations under the Share Purchase Agreement and each transaction document entered into pursuant to the Share Purchase Agreement and/or relating to the Disposal.

Conditions

Closing of the Disposal is subject to regulatory clearances being obtained from the British Virgin Islands Financial Services Commission, the Autoriti Monetari Brunei Darussalam, the Cayman Islands Monetary Authority, the Securities Commission Malaysia and the United Kingdom Financial Conduct Authority.

As the Disposal is subject to the satisfaction and/or waiver of the conditions set out in the Share Purchase Agreement and therefore may or may not proceed, shareholders of the Bank and potential investors are advised to exercise caution when dealing in the securities of the Bank.

Closing

Closing of the Disposal shall take place on the fifteenth business day following notification of the fulfilment of the above conditions. Immediately after Closing, the Bank will cease to hold any equity interest in Tricor and Tricor will cease to be a subsidiary of the Bank.

Other provisions

The Share Purchase Agreement contains representations, warranties, undertakings and indemnities which are usual and customary for a transaction of this nature and scale.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Disposal is in the best interests of the Bank as it will generate cash proceeds for strategic opportunities relating to the Bank's core banking business and improve the Bank's capital position.

The Directors (including Independent Non-executive Directors) believe that the terms and conditions of the Share Purchase Agreement are fair and reasonable and the Disposal would be in the interests of the shareholders of the Bank as a whole.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Trivium and its ultimate beneficial owners are third parties independent of the Bank and the Bank's connected persons.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Bank is expected to book a profit in the amount of approximately HK\$3,100 million in respect of the Disposal. The profit is calculated with reference to the net sale proceeds attributable to the Bank after deducting relevant transaction costs and expenses, and the carrying amount of Tricor of approximately HK\$1,555 million on the book of the Bank as at 31st August, 2016.

It is expected that the proceeds from the Disposal will be used as general working capital of the Bank and for its future business development.

GENERAL INFORMATION

The Bank

Incorporated in 1918, the Bank is Hong Kong's largest independent local bank, with total consolidated assets of HK\$756.6 billion (US\$97.5 billion) as of 30th June, 2016. Listed on The Stock Exchange of Hong Kong, the Bank is a constituent stock of the Hang Seng Index.

The Bank offers customers a comprehensive range of corporate banking, personal banking, wealth management, and investment services through an extensive network of more than 230 outlets covering Hong Kong and the rest of Greater China, Southeast Asia, the United Kingdom, and United States. For more information, please refer to the Bank's website at www.hkbea.com.

NWS Holdings

NWS Holdings is a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The principal activity of NWS Holdings is investment holding. The principal activities of its subsidiaries include (i) the development, investment, operation and/or management of roads, environmental projects, commercial aircraft leasing as well as ports and logistics facilities; and (ii) the investment in and/or operation of facilities, construction, transport and strategic investments.

East Asia Secretaries

East Asia Secretaries is an investment holding company incorporated in the British Virgin Islands and is owned as to 75.61% by the Bank and as to 24.39% by NWS Holdings.

Tricor

Founded in 2000 in Hong Kong, Tricor is a leading integrated business, corporate and investor services provider, with operations in 37 cities across 20 markets. For the financial year ended 31st December, 2014, Tricor reported net asset value of HK\$1,987.7 million, profit before tax of HK\$330.7 million and net profit after tax of HK\$276.7 million. For the financial year ended 31st December, 2015, Tricor reported net asset value of HK\$1,992.6 million, profit before tax of HK\$353.1 million and net profit after tax of HK\$292.8 million.

Trivium and Permira

Trivium is a private limited company incorporated in Hong Kong which is wholly owned and controlled by Permira funds. Permira is a global investment firm. Founded in 1985, the firm advises funds with a total committed capital of approximately €31 billion. In the past 30 years, the Permira funds have made over 200 private equity investments in five key sectors: Consumer, Financial Services, Healthcare, Industrials and Technology. Permira employs over 200 people including 130 investment professionals in 14 offices across North America, Europe and Asia.

For and on behalf of
The Bank of East Asia, Limited
Alson LAW Chun-tak
Company Secretary

Hong Kong, 5th October, 2016

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. Aubrey LI Kwok-sing*, Mr. Winston LO Yau-lai**, Mr. Richard LI Tzar-kai**, Mr. Kenneth LO Chin-ming**, Mr. Stephen Charles LI Kwok-sze*, Mr. William DOO Wai-hoi**, Mr. KUOK Khoon-ean**, Dr. Isidro FAINÉ CASAS*, Dr. Peter LEE Ka-kit*, Mr. Adrian David LI Man-kiu[#] (Deputy Chief Executive), Mr. Brian David LI Man-bun[#] (Deputy Chief Executive), Dr. Daryl NG Win-kong**, Mr. Masayuki OKU*, Dr. the Hon. Rita FAN HSU Lai-tai** and Mr. Meocre LI Kwok-wing**.*

[#] *Executive Director*

^{*} *Non-executive Director*

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