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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)

**Voluntary Announcement
Acquisition of Minority Equity Interest in
PRASAC Microfinance Institution Limited**

The Bank is pleased to announce that it has acquired 21% of the issued share capital of PRASAC Microfinance Institution Limited on 14th March, 2017.

The Acquisition

The Bank of East Asia, Limited (the “**Bank**”) is pleased to announce that it has acquired 21% of the issued share capital of PRASAC Microfinance Institution Limited (“**PRASAC**”) with effect from 14th March, 2017 for a consideration of approximately US\$78 million (the “**Acquisition**”). As of the date hereof, the Bank holds 21% of the issued share capital of PRASAC whereas, 70% is held by LOLC International Private Limited and 9% by P S Co., Ltd.

Relevant Information on Cambodia

The Kingdom of Cambodia is a promising emerging market country. As an important hub of transport in Southeast Asia, it is expected to benefit greatly from China’s “Belt and Road Initiative”. It is also a core member of the ASEAN Economic Community and a founding member of the Asian Infrastructure Investment Bank. The Acquisition provides a platform for the Bank to capitalise on the opportunities that may arise from the potential growth in the financial sector in Cambodia as well as the projected growth in the broader general economy of Cambodia.

Relevant Information on the Bank

Incorporated in 1918, the Bank is Hong Kong’s largest independent local bank, with total consolidated assets of HK\$765.7 billion (US\$98.7 billion) as of 31st December, 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 220 outlets covering Hong Kong and the rest of Greater China, Southeast Asia, the United Kingdom, and United States.

Relevant Information on PRASAC

PRASAC is a Cambodia-incorporated financial institution focused on providing sustainable access to financial services for rural communities and micro-enterprises in Cambodia. Its vision is to improve the living standards of the rural people and contribute to the sustainable economic development of Cambodia by being a financially viable microfinance institution.

PRASAC has plans to diversify its business and transform into a licensed commercial bank in the near future. Following such transformation, the Bank expects PRASAC to be able to serve existing customers of the Bank who may also have banking needs in Cambodia.

Implications under the Listing Rules

As all the applicable percentage ratios (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Acquisition are lower than 5% and as the parties to the transaction are independent of the Bank, the Acquisition does not constitute a notifiable transaction or a connected transaction of the Bank under Chapters 14 and 14A of the Listing Rules. This is a voluntary announcement made by the Bank.

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

Hong Kong, 17th March, 2017

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. Stephen Charles LI Kwok-sze*, 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**, Mr. Meocre LI Kwok-wing**, Dr. the Hon. Henry TANG Ying-yen** and The Hon. CHAN Kin-por**.*

[#] Executive Director

* Non-executive Director

** Independent Non-executive Director