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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)

**CONNECTED TRANSACTION  
SECONDARY PURCHASE OF LOAN**

On 30<sup>th</sup> October, 2020, BEA Singapore entered into the Transfer Certificate with SMBC, pursuant to which BEA Singapore agreed to acquire the commitment, rights and obligations in respect of the Loan from SMBC for a consideration of US\$30 million (equivalent to approximately HK\$234 million).

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 Transfer Certificate between BEA Singapore and SMBC constitutes a connected transaction of the Bank.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 0.1% but all are less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

On 30<sup>th</sup> October, 2020, BEA Singapore entered into the Transfer Certificate with SMBC, pursuant to which BEA Singapore agreed to acquire the commitment, rights and obligations in respect of the Loan from SMBC for a consideration of US\$30 million (equivalent to approximately HK\$234 million).

**TRANSFER CERTIFICATE**

**Date**

30<sup>th</sup> October, 2020

**Parties**

Transferor: Sumitomo Mitsui Banking Corporation

Transferee: The Bank of East Asia, Limited, Singapore Branch

## **Subject Matter**

Pursuant to the Transfer Certificate, SMBC agreed to novate its commitment, rights and obligations in respect of the Loan to BEA Singapore for the consideration of US\$30 million (equivalent to approximately HK\$234 million). The Loan novated in the amount of US\$30 million (equivalent to approximately HK\$234 million) is part of the US\$300 million (equivalent to approximately HK\$2,340 million) loan granted by SMBC and other original financiers to the Borrower pursuant to a syndicated facility agreement dated 30<sup>th</sup> March, 2020 entered into by, among others, SMBC as one of the original financiers and the Borrower.

## **Tenor**

From the date of the Transfer Certificate to 30<sup>th</sup> March, 2025.

## **Interest Rate**

The interest rate of the Loan is LIBOR for the relevant interest period plus a margin, as agreed in the syndicated facility agreement dated 30<sup>th</sup> March, 2020.

## **Consideration**

The consideration paid by BEA Singapore to SMBC for the Transaction was US\$30 million (equivalent to approximately HK\$234 million). The consideration was at par against the Loan's principal value.

The consideration will be paid in full by BEA Singapore by cash.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Directors consider that the Transaction is in the best interests of the Bank as it helps promote the cooperation in loan financing business between the Bank and SMBC. Besides, the Loan, a part of which will be used to refinance green projects, presents the Bank with a good opportunity to support the development of green finance and demonstrates the Bank's commitment to fulfilling its responsibility in Environmental, Social and Governance matters.

Taking into account the above, the Directors, including the independent non-executive Directors, are of the view that, (i) the Transfer Certificate has been entered into in the ordinary and usual course of business of the Group and is on normal commercial terms and that (ii) the terms of the Transfer Certificate are fair and reasonable and in the interest of the Bank and its Shareholders as a whole.

To the best knowledge of the Directors, none of the Directors has a material interest in the Transaction contemplated under the Transfer Certificate. Accordingly, no Director is required to abstain from voting on the relevant Board resolution.

## **FINANCIAL EFFECTS OF THE TRANSACTION**

There was no gain or loss incurred as a result of the Transaction as the Loan was transferred at par level against its principal value.

## GENERAL INFORMATION

### 1. The Bank

Incorporated in 1918, BEA is a leading Hong Kong-based financial services group listed on The Stock Exchange of Hong Kong with total consolidated assets of HK\$848.7 billion (US\$109.5 billion) as of 30<sup>th</sup> June, 2020. BEA provides a comprehensive range of corporate banking, personal banking, wealth management, and investment services to customers throughout Greater China and beyond through an extensive network of approximately 180 outlets covering Hong Kong, Macau, Taiwan, Mainland China, Southeast Asia, the United Kingdom, and the United States. For more information, please visit [www.hkbea.com](http://www.hkbea.com).

### 2. BEA Singapore

BEA Singapore is the Singapore branch of the Bank. Its primary operation is in Singapore, where it offers a wide range of banking and financial services to both corporate and individual customers.

### 3. SMBC

SMBC (a Substantial Shareholder of the Bank) and its group companies offer a broad range of financial services including banking, leasing, securities, investment, and other credit related businesses globally.

## 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 Transfer Certificate between BEA Singapore and SMBC constitutes a connected transaction of the Bank.

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 0.1% but all are less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

|                 |  |
|-----------------|--|
| “Bank” or “BEA” | The Bank of East Asia, Limited, a 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) |
| “BEA Singapore” | The Bank of East Asia, Limited, Singapore Branch   |
| “Borrower”      | Macquarie Group Limited, a company incorporated in Australia with limited liability  |
| “Directors”     | the directors of the Bank  |

|                           |  |
|---------------------------|--|
| “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  |
| “LIBOR”                   | London Interbank Offered Rate  |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Loan”                    | the loan in the amount of US\$30 million (equivalent to approximately HK\$234 million) as part of the US\$300 million (equivalent to approximately HK\$2,340 million) loan granted by SMBC and other original financiers to the Borrower pursuant to a syndicated facility agreement dated 30 <sup>th</sup> March, 2020 entered into by, among others, SMBC as one of the original financiers and the Borrower |
| “Shareholder(s)”          | the holder(s) of the Shares  |
| “Shares”                  | fully paid ordinary share(s) of the Bank   |
| “SMBC”                    | Sumitomo Mitsui Banking Corporation, a company incorporated under the laws of Japan  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited  |
| “Substantial Shareholder” | shall have the meaning ascribed to it under the Listing Rules  |
| “Transaction”             | the transfer of the Loan from SMBC to BEA Singapore pursuant to the Transfer Certificate   |
| “Transfer Certificate”    | the transfer certificate entered into between BEA Singapore and SMBC on 30 <sup>th</sup> October, 2020 in relation to the novation of the Loan from SMBC to BEA Singapore  |
| US\$                      | United States dollars, the lawful currency of the United States of America   |
| “%”                       | per cent.  |

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

Hong Kong, 30<sup>th</sup> October, 2020

*For the purpose of this announcement, translations of US\$ into HK\$ have been calculated by using an exchange rate of US\$1 equal to HK\$7.8. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.*

*As at the date of this announcement, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po<sup>#</sup> (Executive Chairman), Professor Arthur LI Kwok-cheung\* (Deputy Chairman), Dr. Allan WONG Chi-yun<sup>\*\*</sup> (Deputy Chairman), Mr. Aubrey LI Kwok-sing\*, Mr. Winston LO Yau-lai\*, Mr. Stephen Charles LI Kwok-sze\*, Mr. Adrian David LI Man-kiu<sup>#</sup> (Co-Chief Executive), Mr. Brian David LI Man-bun<sup>#</sup> (Co-Chief Executive), Dr. Daryl NG Win-kong\*, Mr. Masayuki OKU\*, Dr. the Hon. Rita FAN HSU Lai-tai<sup>\*\*</sup>, Mr. Meocre LI Kwok-wing<sup>\*\*</sup>, Dr. the Hon. Henry TANG Ying-yen<sup>\*\*</sup>, Dr. Delman LEE<sup>\*\*</sup> and Mr. William Junior Guilherme DOO<sup>\*\*</sup>.*

*# Executive Director*

*\* Non-executive Director*

*\*\* Independent Non-executive Director*