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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)

CONNECTED TRANSACTIONS PURCHASE OF LOANS

On 16 August 2024, BEA Group entered into the Transfer Documents with SMBC Group, pursuant to which BEA Group agreed to acquire the commitments, rights and obligations in respect of the Loans from SMBC Group for an aggregate consideration of approximately HK\$1,107.63 million.

As SMBC is a substantial shareholder of the Bank, each of SMBC and SMBC China is a connected person of the Bank under the Listing Rules. Therefore, the entering into of the Transfer Documents between BEA Group and SMBC Group constitutes connected transactions of the Bank under the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transactions, whether on a standalone or aggregated basis, exceed 0.1% but all are less than 5%, the Transactions are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 16 August 2024, BEA Group (through BEA and BEA China) entered into the Transfer Documents with SMBC Group (through SMBC and SMBC China), pursuant to which BEA Group agreed to acquire the commitments, rights and obligations in respect of the Loans from SMBC Group for an aggregate consideration of approximately HK\$1,107.63 million.

TRANSFER DOCUMENTS

A. Transfer Documents 1

Date

16 August 2024

Parties

Transferor: Sumitomo Mitsui Banking Corporation
Transferee: The Bank of East Asia, Limited

Subject Matter

Pursuant to the Transfer Documents 1, SMBC agreed to novate its commitments, rights and obligations in respect of Loan 1 to BEA for the consideration of US\$24.75 million (equivalent to approximately HK\$193.05 million). Loan 1 novated in the commitment amount of US\$24.75 million is part of the US\$200 million loan facility granted by SMBC and other original financiers to Borrower 1 pursuant to a facility agreement dated 12 July 2022 entered into by, among others, SMBC and Borrower 1.

Tenor

From the transfer completion date (being 30 August 2024 or any other date to be mutually agreed) to 19 July 2025.

Interest Rate

The interest rate of Loan 1 is SOFR for the relevant interest period plus a margin, as agreed in the facility agreement dated 12 July 2022.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 1 is US\$24.75 million (equivalent to approximately HK\$193.05 million) which is subject to adjustment in accordance with any repayment or prepayment of Loan 1's outstanding principal value up to the transfer completion date. The consideration is at par against Loan 1's outstanding principal value to be transferred to BEA and was determined based on arm's length negotiations between the parties taking into account the outstanding principal of the loan, the remaining tenor and interest rate of the loan and the profile of the borrower.

The consideration will be paid by BEA by cash by internal resources.

B. Transfer Documents 2**Date**

16 August 2024

Parties

Transferor: Sumitomo Mitsui Banking Corporation
Transferee: The Bank of East Asia, Limited

Subject Matter

Pursuant to the Transfer Documents 2, SMBC agreed to novate its commitments, rights and obligations in respect of Loan 2 to BEA for the consideration of approximately HK\$169.78 million. Loan 2 novated in the commitment amount of approximately HK\$169.78 million is part of the HK\$8 billion loan facility granted by SMBC and other original financiers to Borrower 2 pursuant to a facility agreement dated 29 October 2021 entered into by, among others, SMBC and Borrower 2.

Tenor

From the transfer completion date (being 29 August 2024 or any other date to be mutually agreed) to 29 October 2025.

Interest Rate

The interest rate of Loan 2 is HIBOR for the relevant interest period plus a margin, as agreed in the facility agreement dated 29 October 2021.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 2 is approximately HK\$169.78 million which is subject to adjustment in accordance with any repayment or prepayment of Loan 2's outstanding principal value up to the transfer completion date. The consideration is at par against Loan 2's outstanding principal value to be transferred to BEA and was determined based on arm's length negotiations between the parties taking into account the outstanding principal of the loan, the remaining tenor and interest rate of the loan and the profile of the borrower.

The consideration will be paid by BEA by cash by internal resources.

C. Transfer Documents 3**Date**

16 August 2024

Parties

Transferor: Sumitomo Mitsui Banking Corporation
Transferee: The Bank of East Asia, Limited

Subject Matter

Pursuant to the Transfer Documents 3, SMBC agreed to novate its commitments, rights and obligations in respect of Loan 3 to BEA for the consideration of approximately US\$28.50 million (equivalent to approximately HK\$222.30 million). Loan 3 novated in the commitment amount of approximately US\$28.50 million is part of the US\$180 million loan facility granted by SMBC and other original financiers to

Borrowers 3 pursuant to a facility agreement dated 3 November 2022 entered into by, among others, SMBC and Borrowers 3.

Tenor

Part of Loan 3 (in the amount of approximately US\$4.80 million): from the transfer completion date (being 12 November 2024 or any other date to be mutually agreed) to 12 February 2027.

Part of Loan 3 (in the amount of approximately US\$23.70 million): from the transfer completion date (being 12 November 2024 or any other date to be mutually agreed) to 9 February 2029.

Interest Rate

The interest rate of Loan 3 is SOFR for the relevant interest period plus a margin, as agreed in the facility agreement dated 3 November 2022.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 3 is approximately US\$28.50 million (equivalent to approximately HK\$222.30 million) which is subject to adjustment in accordance with any repayment or prepayment of Loan 3's outstanding principal value up to the transfer completion date. The consideration is at par against Loan 3's outstanding principal value to be transferred to BEA and was determined based on arm's length negotiations between the parties taking into account the outstanding principal of the loan, the remaining tenor and interest rate of the loan and the profile of the borrowers.

The consideration will be paid by BEA by cash by internal resources.

D. Transfer Documents 4

Date

16 August 2024

Parties

Transferor: Sumitomo Mitsui Banking Corporation (China) Limited
Transferee: The Bank of East Asia (China) Limited

Subject Matter

Pursuant to the Transfer Documents 4, SMBC China agreed to novate its commitments, rights and obligations in respect of Loan 4 to BEA China for the consideration of RMB475 million (equivalent to approximately HK\$522.5 million). Loan 4 novated in the outstanding principal amount of RMB475 million is part of the RMB1.6 billion loan facility granted by SMBC China and other original financiers to

Borrower 4 pursuant to a facility agreement dated 1 December 2023 entered into by, among others, SMBC China and Borrower 4.

Tenor

From the transfer completion date (being 23 August 2024 or any other date to be mutually agreed) to 15 December 2026.

Interest Rate

The interest rate of Loan 4 is PRC 1-year LPR for the relevant interest period minus a margin, as agreed in the facility agreement dated 1 December 2023.

Consideration

The consideration to be paid by BEA China to SMBC China for the transfer of Loan 4 is RMB475 million (equivalent to approximately HK\$522.5 million). The consideration is at par against Loan 4's outstanding principal value to be transferred to BEA China and was determined based on arm's length negotiations between the parties taking into account the outstanding principal of the loan, the remaining tenor and interest rate of the loan and the profile of the borrower.

The consideration will be paid by BEA China by cash by internal resources.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Transactions are in the best interests of the Bank as the Transactions will enhance cooperation in loan financing business between BEA Group and SMBC Group and diversify the Bank Group's loan portfolio. Additionally, the Transactions provide a good opportunity for the Bank Group to support the development of green finance as Loan 4 is allocated to green projects. This demonstrates the Bank Group's commitment to Environmental, Social and Governance (ESG) responsibilities.

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

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

FINANCIAL EFFECTS OF THE TRANSACTIONS

There will be no gain or loss incurred as a result of the Transactions as the Loans are to be transferred at par level against their respective outstanding principal values.

GENERAL INFORMATION

The Bank

Incorporated in 1918, BEA is a leading Hong Kong-based financial services group listed on the Stock Exchange, with total consolidated assets of HK\$860.4 billion (US\$110.1 billion) as of 31 December 2023.

BEA provides a comprehensive range of wholesale banking, personal banking, wealth management, and investment services to customers through an extensive network of about 130 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.

BEA China

BEA China is a wholly-owned subsidiary of BEA and principally engages in banking and related financial services business in the Chinese Mainland.

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.

SMBC China

SMBC China is a wholly-owned subsidiary of SMBC and principally engages in banking and related financial services business in the Chinese Mainland.

IMPLICATIONS UNDER THE LISTING RULES

As SMBC is a substantial shareholder of the Bank, each of SMBC and SMBC China is a connected person of the Bank under the Listing Rules. Therefore, the entering into of the Transfer Documents between BEA Group and SMBC Group constitutes connected transactions of the Bank under the Listing Rules.

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transactions, whether on a standalone or aggregated basis, exceed 0.1% but all are less than 5%, the Transactions are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement 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 China"	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank incorporated in the PRC
"BEA Group" or "Bank Group"	the Bank and its subsidiaries (including BEA China)
"Board"	the board of Directors of the Bank
"Borrower 1"	Asia Satellite Telecommunications Company Limited, a company incorporated in Hong Kong
"Borrower 2"	Kingboard Investments Limited, a company incorporated in Hong Kong
"Borrowers 3"	collectively, Sea 95 Leasing Co. Limited, Sea 96 Leasing Co. Limited, Sea 97 Leasing Co. Limited, Sea 98 Leasing Co. Limited, Sea 99 Leasing Co. Limited, Sea 100 Leasing Co. Limited, Sea 101 Leasing Co. Limited and Sea 244 Leasing Co. Limited, each a company incorporated in Hong Kong
"Borrower 4"	CMB Financial Leasing Co., Ltd. (招銀金融租賃有限公司), a company incorporated in the PRC
"connected person"	shall have the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Bank
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"HIBOR"	Hong Kong Interbank Offered Rate
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Loan 1"	the loan facility in the commitment amount of US\$24.75 million as part of the US\$200 million facility granted by SMBC to Borrower 1 pursuant to a facility agreement dated 12 July 2022 entered into by, among others, SMBC and Borrower 1
"Loan 2"	the loan facility in the commitment amount of approximately HK\$169.78 million as part of the HK\$8 billion facility granted by SMBC to Borrower 2 pursuant to a facility agreement dated 29 October 2021 entered into by, among others, SMBC and Borrower 2
"Loan 3"	the loan facility in the commitment amount of approximately US\$28.50 million as part of the US\$180 million facility granted by SMBC to Borrowers 3 pursuant to a facility agreement dated 3 November 2022 entered into by, among others, SMBC and Borrowers 3
"Loan 4"	the loan facility in the outstanding principal amount of RMB475 million as part of the RMB1.6 billion facility granted by SMBC China to Borrower 4 pursuant to a facility agreement dated 1 December 2023 entered into by, among others, SMBC China and Borrower 4
"Loans"	collectively, Loan 1, Loan 2, Loan 3 and Loan 4
"PRC"	People's Republic of China
"PRC 1-year LPR"	the 1-year Loan Prime Rate announced by the National Interbank Funding Center as authorised by the People's Bank of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	the holder(s) of the Shares
"Share(s)"	fully paid ordinary share(s) of the Bank
"SMBC"	Sumitomo Mitsui Banking Corporation, a company incorporated under the laws of Japan
"SMBC China"	Sumitomo Mitsui Banking Corporation (China) Limited, a wholly-owned subsidiary of SMBC incorporated in the PRC

"SMBC Group"	Sumitomo Mitsui Financial Group, Inc. and its subsidiaries (including SMBC and SMBC China)
"SOFR"	Secured Overnight Financing Rate as announced by the Federal Reserve Bank of New York
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	shall have the meaning ascribed to it under the Listing Rules
"Transactions"	the transfer of the Loans from SMBC Group to BEA Group pursuant to the Transfer Documents
"Transfer Documents 1"	the transfer certificate and trade confirmation entered into between BEA and SMBC on 16 August 2024 in relation to the novation of Loan 1 from SMBC to BEA
"Transfer Documents 2"	the transfer certificate and trade confirmation entered into between BEA and SMBC on 16 August 2024 in relation to the novation of Loan 2 from SMBC to BEA
"Transfer Documents 3"	the transfer certificate and trade confirmation entered into between BEA and SMBC on 16 August 2024 in relation to the novation of Loan 3 from SMBC to BEA
"Transfer Documents 4"	the transfer certificate and trade confirmation entered into between BEA China and SMBC China on 16 August 2024 in relation to the novation of Loan 4 from SMBC China to BEA China
"Transfer Documents"	collectively, Transfer Documents 1, Transfer Documents 2, Transfer Documents 3 and Transfer Documents 4
"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, 16 August 2024

For the purpose of this announcement, translations of US\$ into HK\$ and RMB into HK\$ have been calculated by using an exchange rate of US\$1 equal to HK\$7.8 and RMB1 equal to HK\$1.1 respectively. Such exchange rates have been used, where applicable, for the purpose of illustration only and do 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[#] (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^{**} and Dr. Francisco Javier SERRADO TREPAT^{*}.*

Executive Director

** Non-executive Director*

*** Independent Non-executive Director*