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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)

**CONTINUING CONNECTED TRANSACTIONS
FRAMEWORK AGREEMENT FOR
SPOT TRANSACTIONS AND DERIVATIVE CONTRACTS**

On 10 October 2025, BEA entered into the Framework Agreement with SMBC, pursuant to which the BEA Group and the SMBC Group may enter into Spot Transactions and Derivative Contracts pursuant to the terms of the Framework Agreement.

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 Framework Agreement between BEA and SMBC and the transactions contemplated thereunder constitute continuing connected transactions of BEA under the Listing Rules.

As one or more applicable percentage ratios in respect of the Framework Agreement exceed 0.1% but all are less than 5%, the Framework Agreement and the Continuing Connected Transactions are subject to the reporting, annual review and announcement requirements but are exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

FRAMEWORK AGREEMENT

On 10 October 2025, BEA entered into the Framework Agreement with SMBC, pursuant to which the BEA Group and the SMBC Group may enter into Spot Transactions and Derivative Contracts pursuant to the terms of the Framework Agreement.

The principal terms of the Framework Agreement are set out below:

Date: 10 October 2025

Parties: (1) BEA
(2) SMBC

Term: The Framework Agreement shall be effective on and from 10 October 2025 until 31 December 2027 (the "**Term**").

Subject matter: At any time and from time to time during the Term, the BEA Group and the SMBC Group may enter into a Transaction upon such terms and conditions as may be mutually agreed between the parties thereto, provided that each Transaction shall fully comply with the terms and conditions of the Framework Agreement.

Pricing: The pricing and terms and conditions for all Transactions contemplated under the Framework Agreement shall be negotiated and agreed in good faith on arm's length basis with normal commercial terms between the relevant member of the BEA Group and the SMBC Group and the payment of the consideration and/or the performance of any of its respective obligations shall be made pursuant to the terms and conditions of the Transaction Document.

The following factors shall be considered in determining the pricing and relevant terms and conditions in a Transaction, including but not limited to:

- (a) the terms offered by or obtained from other banks/financial institutions on the same Transaction to the BEA Group;
- (b) the prevailing market conditions and general financial market practice;
- (c) the funding arrangement and payment terms; and
- (d) various risk management requirements of the BEA Group.

The tables below set out the respective Annual Caps in respect of (i) Spot Transactions (calculated based on the aggregate amount of the Spread for each Spot Transaction), and (ii) Derivative Contracts (calculated based on the aggregate absolute amount of fair value at the inception of each relevant transaction recorded as assets/liabilities), under the Framework Agreement:

Spot Transactions

	<u>For the period from</u> <u>10 October to</u> <u>31 December 2025</u>	<u>For the financial year ending</u> <u>31 December</u>	
		<u>2026</u>	<u>2027</u>
Annual Cap (HK\$ million)	25	100	100

Derivative Contracts

	<u>For the period from</u> <u>10 October to</u> <u>31 December 2025</u>	<u>For the financial year ending</u> <u>31 December</u>	
		<u>2026</u>	<u>2027</u>
Annual Cap (HK\$ million)	50	200	200

There were no previous transactions on Spot Transactions and Derivative Contracts between the BEA Group and the SMBC Group and there was no historical transaction amount incurred during the three financial years ending 31 December 2022, 2023 and 2024 and the period from 1 January 2025 up to the date of this announcement. The Annual Caps have been determined with reference to (i) the anticipated notional transaction amounts of Spot Transactions and Derivative Contracts between the BEA Group and the SMBC Group for each of the three financial years ending 31 December 2025 (commencing on 10 October 2025), 2026 and 2027, (ii) the expected exchange rate spread for foreign exchange spot transactions and fair value of similar derivative contracts at inception in general under normal market conditions, and (iii) a buffer to cater for volatility of the financial markets, including exchange rates and interest rates, etc., which may affect the aforesaid spread or fair value.

INTERNAL CONTROL PROCEDURES

BEA has formulated specific measures and policies, including connected transactions management policies and management measures for connected transactions under the Listing Rules, to ensure that all connected transactions of the Bank Group are properly controlled and monitored. The policies aim to establish an effective framework for monitoring connected transactions (including the transactions with connected parties stipulated under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and connected transactions under the Listing Rules), help maintain sound business operations, establish risk monitoring system and ensure that all the connected transactions are conducted in the interests of the Shareholders as a whole. The management measures aim to standardise and specify the division of management responsibilities and duties as well as monitoring mechanism in connection with the connected transactions of the Bank Group, protect the Shareholders' overall interests and also the interests of BEA and its stakeholders. The connected transactions of the Bank Group shall be implemented in accordance with the principles, rules and procedures stipulated in the policies and management measures.

As part of the internal control and risk management procedures, the relevant business units/branches/subsidiaries shall carry out certain procedures prior to the entering into any Transaction, which include reviewing the terms of Transactions between the BEA Group and the SMBC Group, reviewing the factors taken into consideration in determining the pricing, and/or comparing the terms with terms of comparable transactions to ensure that (i) the Transactions are entered into in the ordinary and usual course of business of the Bank Group and are on normal commercial terms and arm's length basis; and (ii) the pricing policies and/or other contract terms of the Transactions are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

In addition, as part of the internal control and risk management procedures and to ensure that the Continuing Connected Transactions do not exceed the relevant Annual Caps, an independent unit of the Bank shall be responsible for monitoring the transaction amounts.

The Bank's management shall report on the Continuing Connected Transactions to the Board and/or relevant Board committees each year, such that they may conduct review to ensure that the Continuing Connected Transactions have been entered into (i) in the ordinary and usual course of business of the Bank Group and are on normal commercial terms; and (ii) the terms of the Continuing Connected Transactions are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

The independent non-executive Directors will also conduct an annual review of the Continuing Connected Transactions in accordance with the Listing Rules. BEA will engage its external auditor to report on the Continuing Connected Transactions every financial year. The external auditor will provide a letter to the Board confirming the matters required under the Listing Rules including whether the Continuing Connected Transactions are carried out in accordance with the relevant pricing policies.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

In the ordinary course of business, the Bank Group offers products and services, including Spot Transactions and Derivative Contracts, to customers for managing/hedging against different types of market risks, including but not limited to foreign exchange and interest rate risks. The Bank Group may also enter into Spot Transactions and Derivative Contracts with other financial institutions from time to time to manage its own market risk exposure. As SMBC is a connected person of the Bank pursuant to Chapter 14A of the Listing Rules by virtue of being a substantial shareholder of the Bank, to facilitate both groups in entering into suitable Transactions efficiently in the ordinary course of business and comply with the relevant requirements under the Listing Rules, the Directors consider that it is in the interests of the Bank to enter into the Framework Agreement with SMBC.

Taking into account the above, the Directors (including the independent non-executive Directors) are of the view that (i) the Framework Agreement and the Continuing Connected Transactions are entered into in the ordinary and usual course of business of the Bank Group and on normal commercial terms; and (ii) the terms of the Framework Agreement together with the Annual Caps are fair and reasonable and in the interests 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 Framework Agreement. Accordingly, no Director is required to abstain from voting on the relevant resolutions of the Board approving the Framework Agreement.

GENERAL INFORMATION

BEA

Incorporated in Hong Kong in 1918, BEA is a leading Hong Kong-based financial services group listed on the Stock Exchange, with total consolidated assets of HK\$891.4 billion (US\$113.5 billion) as of 30 June 2025.

BEA provides a comprehensive range of wholesale banking, personal banking, wealth management, and investment services to customers through an extensive network of about 120 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.

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. ("**SMFG**"). SMFG, with banking operations as a foundation, offers a broad array of banking, credit card, leasing, information, investment securities, and other financial services.

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 Framework Agreement between BEA and SMBC and the transactions contemplated thereunder constitute continuing connected transactions of BEA under the Listing Rules.

As one or more applicable percentage ratios in respect of the Framework Agreement exceed 0.1% but all are less than 5%, the Framework Agreement and the Continuing Connected Transactions are subject to the reporting, annual review 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:

"Annual Cap(s)"	the annual caps set by the Bank for (i) Spot Transactions and (ii) Derivative Contracts in respect of each of the financial years ending 31 December 2025 (commencing on 10 October 2025), 2026 and 2027
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"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 Group" or "Bank Group"	the Bank and its subsidiaries as may exist from time to time, throughout the duration of the Term
"Board"	the board of Directors
"connected person"	shall have the meaning ascribed to it under the Listing Rules
"Continuing Connected Transaction(s)"	the Transaction(s) as contemplated under the Framework Agreement
"Derivative Contract(s)"	derivative contracts in relation to transactions including trading of foreign exchange and interest rate derivative products such as foreign exchange forward contracts, foreign exchange options, cross currency swaps, interest rate swaps and such other derivative transactions of a similar nature
"Director(s)"	the director(s) of the Bank
"financial year"	a financial year of the Bank
"Framework Agreement"	the framework agreement dated 10 October 2025 and entered into between BEA and SMBC
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"percentage ratio(s)"	shall have the meaning ascribed to it under the Listing Rules
"Share(s)"	fully paid ordinary share(s) of the Bank
"Shareholder(s)"	the holder(s) of Share(s)
"SMBC"	Sumitomo Mitsui Banking Corporation, a company incorporated under the laws of Japan

"SMBC Group"	SMBC and its subsidiaries, as may exist from time to time, throughout the duration of the Term
"Spread"	the absolute amount of the difference between the exchange rate under a Spot Transaction and the exchange rate as quoted by independent external financial information service providers (e.g. Bloomberg, LSEG Workspace, etc.) on the date of such Spot Transaction as multiplied by the notional amount under such Spot Transaction
"Spot Transaction(s)"	the spot transaction(s) in relation to the purchase of one currency with another currency
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	shall have the meaning ascribed to it under the Listing Rules
"Term"	has the meaning ascribed to it in the paragraph headed "Framework Agreement – Term"
"Transaction(s)"	the Spot Transaction(s) and/or the Derivative Contract(s)
"Transaction Document"	the documentation or confirmation for effecting the relevant Transaction in accordance with usual banking practices and in such form and substance acceptable to the BEA Group and the SMBC Group
"%"	per cent.

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

Hong Kong, 10 October 2025

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 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*, 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