For immediate release

BEA and BEA China Jointly Arrange
First Social Loan to XYD Financial
To Promote Fintech and Drive Sustainable Development of
Chinese Mainland's SMEs and Agricultural Industry

Hong Kong, 21st December, 2023––The Bank of East Asia, Limited ("BEA" or the "Bank") and its wholly-owned subsidiary The Bank of East Asia (China) Limited ("BEA China") are pleased to announce that they have jointly entered into a RMB$600 million social loan agreement with XYD Financial Services Holdings Limited ("XYD Holdings"). This transaction marks the first social loan arranged by BEA.

The loan will be used to enhance the Fintech capabilities of XYD Holdings' subsidiary, Chongqing XYD Financial Services Holdings Limited ("XYD"), which provides financing to small and micro-sized enterprises in Chinese Mainland's agricultural and related industries, including logistics, green commuting, green plastification, pharmaceuticals, and agricultural machinery. With this loan, XYD will further invest in Fintech to address the financing problems and other difficulties faced by smaller companies in the Chinese Mainland, thereby providing safe and convenient lending services while promoting financial inclusion and fostering the sustainable development of the Mainland's agricultural sector.

Mr Kelvin Au, General Manager & Head of Wholesale Banking Division of BEA, said, "We are pleased to support XYD. We believe the Bank's long-term success is closely related to the sustainable development of society. We will continue to seize cross-boundary green and sustainable finance opportunities so that both Hong Kong and Chinese Mainland enterprises can utilise our financing platforms, and help customers achieve their low-carbon and sustainability goals through transformation and technology."

Mr Montgomery Ho, Executive Director & Chief Executive of BEA China said, "Leveraging the Group's green and sustainable finance ("GSF") framework, BEA China focuses on providing green and sustainable finance to a growing number of companies across diverse sectors. This social loan is another meaningful initiative by the Bank in the field of green finance. It marks the continuous enrichment and enhancement of BEA China's green and sustainable products and injects new impetus into the development of our GSF business."

Mr Joseph Tse, Chairman of XYD Financial Services Holdings Limited, remarked, "We are delighted to be granted this social loan from BEA. Small and micro-sized enterprises in the Mainland often face difficulties when applying for credit due to a lack of transparent and detailed financial and operational information and credit history, insufficient securities, and higher operational risks. Moreover, the application procedures are complicated and lengthy. XYD strives to eliminate these difficulties with innovative Fintech. This social loan by BEA will further strengthen our capital investment capabilities, benefit more small and micro-sized enterprises, and further promote sustainable development in the Chinese Mainland."

This social loan is a collaborative effort between BEA and BEA China's Chongqing Branch with the aim of providing funds to address social problems or achieve social results. Its financing purpose is for the borrower to develop or operate projects that serve specific groups (Target Populations, generally disadvantaged groups) and it embodies social responsibility attributes (Social Projects). The use of proceeds, process for project evaluation and selection, as well as management of proceeds and reporting conditions are all in compliance with the 2023 Social Loan Principles (SLP), and recognised by a renowned third-party evaluation firm. In addition to complying with the social loan framework, it also meets recognised international GSF standards.

BEA and BEA China are committed to contributing to the development of green and sustainable finance and supporting the society's transition to a low-carbon economy. The Group aims to achieve net-zero operational emissions by 2030 and net-zero financed emissions by 2050, and has developed roadmaps to guide its journey.

Going forward, the wholesale banking divisions of BEA and BEA China will work closely together to provide customers in different regions with a seamless cross-market "OneBank" experience. The Bank is committed to assisting enterprises in capturing business development opportunities in Greater China, especially the Greater Bay Area, working hand in hand to build sustainable business models.

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About the Bank of East Asia, Limited

Incorporated in 1918, the Bank of East Asia, Limited ("BEA") is a leading Hong Kong- based financial services group listed on The Stock Exchange of Hong Kong, with total consolidated assets of HK$872.1 billion (US$111.3 billion) as of 30th June, 2023.

BEA provides a comprehensive range of corporate banking, personal banking, wealth management and investment services to customers through an extensive network of about 130 outlets covering Hong Kong, Chinese Mainland, Macau, Taiwan, Southeast Asia, the United Kingdom and the United States. For more information, please visit www.hkbea.com.

About BEA China

Headquartered in Shanghai, The Bank of East Asia (China) Limited ("BEA China") was one of the first locally-incorporated foreign banks in the Chinese Mainland. Leveraging its deep insight into the Mainland market as well as BEA's expertise in Hong Kong and overseas, BEA China offers a wide range of banking and financial services to customers. For more information, please visit BEA China's homepage at www.hkbea.com.cn.

About XYD Financial Services Holdings Limited

Via its fully owned Hong Kong-incorporated subsidiary TechCredit Company Limited, XYD Financial Services Holdings Limited ("XYD Holdings") fully owns its China-licensed online lending platform XYD Credit to provide safe and fast lending services to SMEs in China, especially to agricultural SMEs. Holding a view to establish a responsible Fintech platform and to provide comprehensive inclusive financing solutions, XYD Holdings possesses a total number of registered users exceeding 5.65 million and a total loan disbursement amount exceeding RMB 30 billion as of the end of June 2023.

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