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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 LOANS

On 19th July, 2023, BEA entered into the Transfer Certificates with SMBC, pursuant to which BEA agreed to acquire the commitment, rights and obligations in respect of the Loans from SMBC for an aggregate consideration of HK\$850.8 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 Certificates between BEA and SMBC 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 exceed 0.1% but all are less than 5% when calculated on an aggregated basis, the Transactions are subject to the reporting and announcement requirements but are exempt from the independent Shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

On 19th July, 2023, BEA entered into the Transfer Certificates with SMBC, pursuant to which BEA agreed to acquire the commitment, rights and obligations in respect of the Loans from SMBC for an aggregate consideration of HK\$850.8 million.

TRANSFER CERTIFICATES

A. Transfer Certificate 1

Date

19th July, 2023

Parties

Transferor: Sumitomo Mitsui Banking Corporation

Transferee: The Bank of East Asia, Limited

Subject Matter

Pursuant to the Transfer Certificate 1, SMBC agreed to novate its commitment, rights and obligations in respect of Loan 1 to BEA for the consideration of HK\$397.5 million. Loan 1 novated in the amount of HK\$397.5 million is part of the HK\$1,380 million term loan facility granted by SMBC and other original financiers to Borrower 1 pursuant to a syndicated facility agreement dated 15th December, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 1.

Tenor

From the date of the Transfer Certificate 1 to 27th December, 2024.

Interest Rate

The interest rate of Loan 1 is HIBOR for the relevant interest period plus a margin, as agreed in the syndicated facility agreement dated 15th December, 2021.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 1 is HK\$397.5 million. The consideration is at par against Loan 1's principal value.

The consideration will be paid by BEA by cash.

B. Transfer Certificate 2

Date

19th July, 2023

Parties

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

Subject Matter

Pursuant to the Transfer Certificate 2, SMBC agreed to novate its commitment, rights and obligations in respect of Loan 2 to BEA for the consideration of HK\$156 million. Loan 2 novated in the amount of HK\$156 million is part of the US\$450 million equivalent dual-currency term loan facility granted by SMBC and other original financiers to Borrower 2 pursuant to the Loan 2 Agreement.

Tenor

From the date of the Transfer Certificate 2 to 17th June, 2024.

Interest Rate

The interest rate of Loan 2 is HIBOR for the relevant interest period plus a margin, as agreed in the Loan 2 Agreement.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 2 is HK\$156 million. The consideration is at par against Loan 2's principal value.

The consideration will be paid by BEA by cash.

C. Transfer Certificate 3

Date

19th July, 2023

Parties

Transferor: Sumitomo Mitsui Banking Corporation

Transferee: The Bank of East Asia, Limited

Subject Matter

Pursuant to the Transfer Certificate 3, SMBC agreed to novate its commitment, rights and obligations in respect of Loan 3 to BEA for the consideration of HK\$156 million. Loan 3 novated in the amount of HK\$156 million is part of the HK\$8 billion transferable term loan and revolving credit facility granted by SMBC and other original financiers to Borrower 3 pursuant to a syndicated term loan and revolving credit facility agreement dated 29th October, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 3.

Tenor

From the date of the Transfer Certificate 3 to 29th October, 2025.

Interest Rate

The interest rate of Loan 3 is HIBOR for the relevant interest period plus a margin, as agreed in the syndicated term loan and revolving credit facility agreement dated 29th October, 2021.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 3 is HK\$156 million. The consideration is at par against Loan 3's principal value.

The consideration will be paid by BEA by cash.

D. Transfer Certificate 4

Date

19th July, 2023

Parties

Transferor: Sumitomo Mitsui Banking Corporation

Transferee: The Bank of East Asia, Limited

Subject Matter

Pursuant to the Transfer Certificate 4, SMBC agreed to novate its commitment, rights and obligations in respect of Loan 4 to BEA for the consideration of US\$18 million. Loan 4 novated in the amount of US\$18 million is part of the US\$660 million term loan facility granted by SMBC and other original financiers to Borrower 4 pursuant to the Loan 4 Agreement.

Tenor

From the date of the Transfer Certificate 4 to 9th July, 2024.

Interest Rate

The interest rate of Loan 4 is Term SOFR for the relevant interest period plus a margin, as agreed in the Loan 4 Agreement.

Consideration

The consideration to be paid by BEA to SMBC for the transfer of Loan 4 is US\$18 million. The consideration is at par against Loan 4's principal value.

The consideration will be paid by BEA by cash.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Transactions are in the best interests of the Bank as the Transactions help promote the cooperation in loan financing business between the Bank and SMBC. Also, the Transactions present the Bank with a good opportunity to support the development of green finance as some of the Loans are being used to refinance green projects, thereby demonstrating the Bank's commitment to fulfilling its responsibility in the Environmental, Social and Governance arena.

Taking into account the above, the Directors, including the independent non-executive Directors, are of the view that, (i) the Transfer Certificates have been entered into in the ordinary and usual course of business of the Bank and are on normal commercial terms; and (ii) the terms of the Transfer Certificates 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 Transactions contemplated under the Transfer Certificates. Accordingly, no Director is required to abstain from voting on the relevant Board resolution.

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 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, with total consolidated assets of HK\$882.8 billion (US\$113.1 billion) as of 31st December, 2022.

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, the Chinese Mainland, Macau, Taiwan, Southeast Asia, the United Kingdom, and the United States. For more information, please visit www.hkbea.com.

2. 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.

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 Certificates between BEA and SMBC 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 exceed 0.1% but all are less than 5% when calculated on an aggregated basis, the Transactions are subject to the reporting and announcement requirements but are 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)
“Borrower 1”	Xinyi Group (Glass) Company Limited, a company incorporated in Hong Kong with limited liability
“Borrower 2”	Far East Horizon 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: 3360)
“Borrower 3”	Kingboard Investments Limited, a company incorporated in Hong Kong with limited liability
“Borrower 4”	China Lesso Finance Limited, a company incorporated in Hong Kong with limited liability
“Directors”	the directors 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 People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loans”	collectively, Loan 1, Loan 2, Loan 3 and Loan 4
“Loan 1”	the term loan facility in the amount of HK\$397.5 million as part of the HK\$1,380 million term loan facility granted by SMBC and other original financiers to Borrower 1 pursuant to a syndicated facility agreement dated 15th December, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 1
“Loan 2”	the term loan facility in the amount of HK\$156 million as part of the US\$450 million equivalent dual-currency term loan facility granted by SMBC and other original financiers to Borrower 2 pursuant to the Loan 2 Agreement
“Loan 2 Agreement”	a syndicated dual-currency term loan facility agreement dated 17th June, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 2 and as amended on 19th June, 2023
“Loan 3”	the term loan and revolving loan facility in the amount of HK\$156 million as part of the HK\$8 billion transferable term loan and revolving credit facility granted by SMBC and other original financiers to Borrower 3 pursuant to a syndicated term loan and revolving credit facility agreement dated 29th October, 2021 entered into by, among others, SMBC as one of the original financiers and Borrower 3
“Loan 4”	the term loan facility in the amount of US\$18 million as part of the US\$660 million term loan facility granted by SMBC and other original financiers to Borrower 4 pursuant to the Loan 4 Agreement
“Loan 4 Agreement”	a syndicated term loan facilities and dual-currency revolving credit facility agreement dated 30th July, 2019 entered into by, among others, SMBC as one of the original financiers and Borrower 4 and as amended on 23rd October, 2019 and 13th June, 2023
“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
“SOFR”	Secured Overnight Financing Rate
“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 to BEA pursuant to the Transfer Certificates
“Transfer Certificates”	collectively, Transfer Certificate 1, Transfer Certificate 2, Transfer Certificate 3 and Transfer Certificate 4
“Transfer Certificate 1”	the transfer certificate entered into between BEA and SMBC on 19th July, 2023 in relation to the novation of Loan 1 from SMBC to BEA
“Transfer Certificate 2”	the transfer certificate entered into between BEA and SMBC on 19th July, 2023 in relation to the novation of Loan 2 from SMBC to BEA
“Transfer Certificate 3”	the transfer certificate entered into between BEA and SMBC on 19th July, 2023 in relation to the novation of Loan 3 from SMBC to BEA
“Transfer Certificate 4”	the transfer certificate entered into between BEA and SMBC on 19th July, 2023 in relation to the novation of Loan 4 from SMBC to BEA
“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, 19th July, 2023

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\$7.85. 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[#] (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*