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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)

LEGAL PROCEEDINGS

The Bank has been served with a statement of claim (“**Statement of Claim**”) filed by China Medical Technologies, Inc (in Liquidation) (the “**Plaintiff**”) at the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**Court**”).

The Plaintiff’s claims in the Statement of Claim arise from the payment of funds: (i) to the bank accounts of Supreme Well maintained with the Bank (among others) between November 2006 and December 2009 purportedly for the acquisition of certain technology that allegedly did not exist or was purchased by the Plaintiff at a gross overvalue; and (ii) to other accounts maintained with the Bank between March 2007 and June 2011.

The Plaintiff alleges that Supreme Well was controlled by the same directors and/or executives of the Plaintiff who caused the funds to be paid by the Plaintiff to Supreme Well.

The Plaintiff alleges that payments of over US\$180 million were made from the accounts of Supreme Well and other related entities maintained with the Bank to parties connected with and/or controlled by directors and/or executives of the Plaintiff, with the aim of misappropriating the funds for their personal benefit and in breach of trust and/or fiduciary duties.

The Plaintiff claims the following relief against the Bank:

- (1) a declaration that the Bank held the funds as constructive trustee;
- (2) equitable compensation and/or restitution;
- (3) compound interest on the value of the funds received by the Bank in respect of which it is accountable to the Plaintiff at such rates and for such period as the Court thinks fit, or alternatively, interest pursuant to section 48 of the High Court Ordinance (Cap.4) at such rate and for such period as the Court sees fit;
- (4) costs; and
- (5) further and/or other relief.

The Board believes that the claims in the Statement of Claim are without merit and will vigorously oppose them.

Based on currently available information, the Board considers that the Statement of Claim will not have any material adverse impact on the normal business and operations of the Bank.

Shareholders of the Bank and potential investors are reminded to exercise caution when dealing in the securities of the Bank.

The Bank will make further announcement(s) in relation to the Statement of Claim as and when appropriate in accordance with the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following expressions have the meanings set out below:

“Bank”	The Bank of East Asia, Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong
“Board”	the board of Directors of the Bank
“Directors”	the Directors of the Bank
“Share(s)”	Ordinary share(s) in the share capital of the Bank
“Supreme Well”	Supreme Well Investments Limited

For and on behalf of
The Bank of East Asia, Limited
Alson LAW Chun-tak
Company Secretary

Hong Kong, 6th March, 2017

As at the date of this announcement, the Board of Directors of the Bank comprises Dr. the Hon. Sir David LI Kwok-po[#] (Chairman & Chief Executive), 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. Richard LI Tzar-kai**, Mr. Stephen Charles LI Kwok-sze*, Mr. KUOK Khoon-ean**, Dr. Isidro FAINÉ CASAS*, Dr. Peter LEE Ka-kit*, Mr. Adrian David LI Man-kiu[#] (Deputy Chief Executive), Mr. Brian David LI Man-bun[#] (Deputy Chief Executive), Dr. Daryl NG Win-kong**, Mr. Masayuki OKU*, Dr. the Hon. Rita FAN HSU Lai-tai**, Mr. Meocre LI Kwok-wing** and Dr. the Hon. Henry TANG Ying-yen**.*

[#] *Executive Director*

^{*} *Non-executive Director*

^{**} *Independent Non-executive Director*