

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

POSSIBLE OFF-MARKET SHARE BUY-BACK

The Board announces that, on 28th January, 2022, each of the Elliott Parties executed the Deed of Undertaking in favour of the Bank. Pursuant to and subject to the conditions of the Deed of Undertaking, each of the Elliott Parties has irrevocably undertaken to execute the Buy-back Deed with the Bank in relation to an off-market share buy-back by the Bank of 246,510,173 Shares held by the Elliott Parties, representing approximately 8.43% of the total number of issued Shares.

The Bank is a company incorporated in Hong Kong. Under section 240 of the Companies Ordinance, a listed company may not enter into a contingent purchase contract relating to its shares prior to obtaining the requisite special resolution of its shareholders. Although the form of the Buy-back Deed has been negotiated and agreed between the Bank and the Elliott Parties, the Bank will not execute the Buy-back Deed unless and until it has obtained approval from at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM. It is the Bank's intention to execute the Buy-back Deed immediately following the conclusion of the EGM if the requisite approval from the Independent Shareholders has been obtained.

The completion of the Share Buy-back will be subject to and conditional upon the prior satisfaction (or, where applicable, waiver) of certain conditions. Upon completion of the Share Buy-back, the Buy-back Shares will be transferred to the Bank and cancelled. The percentage interest of all other Shareholders in the issued Shares will be proportionally increased following the cancellation of the Buy-back Shares.

IMPLICATIONS UNDER THE SHARE BUY-BACK CODE

The Share Buy-back constitutes an off-market share buy-back by the Bank under the Share Buy-back Code, and accordingly completion of the Share Buy-back will be conditional on, among others, approval of the Share Buy-back by the Executive pursuant to Rule 2 of the Share Buy-back Code. The Bank will make an application to the Executive for such approval.

GENERAL

The Independent Board Committee comprises Professor Arthur LI Kwok-cheung, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, 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, being all of the non-executive Directors (including the independent non-executive Directors), all of whom do not have any direct or indirect

interest in the Share Buy-back other than (where applicable) being Shareholders. The Independent Board Committee will advise the Independent Shareholders on the Share Buy-back and the Buy-back Deed.

An independent financial adviser will be appointed with the approval of the Independent Board Committee as soon as reasonably practicable to advise the Independent Board Committee and the Independent Shareholders in this regard and in particular as to whether the Share Buy-back is, or is not, fair and reasonable and as to voting. The Bank will make a further announcement upon the appointment of the independent financial adviser.

A circular containing, among others: (i) details of the Buy-back Deed; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Share Buy-back and the Buy-back Deed; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Share Buy-back and the Buy-back Deed, will be despatched in accordance with the Listing Rules, the Share Buy-back Code and the Companies Ordinance within 21 days from the date of this announcement. As such, the expected date of dispatch of the circular will be on or before 18th February, 2022.

The Shareholders and potential investors in the Bank should be aware that the proposed Share Buy-back is subject to the conditions set out in this announcement, and consequently the proposed Share Buy-back may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares and the other securities of the Bank.

The Board announces that, on 28th January, 2022, each of the Elliott Parties executed the Deed of Undertaking in favour of the Bank. Pursuant to and subject to the conditions of the Deed of Undertaking, each of the Elliott Parties has irrevocably undertaken to execute the Buy-back Deed with the Bank in relation to an off-market share buy-back by the Bank of 246,510,173 Shares held by the Elliott Parties, representing approximately 8.43% of the total number of issued Shares.

The Bank is a company incorporated in Hong Kong. Under section 240 of the Companies Ordinance, a listed company may not enter into a contingent purchase contract relating to its shares prior to obtaining the requisite special resolution of its shareholders. Although the form of the Buy-back Deed has been negotiated and agreed between the Bank and the Elliott Parties, the Bank will not execute the Buy-back Deed unless and until it has obtained approval from at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM. It is the Bank's intention to execute the Buy-back Deed immediately following the conclusion of the EGM if the requisite approval from the Independent Shareholders has been obtained.

Goldman Sachs (Asia) L.L.C. has been appointed as the financial adviser to the Bank in connection with the Share Buy-back.

THE DEED OF UNDERTAKING

Date

28th January, 2022

Parties

Sellers: The Elliott Parties

Purchaser: The Bank

Principal Terms

Pursuant to the Deed of Undertaking, each of the Elliott Parties has irrevocably undertaken to the Bank that it shall, subject to the approval of the Buy-back Deed and the Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM, duly execute the Buy-back Deed immediately after conclusion of the EGM.

The Deed of Undertaking shall terminate at 5:00pm on the 70th day immediately following the date of this announcement (i.e. 8th April, 2022) or on such other date as may be agreed between the Elliott Parties and the Bank.

THE BUY-BACK DEED (AGREED FORM)

Parties

Sellers: The Elliott Parties
Purchaser: The Bank

Buy-back Shares

Each of the Elliott Parties agrees to sell or procure the sale of, and the Bank agrees to buy back, an aggregate of 246,510,173 Shares, representing approximately 8.43% of the total number of issued Shares, and representing all of the Shares currently held by the Elliott Parties in the Bank. Upon completion of the Share Buy-back, the Elliott Parties will not hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Bank.

Consideration

The Buy-back Price for each Buy-back Share shall be the higher of:

- (a) HK\$11.19; and
- (b) the lower of: (i) 95% of the volume weighted average price per Share for the five trading days immediately following the date of this announcement; and (ii) HK\$11.78.

For illustrative purposes, assuming that the Buy-back Price is HK\$11.78, being the highest Buy-back Price based on the formula described above, this represents:

- (a) a discount of approximately 7.24% to the closing price of HK\$12.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 6.89% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day of approximately HK\$12.65 per Share;
- (c) a discount of approximately 5.97% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$12.53 per Share;
- (d) a discount of approximately 3.31% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 20 trading days up to and including the Last Trading Day of

approximately HK\$12.18 per Share;

- (e) a discount of approximately 0.33% to the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$11.82 per Share;
- (f) a discount of approximately 65.18% to the audited net asset value of the Bank of approximately HK\$33.83 per Share as at 31st December, 2020, calculated based on the Bank's audited consolidated net asset value of approximately HK\$98,885 million as at 31st December, 2020 and 2,922,635,532 Shares in issue as at the date of this announcement; and
- (g) a discount of approximately 65.66% to the unaudited net asset value of the Bank of approximately HK\$34.30 per Share as at 30th June, 2021, calculated based on the Bank's unaudited consolidated net asset value of approximately HK\$100,251 million as at 30th June, 2021 and 2,922,635,532 Shares in issue as at the date of this announcement.

During the six-month period immediately preceding and including the date of this announcement, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$13.50 on 14th September, 2021 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$10.90 on 20th December, 2021.

Assuming that the Buy-back Price is HK\$11.78 (being the highest price per Buy-back Share based on the formula described above), the maximum total consideration for the Share Buy-back is HK\$2,904 million.

The consideration for the Share Buy-back was determined following commercial and arms' length negotiations between the parties taking into account the prevailing market conditions. The consideration will be settled in cash by the Bank from its internal resources at completion.

Other than the total consideration for the Share Buy-back described above, no other consideration or benefit in any form has been or will be paid by the Bank to any of the Elliott Parties and/or any parties acting in concert with them in connection with the Share Buy-back.

As at the date of this announcement, there is no outstanding declared but unpaid dividend in respect of the Shares. It is possible that the Bank will make, declare and/or pay a dividend before the completion of the Share Buy-back. If any such dividend is made, declared and/or paid, the Buy-back Price shall not be adjusted by an equivalent amount.

Conditions

The Bank will enter into the Buy-back Deed only if it is approved by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM duly convened and held in accordance with the Share Buy-back Code and the Companies Ordinance. It is the Bank's intention to execute the Buy-back Deed immediately following the conclusion of the EGM if the requisite approval from the Independent Shareholders has been obtained.

The completion of the Share Buy-back will be subject to and conditional upon the prior satisfaction (or, where applicable, waiver) of the following conditions:

- (a) the approval by the Executive of the buy-back by the Bank of the Buy-back Shares pursuant to the Share Buy-back Code (and such approval not having been withdrawn) and the condition(s) of such approval, if any, having been satisfied;

- (b) confirmation from the FRB that it does not object to the Bank's determination that the Bank no longer controls ICBC USA for the purposes of the Bank Holding Company Act; and
- (c) each of the warranties set out in the Buy-back Deed remaining true and accurate in all material respects.

The condition set out in paragraph (b) is required due to the fact that SMBC, a bank holding company under the Bank Holding Company Act, owns more than 5% of a class of voting shares of the Bank, and the Bank has previously been deemed to be a bank holding company with respect to ICBC USA for the purposes of the Bank Holding Company Act because the Bank historically controlled ICBC USA. Under the Bank Holding Company Act, a bank holding company like SMBC is required to obtain the prior approval of the FRB to acquire more than 5% of a class of voting shares of another bank holding company and any subsequent increase in shareholding thereafter. As a result, SMBC was required to, and did, obtain the approval of the FRB for its initial acquisition of more than 5% of the voting shares of the Bank and subsequently to increase its holding to up to 19.9%. SMBC's shareholding percentage would increase to approximately 21.47% as a result of the Share Buy-back and, accordingly, the FRB's prior approval for that increased percentage holding in the Bank would be required if the Bank is still deemed by the FRB to be a bank holding company for purposes of the Bank Holding Company Act.

As noted, the Bank has previously been deemed to be a bank holding company with respect to ICBC USA. In January 2020, however, the FRB released a new rule that establishes specific standards for determining whether a company controls another company or a bank for purposes of the Bank Holding Company Act (the "**Final Control Rule**"). In the Final Control Rule, the FRB establishes rebuttable presumptions of control, including in circumstances where a company is divesting a stake in a bank or other company. Under the Final Control Rule, the Bank's shareholding in ICBC USA does not trigger any of the rebuttable presumptions of control. For this reason, the FRB may take the view that the Bank no longer controls ICBC USA and therefore is no longer a bank holding company for purposes of the Bank Holding Company Act. Accordingly, the Bank intends to seek the confirmation described in paragraph (b). If the Bank is no longer deemed to be a bank holding company, then SMBC would not need to seek prior approval of the FRB for the increase in its percentage shareholding in the Bank.

The condition set out in paragraph (a) cannot be waived by any party. The Bank (and not the Elliott Parties) may at any time waive the condition set out in paragraph (b). Either the Elliott Parties or the Bank may waive the condition set out in paragraph (c), in each case with regard to the warranties given by the other.

If any of the conditions are not satisfied or (where applicable) waived on or before the Long Stop Date, either the Elliott Parties or the Bank may terminate the Buy-back Deed.

Completion

Subject to the satisfaction (or waiver) of the condition in paragraph (c) above, completion of the Share Buy-back shall take place on the tenth business day immediately following the day on which the last of the conditions set out in paragraphs (a) and (b) above is satisfied or (where applicable) waived or such other day as the Bank and the Elliott Parties may agree.

REASONS FOR AND BENEFITS OF THE SHARE BUY-BACK

When deciding to propose the Share Buy-back, the Bank took into consideration that the Share Buy-Back (i) is a good opportunity for the Bank to enhance its return on equity and its earnings per share; and (ii) will result in an increase in the consolidated net asset value per share attributable to the Shareholders of approximately 6% based on unaudited consolidated balance sheet of the Group as at

30th June, 2021.

Taking into account the above, the Directors (excluding the members of the Independent Board Committee who will give their opinions after taking advice from the independent financial adviser) are of the view that the terms and conditions of the Buy-back Deed are fair and reasonable, and in the interests of the Bank and the Shareholders as a whole.

To the best knowledge of the Directors, no Director has a material interest in the Deed of Undertaking, Share Buy-back, Buy-back Deed or the transactions contemplated thereunder. Accordingly, no Director was required to abstain from voting at the Board meeting approving the Deed of Undertaking and the transactions contemplated thereunder.

SHAREHOLDING STRUCTURE

As at the date of this announcement:

- (a) there are 2,922,635,532 Shares in issue;
- (b) save for 36,336,128 Outstanding Staff Share Options, there are no outstanding warrants, options, derivatives or securities convertible into Shares and the Bank has not entered into any agreement for the issue of such warrants, options, derivatives or securities convertible into Shares;
- (c) the Elliott Parties legally or beneficially own, control or have direction over 246,510,173 Shares (representing approximately 8.43% of the issued Shares);
- (d) no party acting in concert with the Elliott Parties legally or beneficially owns, controls or has direction over any Shares;
- (e) none of the Elliott Parties or any party acting in concert with any of them holds any securities, warrants or options convertible into or derivatives in respect of the Shares; and
- (f) none of the Elliott Parties or any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Bank.

Save for the Elliott Internal Group Transfer, none of the Elliott Parties or any party acting in concert with any of them has acquired or disposed of any voting rights of the Bank or has dealt for value in any shares, convertible securities, warrants, options or derivatives in respect of the securities in the Bank in the six-month period prior to and including the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE BANK

Upon completion of the Share Buy-back, the Buy-back Shares will be transferred to the Bank and cancelled. The percentage interest of all other Shareholders in the issued Shares will be proportionally increased following the cancellation of the Buy-back Shares.

Set out below for illustrative purposes is the shareholding structure of the Bank as at the date of this announcement and immediately after completion of the Share Buy-back assuming that there is no other change in the shareholdings of the Bank before completion of the Share Buy-back:

	As at the date of this announcement		Immediately after the completion of the Share Buy-back	
	No. of Shares	% of issued voting Shares	No. of Shares	% of issued voting Shares
Elliott Parties ⁽²⁾	246,510,173	8.43	-	-
Independent Shareholders				
– SMBC ⁽¹⁾	574,516,317	19.66	574,516,317	21.47
– Criteria Caixa, S.A., Sociedad Unipersonal ⁽¹⁾	508,519,684	17.40	508,519,684	19.00
– Guoco Management Company Limited ⁽¹⁾	435,691,137	14.91	435,691,137	16.28
– Directors ^{(1), (3)}	196,084,154	6.71	196,084,154	7.33
– Other Independent Shareholders	961,314,067	32.89	961,314,067	35.92
Total	2,922,635,532	100	2,676,125,359	100

Notes:

- (1) *The interests of the Shareholders / Directors set out in this table are as recorded in the register kept by the Bank as required under Part XV of the SFO, save that since the latest disclosures made under Part XV of the SFO, the Bank has been notified that (a) the shareholding of SMBC increased to 574,516,317 Shares on 1st April, 2020 and (b) the shareholding of Criteria Caixa, S.A., Sociedad Unipersonal increased to 508,519,684 Shares on 4th October, 2019, in each case as a result of the relevant Shareholder's election to receive new shares in lieu of cash dividend issued by the Bank on 1st April, 2020 and 4th October, 2019, respectively, under the Bank's scrip dividend schemes.*
- (2) *The Shares held by the Elliott Parties (which comprise all of the Buy-back Shares) are as follows: 117,872,021 shares held by Elliott International L.P.; 108,601,552 shares held by Wakeland Securities L.P.; 20,035,600 shares held by The Liverpool Limited Partnership; 200 shares held by Artan Investments Ltd; 200 shares held by Frasco Investments Ltd; 200 shares held by Milton Investments Ltd; 200 shares held by Parlan Investments Ltd; and 200 shares held by Trevet Investments Ltd.*
- (3) *The Shares held by the Directors (as disclosed pursuant to Part XV of the SFO) are as follows:*

Name	Capacity and nature	No. of Shares	Total No. of Shares	% of issued voting Shares
David LI Kwok-po	Beneficial owner	88,160,000	102,517,810	3.51
	Interest of spouse	2,215,755		
	Interest of corporation	458,594		
	Executor of estate	<u>11,683,461</u> [#]		
Arthur LI Kwok-cheung	Beneficial owner	13,085,663	42,206,417	1.45
	Interest of corporation	17,437,293		
	Executor of estate	<u>11,683,461</u> [#]		
Allan WONG Chi-yun	Beneficial owner	464,393	17,879,763	0.61
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	<u>17,415,234</u>		

Name	Capacity and nature	No. of Shares	Total No. of Shares	% of issued voting Shares
Aubrey LI Kwok-sing	Beneficial owner Interest of spouse Founder/Settlor of trust	868,168 26,203 <u>17,901,241</u>	18,795,612	0.64
Stephen Charles LI Kwok-sze	Beneficial owner Administrator of estates	11,752,581 <u>1,822,523</u>	13,575,104	0.47
Adrian David LI Man-kiu	Beneficial owner Settlor/Founder of discretionary trust	1,095,959 <u>2,154,840</u>	3,250,799	0.11
Brian David LI Man-bun	Beneficial owner Interest of corporation	2,679,902 <u>820,282</u>	3,500,184	0.12
David MONG Tak-yeung	Interest of corporation	<u>6,041,926</u>	6,041,926	0.21

David LI Kwok-po was deemed to be interested in 11,683,461 Shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 11,683,461 Shares as one of the executors of the estate.

OTHER ARRANGEMENTS

As at the date of this announcement:

- (a) none of the Elliott Parties or any party acting in concert with any of them has secured an irrevocable commitment to vote in favour of or against the Buy-back Deed and/or the Share Buy-back;
- (b) save for the Deed of Undertaking, none of the Elliott Parties or any party acting in concert with any of them has any arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of any of the Elliott Parties which might be material to the Buy-back Deed and/or the Share Buy-back;
- (c) none of the Elliott Parties or any party acting in concert with any of them has any agreement or arrangement to which the Elliott Parties or any party acting in concert with any of them is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Buy-back Deed and/or the Share Buy-back;
- (d) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any of the Elliott Parties or any party acting in concert with any of them on the one hand, and the Bank or any party acting in concert with it on the other hand; and
- (e) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii)(a) any of the Elliott Parties or any party acting in concert with any of them; or (b) the Bank, its subsidiaries or associated companies.

GENERAL INFORMATION

The Bank

Incorporated in 1918, the Bank is a leading Hong Kong-based financial services group listed on the Stock Exchange with total consolidated assets of HK\$900,509 million (US\$115,450 million) as of 30th June, 2021. The Bank provides a comprehensive range of corporate banking, personal banking, wealth management, and investment services to customers throughout Greater China and beyond through an extensive network of approximately 150 outlets covering Hong Kong, Macau, Taiwan, Mainland China, Southeast Asia, the United Kingdom and the United States. For more information, please visit www.hkbea.com.

The Elliott Parties

The Elliott Parties are part of Elliott, which manages approximately US\$48 billion of assets. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest funds under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of Elliott.

IMPLICATIONS UNDER THE SHARE BUY-BACK CODE

The Share Buy-back constitutes an off-market share buy-back by the Bank under the Share Buy-back Code. The Bank will make an application to the Executive for approval of the Share Buy-back pursuant to Rule 2 of the Share Buy-back Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at a general meeting of the Bank.

Completion of the Share Buy-back will be conditional on, among others, approval of the Share Buy-back by the Executive. Therefore, the Bank will not proceed with the Share Buy-back unless the Executive approves the Share Buy-back pursuant to Rule 2 of the Share Buy-back Code.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises Professor Arthur LI Kwok-cheung, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, 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, being all of the non-executive Directors (including the independent non-executive Directors), all of whom do not have any direct or indirect interest in the Share Buy-back other than (where applicable) being Shareholders. The Independent Board Committee will advise the Independent Shareholders on the Share Buy-back and the Buy-back Deed.

An independent financial adviser will be appointed with the approval of the Independent Board Committee as soon as reasonably practicable to advise the Independent Board Committee and the Independent Shareholders in this regard and in particular as to whether the Share Buy-back is, or is not, fair and reasonable and as to voting. The Bank will make a further announcement upon the appointment of the independent financial adviser.

EGM AND DESPATCH OF CIRCULAR

The EGM will be held to consider and approve, among others, the Share Buy-back and the Buy-back Deed.

As required by the Share Buy-back Code, the Elliott Parties (which beneficially hold in aggregate 246,510,173 Shares, representing approximately 8.43% of the total number of issued Shares) and the parties acting in concert with them will abstain from voting on the resolutions to be proposed at the EGM for approving the Buy-back Deed and the Share Buy-back.

Save for the Elliott Parties and parties acting in concert with them, no Shareholder is required to abstain from voting on the resolutions approving the Buy-back Deed and the Share Buy-back.

A circular containing, among others: (i) details of the Buy-back Deed; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders on the Share Buy-back and the Buy-back Deed; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Share Buy-back and the Buy-back Deed, will be despatched in accordance with the Listing Rules, the Share Buy-back Code and the Companies Ordinance within 21 days from the date of this announcement. As such, the expected date of dispatch of the circular will be on or before 18th February, 2022.

The Shareholders and potential investors in the Bank should be aware that the proposed Share Buy-back is subject to the conditions set out in this announcement, and consequently the proposed Share Buy-back may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares and the other securities of the Bank.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Bank”	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)
“Bank Holding Company Act”	the United States Bank Holding Company Act of 1956 (as amended)
“Board”	the board of Directors
“business day(s)”	a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which the Stock Exchange is generally open for transaction of business and banks are generally open for business in Hong Kong
“Buy-back Deed”	the share buy-back deed, in the agreed form, described in the section headed “The Buy-back Deed” of this announcement
“Buy-back Price”	the price to be paid for each Buy-back Share, as described in the section headed “The Buy-back Deed – Consideration” of this announcement

“Buy-back Shares”	246,510,173 Shares, representing approximately 8.43% of the total number of issued Shares, beneficially owned by the Elliott Parties and to be transferred to the Bank for cancellation pursuant to the terms and conditions of the Buy-back Deed
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Deed of Undertaking”	a deed of undertaking dated 28 th January, 2022 executed by the Elliott Parties in favour of the Bank undertaking, subject to the satisfaction of certain conditions, to enter into the Buy-back Deed
“Directors”	the directors of the Bank
“EGM”	the extraordinary general meeting of the Bank to be convened to consider and approve, among other things, the Buy-back Deed and the possible Share Buy-back thereunder
“Elliott”	Elliott Investment Management L.P., which manages funds including its flagship fund, Elliott Associates, L.P., together with their respective affiliates, including the Elliott Parties
“Elliott Internal Group Transfer”	the transfer on 27 th December, 2021 by Elliott International, L.P. to Wakeland Securities L.P. (which is wholly owned by Elliott International, L.P.) of 108,601,552 Shares
“Elliott Parties”	Elliott International, L.P., The Liverpool Limited Partnership, Wakeland Securities L.P., Artan Investments Limited, Frasco Investments Limited, Milton Investments Limited, Parlan Investments Limited and Trevet Investments Limited
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegates
“FRB”	the board of governors of the United States Federal Reserve
“Group”	the Bank and its subsidiaries
“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
“ICBC USA”	Industrial and Commercial Bank of China (USA) N.A. (formerly known as The Bank of East Asia (USA) N.A.)
“Independent Board Committee”	the independent committee of the Board comprising all the non-executive Directors (including the independent non-executive Directors) namely, Professor Arthur LI Kwok-cheung, Dr. Allan WONG Chi-yun, Mr. Aubrey LI Kwok-sing, Mr. Winston LO Yau-lai, Mr. Stephen Charles LI Kwok-sze, 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

“Independent Shareholder(s)”	Shareholder(s) of the Bank other than (i) the Elliott Parties; (ii) parties acting in concert with the Elliott Parties (including but not limited to Elliott and Elliott Associates, L.P.); and (iii) any other Shareholder(s) who has a material interest in the Buy-back Deed and/or the Share Buy-back which is different from the interests of all other Shareholders
“Last Trading Day”	28 th January, 2022, being the last trading day on which the Shares were traded on the Stock Exchange prior to the issue and publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling 90 days after the date on which the Buy-back Deed is entered into or such other date as may be agreed in writing between the Bank and the Elliott Parties
“Outstanding Staff Share Options”	unvested and vested share options outstanding as at the date of this announcement to subscribe for ordinary shares of the Bank granted under the staff share option schemes adopted by the Bank on 19 th April, 2011 and 19 th April, 2016
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Buy-back”	the possible purchase of the Buy-back Shares by the Bank for the cancellation pursuant to the terms and conditions of the Buy-back Deed, which constitutes an off-market share buy-back by the Bank pursuant to the Share Buy-back Code
“Share Buy-back Code”	the Code on Share Buy-backs issued by the SFC
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	fully paid ordinary shares of the Bank
“SMBC”	Sumitomo Mitsui Banking Corporation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 28th January, 2022

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\$7.8. 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*

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.