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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)*

**UPDATE ON PROPOSED ISSUE OF NEW CAPITAL SECURITIES  
AND  
RESULTS RELATING TO THE OFFERS**

This announcement is to provide an update on the proposed issue of the New Capital Securities and to announce the results relating to the Offers.

Reference is made to the announcement made by the Bank dated 12<sup>th</sup> November, 2015 (the “**Announcement**”) in relation to the proposed issue of New Capital Securities and the proposed exchange offer and tender offer for the outstanding Hybrid Tier 1 Securities. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

**PROPOSED ISSUE OF THE NEW CAPITAL SECURITIES**

The Board is pleased to announce that on 25<sup>th</sup> November, 2015, the Bank entered into a subscription agreement with Citigroup Global Markets Limited, UBS AG Hong Kong Branch, CLSA Limited and SMBC Nikko Capital Markets Limited in connection with the issue of the New Capital Securities under the Bank’s U.S.\$6,000,000,000 Medium Term Note Programme.

Citigroup Global Markets Limited and UBS AG Hong Kong Branch are the joint lead managers, and CLSA Limited and SMBC Nikko Capital Markets Limited are the co-managers, in respect of the offer and sale of the New Capital Securities.

The New Capital Securities will be offered to professional investors only. The New Capital Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in accordance with Regulation S under or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. None of the New Capital Securities will be offered to the public in Hong Kong.

### **Principal terms of the New Capital Securities**

#### *New Capital Securities offered*

Subject to certain conditions to completion, the Bank will issue the New Capital Securities in the aggregate principal amount of U.S.\$650,000,000.

#### *Issue price*

The price at which the New Capital Securities will be issued will be 100% of the principal amount of the New Capital Securities.

#### *Distribution rate*

The distribution rate for the New Capital Securities will be 5.50% per annum.

### **Reasons for the issue of the New Capital Securities**

The estimated net proceeds (without deduction of commissions and expenses) of the offer and sale of the New Capital Securities will be approximately U.S.\$563,300,000, of which approximately U.S.\$117,300,000 will be used to fund the redemption of some of the outstanding Hybrid Tier 1 Securities. The Bank intends to use the remaining part of the net proceeds of the New Capital Securities to enhance the Bank's capital adequacy and to raise additional capital to support the Bank's business growth and for general corporate purposes.

### **Listing**

An application will be made to the SEHK for the listing of, and permission to deal in, the New Capital Securities (by way of debt issues to professional investors only) on the SEHK. Listing and quotation of the New Capital Securities on the SEHK is not to be taken as an indication of the merits of the Bank or any other subsidiary or associated company of the Bank or the New Capital Securities.

### **RESULTS RELATING TO THE OFFERS**

The Bank wishes to announce the following in respect of the Offers:

- (i) no pro rating applies to the Offers;
- (ii) the aggregate principal amount of the Hybrid Tier 1 Securities the Bank has accepted for exchange is U.S.\$75,116,000 (the "**Final Aggregate Exchange Amount**");
- (iii) the aggregate principal amount of the Hybrid Tier 1 Securities the Bank has accepted for purchase is U.S.\$100,539,000 (the "**Final Aggregate Purchase Amount**");
- (iv) the aggregate cash rounding amount payable by the Bank on the Settlement Date in respect of the Final Aggregate Exchange Amount is U.S.\$16,980;

- (v) the accrued interest payable by the Bank for the Hybrid Tier 1 Securities accepted for exchange or purchase is U.S.\$1,119,800.68;
- (vi) the aggregate cash amount payable by the Bank on the Settlement Date in respect of the Final Aggregate Exchange Amount and the Final Aggregate Purchase Amount is U.S.\$117,259,325.68; and
- (vii) the aggregate principal amount of the Hybrid Tier 1 Securities remaining outstanding following the completion of the Offers is U.S.\$324,345,000.

All the Hybrid Tier 1 Securities validly tendered and accepted for exchange and/or purchase by the Bank will be cancelled.

None of the Exchange Offer or the Tender Offer is being made in the United States or to any U.S. person or to any person resident or located in the United States. Other restrictions will also apply as described in the Exchange and Tender Offer Memorandum.

**The completion of the Offers is conditional upon the issue of, and completion and settlement of, the New Capital Securities and the satisfaction of the Threshold Condition on or prior to the Settlement Date; therefore prospective investors are advised to exercise caution when dealing in the securities of the Bank.**

## DEFINITIONS

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

|                   |                                                                                                                                           |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| “SEHK”            | The Stock Exchange of Hong Kong Limited; and                                                                                              |
| “Settlement Date” | Expected to be on 2 <sup>nd</sup> December, 2015 (subject to the right of the Bank to extend, reopen, amend and/or terminate the Offers). |

By Order of the Board  
**Alson LAW Chun-tak**  
 Company Secretary

Hong Kong, 26<sup>th</sup> November, 2015

*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. WONG Chung-hin\*\*, Mr. Aubrey LI Kwok-sing\*, Mr. Winston LO Yau-lai\*\*, Tan Sri Dr. KHOO Kay-peng\*\*, Mr. Richard LI Tzar-kai\*\*, Mr. Kenneth LO Chin-ming\*\*, Mr. Eric LI Fook-chuen\*, Mr. Stephen Charles LI Kwok-sze\*, Mr. William DOO Wai-hoi\*\*, Mr. KUOK Khoon-ean\*\*, Mr. Valiant CHEUNG Kin-piu\*\*, 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), Mr. Daryl NG Win-kong\*\* and Mr. Masayuki OKU\*.*

# Executive Director

\* Non-executive Director

\*\* Independent Non-executive Director