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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

On 18th July, 2016, the Bank was served with a sealed copy of an unfair prejudice petition presented by Elliott International, L.P. ("**Elliott**"), The Liverpool Limited Partnership ("**Liverpool**") and certain other entities affiliated with Elliott and Liverpool (together, the "**Petitioners**") to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**Court**") on 18th July, 2016 pursuant to Section 724 of the Companies Ordinance (Cap. 622) (the "**Petition**"). The Bank and the Relevant Directors are named as respondents in the Petition.

In the Petition, the Petitioners seek the following relief against the Bank and the Relevant Directors:

- (1) a declaration that certain resolutions of the Board in September 2014, February 2015 and March 2015 approving and affirming the SMBC Subscription and the entering into of the SMBC Subscription Agreement and SMBC Investment Agreement with SMBC, details of which are set out in the announcements by the Bank dated 5th September, 2014 and 18th March, 2015, were passed for an improper purpose, without due regard to the interests of all shareholders of the Bank or the alleged adverse impact of SMBC Subscription on all shareholders of the Bank, and without critical appraisal of the merits and competing arguments in respect of the same and alternative means for raising capital;
- (2) a declaration that certain resolutions of the Board in January 2016 approving certain amendments to the Strategic Investment Agreement between the Bank and CaixaBank and the Strategic Collaboration Agreement between the Bank, CaixaBank and "la Caixa", details of which are set out in the announcement by the Bank dated 19th January, 2016, were passed for an improper purpose, without due regard to the interests of all shareholders of the Bank or the alleged adverse impact of the Criteria Undertakings and SMBC Undertakings on all shareholders of the Bank, and without critical appraisal of the merits and competing arguments in respect of the same;
- (3) an order that the Bank take steps forthwith to release Criteria and/or its affiliates from the Criteria Undertakings and SMBC from the SMBC Undertakings and that the Bank may not re-enter into similar agreements in the future without leave of the Court;
- (4) such order that may be made under Section 725(2) of the Companies Ordinance as shall be just; and

(5) costs of the Petition.

The Bank and the Relevant Directors will vigorously oppose the Petition. The first hearing of the Petition, at which it is expected that directions will be given by the Court for the further conduct of the Petition, has been fixed for 21st September, 2016 at 9:30 am.

Based on currently available information, the Board considers that the Petition 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 Petition 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
“CaixaBank”	CaixaBank, S.A. (formerly known as Criteria CaixaCorp, S.A.), a Spanish banking entity
“Criteria”	Criteria Caixa, S.A., Sociedad Unipersonal, a Spanish banking entity
“Criteria Undertakings”	certain obligations of Criteria set out in the Strategic Investment Agreement between the Bank and originally CaixaBank, including the “Shareholding Cap” as defined in the Bank’s announcement dated 19 th January, 2016 and Criteria’s undertaking that if any member of the Criteria Group decides to reduce its investment in the Bank, it shall, unless the Bank agrees otherwise, dispose of its interests only through institutional placings in a manner which will ensure that significant numbers of Shares are not placed to a single placee (or a group of placees acting in concert)
“Directors”	the Directors of the Bank
“la Caixa”	Fundación Bancaria Caixa d’Estalvis i Pensions de Barcelona, “la Caixa”, a Spanish banking foundation
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Relevant Directors”	Dr. the Hon. Sir David LI Kwok-po, Mr. Adrian David LI Man-kiu, Mr. Brian David LI Man-bun, Professor Arthur LI Kwok-cheung, Mr. Aubrey LI Kwok-sing, Mr. Richard LI Tzar-kai, Mr. Eric LI Fook-chuen, Mr. Stephen Charles LI Kwok-sze, Dr. Isidro FAINÉ CASAS, Dr. Peter LEE Ka-kit, Dr. Allan WONG Chi-yun, Mr. WONG Chung-hin, Mr. Winston LO Yau-lai, Tan Sri Dr. KHOO Kay-peng, Mr. Kenneth LO Chin-ming, Mr. William DOO Wai-hoi, Mr. KUOK Khoon-ean and Mr. Valiant CHEUNG Kin-piu
“Share(s)”	Ordinary share(s) in the share capital of the Bank
“SMBC”	Sumitomo Mitsui Banking Corporation, a company incorporated in Japan which, on the date of this announcement, is the holder of approximately 19 per cent. of the issued Shares on the date of this Announcement
“SMBC Investment Agreement”	the investment agreement between the Bank and SMBC dated 18 th March, 2015
“SMBC Subscription”	the subscription of 222,600,000 new Shares by SMBC pursuant to the SMBC Subscription Agreement between the Bank and SMBC dated 18 th March, 2015
“SMBC Subscription Agreement”	the subscription agreement between the Bank and SMBC dated 18 th March, 2015
“SMBC Undertakings”	Certain obligations of SMBC set out in the SMBC Investment Agreement, including those as set out in the Bank’s announcement dated 18 th March, 2015

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

Hong Kong, 18th July, 2016

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. Kenneth LO Chin-ming**, 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), Dr. Daryl NG Win-kong**, Mr. Masayuki OKU* and Dr. the Hon. Rita FAN HSU Lai-tai**.*

[#] Executive Director

* Non-executive Director

** Independent Non-executive Director