

Dated 23 January 2025

THE BANK OF EAST ASIA, LIMITED
AND
SUMITOMO MITSUI BANKING CORPORATION

FRAMEWORK AGREEMENT

THIS FRAMEWORK AGREEMENT is dated 23 January 2025

BETWEEN:

- (1) The Bank of East Asia, Limited, a company incorporated under the laws of Hong Kong with limited liability and its registered office at 10 Des Voeux Road Central, Hong Kong (“**BEA**”); and
- (2) Sumitomo Mitsui Banking Corporation, a company incorporated under the laws of Japan with limited liability and its registered office at 1-1-2, Marunouchi, Chiyoda-ku, Tokyo, Japan (“**SMBC**”).

(together, the “**Parties**” and each a “**Party**”).

WHEREAS:

- (A) BEA is a leading Hong Kong-based financial services group, the shares of which are listed and traded on the Main Board of the Stock Exchange.
- (B) SMBC and its group companies offer a broad range of financial services centered on banking. The ultimate beneficial owner of SMBC is Sumitomo Mitsui Financial Group, Inc. SMBC Group, with banking operations as a foundation, offers a broad array of banking, credit card, leasing, information, investment securities, and other financial services. SMBC is a substantial shareholder and a connected person of BEA for the purpose of the Listing Rules.
- (C) It is the Parties’ intention that BEA and SMBC may engage in Loan Transactions from time to time in the ordinary course of business and the Loan Transactions will constitute connected transactions of BEA which may be subject to disclosure requirements and/or independent shareholders’ approval under the Listing Rules.
- (D) The Parties have agreed to enter into this Framework Agreement to set out the terms and conditions governing the Loan Transactions during the Term.

IT IS AGREED as follows:

1. INTERPRETATION

- 1.1 In this Framework Agreement (including the Recitals), the following terms shall have the following meanings:

“Annual Caps”	means the annual caps to be set by BEA for the Loan Transactions in respect of each financial year of the Term (subject to any revision from time to time) in accordance with Rule 14A.53 of the Listing Rules;
“BEA Group”	means BEA and its subsidiaries, as may exist from time to time, throughout the duration of the Term, and “ BEA Group Company ” means any member of the BEA Group;

“Buyer”	means the relevant BEA Group Company or SMBC Group Company which acquires a Loan or takes a Risk Participation (as the case may be);
“Commencement Date”	has the meaning ascribed to it in Clause 2;
“Condition”	has the meaning ascribed to it in Clause 4;
“connected person”	has the meaning ascribed to it in the Listing Rules;
“connected transaction”	has the meaning ascribed to it in the Listing Rules;
“continuing connected transaction”	has the meaning ascribed to it in the Listing Rules;
“Default”	means, for a Risk Participation Transaction, the Seller not receiving from the borrower of the Loan, on or before the relevant due date of the Loan, any moneys due (or expressed to be due, or determined by the Seller acting in good faith to be due);
“financial year”	means a financial year of BEA;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Loan(s)”	means any of the following: <ul style="list-style-type: none"> (a) syndicated loan(s) entered into by the Seller as the lender; (b) loan(s) and commitments for trade transaction(s) entered into by the Seller as the lender; and (c) such other transactions of a nature similar to any of the above.
“Loan Transaction(s)”	the Transfer Transaction(s), the Risk Participation Transaction(s), or any one of them;
“Risk Participation”	means the risk participation of a Buyer in a Loan provided by a Seller, on either a funded or unfunded basis;

“Risk Participation Agreement”	means the agreement to be entered into between a Seller and a Buyer in respect of a Risk Participation;
“Risk Participation Transaction”	means a transaction in which a Buyer risk participated in a Loan provided by a Seller pursuant to the relevant Risk Participation Agreement;
“Seller”	means a relevant BEA Group Company or SMBC Group Company which offers to assign a Loan or assign the commitment of a Loan;
“SMBC Group”	means SMBC and its subsidiaries, as may exist from time to time, throughout the duration of the Term, and “SMBC Group Company” means any member of the SMBC Group;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules;
“Term”	has the meaning ascribed to it in Clause 2;
“Transaction Document”	means a Transfer Document, a Risk Participation Agreement or any other form of transaction document evidencing the agreement between the Parties in relation to any Loan as may be offered and accepted from time to time between the Parties, as the case may be;
“Transfer Document”	means the documents to be entered into between the Seller and the Buyer in relation to the assignment of a Loan;
“Transfer Transaction”	means the assignment of a Loan from the Seller to the Buyer pursuant to the relevant Transfer Document.

- 1.2 Except where the context otherwise requires, words denoting the singular shall include the plural and *vice versa*.
- 1.3 A reference to a Clause is a reference to a clause of this Framework Agreement.
- 1.4 Clause headings are for ease of reference only and do not affect the construction of this Framework Agreement.

2. **TERM**

Subject to fulfilment of the Condition, this Framework Agreement shall be effective on and from 9 May 2025 (the **“Commencement Date”**) until 8 May 2028 (the **“Term”**), unless terminated in accordance with Clause 7.

3. GENERAL TERMS FOR LOAN TRANSACTIONS

- 3.1 At any time and from time to time during the Term, any BEA Group Company and any SMBC Group Company may enter Transaction Document(s) in relation to any Loan Transaction(s) upon such terms and conditions as may be mutually agreed between the parties thereto, provided that each Loan Transaction shall fully comply with the terms and conditions of this Framework Agreement.
- 3.2 The Parties agree that, during the Term:-
- (a) each Loan Transaction may take the form of Transfer Transaction and/or Risk Participation Transaction;
 - (b) each Loan Transaction shall be negotiated in good faith on normal commercial terms and on arms-length basis;
 - (c) each Loan Transaction shall be governed by a Transaction Document which shall set out the terms and conditions upon which the Loan Transaction shall be undertaken (including but not limited to any conditions precedent, the interest rate, the tenor, the principal amount of the Loan to be transferred, the consideration (where applicable));
 - (d) at any time during the Term, the aggregate amount of the Loan Transactions carried out in a financial year shall not exceed the Annual Cap for the relevant financial year. It is acknowledged by the Parties that BEA shall remain primarily responsible for controlling and ensuring that such Annual Cap shall be fully complied with at all times;
 - (e) in respect of a Transfer Transaction, all payments shall be made by the Buyer to the Seller in immediately available funds upon completion of the relevant transaction (or as otherwise agreed between the Parties and set out in the relevant Transaction Document);
 - (f) in respect of a Risk Participation Transaction that is on funded basis, all payments shall be made by the Buyer to the Seller in accordance with the terms of the relevant Risk Participation Agreement in immediately available funds on the start date of the relevant Risk Participation Agreement (or as otherwise agreed between the Parties and set out in the relevant Risk Participation Agreement);
 - (g) in respect of a Risk Participation Transaction that is on unfunded basis, all payments shall be made by the Buyer to the Seller in accordance with the terms of the relevant Risk Participation Agreement in immediately available funds within four calendar days after the Seller informs the Buyer about the Default in writing (or as otherwise agreed between the Parties and set out in the relevant Risk Participation Agreement); and
 - (h) each Loan Transaction shall be in compliance with the provisions of this Framework Agreement and all laws and regulations (including the Listing Rules) applicable to each Party. The Parties acknowledge and agree that BEA shall remain primarily responsible for complying with the Listing Rules which may from time to time apply to the Loan Transactions contemplated hereunder and shall keep SMBC informed of any such requirements from time to time.

3.3 The Parties acknowledge and agree that the consideration payable by the Buyer to the Seller on all Loan Transactions contemplated hereunder shall be negotiated and agreed in good faith on arms-length basis with normal commercial terms between the Seller and the Buyer. The following factors shall be considered in determining the consideration payable by the Buyer to the Seller in a Loan Transaction, including but not limited to:-

- (a) the book value of the Loan;
- (b) appropriate adjustment to be made to the book value of the Loan to reflect the appropriate risks of the Loan;
- (c) the interest rate of the Loan and the prevailing market interest rate;
- (d) the remaining tenure of the Loan;
- (e) each Parties' internal credit control policy and/or any other applicable risk considerations;
- (f) the risk profile of the borrower or other transaction parties of the Loan; and
- (g) the terms available to each Party from independent third parties for similar or comparable transactions.

3.4 The Parties further agree that:

- (a) Nothing contained herein or in the Loan Transactions that may be entered into between the Parties may constitute any member of the other Party as a trustee or fiduciary of any person, and no member of each Party's group shall be bound to account to the other Party for any sum or the profit element of any sum received by it for its own account solely for that reason.
- (b) Nothing contained herein or in any Loan Transactions that may be entered into between the Parties shall create, or be deemed or regarded as having created, any joint venture, partnership, co-ownership or agency relationship between the Parties.
- (c) Nothing in this Framework Agreement may constitute any legally binding commitment for the Parties to enter into any Loan Transaction. The Parties agree that any such decision to do so shall be taken by each Party at their sole and absolute discretion and on a case-by-case basis.
- (d) Each Party shall be responsible for its own independent credit, financial, regulatory, AML, KYC or other relevant due diligence, risk assessments and decisions as to whether to accept any offer from the other Party and enter into any Loan Transaction.
- (e) Any offer of any Loan from any Party shall be on a non-exclusive basis and does not constitute any investment recommendation/analysis, advice and must not be treated as an advice or recommendation to the other Party with respect to any Loan Transaction.

4. CONDITIONS

This Framework Agreement shall be conditional upon BEA having obtained independent

shareholders' approval in accordance with the applicable requirements of the Listing Rules in respect of: (i) the entering into of this Framework Agreement by BEA and the transactions contemplated hereunder, and (ii) the Annual Caps for the Term (the "Conditions").

5. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 5.1 Each of BEA and SMBC represents and warrants to the other (where applicable) that it is duly authorised and has capacity to execute and be bound by this Framework Agreement and shall be capable of performing its respective obligations under this Framework Agreement.
- 5.2 SMBC undertakes, with reasonable endeavours, to and to procure the relevant SMBC Group Companies to provide all information and assistance as BEA and BEA's auditors may reasonably require for compliance with the applicable requirements of the Listing Rules in connection with this Framework Agreement and the Loan Transactions provided that BEA shall keep and hold SMBC and each SMBC Group Company indemnified and harmless against any costs, charges and/or expenses reasonably incurred for the purposes of providing any such assistance to BEA, and losses and/or liabilities (howsoever described) resulting from the wilful default, fraud or gross negligence of BEA.
- 5.3 The Parties acknowledge that:-
- (a) BEA shall be required to comply or re-comply with the relevant requirements of the Listing Rules (including the requirement to obtain approval from BEA's independent shareholders, if applicable) in the event that (i) the Annual Cap as referred to in Clause 6 below is exceeded or is likely to be exceeded in any financial year; or (ii) this Framework Agreement is renewed or there is a material change to its terms and, if any of the events in (i) and/or (ii) occur, the continuation of this Framework Agreement will be subject to compliance with such requirements;
 - (b) in the event of any future amendments to the Listing Rules imposing more stringent requirements on continuing connected transactions and/or connected transactions than those as of the date of this Framework Agreement, the Loan Transactions will be conditional upon BEA taking all necessary steps to ensure compliance with such requirements (if applicable); and
 - (c) for the avoidance of doubt, BEA shall remain primarily responsible for ensuring compliance with the above. BEA undertakes that it shall take all appropriate and necessary actions from time to time in view of any such requirement and keep SMBC Group fully informed and/or updated of any such situation or requirement. SMBC Group shall provide all reasonable assistance to BEA in compliance of the above, notwithstanding that SMBC and any SMBC Group Company shall not be held liable in any way for any non-compliance with any such requirements.

6. ANNUAL CAPS

The Annual Caps to be complied with by BEA in respect of the aggregate Loan Transactions entered into under this Framework Agreement for each financial year ending

31 December 2025, 2026 and 2027 shall be HK\$5,000,000,000 and for the period from 1 January 2028 to 8 May 2028 shall be HK\$2,000,000,000.

7. TERMINATION

- 7.1 Subject to fulfilment of the Condition, this Framework Agreement shall become effective on the Commencement Date and shall continue for the Term until terminated:
- (a) at any time by either Party giving not less than one (1) month's prior written notice to the other Party, in which case the Term shall be deemed to have terminated on the last day of the said notice period;
 - (b) by either Party if the other Party commits a material breach of any of the provisions of this Framework Agreement (save for any breach which is caused by the Party seeking to rely on it) and, in the case of such a breach which is capable of remedy, fails to remedy the same within thirty (30) days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;
 - (c) by either Party if the other Party makes any voluntary arrangement with its creditors or becomes subject to an administration order;
 - (d) by either Party if the other Party has become insolvent or is subject to any winding-up, liquidation or analogous proceedings (where applicable); or
 - (e) by either Party if the other Party ceases, or threatens to cease, to carry on business (where applicable).
- 7.2 The termination of this Framework Agreement shall not affect or discharge all rights, obligations and liabilities accrued or incurred by the Parties prior to or upon any termination.

8. NOTICES

Any notice, demand or communication to be served on any Party by the other concerning this Framework Agreement or any matter arising therefrom shall be in writing and may be served by posting it by courier or by sending it by e-mail to the address or e-mail address stated below (or such other address or e-mail address as may be notified by the relevant Party to the other Party in accordance with this Clause) and shall be deemed to have been received by the addressee on the expiry of three (3) days from the date of posting if so posted, or if sent by e-mail, at the time when sent (if no notification of failure of delivery has been received):-

To BEA

Address : 20/F, Bank of East Asia Building, 10 Des Voeux Road Central,
Hong Kong
Attention : Company Secretary
Email : bea_sec@hkbea.com

To SMBC

Address : 1-1-2, Marunouchi, Chiyoda-ku, Tokyo, Japan
Attention : Mr. Yamaguchi Takashi
Email : Yamaguchi_Takashi@vr.smbc.co.jp

9. MISCELLANEOUS

- 9.1 Each Party shall perform (or procure the performance of) all further acts and things and execute and deliver (or procure the execution and delivery of) such further documents as may be required by law or relevant constitutional documents or as may be necessary or reasonably required by either Party to implement and give effect to this Framework Agreement.
- 9.2 Each Party shall not assign any or all of its rights, benefits or obligations under this Framework Agreement except with the prior written consent of the other Party.
- 9.3 This Framework Agreement and the Transaction Documents shall contain the entire agreement between the Parties hereto with respect to the subject matter hereof.
- 9.4 No failure or delay on the part of any Party to exercise or in exercising any right or remedy under this Framework Agreement shall be construed as a waiver thereof nor shall any single or partial exercise of any right or remedy under this Framework Agreement preclude the exercise of any other right or remedy or preclude the further exercise of such right or remedy as the case may be.
- 9.5 This Framework Agreement may be signed in any number of counterparts, each of which shall together constitute the same agreement. Any Party may enter into this Framework Agreement by signing any such counterpart.
- 9.6 Each Party agrees that it will not disclose the discussions and the content of this Framework Agreement to any other entity or person save and except that (i) specific disclosure can be made if both Parties consent in writing; or (ii) disclosure is made as may be required for the purpose of the Conditions or compliance with the Listing Rules. Neither Party shall use the name or logo of the other Party in any advertisements, promotional literature and other promotional information publicising this Framework Agreement without the prior written consent of the other Party.
- 9.7 Each Party agrees that the exchange of confidential information shall be covered by separate non-disclosure agreement(s) between the Parties, and any other third parties, as deemed necessary in respect of any Loan Transaction that may be negotiated, discussed and/or entered into from time to time between the Parties.
- 9.8 Save for any announcement issued pursuant to the requirement under the Listing Rules, any press release or announcement relating to this Framework Agreement shall be agreed in advance between the Parties if such press release or announcement is required to be made pursuant to any law or regulation or order of a court or tribunal or any direction of a government or regulatory authority.

10. THIRD PARTY RIGHTS

This Framework Agreement does not create any right enforceable by any person who is not a party to this Framework Agreement under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong), but this Clause does not affect a right or remedy of a third party that exists or is available apart from this Ordinance.

11. INCONSISTENCY WITH TRANSACTION DOCUMENTS

In the event of any conflict between any of the terms or conditions of this Framework Agreement, on the one hand, and any of the terms or conditions of any Transaction Documents, on the other hand, the terms and conditions of this Framework Agreement shall prevail. BEA and SMBC shall, and shall respectively procure their relevant group companies to, take all actions necessary to give full effect to the terms and conditions of this Framework Agreement.

12. VARIATION AND WAIVER

- 12.1 No amendment or variation of this Framework Agreement shall be effective unless in writing and signed by or on behalf of each of the Parties.
- 12.2 The respective rights and obligations of the Parties in relation to this Framework Agreement (whether arising under this Framework Agreement or any applicable laws) shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing agreed by the Parties.
- 12.3 No single or partial exercise of, or failure or delay in exercising, any right under this Framework Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

13. SEVERABILITY

If, at any time, any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.

14. GOVERNING LAW AND JURISDICTION

This Framework Agreement shall be governed by and construed in accordance with the laws of Hong Kong. Each of the Parties agrees to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

IN WITNESS whereof the Parties executed this Framework Agreement on the day and year first above written.

SIGNED by

Mr. Adrian David LI Man-kiu and

Mr. Brian David LI Man-bun

(Co-Chief Executives)

for and on behalf of

The Bank of East Asia, Limited

in the presence of:-

Alson LAW Chun-tak
Company Secretary

[illegible]

Adrian David LI Man-kiu

Brian David LI Man-bun

IN WITNESS whereof the Parties executed this Framework Agreement on the day and year first above written.

SIGNED by
KAZUYA IKEDA
for and on behalf of
Sumitomo Mitsui Banking Corporation
in the presence of :

) KAZUYA IKEDA
) Managing Executive Officer
) General Manager
) Strategic Planning Dept., Global Banking Unit
)
)
)
)



Witness signature 

Witness name TAKUTO IWASAKI

Signature