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This document, for which we accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Rules”) for the purpose of giving information with regard to us. We, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire the Warrants.

Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in the Base Listing Document (as defined below) and this document and, where necessary, seek professional advice, before they invest in the Warrants.

The Warrants constitute general unsecured contractual obligations of us as the Issuer and of no other person and will rank equally among themselves and with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Warrants, you are relying upon the creditworthiness of us, and have no rights under the Warrants against the Company which has issued the underlying Shares or any other person. If we become insolvent or default on our obligations under the Warrants, you may not be able to recover all or even part of the amount due under the Warrants (if any).

Non-collateralised Structured Products Supplemental Listing Document for Warrants over Single Equities



Issuer: The Bank of East Asia, Limited
東亞銀行有限公司

(incorporated in Hong Kong)

Key Terms

Warrants		
Stock code	15641	15642
Liquidity Provider broker ID	9605	9605
Issue size	70,000,000 Warrants	25,000,000 Warrants
Style	European style cash settled	European style cash settled
Type	Call	Call
Company	Guangzhou R&F Properties Co., Ltd.	Hengan International Group Company Limited
Shares	Existing issued ordinary H shares of the Company	Existing issued ordinary shares of the Company
Board Lot	4,000 Warrants	5,000 Warrants
Issue Price per Warrant	HK\$0.157	HK\$0.465
Cash Settlement Amount per Board Lot (if any) payable at expiry	For a series of call Warrants: $\frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrants per Entitlement}}$ For a series of put Warrants: $\frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrants per Entitlement}}$	
Exercise Price	HK\$10.26	HK\$97.044
Average Price (for all series)	The arithmetic mean of the closing prices of one Share for each Valuation Date	
Entitlement	1 Share	1 Share
Number of Warrants per Entitlement	10 Warrant(s)	10 Warrant(s)

Stock code	15641	15642
Maximum number of Shares to which the Warrants relate	7,000,000 Shares	2,500,000 Shares
Launch Date (for all series)	28 August 2014	
Issue Date (for all series)	3 September 2014	
Listing Date (for all series)	4 September 2014	
Valuation Date¹ (for all series)	Each of the five Business Days immediately preceding the Expiry Date	
Expiry Date²	24 February 2016	5 May 2015
Settlement Date (for all series)	The third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions	
Settlement Currency	Hong Kong dollars	Hong Kong dollars

¹ Subject to any potential postponement upon the occurrence of a Market Disruption Event, provided that no Valuation Date shall fall on or after the Expiry Date. Please see Product Condition 1 for details.

² If such day is a Saturday, Sunday or public holiday in Hong Kong, the immediately succeeding day which is not a Saturday, Sunday or public holiday in Hong Kong.

IMPORTANT INFORMATION

The Warrants are listed structured products which involve derivatives. Do not invest in them unless you fully understand and are willing to assume the risks associated with them.

What documents should you read before investing in the Warrants?

You must read this document together with our base listing document dated 11 April 2014 (the “**Base Listing Document**”), as supplemented by any addendum thereto (together, the “**Listing Documents**”), in particular the sections headed “General Conditions of Structured Products” (the “**General Conditions**”) and “Product Conditions of Cash Settled Warrants over Single Equities” (the “**Product Conditions**”) and together with the General Conditions, the “**Conditions**”) set out in our Base Listing Document. This document (as read in conjunction with our Base Listing Document and each addendum referred to in the section headed “Product Summary Statement”) is accurate as at the date of this document. You should carefully study the risk factors set out in the Listing Documents. You should also consider your financial position and investment objectives before deciding to invest in the Warrants. We cannot give you investment advice. You must decide whether the Warrants meet your investment needs before investing in the Warrants.

Is there any guarantee or collateral for the Warrants?

No. Our obligations under the Warrants are neither guaranteed by any third party, nor collateralised with any of our assets or other collaterals. When you purchase our Warrants, you are relying on our creditworthiness only, and of no other person. If we become insolvent or default on our obligations under the Warrants, you can only claim as an unsecured creditor of the Issuer. In such event, you may not be able to recover all or even part of the amount due under the Warrants (if any).

What are the Issuer’s credit ratings?

The Issuer’s credit ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody’s Investors Service, Inc., New York	A2 (negative outlook)
Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc.	A (stable outlook)

Rating agencies usually receive a fee from the companies that they rate. When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Warrants;
- ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;
- a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the Launch Date are for reference only. Any downgrading of our ratings could result in a reduction in the value of the Warrants;
- a credit rating is not an indication of the liquidity or volatility of the Warrants; and
- a credit rating may be downgraded if the Issuer’s credit quality declines.

The Warrants are not rated.

The Issuer’s credit ratings are subject to change or withdrawal at any time within each rating agency’s sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to the Issuer’s ratings from time to time.

Is the Issuer regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

The Issuer is a licensed bank regulated by, among others, the Hong Kong Monetary Authority.

Is the Issuer subject to any litigation?

Save as disclosed in the Listing Documents, the Issuer and its subsidiaries have no litigation or claims of material importance pending or threatened against it or them.

Has our financial position changed since last financial year-end?

Save as disclosed in the Listing Documents, there has been no material adverse change in the financial or trading position of the Issuer since 31 December 2013.

PRODUCT SUMMARY STATEMENT

The Warrants are listed structured products which involve derivatives. This statement provides you with key information about the Warrants. You should not invest in the Warrants based on the information contained in this statement alone. You should read and understand the remaining sections of this document, together with the other Listing Documents, before deciding whether to invest.

Overview of the Warrants

- **What is a derivative warrant?**

A derivative warrant is an instrument which gives the holder a right to “buy” or “sell” an underlying asset at a pre-set price called the exercise price on or prior to the expiry date. Investing in a derivative warrant does not give you any right in the underlying asset. Derivative warrants usually cost a fraction of the price of the underlying asset and may provide a leveraged return to you. Conversely, such leverage could also magnify your losses.

A call warrant is designed for an investor holding a view that the price of the underlying asset will increase during the term of the warrant.

A put warrant is designed for an investor holding a view that the price of the underlying asset will decrease during the term of the warrant.

- **How and when can you get back your investment?**

The Warrants are European style cash settled derivative warrants linked to the underlying Share. European style warrants can only be exercised on the expiry date. When the Warrants are exercised, the holder is entitled to a cash amount called the “**Cash Settlement Amount**” net of any Exercise Expenses (as defined under the heading “Exercise Expenses” in the sub-section titled “What are the fees and charges?” below) according to the terms and conditions in the Listing Documents. **If the Cash Settlement Amount is equal to or less than the Exercise Expenses, you will lose all of your investment in the Warrants.**

- **How do the Warrants work?**

The potential payoff at expiry for the Warrants is calculated by reference to the difference between the Exercise Price and the Average Price of the underlying Share.

A call Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Average Price of the underlying Share is greater than the Exercise Price. The more the Average Price is above the Exercise Price, the higher the payoff at expiry. If the Average Price is at or below the Exercise Price, you will lose all of your investment in the call Warrant.

A put Warrant will be automatically exercised at expiry without the need for the holder to deliver an exercise notice if the Average Price of the underlying Share is below the Exercise Price. The more the Average Price is below the Exercise Price, the higher the payoff at expiry. If the Average Price is at or above the Exercise Price, you will lose all of your investment in the put Warrant.

- **Can you sell the Warrants before the Expiry Date?**

Yes. We have made an application for listing of, and permission to deal in, the Warrants on the Stock Exchange. All necessary arrangements have been made to enable the Warrants to be admitted into the Central Clearing and Settlement System (“CCASS”). Issue of the Warrants is conditional upon listing approval being granted. From the Listing Date up to the last trading day of the Warrants (both dates inclusive), you may sell or buy the Warrants on the Stock Exchange. There shall be three CCASS Settlement Days between the last trading day of the Warrants and the Expiry Date. No application has been made to list the Warrants on any other stock exchange.

The Warrants may only be transferred in a Board Lot (or integral multiples thereof). Where a transfer of Warrants takes place on the Stock Exchange, currently settlement must be made not later than two CCASS Settlement Days after such transfer.

The Liquidity Provider will make a market in the Warrants by providing bid and/or ask prices. See the section headed “Liquidity” below.

- **What is your maximum loss?**

The maximum loss in the Warrants will be your entire investment amount plus any transaction costs.

- **What are the factors determining the price of a derivative warrant?**

The price of a derivative warrant generally depends on the price of the underlying asset (being the underlying Share for the Warrants). However, throughout the term of a derivative warrant, its price will be influenced by a number of factors, including:

- the exercise price of the derivative warrants;
- the value and volatility of the price of the underlying asset (being a measure of the fluctuation in the price of the underlying asset over time);
- the time remaining to expiry: generally, the longer the remaining life of the derivative warrant, the greater its value;
- the interim interest rates and expected dividend payments or other distributions on the underlying asset;
- the liquidity of the underlying asset;
- the supply and demand for the derivative warrant;
- our related transaction cost; and
- the creditworthiness of the issuer of the derivative warrant.

As the price of a derivative warrant is not only affected by the price of the underlying asset, movements in the price of a derivative warrant may not be proportionate or may even be opposite to the price movement of the underlying asset. For example:

- if the price of the underlying asset increases (in respect of a call warrant) or decreases (in respect of a put warrant), but the volatility of the price of the underlying asset decreases, the price of the warrant may decrease;
- if a warrant is deep-out-of-the-money (eg. when the fair market value is less than HK\$0.01), the price of the warrant may be insensitive to any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the price of the underlying asset;
- if the outstanding volume of a series of warrants in the market is high, the supply and demand of the warrant may have a greater impact on the warrant price than the price of the underlying asset; and/or
- the decrease in time value may offset any increase (in respect of a call warrant) or decrease (in respect of a put warrant) in the price of the underlying asset, especially when the warrant is close to its expiry where the time value decreases at a faster pace.

Risks of investing in the Warrants

You must read the section headed “Key Risk Factors” in this document together with the risk factors set out in our Base Listing Document. You should consider all these factors collectively when making your investment decision.

Liquidity

- **How to contact the Liquidity Provider for quotes?**

Warrants: Stock code: 15641 and 15642

Liquidity Provider: RHB OSK Securities Hong Kong Limited

Address: 12/F, World-Wide House, 19 Des Voeux Road Central, Hong Kong

Telephone Number: +852 2103-5689

The Liquidity Provider is regulated by the Stock Exchange and the Securities and Futures Commission. It is a third party broker who has entered into an agreement with us and will act as our agent in providing quotes. You can request a quote by calling the Liquidity Provider at the telephone number above.

- **What is the Liquidity Provider’s maximum response time for a quote?** The Liquidity Provider will respond within 10 minutes and the quote will be displayed on the Stock Exchange’s designated stock page for the Warrants.
- **Maximum spread between bid and ask prices:** 20 spreads
- **Minimum quantity for which liquidity will be provided:** 20 Board Lots
- **What are the circumstances under which the Liquidity Provider is not obliged to provide liquidity?**

There will be circumstances under which the Liquidity Provider is not obliged to provide liquidity. Such circumstances include:

- (i) during the first 5 minutes of each morning trading session or the first 5 minutes after trading commences for the first time on a trading day;
- (ii) during a pre-opening session or a closing auction session (if applicable) or any other circumstances as may be prescribed by the Stock Exchange;
- (iii) when the Warrants or the underlying Share are suspended from trading for any reason;
- (iv) when there are no Warrants available for market making activities. In such event, the Liquidity Provider shall continue to provide bid prices. Warrants held by us or any of our affiliates in a fiduciary or agency capacity are not Warrants available for market making activities;
- (v) when there are operational and technical problems beyond the control of the Liquidity Provider hindering the ability of the Liquidity Provider to provide liquidity;
- (vi) if the underlying Share or the stock market experiences exceptional price movement and high volatility over a short period of time which materially affects the Liquidity Provider’s ability to source a hedge or unwind an existing hedge; or
- (vii) if the theoretical value of the Warrants is less than HK\$0.01. If the Liquidity Provider chooses to provide liquidity under this circumstance, both bid and ask prices will be made available.

You should read the sub-section entitled “Possible limited secondary market” under the “Key Risk Factors” section for further information on the key risks when the Liquidity Provider is not able to provide liquidity.

How can you obtain further information?

- **Information about the underlying Company and the underlying Shares**

You may obtain information on the underlying Shares (including the underlying Company's financial statements) by visiting the Stock Exchange's website at www.hkex.com.hk or (if applicable) the underlying Company's website(s) as follows:

<i>Underlying Company</i>	<i>Website</i>
Guangzhou R&F Properties Co., Ltd.	http://www.rfchina.com
Hengan International Group Company Limited	http://www.hengan.com

- **Information about the Warrants after issue**

You may visit the Stock Exchange's website at www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm or our website at www.hkbea.com/warrants to obtain information on the Warrants or any notice given by us or the Stock Exchange in relation to the Warrants.

- **Information about us**

You should read the section "Updated Information about Us" in this document. You may visit www.hkbea.com to obtain general corporate information about us.

We have included references to websites in this document to indicate how further information may be obtained. Information appearing on those websites does not form part of the Listing Documents. We accept no responsibility for the accuracy or completeness of the information appearing on those websites. You should conduct your own due diligence (including without limitation web searches) to ensure that you are viewing the most up-to-date information.

What are the fees and charges?

- **Trading Fees and Levies**

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.003 per cent. for each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Warrants. The levy for the investor compensation fund is currently suspended.

- **Exercise Expenses**

You are responsible for any Exercise Expenses. Exercise Expenses mean any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants. Any Exercise Expenses will be deducted from the Cash Settlement Amount (if any). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable. As at the date of this document, no Exercise Expenses are payable for cash settled warrants (including the Warrants).

- **Stamp Duty**

No stamp duty is currently payable in Hong Kong on transfer of cash settled warrants (including the Warrants).

You should note that any transaction cost will reduce your gain or increase your loss under your investment in the Warrants.

What is the legal form of the Warrants?

Each series of the Warrants will be represented by a global certificate in the name of HKSCC Nominees Limited who is the only legal owner of the Warrants. We will not issue definitive certificates for the Warrants. You may arrange for your broker to hold the Warrants in a securities account on your behalf, or if you have a CCASS Investor Participant securities account, you may arrange for the Warrants to be held in such account. You will have to rely on the records of CCASS and/or the statements you receive from your brokers as evidence of your beneficial interest in the Warrants.

Can we adjust the terms or early terminate the Warrants?

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share or a restructuring event affecting the Company) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the underlying Shares.

We may early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our cost of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Please refer to General Condition 13 and Product Conditions 3 and 5 for details about adjustments or early termination events. Such events may negatively affect your investment and you may suffer a loss.

Mode of settlement for the Warrants

The Warrants will be automatically exercised on the Expiry Date in integral multiples of the Board Lot if the Cash Settlement Amount is positive. If the Cash Settlement Amount is zero or negative, or is equal to or less than the Exercise Expenses, you will lose all of your investment.

We will deliver a cash amount in the Settlement Currency equal to the Cash Settlement Amount net of any Exercise Expenses (if any) no later than the Settlement Date to HKSCC Nominees Limited (as the registered holder of the Warrants), which will then distribute such amount to the securities account of your broker (and if applicable, its custodian) or to your CCASS Investor Participant securities account (as the case may be). You may have to rely on your broker (and if applicable, its custodian) to ensure that the Cash Settlement Amount (if any) is credited to your account maintained with your broker. Once we make the payment to HKSCC Nominees Limited, who operates CCASS, you will have no further right against us for that payment, even if CCASS or your broker (and if applicable, its custodian) does not transfer your share of payment to you, or is late in making such payment transfer.

Payment of the Cash Settlement Amount (if any) may be delayed if a Settlement Disruption Event occurs on the Settlement Date, as a result of which we are unable to deliver such amount through CCASS on such day. See Product Condition 2 for further information.

Where can you inspect the relevant documents of the Warrants?

The following documents are available for inspection during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) until the Expiry Date at our office at 10 Des Voeux Road Central, Hong Kong:

- each of the Listing Documents (in separate English and Chinese versions), including:
 - this document
 - our Base Listing Document
- our latest audited consolidated financial statements and any interim or quarterly financial statements;
- the consent letter of our auditor, KPMG; and
- the instrument executed by us by way of deed poll dated 22 July 2010.

The Listing Documents are also available on the website of the HKEx at www.hkexnews.hk and our website at www.hkbea.com/warrants.

各上市文件亦可於香港交易所披露易網站(www.hkexnews.hk) 以及本公司網站 www.hkbea.com/warrants 瀏覽。

Are there any dealings in the Warrants before the Listing Date?

It is possible that there may have been dealings in the Warrants before the Listing Date. If there are any dealings in the Warrants by us or any of our subsidiaries or associated companies from the Launch Date prior to the Listing Date, we will report those dealings to the Stock Exchange by the Listing Date and such report will be released on the website of the Stock Exchange.

Have the auditors consented to the inclusion of their report to the Listing Documents?

Our auditor (“**Auditor**”) has given and has not since withdrawn its written consent to the inclusion of its report dated 18 February 2014 and/or the references to its name in our Base Listing Document, in the form and context in which they are included. Its report was not prepared exclusively for incorporation into our Base Listing Document. The Auditor does not own any of our shares or shares in any member of our group, nor does it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any member of our group.

Authorisation of the Warrants

Our management, pursuant to the approvals by our Marketing Strategic Group and Senior Management Meeting, authorised the issue of structured products on 19 January 2010 and 29 September 2011.

Selling restrictions

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

The offer or transfer of the Warrants is also subject to the selling restrictions specified in our Base Listing Document.

Capitalised terms and inconsistency

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the Conditions. If this document is inconsistent with our Base Listing Document, this document shall prevail.

KEY RISK FACTORS

You must read these key risk factors together with the risk factors set out in our Base Listing Document. These key risk factors do not necessarily cover all risks related to the Warrants. If you have any concerns or doubts about the Warrants, you should obtain independent professional advice.

Non-collateralised structured products

The Warrants are not secured on any of our assets or any collateral.

Credit risk

If you invest in the Warrants, you are relying on our creditworthiness and of no other person. If we become insolvent or default on our obligations under the Warrants, you can only claim as our unsecured creditor regardless of the performance of the underlying Shares and you may not be able to recover all or even part of the amount due under the Warrants (if any). You have no rights under the terms of the Warrants against the Company.

Warrants are not principal protected and may expire worthless

Although the cost of a Warrant may cost a fraction of the value of the underlying Share, the Warrant's price may change more rapidly than the price of the underlying Share. Given the gearing feature inherent in the Warrants, a small change in the price of the underlying Share may lead to a substantial price movement in the Warrants.

Unlike stocks, the Warrants have a limited life and will expire on the Expiry Date. In the worst case, the Warrants may expire with no value and you will lose all of your investment. Derivative warrants may only be suitable for experienced investors who are willing to accept the risk that they may lose all their investment.

The Warrants can be volatile

Prices of the Warrants may rise or fall rapidly. You should carefully consider, among other things, the following factors before dealing in the Warrants:

- (i) the prevailing trading price of the Warrants;
- (ii) the Exercise Price of the Warrants;
- (iii) the value and volatility of the price of the underlying Share;
- (iv) the time remaining to expiry;
- (v) the probable range of the Cash Settlement Amount;
- (vi) the interim interest rates and expected dividend payments or other distributions on the underlying Share;
- (vii) the liquidity of the underlying Share;
- (viii) the related transaction costs (including the Exercise Expenses, if any);
- (ix) the supply and demand for the Warrants; and
- (x) the creditworthiness of the Issuer.

The price of a Warrant may be affected by all these factors in addition to the trading price of the underlying Share. Therefore, movements in the price of the Warrants may not be proportionate or may even be opposite to the price movement of the underlying Share. You should consider all these factors collectively when making your investment decision.

Time decay

All other factors being equal, the value of a Warrant is likely to decrease over time. Therefore, the Warrants should not be viewed as a product for long term investments.

Not the same as investing in the underlying Shares

Investing in the Warrants is not the same as investing in the underlying Share. You have no rights in the underlying Share throughout the term of the Warrants. Changes in the market value of the Warrants may not correspond with the movements in the price of the underlying Share, especially when the theoretical value of the Warrants is at HK\$0.01 or below. If you buy the Warrants with a view to hedge against your exposure to the

underlying Share, it is possible that you could suffer loss in your investment in the underlying Share and the Warrants.

Suspension of trading

If trading in the underlying Share is suspended on the Stock Exchange, trading in the Warrants will be suspended for a similar period. In the case of a prolonged suspension period, the price of the Warrants may be subject to a significant impact of time decay due to such prolonged suspension and may fluctuate significantly upon resumption of trading, which may adversely affect your investment.

Possible limited secondary market

The Liquidity Provider may be the only market participant for the Warrants and therefore the secondary market for the Warrants may be limited. The more limited the secondary market, the more difficult it may be for you to realise the value in the Warrants prior to expiry.

You should also be aware that the Liquidity Provider may not be able to provide liquidity when there are operational and technical problems hindering its ability to do so. Even if the Liquidity Provider is able to provide liquidity in such circumstances, its performance of liquidity provision may be adversely affected. For example:

- (i) the spread between bid and ask prices quoted by the Liquidity Provider may be significantly wider than its normal standard;
- (ii) the quantity for which liquidity will be provided by the Liquidity Provider may be significantly smaller than its normal standard; and/or
- (iii) the Liquidity Provider's response time for a quote may be significantly longer than its normal standard.

Adjustment related risk

The occurrence of certain events (including, without limitation, a rights issue, bonus issue or cash distribution by the Company, a subdivision or consolidation of the underlying Share and a restructuring event affecting the Company) may entitle us to adjust the terms and conditions of the Warrants. However, we are not obliged to adjust the terms and conditions of the Warrants for every event that affects the underlying Share. Any adjustment or decision not to make any adjustment may adversely affect the value of the Warrants. Please refer to Product Condition 3 and 5 for details about adjustments.

Possible early termination

The Warrants will lapse and cease to be valid in the event of liquidation of the Company. We may also early terminate the Warrants if it becomes illegal or impracticable for us (i) to perform our obligations under the Warrants as a result of a change in law event, or (ii) to maintain our hedging arrangement with respect to the Warrants due to a change in law event. In such event, the amount payable by us (if any) will be the fair market value of the Warrants less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero. Please refer to General Condition 13 for details about our early termination rights.

Time lag between exercise and settlement of the Warrants

There is a time lag between exercise of the Warrants and payment of the Cash Settlement Amount net of Exercise Expenses (if any). There may be delays in the electronic settlement or payment through CCASS.

Conflict of interest

We and our subsidiaries and affiliates engage in a wide range of commercial and investment banking, brokerage, funds management, hedging, investment and other activities and may possess material information about the Company and/or the underlying Shares or issue or update research reports on the Company and/or the underlying Shares. Such activities, information and/or research reports may involve or affect the Company and/or the underlying Shares and may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of the Warrants. We have no obligation to disclose such information and may issue research reports and engage in any such activities without regard to the issue of the Warrants.

In the ordinary course of our business, we and our subsidiaries and affiliates may effect transactions for our own account or for the account of our customers and may enter into one or more transactions with respect to the Company and/or the underlying Shares or related derivatives. This may indirectly affect your interests.

No direct contractual rights

The Warrants are issued in global registered form and are held within CCASS. You will not receive any definitive certificate and your name will not be recorded in the register of the Warrants. The evidence of your interest in the Warrants, and the efficiency of the ultimate payment of the Cash Settlement Amount net of

Exercise Expenses (if any), are subject to the CCASS Rules. You will have to rely on your broker (or, if applicable, its direct or indirect custodians) and the statements you receive from it as evidence of your interest in the Warrants. You do not have any direct contractual rights against us. To assert your rights as an investor in the Warrants, you will have to rely on your broker (and, if applicable, its direct or indirect custodian) to take action on your behalf. If your broker or, if applicable, its direct or indirect custodian:

- (i) fails to take action in accordance with your instructions;
- (ii) becomes insolvent; or
- (iii) defaults on its obligations,

you will need to take action against your broker in accordance with the terms of arrangement between you and your broker to establish your interest in the Warrants first before you can assert your right of claim against us. You may experience difficulties in taking such legal proceedings. This is a complicated area of law and you should seek independent legal advice for further information.

The Listing Documents should not be relied upon as the sole basis for your investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us or our affiliates to invest in the Warrants or the underlying Share.

Updated Information about Us

Extracts of our 2014 Interim Results

The information in this section has been extracted from our announcement of 2014 interim results. The information in this section is not complete and reference should be made to such announcement which can be downloaded from our website at <http://www.hkbea.com/html/en/bea-about-bea-investor-communication-dates-of-results-announcement.html>.

References to page numbers on the following pages are to the page numbers of such announcement.

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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)

ANNOUNCEMENT OF 2014 INTERIM RESULTS

INTERIM RESULTS

The Board of Directors of the Bank is pleased to announce the unaudited results (Note 1(a)) of the Group for the six months ended 30th June, 2014. The interim financial report is prepared on a basis consistent with the accounting policies and methods adopted in the 2013 audited accounts, except for the accounting policy changes that are expected to be reflected in the 2014 audited accounts. Details of these changes in accounting policies are set out in Note 2. The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the HKICPA.

Consolidated Income Statement

	6 months ended 30/6/2014	6 months ended 30/6/2013 Restated
	HK\$ Mn	HK\$ Mn
Interest income	13,684	11,915
Interest expense	(7,443)	(6,251)
Net interest income	<u>6,241</u>	<u>5,664</u>
Fee and commission income	2,579	2,407
Fee and commission expense	(438)	(426)
Net fee and commission income	2,141	1,981
Net trading profits	538	626
Net result from financial instruments designated at fair value through profit or loss	(53)	(281)
Net hedging loss	(1)	(14)
Other operating income	336	344
Non-interest income	<u>2,961</u>	<u>2,656</u>
Operating income	9,202	8,320
Operating expenses	(4,893)	(4,507)
Operating profit before impairment losses	<u>4,309</u>	<u>3,813</u>
Impairment losses on loans and advances	(319)	(182)
Write back of impairment losses on held-to-maturity investments	3	-
Impairment losses on available-for-sale financial assets	-	(1)
Impairment losses	<u>(316)</u>	<u>(183)</u>
Operating profit after impairment losses	3,993	3,630
Net profit on sale of available-for-sale financial assets	68	59
Net loss on disposal of fixed assets	(3)	-
Valuation gains on investment properties	115	319
Share of profits less losses of associates	309	378
Profit for the period before taxation	<u>4,482</u>	<u>4,386</u>
Income tax		
Current tax (Note 1(b))		
- Hong Kong	(406)	(415)
- Outside Hong Kong	(407)	(440)
Deferred tax	(37)	(101)
Profit for the period after taxation	<u><u>3,632</u></u>	<u><u>3,430</u></u>
Attributable to:		
Owners of the parent	3,580	3,376
Non-controlling interests	52	54
Profit after taxation	<u><u>3,632</u></u>	<u><u>3,430</u></u>
Profit for the Bank	<u><u>1,790</u></u>	<u><u>1,755</u></u>
Per share		
- Basic earnings (Note 1(c))	HK\$1.48	HK\$1.43
- Diluted earnings (Note 1(c))	HK\$1.48	HK\$1.43

Consolidated Statement of Comprehensive Income

	6 months ended 30/6/2014 <u>HK\$ Mn</u>	6 months ended 30/6/2013 <u>HK\$ Mn</u>
Net profit	<u>3,632</u>	<u>3,430</u>
Other comprehensive income for the period (after taxation and reclassification adjustments):		
Item that will not be reclassified to income statement:		
Premises:		
- unrealised surplus on revaluation of premises	-	670
- exchange differences	(2)	2
Items that may be reclassified subsequently to income statement:		
Available-for-sale investment revaluation reserve:		
- fair value changes recognised to/(from) equity	732	(382)
- fair value changes reclassified from/(to) income statement:		
- on impairment and amortisation	1	15
- on disposal	(43)	(100)
- deferred taxes	(131)	54
- exchange differences	5	(1)
Share of changes in equity of associates	(24)	2
Exchange differences on other reserves	(80)	33
Exchange differences on translation of:		
- accounts of overseas branches, subsidiaries and associates	(473)	123
Other comprehensive income	<u>(15)</u>	<u>416</u>
Total comprehensive income	<u><u>3,617</u></u>	<u><u>3,846</u></u>
Total comprehensive income attributable to:		
Owners of the parent	3,565	3,792
Non-controlling interests	52	54
	<u><u>3,617</u></u>	<u><u>3,846</u></u>

Consolidated Statement of Financial Position

	30/6/2014	31/12/2013
	HK\$ Mn	HK\$ Mn
ASSETS		
Cash and balances with banks and other financial institutions	61,451	68,777
Placements with banks and other financial institutions	63,886	57,372
Trade bills	66,768	59,932
Trading assets	4,641	5,331
Financial assets designated at fair value through profit or loss	10,738	11,606
Positive fair value of derivatives	3,834	3,625
Advances to customers and other accounts	479,192	448,255
Available-for-sale financial assets	86,154	71,589
Held-to-maturity investments	5,504	5,048
Investments in associates	5,814	4,779
Fixed assets	13,278	13,530
- Investment properties	4,433	4,400
- Other property and equipment	8,845	9,130
Goodwill and intangible assets	3,983	3,990
Deferred tax assets	106	120
Total Assets	805,349	753,954
EQUITY AND LIABILITIES		
Deposits and balances of banks and other financial institutions	27,753	28,923
Deposits from customers	559,512	534,971
- Demand deposits and current accounts	64,264	69,259
- Savings deposit	92,480	92,936
- Time, call and notice deposits	402,768	372,776
Trading liabilities	39	11
Negative fair value of derivatives	3,315	4,545
Certificates of deposit issued	48,691	42,929
- At fair value through profit or loss	12,349	8,509
- At amortised cost	36,342	34,420
Current taxation	1,516	1,353
Debt securities issued	23,966	4,728
- At fair value through profit or loss	6,367	150
- At amortised cost	17,599	4,578
Deferred tax liabilities	801	647
Other accounts and provisions	54,755	53,981
Loan capital - at amortised cost	13,791	13,632
Total Liabilities	734,139	685,720
Capital and reserves		
Share capital: nominal value	-	5,724
Other statutory capital reserves	-	17,770
Share capital and other statutory capital reserves	24,622	23,494
Other reserves	42,036	40,188
Total equity attributable to owners of the parent	66,658	63,682
Non-controlling interests	4,552	4,552
Total Equity	71,210	68,234
Total Equity and Liabilities	805,349	753,954

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves *	Retained profits	Total	Non-controlling interests	Total Equity
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
At 1 st January, 2014	5,724	17,770	69	2,874	978	1,642	200	13,877	3,770	16,778	63,682	4,552	68,234
Changes in equity													
Profit for the period	-	-	-	-	-	-	-	-	-	3,580	3,580	52	3,632
Other comprehensive income	-	-	-	(473)	564	(2)	-	-	(104)	-	(15)	-	(15)
Total comprehensive income	-	-	-	(473)	564	(2)	-	-	(104)	3,580	3,565	52	3,617
Shares issued in lieu of dividend	1,096	-	-	-	-	-	-	-	-	-	1,096	-	1,096
Shares issued under Staff Share Option Schemes	26	-	-	-	-	-	-	-	-	-	26	-	26
Equity settled share-based transaction	-	-	11	-	-	-	-	-	-	-	11	-	11
Transfer	6	-	(6)	-	-	-	30	56	32	(118)	-	-	-
Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	(1,722)	(1,722)	(53)	(1,775)
Purchase of interests in businesses from non-controlling interests investors	-	-	-	-	-	-	-	-	-	-	-	1	1
Transition to no-par value regime on 3 rd March, 2014 (Note 1(e))	17,770	(17,770)	-	-	-	-	-	-	-	-	-	-	-
At 30 th June, 2014	24,622	-	74	2,401	1,542	1,640	230	13,933	3,698	18,518	66,658	4,552	71,210
At 1 st January, 2013	5,568	16,083	135	2,769	1,012	976	130	13,823	2,611	14,046	57,153	4,486	61,639
Changes in equity													
Profit for the period	-	-	-	-	-	-	-	-	-	3,376	3,376	54	3,430
Other comprehensive income	-	-	-	123	(414)	672	-	-	35	-	416	-	416
Total comprehensive income	-	-	-	123	(414)	672	-	-	35	3,376	3,792	54	3,846
Shares issued in lieu of dividend	84	908	-	-	-	-	-	-	-	-	992	-	992
Shares issued under Staff Share Option Schemes	2	30	-	-	-	-	-	-	-	-	32	-	32
Equity settled share-based transaction	-	-	11	-	-	-	-	-	-	-	11	-	11
Transfer	-	4	(60)	-	-	-	-	30	493	(467)	-	-	-
Dividends declared or approved during the period	-	-	-	-	-	-	-	-	-	(1,567)	(1,567)	(35)	(1,602)
Exchange adjustments	-	-	-	-	-	-	-	-	-	-	-	3	3
At 30 th June, 2013	5,654	17,025	86	2,892	598	1,648	130	13,853	3,139	15,388	60,413	4,508	64,921

* Other reserves include statutory reserve and other reserves.

Condensed Consolidated Cash Flow Statement

	6 months ended 30/6/2014 <u>HK\$ Mn</u>	6 months ended 30/6/2013 <u>HK\$ Mn</u>
Cash used in operations	(38,182)	(51,288)
Tax paid	<u>(645)</u>	<u>(356)</u>
Net cash used in operating activities	(38,827)	(51,644)
Net cash used in investing activities	(951)	(441)
Net cash generated from financing activities	<u>23,754</u>	<u>8,101</u>
Net decrease in cash and cash equivalents	(16,024)	(43,984)
CASH AND CASH EQUIVALENTS AT 1 st JANUARY	<u>90,007</u>	<u>99,738</u>
CASH AND CASH EQUIVALENTS AT 30 th JUNE	<u><u>73,983</u></u>	<u><u>55,754</u></u>
Cash flows from operating activities included:		
Interest received	13,470	11,907
Interest paid	6,941	6,135
Dividend received	44	39

Notes:

1. (a) This interim results announcement has been prepared in accordance with the same accounting policies adopted in the 2013 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2014 annual financial statements. Details of these changes in accounting policies are set out in Note 2 below. The financial information relating to the financial year ended 31st December, 2013 that is included in the interim financial report as being previously reported information does not constitute the Group's statutory financial statements for that financial year but is derived from those financial statements. The statutory accounts for the year ended 31st December, 2013 are available from the Bank's registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated 18th February, 2014.
- (b) The provision for Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the six months ended 30th June, 2014. Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.
- (c) (i) The calculation of basic earnings per share is based on earnings of HK\$3,415 million (six months ended 30th June, 2013 : HK\$3,213 million) after the distribution of HK\$165 million (six months ended 30th June, 2013: HK\$163 million) to Hybrid Tier 1 issue holders and on the weighted average of 2,309 million (six months ended 30th June, 2013: 2,243 million) ordinary shares outstanding during the six months ended 30th June, 2014.
- (ii) The calculation of diluted earnings per share is based on earnings of HK\$3,415 million (six months ended 30th June, 2013: HK\$3,213 million) after the distribution of HK\$165 million (six months ended 30th June, 2013: HK\$163 million) to Hybrid Tier 1 issue holders and on 2,309 million (six months ended 30th June, 2013: 2,245 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the six months ended 30th June, 2014, adjusted for the effects of all dilutive potential shares.
- (d) Dividends

- (i) Dividends payable to equity owners of the parent attributable to the interim period

	6 months ended 30/6/2014	6 months ended 30/6/2013
	HK\$ Mn	HK\$ Mn
Interim dividend declared after the interim period of HK\$0.43 per share (six months ended 30 th June, 2013: HK\$0.43 per share)	<u>1,001</u>	<u>973</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

- (ii) Dividends payable to equity owners of the parent attributable to the previous financial year, approved and paid during the interim period

	6 months ended 30/6/2014	6 months ended 30/6/2013
	HK\$ Mn	HK\$ Mn
Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.68 per share (2013: HK\$0.63 per share)	-	1
Second interim dividend in lieu of the final dividend of HK\$0.68 per share on 2,290 million shares (2013: HK\$0.63 per share on 2,227 million shares)	<u>1,557</u>	<u>1,403</u>
	<u>1,557</u>	<u>1,404</u>

(e) Share Capital

As at 31st December, 2013, 4,000 million ordinary shares, with par value of HK\$2.5 each, were authorised for issue. Under the new Hong Kong Companies Ordinance (Cap. 622) ("New CO"), which has been effective since 3rd March, 2014, the concept of 'authorised capital' and 'par value' no longer exists. As part of the transition to no-par value regime, the amount standing to the credit of the share premium account on 3rd March, 2014 has become part of the Bank's share capital, under the transitional provisions set out in section 37 of Schedule 11 to the New CO. These changes do not have an impact on the number of shares in issue or the relative entitlement of any of the members.

Movement of the Bank's ordinary shares is set out below:

	<u>At 30th June, 2014</u>		<u>At 31st December, 2013</u>	
	<u>No. of shares</u>		<u>No. of shares</u>	
	(Mn)	HK\$ Mn	(Mn)	HK\$ Mn
Ordinary shares, issued and fully paid:				
At 1 st January	2,290	5,724	2,227	5,568
Shares issued under Staff Share Option Schemes	1	26	5	12
Transition to no-par value regime on 3 rd March 2014	-	17,770	-	-
Transfer of the fair value of options from capital reserve – share options issued	-	6	-	-
Shares issued in lieu of dividend	37	1,096	58	144
At 30 th June / 31 st December	<u>2,328</u>	<u>24,622</u>	<u>2,290</u>	<u>5,724</u>

(f) Share premium

Prior to 3rd March, 2014, the application of the share premium account was governed by section 48B of the predecessor Hong Kong Companies Ordinance (Cap. 32). In accordance with the transitional provisions set out in section 37 of Schedule 11 to the New CO, on 3rd March, 2014 any amount standing to the credit of the share premium account has become part of the Bank's share capital (Note 1(e)). The use of share capital as from 3rd March, 2014 is governed by the New CO.

2. Changes in Accounting Policies

The HKICPA has issued the following amendments to HKFRSs and one new interpretation that are first effective for the current accounting period of the Group:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Interest Income

	6 months ended 30/6/2014 HK\$ Mn	6 months ended 30/6/2013 HK\$ Mn
Securities classified as held-to-maturity or available-for-sale		
- listed	423	323
- unlisted	729	489
Trading assets		
- listed	5	8
- unlisted	88	128
Interest rate swaps	948	823
Financial assets designated at fair value through profit or loss		
- listed	152	215
- unlisted	97	96
Loans, deposits with banks and financial institutions, and trade bills	11,242	9,833
	<u>13,684</u>	<u>11,915</u>

Included above is interest income accrued on impaired financial assets of HK\$53 million (six months ended 30th June, 2013: HK\$41 million).

4. Interest Expense

	6 months ended 30/6/2014 HK\$ Mn	6 months ended 30/6/2013 HK\$ Mn
Customer deposits, deposits of banks and other financial institutions and certificates of deposit issued which are stated at amortised cost	5,855	4,808
Debt securities issued	137	151
Subordinated notes carried at amortised cost	375	373
Interest rate swaps	967	854
Financial instruments designated at fair value through profit or loss	108	64
Other borrowings	1	1
	<u>7,443</u>	<u>6,251</u>

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