

Principal Brochure

Equity-Linked Deposit (Put Option)

- **Equity-Linked Deposit (Put Option) is a structured product which involves derivatives offered by Bank of China (Hong Kong) Limited (a licensed bank regulated by the Hong Kong Monetary Authority).**

- **This is not a time deposit and is not a principal protected product.**

- **The issue date of this Principal Brochure is 28 April 2010**



中國銀行(香港)

BANK OF CHINA (HONG KONG)

Important Notice

The Equity-Linked Deposit (Put Option) described in this Principal Brochure (“ELD (Put Option)”) is a structured product which is embedded with derivatives. The investment decision is yours but you should not invest in this ELD (Put Option) unless the intermediary who sells it to you has explained to you that this product is suitable for you with consideration to your financial situation, investment experience and investment objectives. The intermediary who sells this ELD (Put Option) to you is under a duty to ensure that you fully understand the nature and risks associated with this product, and that you have sufficient net worth to assume the risks and bear the potential losses of investing in this ELD (Put Option).

Important Risk Warnings

Not a protected deposit – The ELD (Put Option) is **NOT** protected by the Deposit Protection Scheme or the Investor Compensation Fund in Hong Kong. The payment derived from the ELD (Put Option) is **NOT** guaranteed by the Hong Kong SAR Government’s Exchange Fund.

Not a time deposit – The ELD (Put Option) is a structured product. It is **NOT** the same, and should **NOT** be regarded as, a substitute for traditional time deposits.

No principal protection and full downside risk – The ELD (Put Option) is **NOT PRINCIPAL PROTECTED**. Upon maturity, you may receive shares instead of the Principal Amount. The value of such shares may be substantially less than the Principal Amount (your original investment), and **could even fall to zero**. You may therefore lose your entire investment.

Credit and insolvency risk – The settlement of the ELD (Put Option) is subject to the credit and insolvency risks of Bank of China (Hong Kong) Limited (the “Bank”). Should the Bank become insolvent or go into liquidation or default on its obligations, you will be ranked as an unsecured creditor of the Bank and may lose your entire investment, regardless of the performance of the Linked Stock or the terms of the ELD (Put Option).

Potential return is capped – The potential return derived from the ELD (Put Option) is limited to the pre-determined Coupon Amount, even if your view on the price movement of the Linked Stock is correct.

Not backed by collateral – The ELD (Put Option) is **NOT** backed by any collateral.

No direct investment in Linked Stock – An investment in ELD (Put Option) is **NOT** a direct investment in the Linked Stock. You do not own the Linked Stock throughout the term of the ELD (Put Option). A change in the price of the Linked Stock may not lead to a change in the market value of the ELD (Put Option) of the same direction or magnitude or even any change at all.

No secondary market – The ELD (Put Option) is **NOT** a listed security. There is no secondary market for you to sell your ELD (Put Option) prior to its maturity.

Hold till maturity – The ELD (Put Option) is non-transferable and non-negotiable. It is a type of investment that is intended to be held until maturity. You will not be allowed to sell or terminate your ELD (Put Option) before maturity.

Early termination risk – The Bank may terminate your ELD (Put Option) prior to its maturity if it determines that an Extraordinary Event has occurred or exists, and no adjustment would be appropriate to account for such event. The Bank will give you written notice of early termination and pay you such amount as shall be determined by the Bank to be the fair market value of the ELD (Put Option) as at the date of early termination, but only after taking into account all costs, losses or expenses that the Bank incurs with respect to the early termination, and you may suffer a substantial or total loss of your investment. Please see the section headed “Early termination as a result of Extraordinary Event” on page 5 for details.

For a detailed list of risk factors concerning ELD (Put Option), please refer to the section headed “Risk Factors” on page 10.

A. What is an ELD (Put Option)?

- ELD (Put Option) is embedded with derivatives, whose return is dependent on the performance of the Linked Stock.
- By investing in the ELD (Put Option), you are selling a put option over the Linked Stock to the Bank in return for an option premium in the form of the Coupon Amount which you are entitled to receive on the Maturity Date.
- By selling a put option to the Bank, you agree to buy from the Bank the Number of Shares at the Strike Price if the Final Closing Price of the Linked Stock is lower than the Strike Price (as more particularly described below). You may suffer a substantial or total loss of your investment in this case.

B. Glossary

Coupon Amount : The cash amount you are entitled to receive upon maturity of the ELD (Put Option), determined by reference to the Investment Tenor and calculated as follows:

$\text{Principal Amount} \times \text{Coupon Rate} \times \text{Investment Tenor} / 365$

Coupon Rate : An annualized percentage rate pre-set by the Bank which is used to calculate the Coupon Amount. Such annualized rate is based on the assumption that the ELD (Put Option) can be rolled over under the same terms for 365 days and the actual return should be calculated by taking into account the Investment Period. The Bank will quote the Coupon Rate upon your enquiry.

Determination Date : The day that is two Hong Kong trading days prior to the Maturity Date and on which the official closing price of the Linked Stock is used to determine your settlement method on the Maturity Date, subject to postponement.

Exchange : The Stock Exchange of Hong Kong Limited

Extraordinary Event : An event including (but not limited to) merger, tender or takeover or similar offer, nationalization of the Linked Company, bankruptcy or insolvency of the Linked Company, delisting of the Linked Stock on the Exchange, and/or hedging disruption with respect to the Bank's hedging positions relating to the ELD (Put Option) and any other event determined by the Bank in good faith as having an analogous effect to any of the above events.

Final Closing Price : The official closing price per share of the Linked Stock as of the Determination Date as published by the Exchange

Investment Period : Usually a period of 1 month, 2 months or 3 months, as selected by you, starting from (and including) the Trade Date and ending on (but excluding) the Maturity Date. The Bank may also consider any shorter or longer period (between 1 week and 1 year) on your request.

Investment Tenor : The number of calendar days in the Investment Period

Linked Company : The company that issues the Linked Stock

Linked Stock : The single stock linked to your ELD (Put Option). Not all stocks listed on the Exchange may be used as the Linked Stock. Please ask the Bank's staff for further information.

Maturity Date : The day on which the ELD (Put Option) expires and is to be settled (but if the Determination Date is postponed, settlement will also be postponed accordingly).

Minimum Application Amount : HKD100,000

Number of Shares : The pre-determined number of shares of the Linked Stock which you will be delivered on the Maturity Date if the Final Closing Price of the Linked Stock is below the Strike Price, and is calculated as follows:
Number of Shares = Principal Amount / Strike Price

Principal Amount : The actual amount of your investment in the ELD (Put Option) payable by you on the Trade Date, which is equal to the value (with reference to the Strike Price) of an integral multiple of board lot size of the Linked Stock.

Spot Price : The market price per share of the Linked Stock at which the ELD (Put Option) is executed on the Trade Date.

Strike Price : A discounted price of the Spot Price as agreed between you and the Bank, which is the price of the Number of Shares you are obligated to buy from the Bank on the Determination Date if the Final Closing Price of the Linked Stock is below the Strike Price.

Trade Date : The first day of the Investment Period and on which your ELD (Put Option) application is accepted and executed and the Principal Amount is settled.

C. How does an ELD (Put Option) work?

• **Selecting Parameters of ELD (Put Option).** ELD (Put Option) is denominated in Hong Kong Dollars. You can decide your application amount (provided that it must not be less than the Minimum Application Amount) and select the Linked Stock, target Strike Price and Investment Period.

• **Coupon Rate and Coupon Amount.** The Coupon Rate will be determined by the Bank having regard to factors such as prevailing market conditions, implied volatility of the Linked Stock, Strike Price and the Investment Period selected by you. You will be entitled to receive the Coupon Amount on the Maturity Date in respect of the Investment Tenor at the Coupon Rate no matter what the Final Closing Price may be.

• **No Early Withdrawal.** You are not allowed to early withdraw the Principal Amount or any part of it, or to transfer or early terminate the ELD (Put Option) during the Investment Period.

• **Determination Date.** The settlement method for your ELD (Put Option) on the Maturity Date will be determined on the Determination Date by comparing the Strike Price with the Final Closing Price:

♦ **Cash Payment on the Maturity Date.** If the Final Closing Price of the Linked Stock is at or above the Strike Price, the put option will not be exercised and you will receive in cash the Principal Amount and the Coupon Amount on the Maturity Date.

♦ **Delivery of Shares on the Maturity Date.** If the Final Closing Price of the Linked Stock is below the Strike Price, the put option will be exercised by the Bank and you will receive the Number of Shares and the Coupon Amount in cash on the Maturity Date. In other words, you will be required to buy the Number of Shares at the Strike Price on the Determination Date (starting from which you will be entitled to all rights attaching to the Number of Shares). The then market price of those shares may be less or substantially less than the Strike Price and you may suffer a substantial or total loss of your investment. Please see hypothetical examples set out in the section headed “Scenario Analysis” on page 6 below.

• **Physical Settlement Expense.** If it is determined on the Determination Date that you are entitled to delivery of shares on the Maturity Date, then regardless of the market value of the Number of Shares upon delivery, the Bank will charge a physical settlement expense equal to 0.2% of the Principal Amount. You will also be required to pay the buyer’s stamp duty based on the value of the Linked Stock calculated at the Strike Price. No cash settlement expense is payable if you are entitled to receive cash only on the Maturity Date. There is no service charge for subscription of the ELD (Put Option).

D. Adjustments, early termination and disruptions events

The ELD (Put Option) is subject to the consequences of certain events which may affect the determination of the Final Closing Price and/or settlement on the Maturity Date, and may also result in adjustment to certain terms or even early termination of the ELD (Put Option), as described below. You should note that, under these circumstances, you may receive cash or the Number of Shares, which may be worth less than the Principal Amount.

Where any such event results in postponement of settlement of the ELD (Put Option), the Bank will pay interest on the Principal Amount for the extended period at the Bank’s then prevailing interest rate for ordinary HKD deposits, but will not otherwise be liable for any such postponement.

• **Adjustments by the Bank.** If the Bank determines that during the term of the ELD (Put Option) the following event has occurred or exists:

- an Extraordinary Event; or
- any corporate event (each a “Potential Adjustment Event”)that has a diluting or concentrative effect on the theoretical value of the Linked Stock, for example:
 - bonus issue or rights issue
 - subdivision, consolidation or reclassification of the Linked Stock
 - distribution, issue or dividend to existing holders of the Linked Stock of additional shares or other share capital or securities
 - an extraordinary dividend
 - any other similar event that has a diluting or concentrative effect

It may, acting in good faith and in a commercially reasonable manner, make such adjustment(s) as it considers appropriate to the terms of the ELD (Put Option) in order to preserve the economic equivalent of the ELD (Put Option).

• **Early termination as a result of Extraordinary Event.** If the Bank determines in good faith and in a commercially reasonable manner that no adjustment as described in the preceding paragraph would be appropriate for an Extraordinary Event, it may give you written notice of early termination of the ELD (Put Option) and pay you as soon as practicable the fair market value of the ELD (Put Option) as at the date of early termination, but only after taking into account of all costs, losses or expenses that the Bank incurs with respect to the early termination, including the cost of unwinding any related hedging arrangements entered into by the Bank and any replacement liquidity costs.

• **Consequences of market disruption.** If the Bank determines that an event has occurred or exists on the Determination Date such that trading of the Linked Stock is disrupted or suspended or the Final Closing Price is otherwise unavailable or affected, it may postpone the Determination Date to the first succeeding trading day on which there is no such event. However, if such event persists for up to 8 days, the Bank will determine in its good faith and in a commercially reasonable manner the fair market value of the Linked Stock on the 8th day, which shall be deemed to be the Final Closing Price to be used to determine the settlement method for the ELD (Put Option). Settlement of the ELD (Put Option) will be postponed accordingly.

• **Consequences of settlement disruption.** If an event beyond the control of the Bank has occurred or exists on the date for settling the ELD (Put Option) such that clearing of the Linked Stock cannot be effected by CCASS in the usual manner, the Bank may postpone settlement to the first succeeding day on which clearing of the Linked Stock can be effected by CCASS. However, if such event persists for up to 8 days after the original date for settlement, the Bank will settle and discharge all its obligations under the ELD (Put Option) by cash payment of an amount equal to the fair market value of the Number of Shares (as determined by the Bank in good faith and in a commercially reasonable manner) in lieu of physical settlement as soon as practicable, but only after taking into account all costs, losses and expenses that the Bank incurs with respect to the cash settlement.

• **Notice from the Bank.** The Bank will act in good faith and in a commercially reasonable manner in respect of any of the above events and in determining the consequences. The Bank will give you written notice of such event and the actions to be taken by the Bank as soon as practicable.

E. Scenario Analysis

The following examples and scenarios are provided for illustration purposes only. They are purely hypothetical and not based on any historical performance of the MTR Corporation stock. The Bank does not purport to forecast any future price movement of the MTR Corporation stock. These scenarios do not represent all possible outcomes or describe all possible factors that may affect the outcome of an investment in ELD (Put Option), nor do they represent any term of an ELD (Put Option). You should not rely on the following examples and scenarios when making your investment decisions.

The following scenarios do not take into account any relevant physical settlement expense or stamp duty referred to above. All prices indicated below are hypothetical prices only and should not be relied on for any purpose.

In the worst case scenario, if the Final Closing Price of the Linked Stock falls to zero, and without taking into account any physical settlement expense or any buyer's stamp duty (payable by you), your maximum loss would be 99.20% of the Principal Amount.

Please refer to the section headed "Glossary" on page 2 above for meanings of the following terms.

Terms of hypothetical example

Principal Amount	: HKD194,400
Number of Shares	: 12,000 shares (being Principal Amount / Strike Price)
Linked Stock	: Shares of MTR Corporation (0066)
Trade Date	: 21 st January
Determination Date	: 19 th February
Maturity Date	: 23 rd February
Investment Period	: From (and including) the Trade Date to (but excluding) the Maturity Date
Investment Tenor	: 33 (being the number of calendar days in the Investment Period)
Spot Price	: HKD17.42 on 21 st January
Strike Price	: HKD16.20 (being 93% of the Spot Price)
Final Closing Price	: The official closing price of the MTR Corporation shares on the Determination Date as published by the Exchange
Coupon Rate	: 8.8280% per annum of the Principal Amount (actual coupon rate being 0.7981%) <i>Such annualized rate is based on the assumption that the ELD (Put Option) can be rolled over under the same terms for 365 days. Such assumption is purely hypothetical and you should not rely on such annualized rate as an indication of expected return.</i>
Coupon Amount	: HKD1,551.60 (being HKD194,400 × 8.8280% × (33 ÷ 365))

Scenario 1 (Best Case Scenario - Cash payment)

Final Closing Price = HKD17.42

(i.e. Final Closing Price of Linked Stock is higher than or equal to the Strike Price)

If the Final Closing Price is HKD17.42 per share, which is higher than the Strike Price, you would receive the following payout in **cash** on the Maturity Date :

Principal Amount + Coupon Amount = HKD194,400 + HKD1,551.60 = **HKD195,951.60** (paid on Maturity Date)

In this case, the Final Closing Price of the Linked Stock is higher than the Strike Price, and no matter how high the Final Closing Price, you would have a capped return of HKD1,551.60.

Scenario 2 (Breakeven Scenario)

Breakeven Price = (Principal Amount – Coupon Amount) / Number of Shares

= (HKD194,400 – HKD1,551.60) / 12,000

= HKD16.07 (round to the nearest 2 decimal places)

If the Final Closing Price is HKD16.07 per share, which is lower than the Strike Price, you will be delivered the Number of Shares at the Strike Price on the Maturity Date, together with the Coupon Amount in cash, as shown below:

Number of Shares = **12,000 shares**

Plus

Coupon Amount = **HKD1,551.60**

Assume you can sell the Number of Shares delivered to you at the above Final Closing Price on the Maturity Date, the amount of the sale proceeds plus the Coupon Amount will be approximately equal to the Principal Amount, subject to rounding, as follows :

Number of Shares × Final Closing Price + Coupon Amount

= 12,000 shares × HKD16.07 + HKD1,551.60

= HKD194,391.60 (Approximately equal to the Principal Amount of HKD194,400)

Scenario 3 (Loss Scenario)

Final Closing Price = HKD15.20

(i.e. Final Closing Price of the Linked Stock is lower than the Strike Price)

If the Final Closing Price is HKD15.20 per share, which is lower than the Strike Price, you will be delivered the Number of Shares at the Strike Price on the Maturity Date, together with the Coupon Amount in cash, as shown below:

Number of Shares = **12,000 shares**

Plus

Coupon Amount = **HKD1,551.60**

Therefore, if the Final Closing Price is below the Strike Price, your theoretical loss is HKD10,448.40 after receiving the Coupon Amount and by reference to the Final Closing Price of HKD15.20 per share.

$$\begin{aligned}\text{Theoretical loss} &= \text{Principal Amount} - (\text{Final Closing Price} \times \text{Number of Shares} + \text{Coupon Amount}) \\ &= \text{HKD}194,400 - (\text{HKD}15.20 \times 12,000 + \text{HKD}1,551.60) \\ &= \text{HKD}10,448.40\end{aligned}$$

Any downside movements in the price of the Linked Stock between the Determination Date and up to the Maturity Date would adversely impact your return. If you choose not to sell the Linked Stock upon receipt on the Maturity Date, you will be exposed to the market risk of holding such shares.

Scenario 4 (Worst Case Scenario)

Final Closing Price = HKD0.00

(i.e. Final Closing Price of the Linked Stock is lower than the Strike Price)

If the Final Closing Price falls to zero, which is lower than the Strike Price, you will receive the Number of Shares on the Maturity Date along with the Coupon Amount in cash, as shown below :

Number of Shares = **12,000 shares**

Plus

Coupon Amount = **HKD1,551.60**

In this worst case scenario, since the Final Closing Price is zero, you will suffer a loss of HKD192,848.40 (after receiving the Coupon Amount), calculated as follows:

$$\begin{aligned}\text{Loss} &= \text{Principal Amount} - (\text{Final Closing Price} \times \text{Number of Shares} + \text{Coupon Amount}) \\ &= \text{HKD}194,400 - (\text{HKD}0.00 \times 12,000 + \text{HKD}1,551.60) \\ &= \text{HKD}192,848.40\end{aligned}$$

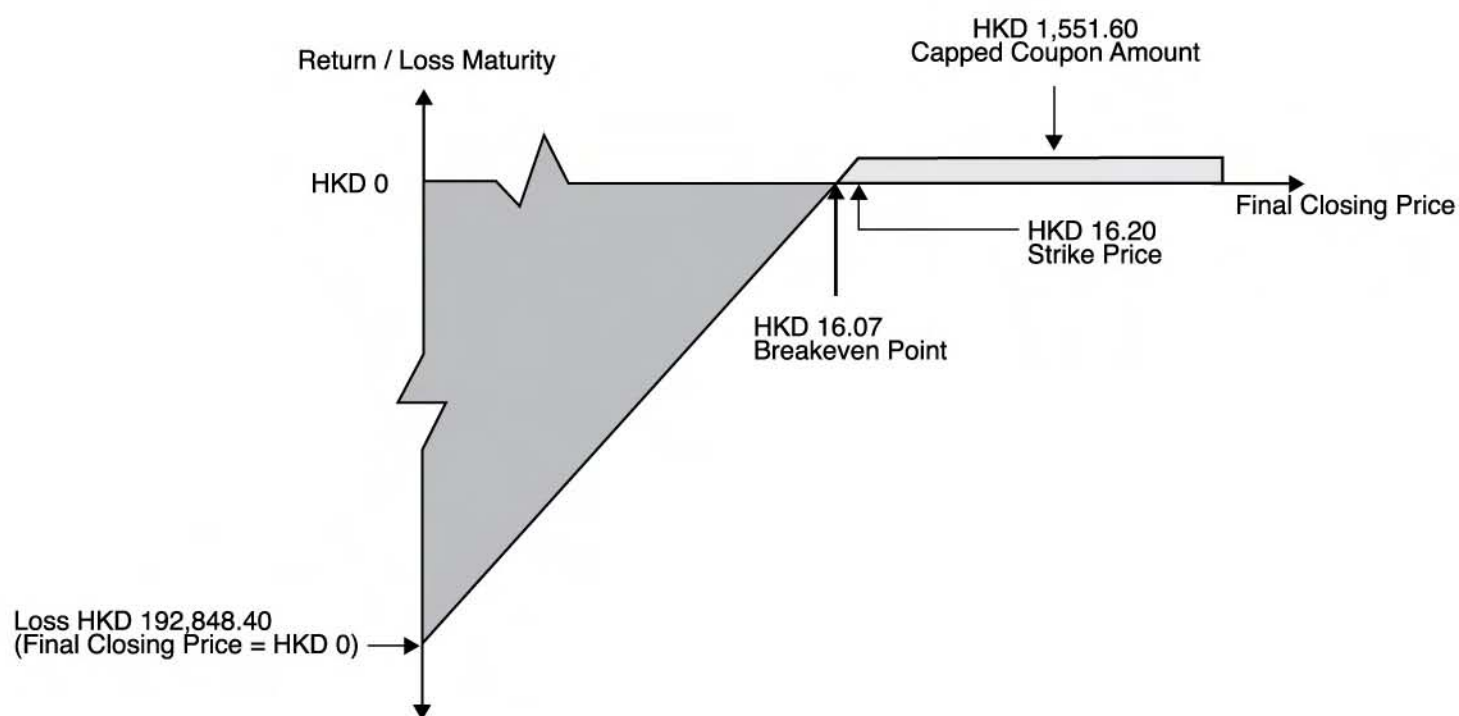
Scenario 5 (Default Scenario)

The Bank defaults

Should the Bank become insolvent or go into liquidation or default on its obligations under the ELD (Put Option) before the maturity of the ELD (Put Option), you will rank as the Bank's unsecured creditor. You may lose all of the Principal Amount of HKD194,400 and receive no Coupon Amount and no shares on the Maturity Date.

In this default scenario, you may lose all of your investment, regardless of the performance of the Linked Stock.

Principal Amount	HKD194,400				
Investment Tenor	33 days				
Number of Shares	12,000 shares of MTR Corporation				
Strike Price	HKD16.20				
Scenario	1 (Best Scenario – cash payment)	2 (Breakeven)	3 (Loss Scenario)	4 (Worst Case Scenario)	5 (Default Scenario)
Final Closing Price	HKD17.42	HKD16.07	HKD15.20	HKD0	Should the Bank become insolvent or go into liquidation or default on its obligations under the ELD (Put Option) before the maturity of the ELD (Put Option), you will rank as the Bank's unsecured creditor and you may lose your entire investment.
Settlement on Maturity Date	Principal Amount in cash plus Coupon Amount in cash : HKD195,951.60	12,000 shares plus Coupon Amount in cash of HKD1,551.60	12,000 shares plus Coupon Amount in cash of HKD1,551.60	12,000 shares plus Coupon Amount in cash of HKD1,551.60	
Return / Loss	+HKD1,551.60	~ HKD0	-HKD10,448.40	-HKD192,848.40	
Actual Rate of return for the Investment Period	0.8%	0%	-5.37%	-99.20%	



F. Ongoing Disclosure

The Bank will notify you of any information about the Bank, which is necessary to avoid the establishment of a false market in ELD (Put Option), or which may significantly affect the Bank's ability to perform its obligations under the ELD (Put Option).

The proceeds in respect of the ELD (Put Option) will be used for the Bank's general corporate purposes.

G. Risk Factors

The risk factors contained in this Principal Brochure do not take into account your personal circumstances not disclosed to the Bank. If in doubt, you should ask the intermediary (or the sales staff) and seek independent tax, legal and financial advice before making your investment decisions.

- **Not a protected deposit.** This ELD (Put Option) is **NOT** protected by the "Deposit Protection Scheme" or the "Investor Compensation Fund" in Hong Kong. The payment of this ELD (Put Option) is **NOT** guaranteed by the Hong Kong SAR Government's Exchange Fund.
- **Not a time deposit.** The ELD (Put Option) is a structured product with embedded derivatives. It is not the same, and should **NOT** be treated, as a substitute for traditional time deposits. An investor in a traditional time deposit will not be exposed to the risk of loss resulting from any drop in the price of the Linked Stock or the Bank's default.
- **No principal protection and full downside risk.** This ELD (Put Option) is **NOT PRINCIPAL PROTECTED**. Upon maturity, you may receive shares instead of the Principal Amount. The value of such shares may be substantially less than the Principal Amount (your original investment), and **could even fall to zero**. You may therefore lose your entire investment.
- **Risk of price fluctuations after Determination Date.** There is a time gap between the Determination Date and the Maturity Date on which you receive the Number of Shares. Therefore, your investment is exposed to market risk during that time gap. Any downside movements in the price of the Linked Stock between the Determination Date and up to the Maturity Date would adversely impact your return. If you choose not to sell your Linked Stock upon receipt on the Maturity Date, you will be exposed to the risk of price fluctuations of the Linked Stock.
- **Credit and insolvency risk.** The settlement of the ELD (Put Option) is subject to the credit and insolvency risk of the Bank. Should the Bank become insolvent or go into liquidation or default on its obligations, you will be ranked as an unsecured creditor of the Bank and may lose your entire investment, regardless of the performance of the Linked stock or the terms of this ELD (Put Option).
- **Not backed by collateral.** This ELD (Put Option) is **NOT** backed by any collateral.

• **No direct investment in Linked Stock.** An investment in ELD (Put Option) is **NOT** a direct investment in the Linked Stock. You do not own the Linked Stock throughout the term of the ELD (Put Option). A change in the price of the Linked Stock may not lead to a change in the market value of the ELD (Put Option) of the same direction or magnitude or even any change at all.

• **No secondary market.** This ELD (Put Option) is **NOT** a listed security. There is no secondary market for you to sell your ELD (Put Option) prior to its maturity.

• **Limited potential return.** The potential return derived from the ELD (Put Option) is capped at the pre-set Coupon Amount.

• **Hold till maturity.** This ELD (Put Option) is non-transferable and non-negotiable. It is a type of investment that is intended to be held until maturity. By investing in the ELD (Put Option), you are making a commitment to hold it until maturity. You will not be allowed to sell or terminate your ELD (Put Option) before maturity.

• **Early termination risk.** The Bank may terminate your ELD (Put Option) prior to its maturity if it determines that an Extraordinary Event has occurred or exists, and no adjustment would be appropriate to account for such event. The Bank will give you written notice of early termination and pay you such amount as shall be determined by the Bank to be the fair market value of the ELD (Put Option) as at the date of early termination, but only after taking into account of all costs, losses or expenses that the Bank incurs with respect to the early termination, and you may suffer a substantial or total loss of your investment. Please see the section headed “Early termination as a result of Extraordinary Event” on page 5 for details.

• **Adjustment by the Bank.** The Bank may determine any appropriate adjustment to be made to the terms of the ELD (Put Option) to account for the dilution or concentration effect of any Extraordinary Event or corporate event as described in the section headed “Adjustment by the Bank” on page 5.

• **Market disruption.** The occurrence or existence of an event causing market disruption in respect of the Linked Stock as described in the paragraph headed “Consequences of market disruption” on page 5 may delay determination of the Final Closing Price of the Linked Stock and settlement of the ELD (Put Option) on the Maturity Date.

• **Settlement disruption.** The occurrence or existence of an event causing settlement disruption in respect of the Linked Stock as described in the paragraph headed “Consequences of settlement disruption” on page 5 may result in delay in settlement and/or the Bank paying the fair market value of the Number of Shares which may be lower than, or substantially lower than, the Principal Amount.

• **Non-public information.** The Bank or its affiliates may acquire information regarding the Linked Stock, before or during the term of ELD (Put Option), that is or may be construed to be, not publicly available. The Bank (or its affiliates) is not under any obligation to make such information (whether confidential or not) available to you.

• **Conflicts of interest.** Although the Bank will act in good faith and in a commercially reasonable manner in making determinations and calculations with respect to the ELD (Put Option), the Bank may encounter possible conflicts

of interest. For example, the Bank or its affiliates may trade the Linked Stock, or be involved in transactions related to the Linked Stock, the Linked Company or other securities of the Linked Company for its own account or the accounts of others or to hedge against the market risk associated with this ELD (Put Option). These transactions may positively or adversely affect the value or performance of the Linked Stock or other securities of the Linked Company, and thus the return of this ELD (Put Option), even though the Bank has internal measures in place to minimize such conflicts.

H. Information on the Bank

Bank of China (Hong Kong) Limited is listed on The Stock Exchange of Hong Kong Limited and is regulated by the Hong Kong Monetary Authority. You may access the Bank's latest annual report and any interim results at www.bochk.com.

Customer Services Hotline : 3669 3668
Internet Banking Website : www.bochk.com

This Principal Brochure is provided to you on request for your own use and may not be reproduced, redistributed or copied, in whole or in part, for any purpose (other than to your professional advisers) without the Bank's prior express consent. You must read and understand this Principal Brochure before investing in ELD (Put Option).

Nothing in this Principal Brochure should be regarded as any indication, representation, guarantee or other assurance as to the outcome of any investment by or on behalf of the Bank. The example given above is purely hypothetical and is not based on any historical market performance or data and is for illustration purposes only. Past performance is not indicative of future performance.

The information in the Principal Brochure is accurate as at the date hereof. The Bank accepts full responsibility for the accuracy of the information contained in this Principal Brochure and confirms, having made all reasonable enquires, that to the best of its knowledge and belief, this Principal Brochure contains no untrue statement (including a statement which is misleading in the form and context in which it is included and including a material omission).

The Securities and Futures Commission ("SFC") has authorized the issue of this Principal Brochure under section 105 (1) of the Securities and Futures Ordinance. The SFC takes no responsibility as to the contents of this document. SFC authorisation does not imply SFC's endorsement or recommendation of ELD (Put Option) referred to in this Principal Brochure.



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