

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

(the “Company”, Stock Code: 2388)

ANNOUNCEMENT

CONNECTED TRANSACTION CAPITAL INJECTION INTO BOC GROUP LIFE ASSURANCE COMPANY LIMITED

The Board is pleased to announce two capital injections by the Company into BOC Life, a non-wholly owned subsidiary of the Company. HK\$255,000,000 was injected into BOC Life by the Company on 25 June 2008. On 3 July 2009, a further HK\$765,000,000 was agreed to be injected into BOC Life by the Company. BOC Life will remain held as to 51% by the Company and 49% by BOC Insurance as both capital injections are on a pro rata basis.

BOC, the indirect holder of approximately 66.06% of the equity capital in the Company, is a connected person of the Company. BOC Insurance is a wholly owned subsidiary of BOC. BOC Life is a connected person of the Company by reason of it being an associate of BOC. Accordingly, the Capital Injection constitutes connected transactions of the Company under Chapter 14A of the Listing Rules. As the relevant applicable percentage ratios set out in the Listing Rules in respect of the Capital Injection are less than 2.5% but more than 0.1%, the Capital Injection is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempted from the independent shareholders' approval requirement.

THE CAPITAL INJECTION

Capital Injection

The Board hereby announces two capital injections by the Company into BOC Life, a non-wholly owned subsidiary of the Company. On 25 June 2008, an amount of HK\$255,000,000 was injected by the subscription of 25,500,000 shares of BOC Life at HK\$10 each, being the nominal value per share. On 3 July 2009, a further HK\$765,000,000 was agreed to be injected by the subscription of 76,500,000 shares of BOC Life, at HK\$10 per share. BOC Life will remain held as to 51% by the Company and 49% by BOC Insurance as both capital injections are on a pro rata basis.

The second capital injection is expected to be made in early July 2009.

Payment

The first capital injection, financed by the Company's internal resources, was paid in cash. The second capital injection to be made in cash will also be financed by the Company's internal resources.

INFORMATION ON THE COMPANY

The Company was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest in BOCHK, its principal operating subsidiary.

BOCHK is a leading commercial banking group in Hong Kong. With over 280 branches and 470 ATMs and other delivery channels in Hong Kong, BOCHK and its subsidiaries offer a comprehensive range of financial products and services to retail and corporate customers. BOCHK is one of the three banknote issuing banks in Hong Kong. In addition, BOCHK and its subsidiaries have 22 branches and sub-branches in the PRC to provide cross-border banking services to customers in Hong Kong and the PRC. BOCHK is appointed by the People's Bank of China as the Clearing Bank for Renminbi (RMB) business in Hong Kong.

The Company began trading on the main board of the Stock Exchange on 25 July 2002, with stock code "2388", ADR OTC Symbol: "BHKLY".

INFORMATION ON BOC LIFE

BOC Life is principally engaged in life insurance business in Hong Kong. Its audited net asset value as at 31 December 2008 was HK\$725,939,356. For the financial year ended 31 December 2008, its audited loss before tax was HK\$1,230,112,810 and audited loss after tax was HK\$1,136,761,794. The loss was mainly due to the market value adjustments on fixed income securities in association with the financial crisis in 2008. Its audited net asset value as at 31 December 2007 was HK\$1,362,701,150. The audited profit before tax for 2007 was HK\$262,013,557 and the audited profit after tax for 2007 was HK\$208,467,420.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

Through the Capital Injection, BOC Life can further strengthen its capital base to cater for future development and business growth. The funding from the Capital Injection also allows BOC Life to meet the relevant legal and regulatory requirements in relation to capital adequacy owing to short term market volatility.

The Directors (including the Independent Non-executive Directors) are of the view that the terms of the Capital Injection are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

BOC, the indirect holder of approximately 66.06% of the equity capital in the Company, is a connected person of the Company. BOC Insurance is a wholly owned subsidiary of BOC. BOC Life is a connected person of the Company by reason of it being an associate of BOC. Accordingly, the Capital Injection constitutes connected transactions of the Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios set out in the Listing Rules in respect of each of the Capital Injection are less than 2.5% but more than 0.1%, the Capital Injection is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempted from the independent shareholders' approval requirement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“associate”	has the meaning given to it under the Listing Rules
“Board”	the board of Directors of the Company
“BOC”	Bank of China Limited, a joint stock limited liability company established under the laws of the PRC primarily engaged in commercial banking activities and the indirect holder of approximately 66.06% of the equity capital in the Company
“BOC Insurance”	Bank of China Group Insurance Company Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of BOC
“BOC Life”	BOC Group Life Assurance Company Limited, a company incorporated under the laws of Hong Kong, in which the Company and BOC Insurance hold equity interests of 51% and 49% respectively
“BOCHK”	Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of the Company
“Capital Injection”	the Company’s capital injection into BOC Life by the subscription of 25,500,000 shares of BOC Life at HK\$10 per share on 25 June 2008 and the proposed subscription of 76,500,000 shares of BOC Life at HK\$10 per share expected to be completed in July 2009
“Company”	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning given to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC” the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board
Jason C.W. Yeung
Company Secretary

Hong Kong, 3 July 2009

As at the date of this announcement, the Board comprises Mr. XIAO Gang (Chairman), Mr. Li Lihui* (Vice-chairman), Mr. HE Guangbei (Vice-chairman and Chief Executive), Mr. LI Zaohang*, Mr. ZHOU Zaiqun*, Mdm. ZHANG Yanling*, Mr. GAO Yingxin, Dr. FUNG Victor Kwok King**, Mr. KOH Beng Seng**, Mr. SHAN Weijian**, Mr. TUNG Chee Chen**, Mr. TUNG Savio Wai-Hok** and Mdm. YANG Linda Tsao**.*

* *Non-executive Directors*

** *Independent Non-executive Directors*