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ANNOUNCEMENT
FURTHER ISSUE OF US\$900 MILLION 5.55% SUBORDINATED NOTES
DUE 2020 BY BANK OF CHINA (HONG KONG) LIMITED

This announcement is jointly made by BOCHK Holdings pursuant to Rule 13.09 of the Listing Rules and by BOCHK pursuant to the listing agreement with the Stock Exchange.

Further to the Joint Announcement, it is announced that BOCHK has proceeded with the offering and issue of the Additional Notes and, on 12 April 2010 (New York Time), BOCHK and the Lead Managers have entered into the Purchase Agreement to provide for the terms and conditions for the distribution of the Additional Notes.

Subject to completion of the conditions set out in the Purchase Agreement on the Closing Date, BOCHK will issue the Additional Notes with an aggregate principal amount of US\$900 million. The offering price of the Additional Notes will be 99.521% of the principal amount of the Additional Notes.

As the conditions precedent to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, owners of securities of BOCHK Holdings and BOCHK and prospective investors are advised to exercise caution when dealing in the securities of BOCHK Holdings and BOCHK.

FURTHER ISSUE OF US\$900 MILLION 5.55% ADDITIONAL NOTES

Reference is made to the announcement jointly made by BOCHK Holdings and BOCHK dated 12 April 2010 regarding BOCHK's Proposed Further Issue of the Additional Notes (the "**Joint Announcement**"). Unless otherwise indicated, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

Further to the Joint Announcement, it is announced that BOCHK has proceeded with the offering and issue of the Additional Notes and, on 12 April 2010 (New York Time), BOCHK and the Lead Managers have entered into the Purchase Agreement to provide for the terms and conditions for the distribution of the Additional Notes. Subject to completion of the conditions set out in the Purchase Agreement on the closing date, which is expected to be on 19 April 2010 (the “**Closing Date**”), BOCHK will issue the Additional Notes with an aggregate principal amount of US\$900 million. The offering price of the Additional Notes will be 99.521% of the principal amount of the Additional Notes. The Additional Notes will be denominated in U.S. dollars, due 11 February 2020, bear interest at the rate of 5.55% per annum payable on the outstanding principal amount of the Additional Notes semi-annually in arrears. The Additional Notes have received a rating of A1, BBB+ and A- from Moody’s, Standard & Poor’s and Fitch, respectively.

As with the Original Notes, as a term of the Additional Notes, if BOCHK defaults in the payment of the principal or interest due in respect of the Additional Notes and the default continues for a period of 5 business days in Hong Kong or an order is made for the winding-up, liquidation, dissolution or a similar proceeding of BOCHK in Hong Kong, the trustee holding the Additional Notes may, with the consent of holders holding at least one-quarter in aggregate principal amount of the Additional Notes, institute proceedings for the winding-up of BOCHK in Hong Kong after giving notice to BOCHK.

The Additional Notes, as with the Original Notes, will qualify as Tier 2 Capital of BOCHK pursuant to the regulatory requirements of the HKMA. The Additional Notes, when issued, will be consolidated and form a single series, and will rank *pari passu*, with the Original Notes. An application has been made to the Stock Exchange for the listing of, and permission to deal in, the Additional Notes as selectively marketed securities under the stock code “4316”. Listing and permission to deal in the Additional Notes are expected to become effective on or about 20 April 2010.

THE PURCHASE AGREEMENT

Pursuant to the Purchase Agreement, upon the satisfaction of certain conditions, the Lead Managers (as the initial purchasers) shall severally purchase the Additional Notes and offer them for resale to professional and institutional investors in accordance with applicable laws and selling restrictions and in transactions exempt from the registration requirements under the Securities Act. The Additional Notes will not be sold through a public offering in Hong Kong or the United States.

Conditions to completion of the Purchase Agreement

Completion of the purchase of the Additional Notes by the Lead Managers is conditional upon, among other things, the following:

- (i) all of the representations and warranties of BOCHK contained in the Purchase Agreement shall be true and correct on the date of the Purchase Agreement and as if made on and as of the Closing Date;
- (ii) BOCHK shall have performed or complied with all of the agreements and covenants contained in the Purchase Agreement which are required to be performed or complied with by BOCHK at or prior to the Closing Date;

- (iii) the printing and distribution of the final offering memorandum in respect of the issue; no stop order suspending the qualification or exemption from qualification of the Additional Notes in any jurisdiction shall have been issued and no proceeding for that purpose shall have been commenced or shall be pending or threatened; and
- (iv) there shall not have been any decrease in the rating of any debt or preferred stock of BOCHK or any of its subsidiaries, or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

Termination of the Purchase Agreement

The Lead Managers may terminate the Purchase Agreement at any time prior to the Closing Date by notice to BOCHK upon the occurrence of, among other things, the following circumstances:

- (i) trading in any securities of BOCHK Holdings, BOCHK, BOC or any of their subsidiaries shall be suspended or limited by the U.S. Securities and Exchange Commission, the China Securities Regulatory Commission or the Stock Exchange, or trading in securities generally on the New York Stock Exchange, the Nasdaq National Market, the Shanghai Stock Exchange or the Stock Exchange shall have been suspended or materially limited, or minimum prices shall have been established in respect of securities trading on such exchanges by any regulatory body or governmental authority having jurisdiction;
- (ii) a general moratorium shall have been declared by the HKMA or U.S. Federal authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC or the United States shall have occurred;
- (iii) there shall have been in the Lead Managers' opinion any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls such as would in the view of the Lead Managers be likely to prejudice materially the success of the offering and distribution of the Additional Notes or dealings in the Additional Notes in the secondary market; or
- (iv) an outbreak or escalation of hostilities or national or international calamity in any case involving the PRC, Hong Kong, the United States, on or after the date of the Purchase Agreement, or if there has been a declaration by the PRC, Hong Kong, the United States of a national emergency or war or other national or international calamity or crisis (economic, political, financial or otherwise) which affects the international markets, making it, in the Lead Managers' sole judgment, impracticable or inadvisable to proceed with the offering or delivery of the Additional Notes on the terms and in the manner contemplated.

As the conditions precedent to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, owners of the securities of BOCHK Holdings and BOCHK and prospective investors are advised to exercise caution when dealing in the securities of BOCHK Holdings and BOCHK.

USE OF PROCEEDS

BOCHK intends to apply the proceeds from the Proposed Further Issue of the Additional Notes to early repay substantially all of the remaining outstanding amount of the Subordinated Credit Facility. The HKMA has approved such early repayment of the Subordinated Credit Facility and BOC and BOCHK are expected to enter into an agreement to provide for the same.

By Order of the board of BOCHK Holdings

Jason C.W. Yeung
Company Secretary

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Company Secretary

Hong Kong, 13 April 2010

As at the date of this announcement, the boards of BOCHK Holdings and BOCHK respectively comprise 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*