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ANNOUNCEMENT

FINANCIAL INFORMATION OF BANK OF CHINA (HONG KONG) LIMITED FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011

This announcement is made by the Company and BOCHK on a voluntary basis.

Reference is made to the joint announcement made by the Company and BOCHK on 2 September 2011 (the “**Joint Announcement**”) regarding the establishment of the Programme by BOCHK, a principal subsidiary of the Company, under which it may offer and issue Notes in series of principal amount of up to US\$15,000,000,000 (or its equivalent in other currencies) to professional and institutional investors in transactions exempt from the registration requirements under the Securities Act. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

The respective Board of Directors of the Company and BOCHK wishes to announce that BOCHK is expected to distribute a supplemental offering circular to potential investors in respect of a potential drawdown of a series of the Notes under the Programme (the “**Drawdown**”). Certain unaudited financial information of BOCHK for the nine months ended 30 September 2011 is included in the supplemental offering circular and a summary of such extracts of financial information of BOCHK is set out below:

Financial Performance

For the first nine months ended 30 September 2011, BOCHK recorded net operating income before impairment allowances of HK\$22,507 million, up 17.7% year-on-year.

Operating expenses were HK\$4,400 million, down 34.8% year-on-year, which included a net recovery of HK\$2,854 million from the underlying collateral of the Lehman Brothers Minibonds in the second quarter of 2011. Should this recovery together with the expenses of Lehman Brothers related products (hereafter called “**impact of Lehman Brothers related products**”) be excluded, operating expenses would be HK\$7,232 million, up 8.5% year-on-year. The increase was mainly due to higher staff costs driven by headcount increase and salary adjustment. Rental, depreciation and business promotion expenses also increased.

BOCHK's operating profit before impairment allowances for the first nine months increased by 46.3% year-on-year to HK\$18,107 million. After excluding the impact of Lehman Brothers related products, operating profit before impairment allowances was HK\$15,275 million, up 22.6% year-on-year.

Compared to the first nine months of 2010, net operating income before impairment allowances increased mainly due to higher net interest income as well as net fee and commission income. The growth in net interest income was attributable to the increase in average interest-earning assets, despite the narrowing of net interest margin. Commission income from insurance and fund distribution increased while those from stock broking declined. Fee income from traditional banking business recorded broad-based growth. Net trading gain from foreign exchange activities also rose. A modest amount of net reversal of impairment allowances on loans and securities investments was registered during the period.

Financial Position

As of 30 September 2011, BOCHK's total assets decreased mildly from the end of June 2011. Advances to customers increased and loan quality remained sound. Securities investments decreased as a result of continued optimisation of its asset allocation. During the third quarter of 2011, market competition for deposits intensified. BOCHK maintained cautious control on funding cost. Customer deposits dropped slightly from the end of June 2011. Both liquidity and capital ratios remained healthy.

The respective Board of Directors of the Company and BOCHK would like to emphasise that the above financial information of BOCHK is unaudited and is provided by BOCHK in connection with the Drawdown. The information contained in this announcement is for the information of the shareholders and prospective investors of securities of the Company and BOCHK only.

GENERAL

(a) Information of 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. BOC holds a substantial part of the interests in the shares of the Company through certain of its direct and indirect wholly-owned subsidiaries.

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

(b) Information of BOCHK

The BOCHK Group is a leading commercial banking group in Hong Kong. As of 30 September 2011, the BOCHK Group had over 260 branches, over 550 ATMs and other distribution channels in Hong Kong. With these channels, the BOCHK Group offers a comprehensive range of financial products and services to individual and corporate customers. BOCHK is one of the three banknote issuing banks in Hong Kong. BOCHK is appointed by the People's Bank of China as the clearing bank for Renminbi business in Hong Kong. In addition, as of 30 September 2011, the BOCHK Group had 26 branches and sub-branches in the PRC. Through these branches and sub-branches, the BOCHK Group provides local and cross-border banking services to its customers in Hong Kong and the PRC.

By order of the board of the Company
CHAN Chun Ying
Company Secretary

By order of the board of BOCHK
CHAN Chun Ying
Company Secretary

Hong Kong, 31 October 2011

As at the date of this announcement, the board of directors of the Company and BOCHK respectively 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** and Mr. TUNG Savio Wai-Hok**.*

* *Non-executive Directors*

** *Independent Non-executive Directors*