

Important Information:

1. BOCHK All Weather Asia Pacific High Income Fund (the “Fund”) is a sub-fund of BOCHK Wealth Creation Series.
2. The Fund aims to provide income and capital growth over the medium and longer term through active asset allocation in a portfolio of fixed income securities and equity securities which provide higher yield compared to their peers in the Asia Pacific region.
3. Investment involves risks. The Fund involves significant risks including but not limited to market risk, concentration risk, emerging markets risk, currency risk, equity investment/volatility risk, small-capitalisation/mid-capitalisation companies risk, risks relating to debt securities (including but not limited to credit, interest rate and downgrading risks), RMB currency risk/risks relating to RMB denominated securities, risks relating to dynamic asset allocation strategy, risks associated with distribution out of capital, risks relating to hedging and the hedged classes, etc. Past Performance is not indicative of future performance. The value of the Fund can be volatile. Investors may not get back the full amount of capital invested or may suffer significant loss.
4. The Manager may at its discretion pay distribution out of, or effectively out of, capital of the Fund. Investors should note that the payment of distributions out of, or effective out of, capital represents a return or withdrawal of part of the amount the investors originally invested or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of, or effectively out of, capital of the Fund may result in an immediate reduction of the net asset value of the relevant classes of Units.
5. Investors should not solely rely on this press release to make any investment decision. Please refer to the Explanatory Memorandum and the relevant appendix in detail (including the full text of risk factors stated therein) about the Fund.

5 March 2018

BOCHK Asset Management Launches BOCHK All Weather Asia Pacific High Income Fund

BOCHK Asset Management Limited (“BOCHK Asset Management”), a wholly-owned subsidiary of BOC Hong Kong (Holdings) Limited (“the Company”), announced the launch of BOCHK All Weather Asia Pacific High Income Fund (the “Fund”). The investment objective of the Fund is to provide income and capital growth over the medium and longer term through active asset allocation in a portfolio of fixed income securities and equity securities which provide higher yield compared to their peers in the Asia Pacific region. The Fund aims to pay dividend on a monthly basis (Dividends are not guaranteed and may be paid out of capital ^{Refer to important information 4}).

Mr Shen Hua, Chief Executive Officer at BOCHK Asset Management, said, “Driven by the global economic recovery, regional economies and corporate fundamentals in the Asia Pacific has continued to improve. The depth and breadth of bond and equity markets have been increasing, which have provided numerous investment opportunities over the past few years. In the past year, the risk appetite returned and equity investment has become a focus. Against the backdrop of the expected mild rate hike, yield hunting remains a key investment theme. This Fund features a dynamic allocation between higher yield equities and bonds.”

Mr Han Jian Chiu, Chief Investment Officer at BOCHK Asset Management, said, “In the past few years, the three major central banks in the US, Europe and Japan have expanded their balance sheets significantly. The liquidity has driven a surge in asset prices. Though central banks have started or are considering tightening their monetary policies, it is believed they will implement in a cautious and slow-paced manner. Liquidity accumulated over time will still support the market for a certain period of time. Meanwhile, the corporate earnings were driven by the global economic recovery. Under these circumstances, despite the increase in the market volatilities this year, high yield bonds as well as equities may still see relatively better

performance. In terms of valuation, Asia Pacific (ex Japan) equities and credit bonds are comparatively lower than those in developed markets, which will provide relatively higher return.”

Mr Carson Lam, Senior Portfolio Manager at BOCHK Asset Management, said that the corporate earnings in Asia Pacific region have been gradually improving. Taking MSCI Asia Pacific (ex Japan) Index as an example, from 2012 to 2017, the EBITDA margin has risen from 17.5% to more than 19%*. As for the Price to Earnings ratio (“P/E ratio”), as of the end of February 2018, the P/E ratios of the MSCI Asia Pacific (ex Japan) Index and the MSCI Asia Pacific (ex Japan) High Dividend Yield Index were 15.5 times and 12.4 times respectively, which are lower than 21.7 times of the S&P 500 or 19.7 times of the MSCI World Index.** Asia Pacific equities will offer comparatively attractive investment opportunities.

With regard to bond investments, **Mr Ben Yuen**, Chief Investment Officer, Fixed Income at BOCHK Asset Management, said that major central banks in Asia Pacific region will adopt loose or neutral monetary policy in 2018, with no or just one rate hike in most of the region. Meanwhile, the yield of high yield, high grade, USD or local currency bonds in Asia Pacific region are all higher than those in the Europe & US markets. This, along with the improving economies as well as corporate fundamentals in the region, offers comparatively attractive opportunity in capturing higher yield as well as capital gains.

The Fund is available in USD, HKD, AUD (Hedged) and RMB (Hedged) share classes with minimum initial subscription amounts of US\$1,000, HK\$10,000, AUD1,000 and RMB10,000 respectively. Initial offer period starts from 5 March 2018 to 23 March 2018.

Note: This press release is issued by BOCHK Asset Management Limited. This press release has not been reviewed by the Securities and Futures Commission (“SFC”) of Hong Kong. This press release is for informational purposes only and does not constitute any offer or recommendation to anyone to invest in the Fund. Investors should not solely rely on this press release to make any investment decision or any other decision. Any investment decision should be based on appropriate professional advice specific to the investors’ needs. The Fund does not have any guarantees. Investors may not get back the full amount of money they invest. Investment involves risk. Past performance is not indicative of future performance. Please refer to offering documents (including the Explanatory Memorandum) for further details including but not limited to the full text of risk factors stated therein (in particular those associated with investments in emerging markets).

* Source: Bloomberg, data as of 31 December 2017. ** Source: Bloomberg, data as of 28 February 2018.

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About BOC Hong Kong (Holdings) Limited

BOC Hong Kong (Holdings) Limited (“the Company”) holds the entire equity interest of Bank of China (Hong Kong) Limited (“BOCHK”), its principal operating subsidiary. Bank of China Limited (stock code “3988” and “4601” (Preference Shares)) holds approximately 66.06% of the equity interest in the Company through BOC Hong Kong (BVI) Limited, an indirect wholly-owned subsidiary of Bank of China Limited (“BOC”). The Company began trading on the main board of the Stock Exchange of Hong Kong on 25 July 2002 and is one of the largest listed companies and commercial banking groups in Hong Kong, with stock code “2388” and ADR OTC Symbol: “BHKLY”.

BOCHK has strong market positions in all major businesses. We have the most extensive local branch network and diverse service platforms, including 199 branches, efficient e-channels of over 1,000 self-service machines, as well as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers. In accordance with the strategic plan of BOC Group, we have been driving our regional development through the acquisitions of BOC’s institutions in the ASEAN region and the establishment of a Brunei Branch. We are actively expanding our business in the ASEAN region and transforming BOCHK into an internationalised regional bank.

BOCHK is one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong. With our strong RMB franchise, we are the first choice of customers in this business. Through the deep collaboration with our parent bank, BOC, we provide a full range of high quality cross-border services to multinationals, cross-border customers, Mainland enterprises going global, central banks and super-sovereign organisations.

About BOCHK Asset Management Limited

Established in 2010, BOCHK Asset Management Limited (“BOCHK AM”) is a wholly-owned subsidiary of BOC Hong Kong (Holdings) Limited. BOCHK AM is committed to providing retail and institutional investors with a wide array of Bond, Equity and Alternative Investments products such as private equity and real estate investments, as well as comprehensive investment solutions tailored to their risk/return profile. In addition, the company also manages investment funds for clients and customizes discretionary investment portfolios to maximize the potential returns.

Since its establishment, BOCHK AM has received industry awards[#] in recognition of its outstanding performance. In 2017, the company garnered the “Best RMB Manager” in Best of the Best Regional Awards by *Asia Asset Management*, and was also named the “Best-in-Class, China Fixed Income” and “Outstanding Achiever, RMB Fixed Income” in House Award- Fixed Income by *BENCHMARK*, as well as the “Best Financial Institution 2017 – China” in 2017 Wealth & Money Management Awards by *Wealth & Finance International*.

[#] Source: Asia Asset Management, the award given by *Asia Asset Management* is based on the performance as at 30 September 2017. For award details, please visit www.asiaasset.com.

Source: BENCHMARK, the awards given by *BENCHMARK* is based on the performance as at 30 September, 2017. For award details, please visit www.fundawards.asia.

Source: Wealth & Finance International, the award given by *Wealth & Finance International* is based on the performance as at 31 May 2017. For award details, please visit www.wealthandfinance-intl.com/2017-wealth---money-management-awards.