

Important Information

1. BOCHK All Weather Short Term Bond Fund (the "Fund") is a Sub-Fund of BOCHK Wealth Creation Series.
2. The Fund aims to provide income and capital growth from a managed portfolio of short duration fixed income securities.
3. Investment involves risks. The Fund involves significant risks including but not limited to market risk, concentration risk, China market/emerging markets risk, currency risk, risks relating to debt securities (including but not limited to credit, interest rate, volatility and liquidity, downgrading, sovereign debt, valuation, associated with collateralised and/or securitised products, China Interbank Bond Market and Bond Connect, risks associated with credit ratings, risks associated with investment made through a QFII/RQFII regime or RQFII funds, PRC tax risk, RMB currency risk/risks relating to RMB denominated securities, risks of investing in convertible bonds, risks of investing in contingent convertible bonds, risks of investing in other collective investment schemes, risks relating to repurchase agreements, 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.

4 October 2018

**BOCHK Asset Management Launches
Innovative BOCHK All Weather Short Term Bond 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 Short Term Bond Fund (the "Fund"). The Fund aims to provide income and capital growth from a managed portfolio of short duration fixed income securities. There are three characteristics of the Fund: Stability, Flexibility, and Potentially Competitive Returns. The Fund's investment strategy emphasizes stability. The portfolio will primarily invest in high quality short term bonds as well as deposits, maintaining a relatively short duration in average with the aim of lowering price volatility and market risks, while striving for more stable return. Another characteristic of the Fund is flexibility in dealing. The Fund can be traded on each dealing day. Redemption proceeds will normally be paid within one Business Day after the relevant Dealing Day (T+1)¹ to distributors. Moreover, the Fund is managed by our award-winning fixed income investment team² pursuing higher potential return through active asset allocation. The Fund's management fee³ was set at 0.3% per annum aiming to minimise the Fund's total expenses, providing a cost-effective investment solution to investors.

Mr Shen Hua, Chief Executive Officer at BOCHK Asset Management, said, "BOCHK Asset Management is dedicated to providing investment products tailored to investors' needs. Amid the volatile capital market situation this year, there is demand from investors for investment products with stable performance and liquidity. This new Fund's investment strategy emphasizes stable income and safety of assets. We have aggressively shortened the settlement period of the Fund to T+1¹, i.e. redemption proceeds will be paid to distributors within one Business Day after the relevant Dealing Day. This innovative arrangement enables faster

payment, while capturing comparatively higher potential return of fixed income instruments. The Fund is already available for subscription at BOCHK's branches and online banking. Investors can easily invest via different platforms."

Mr Han Jian Chiu, Chief Investment Officer at BOCHK Asset Management, said, "US Federal Reserve is in the cycle of raising interest rates. The market expected US Federal Reserve will extend the rate hike cycle for a few years. In this context, compared to long term bonds, investment in short term bonds are expected to follow the interest rate trend more closely and is more effective in capturing the additional potential return of rising interest rates.

"We observed that the US Treasury yields have risen significantly, especially for short and medium term US government bonds with maturity of two years or less. Most of their current yields have already risen to a one-year high. If interest rates are expected to continue rising, bonds with shorter duration will be relatively attractive because their value is expected to rise more than bonds with longer duration.

"In addition, regarding the volatility of different asset classes, short term investment grade bonds are less volatile as compared to stocks, high yield bonds and investment grade bonds. For risk-averse investors or those concerned about wide fluctuations in the principal value of their investments, bonds with shorter duration are comparatively more attractive."

With regard to investment strategy, **Mr Ben Yuen**, Chief Investment Officer, Fixed Income at BOCHK Asset Management, said, "The Fund primarily invests in high quality investment grade⁴ short term bonds, money market instruments, as well as deposits. We would actively adjust portfolio allocations accordingly to the factors such as economic cycle and investment environment. The average duration of the Fund's investments as a whole is maintained at a level not exceeding 1.5 years. The Fund also invests in high quality short term bonds with good liquidity, providing capital growth to investors with the right balance between risk and return."

The Fund is available in USD, HKD and RMB share classes with minimum initial subscription amounts of US\$1,000, HK\$10,000 and RMB10,000 respectively. The Fund is currently open for subscription.

Notes:

1. Units of the Fund are available for subscription / redemption on each Dealing Day. If formal requests for redemption were received before the Dealing Deadline, relevant redemption proceeds will be paid, normally within one (1) Business Day after the relevant Dealing Day, to distributors or Unitholders. Different distribution channels may involve earlier dealing cut-off time and/or the timing for redemption proceeds to be paid to respective bank accounts may be different. Please contact your distributor for more information.
2. Please refer to the section headed "About BOCHK Asset Management Limited" in this press release for awards details.
3. The fees and charges may be increased up to the maximum level as specified in the offering document by giving at least one month's prior notice to investors. Please refer to the offering document of the Fund for further details.
4. Please refer to the Fund's relevant appendix in respect of credit rating requirements.

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).

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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 approximately 200 branches, more than 250 automated banking centres, 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. To implement the overseas development strategy of BOC Group, we strive to drive our regional development by expanding our business in the Southeast Asian region. Our branches and subsidiaries have been extended to Southeast Asian countries such as Malaysia, Thailand, Indonesia, Cambodia, Brunei, Vietnam and the Philippines, with the provision of professional and high-quality financial services to local customers. We will also expedite our development into a top-class, full-service and 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 Asset Management”) is a wholly-owned subsidiary of BOC Hong Kong (Holdings) Limited. BOCHK Asset Management 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 and investment objectives. In addition, the company also manages investment funds for clients and customizes discretionary investment portfolios to maximize the potential returns.

Since its establishment, BOCHK Asset Management 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.