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BANK OF CHINA LIMITED

建滔化工集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 148)

DISCLOSEABLE TRANSACTION

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Transaction

The Board announces that on 22 October 2016, the Purchaser, the Seller and the Target Company entered into an agreement in relation to the sale and purchase of Target Shares. The Target Company is the owner of the Property, a commercial building named Moor Place, located at 1 Fore Street, London, which value has been agreed by the parties to be £271 million (equivalent to approximately HKD2,581 million).

As one or more of the relevant applicable percentage ratios in respect of the Acquisition calculated pursuant to Rule 14.07 of the Listing Rules is equal to or exceeds 5% and none of such percentage ratios is equal to or exceeds 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

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22 October 2016.

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The Purchaser (as buyer), the Seller (as seller) and the Target Company.

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Completion of the Acquisition is conditional upon the completion of the solvent liquidation of the only subsidiary of the Target Company on or before 31 December 2016. The Purchaser may waive such condition by notice in writing to the Seller.

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The Completion shall take place on the date falling three business days after the date on which the Seller notifies the Purchaser that the condition precedent to the Completion has been satisfied. The Purchaser intends to nominate a Luxembourg incorporate company which is another wholly-owned subsidiary of the Company as transferee of Sale Shares.

Upon signing of the Agreement, the Purchaser has paid £27.1 million (equivalent to approximately HKD258.1 million) to the Seller as deposit. At Completion, the Purchaser shall pay to the Seller the Completion Amount and repay existing bank and shareholder loan and the Seller shall, among other things, transfer the Sale Shares to the Purchaser and deliver the title deeds and other documents in respect of the Property to the Purchaser.

As soon as possible after the Completion and in any event on or before the date falling 20 business days after Completion, the Seller shall deliver the Completion Accounts to the Purchaser. Within five business days from the date on which the Net Asset Value of the Target Company as shown in the Completion Accounts has been agreed by the Purchaser and the Seller, the Purchaser shall pay to the Seller any surplus that exceeds the NAV Estimate, or the Seller shall pay to the Purchaser any shortfall to the NAV Estimate, as the case may be.

The total consideration of the Acquisition is the payment by the Purchaser to the Seller of the Net Asset Value and the repayment by the Purchaser of existing bank and shareholder loan. The aforesaid loan amounts to £199.3 million (equivalent to approximately HKD1,898.1 million) in aggregate. The parties have agreed on the NAV Estimate of £71.1 million (equivalent to approximately HKD677.1 million) as at the date of the Agreement, which, after deducting certain amounts including without limitation the deposit paid and the interest accrued thereon, shall be paid by the Purchaser to the Seller at Completion as the Completion Amount, and any surplus or shortfall between the Net Asset Value and the NAV Estimate shall be paid by the Purchaser or the Seller, as the case may be. The Target Company is the owner of the Property, and the value of the Property has been agreed by the parties to be £271 million (equivalent to approximately HKD2,581 million).

The NAV Estimate and the value of the Property were arrived at after arm's length negotiations between the parties by taking into account, among other things, market values of comparable properties.

The Board intends to finance the Consideration by the Group's internal resources.

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The Target Company is an investment holding company and its major asset is the Property. Apart from the ownership of the Property and the letting of the Property, the Target Company has no other significant assets or liabilities.

THE ACQUISITION

The Group is principally engaged in the manufacture and sale of laminates, printed circuit boards, chemicals, magnetic products and property development and investments. The Group has been identifying quality properties for acquisition to increase its property investment portfolio and to enhance the Group's capacity in generating rental income which the Board believes to be a stable and reasonable return in the current market situation. Taking into account the location, quality and occupancy rate of the Property, the Board considers that the Acquisition is in line with the business strategies of the Group and is in the interests of the Company and its shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the Acquisition and the terms of the Agreement have been agreed upon an arm's length basis, are on normal commercial terms, fair and reasonable and are in the interests of the Company and its shareholders as a whole.

THE SELLER

So far as the Directors are aware, the principal activity of the Seller is property investment. To the best of the Directors' knowledge, information and beliefs having made all reasonable enquiry, the Seller, the Target Company and their ultimate beneficial owners are third parties independent from the Company and its connected persons.

THE ACQUISITION

As one or more of the relevant applicable percentage ratios in respect of the Acquisition calculated pursuant to Rule 14.07 of the Listing Rules is equal to or exceeds 5% and none of such percentage ratios is equal to or exceeds 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting and announcement requirements but is exempt from shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

A	the acquisition of the Sale Shares by the Purchaser from the Seller pursuant to the Agreement
A	a sale and purchase agreement dated 22 October 2016 among the Purchaser, the Seller and the Target Company in relation to the Acquisition
B	the board of Directors

C		Kingboard Chemical Holdings Limited (建滔化工集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 148)
C		completion of the Acquisition
C	A	the accounts to be prepared and showing the Net Asset Value as at the date of the Completion
C	A	an amount that is calculated based on the NAV Estimate, less: (i) the premium payable by the Purchaser in respect of a warranty and indemnity insurance policy arranged by and issued to the Purchaser in respect of the Acquisition; (ii) an amount calculated by reference to the rent-free period of the Property after Completion; and (iii) the deposit of £27.1 million (equivalent to approximately HKD258.1 million) paid upon signing of the Agreement and the interest accrued thereon
D	()	director(s) of the Company
		the Company and its subsidiaries
L	W	the Rules Governing the Listing of Securities on the Stock Exchange
A	W E	an estimate of the net assets value of the Sale Shares as at the date of the Agreement, in the amount of £71.1 million (equivalent to approximately HKD677.1 million)
	A W	the amount by which the aggregate amount of the fixed and current assets of the Target Company exceeds the aggregate amount of the liabilities of the Target Company each as shown in the Completion Accounts
		a commercial building named Moor Place located at 1 Fore Street, London
		Public Mind Company Limited, a company established in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

the entire issued share capital in the Target Company

BOP (Luxembourg) Holdings S.À R.L., a company incorporated under the laws of Luxembourg

E The Stock Exchange of Hong Kong Limited

C BOP (MX) S.À R.L., a company incorporated under the laws of Luxembourg and a wholly-owned subsidiary of the Seller prior to the Acquisition

D Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China

British pound, the lawful currency of the United Kingdom

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Note: For the purpose of this announcement, unless otherwise indicated, the exchange rate of 0.1050 = HKD1.00 has been used, where applicable, for purpose of illustration only and does not constitute a representation that an amount has been, could have been or may be changed.

By Order of the Board

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Company Secretary

Hong Kong, 22 October 2016

As at the date of this announcement, the Board consists of Messrs. Cheung Kook Wing, Chang Wing Yiu, Cheung Kong Kwan, Ho Yin Sang, Cheung Wai Lin, Stephanie, Cheung Ka Shing and Chen Maosheng, being the executive directors, Messrs. Cheng Wai Chee, Christopher, Tang King Shing, Cheung Ming Man, Chong Kin Ki and Leung Tai Chiu, being the independent non-executive directors.