

## **Bank of China Limited 2011 Annual Report - BOCG Investment**

**29 March, 2012**

### **BOCG Investment**

The Bank engages in direct investment and investment management business through its wholly owned subsidiary, BOCG Investment. Based in Hong Kong, BOCG Investment primarily conducts its business in the Chinese mainland while also exploring business opportunities all over the world. Its business scope includes equity investment, fund investment and management, nonperforming asset (“NPA”) investment, and real estate investment and management.

In 2011, BOCG Investment actively adapted to changes in regulatory policy and the market environment, reinforced its balanced management approach by enhancing its capabilities in asset portfolio management and product innovations. It continued to broaden its market-oriented financing channels and achieved further integration with the Group’s overall business operations, thus maintaining healthy and stable business development. During 2011, BOCG Investment realised a profit for the year of HKD3.564 billion, an increase of HKD446 million or 14.31% compared with the prior year. Cooperating more closely within the Group, BOCG Investment continued to expand its business by leveraging the Bank’s strengths in the commercial banking in order to boost the Group’s overall profitability. In 2011, BOCG Investment assisted in consolidating the Group’s visa business, and invested CAD100 million in Sunshine Oilsands Ltd of Canada. BOCG Investment accelerated the restructuring of its asset base and generated a total income of HKD5.298 billion for the year. It also maximised the efficiency in capital utilisation through the progressive development of its businesses. Furthermore, BOCG Investment increased the proportion of highperforming quality assets and steadily pushed forward its non-performing asset investment and real estate investment business.

BOCG Investment took full advantage of the robust corporate demand for direct equity investment in the Chinese mainland, exploring new models and products for its equity investment business and improving its investment management capabilities. In 2011, the BOCGI Zheshang Investment Fund completed its first round of funding raising of RMB4.16 billion. The fund has invested in six projects so far with a total investment amounting to RMB659 million, and in 2011, became the first fund located outside of Beijing, Tianjin and Shanghai to obtain National Development and Reform Commission (“NDRC”) approval. Its fund management company was also recognised as “Best Venture Capital Firm” of the year. In 2011, BOCG Investment received approval to invest USD100 million in PAG Asia I, USD50 million in Hony Capital Fund V, and prepared for the launch of the Northeastern China Industry Revitalisation Fund. Meanwhile, it developed asset-backed structured financing products and actively explored the possibility of setting up an overseas fund-of-funds and a USD-denominated fund.