

**ICBC (Asia) Investment Management Company Limited**  
**Launch of Global RMB Fixed Income Fund**

10 January 2011, Hong Kong - ICBC (Asia) Investment Management Company Limited announces the launch of **Global RMB Fixed Income Fund** (“Fund”) on 11 January 2011. The Fund, which is authorized by the Hong Kong Securities & Futures Commission (HKSF)<sup>1</sup>, will be available for subscription at all ICBC (Asia) branches and will further extend ICBC Group’s offshore RMB products business in Hong Kong.

**Global RMB Fixed Income Fund** is a sub-fund of ICBC (Asia) Investment Fund. The Fund focuses on investing RMB-denominated securities which are issued or distributed outside Mainland China in order to achieve sustainable and competitive investment return. These securities mainly comprise offshore RMB-denominated bonds issued by government entities, supranational organizations, banks and corporations. The Fund may also invest in bank certificates of deposit, commercial notes, convertible bonds and short-term bills. To build the Fund’s investment portfolio, our fund manager will adhere to its selection criteria on Bond’s duration, sectors and credit quality in the meantime to coordinate with the coming China’s macro economic cycle, currency policy and interest rate movement. Currently, the Fund cannot invest in bonds issued in China, but as and when investment authorities and regulators in Mainland China allow the Fund to invest in RMB Debt securities issued within Mainland China, and we have obtained HKSF’s approval, the fund may in future include such investment.

Hong Kong intends to become an offshore RMB centre in recent years. Meanwhile, the high market expectation on RMB appreciation makes RMB deposit amount in Hong Kong to reach record high. The total amount of RMB deposits in Hong Kong reached RMB279.5 billion<sup>2</sup> at the end of November 2010. On the other hand, numerous multinational and mainland corporations issued bonds in Hong Kong due to its lower capital cost. From 2007 till now, the total amount of bond issuance reaches approximately RMB80 billion<sup>3</sup>, new investment opportunities arise as the offshore RMB bond market develops. The current demand for RMB investment product largely exceeds its supply, we believe the offshore RMB bond market possesses large growth potential.

There are three unique characteristics of **Global RMB Fixed Income Fund**. First, ICBC is the largest commercial banking group in China. The Fund is managed by ICBC (Asia) Investment Management Company Limited, a wholly-owned subsidiary of ICBC (Asia) which is the flagship of ICBC Group in Hong Kong. The Fund can benefit from the extensive network coverage of ICBC Group by which closely grasp the pulse of the Chinese economy and capture any change in national policy. Second, ICBC (Asia) is an active underwriter/arranger/distributor of offshore RMB bonds. The Fund will be able to participate in these bond issuances in order to raise investment amount. Third, the Fund aims to enhance portfolio yield through investing in bonds and/or high-yielding securities issued by ICBC Group and/or its subsidiaries. Moreover, **Global RMB Fixed Income Fund** is denominated in RMB, investors not only can ride on the RMB currency trend but also enjoy the capital gain (or loss) of the Fund.

**Global RMB Fixed Income Fund** is managed by ICBC (Asia) Investment Management Company Limited, a wholly-owned subsidiary of ICBC (Asia). The initial subscription period starts from 11 January till 28 January 2011. The Fund's minimum investment amount is RMB20,000 with management fee of 0.75% per annum. The Fund plans to pay out dividend semi-annually<sup>4</sup>. Subscription and redemption of the fund can be done on every Hong Kong trading day, thus investment flexibility is further enhanced.

Notes:

1. The authorization by the HKSFC does not imply any recommendation by HKSFC.
2. Source: The People's Bank of China, HKMA
3. Source: Deutsche Bank, HSBC, Bloomberg
4. Subject to the Manager's discretion, regular distribution and minimum distribution amount are not guaranteed

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### **Industrial and Commercial Bank of China (Asia) Limited**

Industrial and Commercial Bank of China (Asia) Limited ("ICBC (Asia)") is a licensed bank incorporated in Hong Kong. It has 45 branches, 10 "Elite Club" Wealth Management Centres and 4 commercial business centres in Hong Kong. It is principally engaged in banking, financial and other financial related services with focus on retail banking, commercial banking as well as corporate banking business. ICBC (Asia) is the flagship of Hong Kong banking business of Industrial and Commercial Bank of China Limited, the largest commercial bank in the Mainland China (in terms of total assets). Up to 7 May 2010, ICBC (Asia) was assigned A2/Prime-1 long-

term/short-term deposit ratings and C- Bank Financial Strength Rating (BFSR) by Moody's Investors Service while the outlook on all ratings is stable. On 5 May 2010, Fitch Ratings assigned '1' Support Rating and 'C' Individual Rating to ICBC (Asia).