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BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

交銀國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 3329)

CONNECTED TRANSACTION IN RELATION TO FORMATION OF PARTNERSHIP

FORMATION OF PARTNERSHIP

On 1 September 2020 (after trading hours), Shanghai Bo Le, as General Partner, entered into the Partnership Agreement with BOCOM Science and Technology Innovation Equity Investment Fund, Zhongshui Huijin, Ms. Yu, Mr. Liu, Mr. Hu and Mr. Li, as Limited Partners, in relation to the formation of the Partnership. The total capital contribution by all Partners to the Partnership shall be RMB20,150,000, of which each of Shanghai Bo Le and BOCOM Science and Technology Innovation Equity Investment Fund shall contribute RMB1,000,000 and RMB14,000,000, respectively. The Transaction is still subject to the approval of the relevant authorities of the government of the People's Republic of China.

LISTING RULES IMPLICATIONS

Shanghai Bo Le is an indirect wholly-owned subsidiary of the Company whereas BOCOM Science and Technology Innovation Equity Investment Fund is an indirect non-wholly-owned subsidiary of the Company. As BOCOM, the controlling shareholder of the Company, through its subsidiary BOCOM Guo Xin, holds more than 10% of the partnership interests in BOCOM Science and Technology Innovation Equity Investment Fund, BOCOM Science and Technology Innovation Equity Investment Fund is a connected subsidiary of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in relation to the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 1 September 2020 (after trading hours), Shanghai Bo Le, as General Partner, entered into the Partnership Agreement with BOCOM Science and Technology Innovation Equity Investment Fund, Zhongshui Huijin, Ms. Yu, Mr. Liu, Mr. Hu and Mr. Li, as Limited Partners, in relation to the formation of the Partnership. The total capital contribution by all Partners to the Partnership shall be RMB20,150,000, of which each of Shanghai Bo Le and BOCOM Science and Technology Innovation Equity Investment Fund shall contribute RMB1,000,000 and RMB14,000,000, respectively. The Transaction is still subject to the approval of the relevant authorities of the government of the People's Republic of China.

PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are summarised as follows:

- Date : 1 September 2020
- Parties : 1. Shanghai Bo Le (as General Partner);
2. BOCOM Science and Technology Innovation Equity Investment Fund (as Limited Partner);
3. Zhongshui Huijin (as Limited Partner);
4. Ms. Yu (as Limited Partner);
5. Mr. Liu (as Limited Partner);
6. Mr. Hu (as Limited Partner); and
7. Mr. Li (as Limited Partner).
- Name of Partnership : Jiaxing Hengsheng Equity Investment Fund Partnership Enterprise (Limited Partnership)* 嘉興恒昇股權投資基金合夥企業 (有限合夥)
- Term of Partnership : The Partnership, as a private equity fund for the purpose of project investment, shall have a term of five years. The Executive Partner, in its sole direction, may pursuant to the investment needs of the projects, extend the term of the Partnership twice, each for an additional year. The investment period shall commence on the first closing date and end on the first anniversary thereof whereas the management and exit period shall commence upon the lapse of the investment period and continue up to the expiration of the term of the Partnership.

Purpose of Partnership : The purpose of the Partnership is to carry on the business of project investment to achieve maximum return to all Partners primarily through acquiring, holding and disposing of equity interests in target companies.

Capital contribution : The total capital contribution by all Partners to the Partnership shall be RMB20,150,000, of which each of Shanghai Bo Le, BOCOM Science and Technology Innovation Equity Investment Fund, Zhongshui Huijin, Ms. Yu, Mr. Liu, Mr. Hu and Mr. Li, shall contribute RMB1,000,000, RMB14,000,000, RMB4,000,000, RMB1,000,000, RMB90,000, RMB50,000 and RMB10,000, respectively. The capital contribution to be made by Shanghai Bo Le will be funded by the Group's internal resources whereas the capital contribution to be made by BOCOM Science and Technology Innovation Equity Investment Fund will be funded by the capital contributed by its partners.

Management : The General Partner shall undertake the role of Executive Partner of the Partnership. The Executive Partner shall have exclusive power to manage, control, operate and make decisions for the Partnership, including but not limited to, determining, executing and managing the investment business and management matters of the Partnership; obtaining, holding, managing, maintaining and disposing of the assets of the Partnership on behalf of the Partnership; admitting new limited partners to the Partnership; and engaging any professional advisers, management personnel, intermediaries or consulting firms to provide services to the Partnership. The Partners have agreed to appoint the Manager to manage the affairs of the Partnership. An annual management fee will be paid by the Non-special Limited Partners for the management services rendered by the Manager to the Partnership.

The Limited Partners shall take no part in the operation of the Partnership or the management or conduct of its business and affairs except those rights otherwise expressly given to them in the Partnership Agreement.

- Key policy of distributable proceeds : Any distributable proceeds attributable to the Partnership shall be distributed in the following order of priority:
1. 100% to each Partner until each Partner has received an amount equal to its aggregate paid-in capital contribution to the Partnership as at the date of such distribution;
 2. 100% to each Partner until each Partner has received an amount equal to 8% per annum of its aggregate paid-in capital contribution to the Partnership calculated based on the number of days as specified in the Partnership Agreement; and
 3. 100% to each Special Limited Partner and General Partner in proportion to their aggregate paid-in capital contribution to the Partnership and in respect of the portion attributable to the Non-special Limited Partners, it shall be split between the Non-special Limited Partners (in proportion to such partners' aggregate paid-in capital contribution to the Partnership) and the Manager at the ratio of 80:20.
- Debt sharing : Any debts of the Partnership shall be shared by all Partners provided however that the Limited Partners shall be liable for the debts of the Partnership up to the amount of their respective committed capital contribution whereas the General Partner shall bear unlimited liability for the debts of the Partnership.
- Transfer of partnership interest : Any Limited Partner may transfer its partnership interest provided that prior consent from the Executive Partner is obtained. The General Partner may transfer its partnership interests to (i) its affiliates; and (ii) independent parties in the limited circumstances as specified in the Partnership Agreement and subject to the consent of all other Partners.

INFORMATION OF THE COMPANY AND THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in securities brokerage, margin financing, corporate finance and underwriting, investment and loans and asset management and advisory businesses. The regulated activities carried out by the Company's licensed subsidiaries include dealing in securities and futures and advising on securities and futures contracts, providing securities margin financing, advising on corporate finance and providing asset management services.

INFORMATION OF THE PARTNERSHIP, THE GENERAL PARTNER AND THE LIMITED PARTNERS

The Partnership is a limited partnership established under the laws of the People's Republic of China. As it is newly established, neither financial information nor past performance of the Partnership is presented in this announcement.

Shanghai Bo Le is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of investment and management of funds. It is an indirect wholly-owned subsidiary of the Company.

BOCOM Science and Technology Innovation Equity Investment Fund is a limited partnership established in the People's Republic of China and is principally engaged in the business of investment. It is an indirect non-wholly-owned subsidiary of the Company.

Zhongshui Huijin is a company established in the People's Republic of China with limited liability and is principally engaged in the business of investment. It is ultimately beneficially owned by Mr. Wang Yong Zhi, Mr. Wang Yi Fan and Mr. Liu Yong Heng.

Each of Mr. Liu, Mr. Hu and Mr. Li is an employee of the Manager and none of them is a connected person of the Company.

Each of Zhongshui Huijin and its ultimate beneficial owners as well as Ms. Yu is an investor independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group has endeavoured in exploring opportunities for potential investments with a view to generating revenue and achieving better returns for its Shareholders.

The Directors believe that the Transaction represents a good investment opportunity for the Group to diversify the Group's investment portfolio and generate stable income for the Group.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Transaction is conducted by the Company in its ordinary and usual course of business, on normal commercial terms, is fair and reasonable and in the

interests of the Company and its Shareholders as a whole. Due to the executive roles of Ms. LIN Zhihong, Mr. SHOU Fugang and Ms. PO Ying in the BOCOM Group, such non-executive Directors have abstained from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

Shanghai Bo Le is an indirect wholly-owned subsidiary of the Company whereas BOCOM Science and Technology Innovation Equity Investment Fund is an indirect non-wholly-owned subsidiary of the Company. As BOCOM, the controlling shareholder of the Company, through its subsidiary, BOCOM Guo Xin, holds more than 10% of the partnership interests in BOCOM Science and Technology Innovation Equity Investment Fund, BOCOM Science and Technology Innovation Equity Investment Fund is a connected subsidiary of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in relation to the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“affiliates”	all entities directly or indirectly controlling, controlled by or under common control with such entities, where control may be by either management authority, contract or equity interest
“Board”	the board of Directors
“BOCOM”	Bank of Communications Co., Ltd* 交通銀行股份有限公司, a company registered in the People’s Republic of China as a joint stock limited liability company, the H shares and A shares of which are listed on the Stock Exchange and Shanghai Stock Exchange, respectively, and the ultimate controlling shareholder of the Company
“BOCOM Group”	BOCOM and its subsidiaries (excluding the Group)

“BOCOM Guo Xin”	BOCOM Guo Xin Asset Management Company Limited* 交銀國信資產管理有限公司, a company established under the laws of the People’s Republic of China with limited liability
“BOCOM Science and Technology Innovation Equity Investment Fund”	BOCOM Science and Technology Innovation Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership)* 交銀科創股權投資基金（上海）合夥企業（有限合夥）
“Company”	BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 3329)
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“connected subsidiary”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Executive Partner”	the executive partner of the Partnership, namely Shanghai Bo Le
“General Partner”	the general partner of the Partnership, namely Shanghai Bo Le
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Limited Partners”	the limited partners of the Partnership, namely BOCOM Science and Technology Innovation Equity Investment Fund, Zhongshui Huijin, Ms. Yu, Mr. Liu, Mr. Hu and Mr. Li

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	BOCOM International (Shanghai) Equity Investment Management Co., Ltd.* 交銀國際（上海）股權投資管理有限公司, a wholly-owned subsidiary of the Company
“Mr. Hu”	Hu Liang 胡亮
“Mr. Li”	Li Peng 李鵬
“Mr. Liu”	Liu Ying Jie 劉迎接
“Ms. Yu”	Yu Ting 于婷
“Non-special Limited Partners”	means Zhongshui Huijin and Ms. Yu
“Partners”	the partners to the Partnership, including the General Partner and the Limited Partners
“Partnership”	Jiaxing Hengsheng Equity Investment Fund Partnership Enterprise (Limited Partnership)* 嘉興恒昇股權投資基金合夥企業（有限合夥）
“Partnership Agreement”	the partnership agreement dated 1 September 2020 entered into among Shanghai Bo Le (as General Partner) with BOCOM Science and Technology Innovation Equity Investment Fund, Zhongshui Huijin, Ms. Yu, Mr. Liu, Mr. Hu and Mr. Li (as Limited Partners) in relation to the formation of the Partnership
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shanghai Bo Le”	Shanghai Bo Le Investment Company Limited* 上海博樂投資有限公司

“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Special Limited Partners”	means BOCOM Science and Technology Innovation Equity Investment Fund, Mr. Liu, Mr. Hu and Mr. Li
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Transaction”	the formation of the Partnership under the Partnership Agreement
“Zhongshui Huijin”	Dongtai Zhongshui Huijin Asset Management Company Limited* 東台市中水匯金資產管理有限公司, a company established under the laws of the People’s Republic of China with limited liability
“%”	per cent.

* *For identification purpose only.*

By Order of the Board
BOCOM International Holdings Company Limited
YI Li
Company Secretary

Hong Kong, 1 September 2020

As at the date of this announcement, the Board comprises Mr. TAN Yueheng and Mr. CHENG Chuange as Executive Directors; Ms. LIN Zhihong, Mr. SHOU Fugang and Ms. PO Ying as Non-executive Directors; and Mr. TSE Yung Hoi, Mr. MA Ning and Mr. LIN Zhijun as Independent Non-executive Directors.