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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAPS UNDER FINANCIAL SERVICES FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

ALTUS CAPITAL LIMITED

A letter from the Board is set out on pages 5 to 22 of this circular.

A letter from the Independent Board Committee is set out on pages 23 to 24 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 25 to 35 of this circular.

A notice convening the EGM to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, immediately after the conclusion of the annual general meeting of the Company to be held at the same location on Tuesday, 29 June 2021 at 10:00 a.m. (or any adjournment thereof) is set out on pages EGM-1 to EGM-4 of this circular.

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete the enclosed form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed on the form as soon as possible but in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for the holding of the EGM or any adjournment of the EGM (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment of the EGM (as the case may be) should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the EGM:

- (1) Body temperature check for each attendee
- (2) Health declaration and wearing of a surgical face mask by each attendee
- (3) No distribution of corporate gifts or refreshments or drinks to attendees

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person. The form of proxy can be downloaded from the Company's website (www.bocomgroup.com) or the Stock Exchange's website.

The Company will keep the evolving COVID-19 situation under review and may implement additional measures. It may announce additional measures closer to the date of the EGM where necessary.

8 June 2021

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DEFINITIONS

The following terms have the following meanings in this circular, unless the context otherwise requires:

“applicable percentage ratio”	has the same meaning ascribed to it under the Listing Rules
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“BOCOM”	Bank of Communications Co., Ltd., a company incorporated in the People’s Republic of China with limited liability, the A shares of which are listed and traded on Shanghai Stock Exchange (Stock Code: 601328) and the H shares of which are listed and traded on the Stock Exchange (Stock Code: 3328), and being the ultimate controlling Shareholder
“BOCOM (Hong Kong)”	Bank of Communications (Hong Kong) Limited, a member of the BOCOM Group
“BOCOM (Hong Kong Branch)”	the Hong Kong Branch of BOCOM
“BOCOM FinTech”	BOCOM Financial Technology Company Limited* (交銀金融科技有限公司), a company incorporated in the People’s Republic of China, and a wholly-owned subsidiary of the Company
“BOCOM Group”	BOCOM and its subsidiaries (excluding the Group)
“BOCOM Nominee”	Bank of Communications (Nominee) Company Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of BOCOM and a shareholder of the Company holding Shares on trust for BOCOM
“Company”	BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 3329)
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company (or any adjournment thereof) to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong immediately after the conclusion of the annual general meeting of the Company to be held at the same location on Tuesday, 29 June 2021 at 10:00 a.m. (or any adjournment thereof) for the purpose of considering and, if thought fit, approving the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps)
“Expectation Investment”	Expectation Investment Limited, a company incorporated in Hong Kong with limited liability, an indirect subsidiary of BOCOM and a shareholder of the Company
“Financial Services Framework Agreement”	the financial services framework agreement dated 25 April 2017 (and renewed on 1 January 2020) entered into between the Company and BOCOM
“Group”	the Company and its subsidiaries
“Hainan Subsidiary”	Hainan BOCOM International Science and Technology Innovation Shengxing Equity Investment Partnership (Limited Partnership)* 海南交銀國際科創盛興股權投資合夥企業(有限合夥), a limited partnership registered in the People’s Republic of China and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee established by the Board, consisting of all independent non-executive Directors (i.e. Mr. TSE Yung Hoi, Mr. MA Ning and Mr. LIN Zhijun) to advise the Independent Shareholders in respect of the terms of the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps)

DEFINITIONS

“Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps)
“Independent Shareholders”	the Shareholders other than BOCOM and its associates
“Investor Shares”	such number of A shares to be issued by Ant Group Co., Ltd. to Hainan Subsidiary at the offer price which shall be equal to the final subscription price payable by Hainan Subsidiary under the Strategic Subscription Agreement, exclusive of brokerage and levies in respect of the Investor Shares (if any), divided by the offer price, rounded down to the nearest integer
“Latest Practicable Date”	3 June 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for the Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Proposed Revised Financial Services Annual Caps”	the proposed revised annual caps for the respective revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 as set out in the section headed “Current Annual Caps and Proposed Revised Annual Caps” in this circular, comprising annual caps in respect of four revenue streams for the Group, namely (i) securities brokerage settlement and subscription of new shares; (ii) investment advisory and management services; (iii) underwriting, sponsoring, securities issuance and advisory services; and (iv) interest on deposits
“Proposed Revised Interest on Deposit Annual Caps”	the proposed revised annual caps in respect of the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022
“Prospectus”	the prospectus of the Company dated 5 May 2017

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Subscription Agreement”	the Strategic Investor Subscription Agreement entered into by the Hainan Subsidiary, Ant Group Co., Ltd. and an underwriter in relation to the subscription of Investor Shares
“subsidiary(ies)”	has the same meaning ascribed to it under the Listing Rules

* *For identification purpose only*



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)

Executive Directors:

Mr. TAN Yueheng (*Chairman*)

Mr. MENG Yu (*Chief Executive Officer*)

Mr. CHENG Chuang (*Deputy Chief Executive Officer*)

Registered Office:

9/F, Man Yee Building

68 Des Voeux Road Central

Hong Kong

Non-executive Directors:

Ms. LIN Zhihong

Mr. SHOU Fugang

Ms. PO Ying

Independent Non-executive Directors:

Mr. TSE Yung Hoi

Mr. MA Ning

Mr. LIN Zhijun

8 June 2021

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAPS UNDER
FINANCIAL SERVICES FRAMEWORK AGREEMENT**

INTRODUCTION

We refer to the announcement of the Company dated 2 June 2021 in relation to, among other things, the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps).

The purposes of this circular are to provide you with, among other things, (i) further information on the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice of the EGM; and (v) other information as required under the Listing Rules.

LETTER FROM THE BOARD

We also refer to (i) the Prospectus disclosing, among others, the terms of the Financial Services Framework Agreement entered into between the Company and BOCOM on 25 April 2017; (ii) the announcement of the Company dated 26 March 2019 in relation to, among others, the renewal of the Financial Services Framework Agreement; (iii) the circular of the Company dated 17 May 2019 in relation to, among others, the renewal of the Financial Services Framework Agreement; and (iv) the poll results announcement of the Company dated 14 June 2019 in relation to, among others, the renewal of the Financial Services Framework Agreement (collectively, the “**Previous Disclosure**”).

The current annual caps for the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 comprise annual caps in respect of four revenue streams for the Group, namely (i) securities brokerage settlement and subscription of new shares; (ii) investment advisory and management services; (iii) underwriting, sponsoring, securities issuance and advisory services; and (iv) interest on deposits. Such current annual caps have been approved by the Shareholders in the extraordinary general meeting held on 14 June 2019.

On 2 June 2021, the Board resolved to increase the annual caps in respect of the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 to HK\$51.5 million and HK\$59.6 million respectively (the “**Proposed Revised Interest on Deposit Annual Caps**”), while the annual caps for the other three items of the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 shall remain unchanged.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

The principal terms of the Financial Services Framework Agreement remain unchanged and are summarised as below.

Date: 25 April 2017

Parties: (1) the Company
(2) BOCOM

Scope of Service: All existing and future provision of financial services between members of the Group and members of the BOCOM Group comprising the following:

(a) *Financial services provided by the Group to the BOCOM Group*

(i) Securities brokerage settlement and subscription of new shares

Each of BOCOM (Hong Kong Branch) and BOCOM (Hong Kong) will, among other things, refer no less than 90% in terms of transaction value of the securities brokerage transactions on the Stock Exchange of its customers to the Group for securities trading and brokerage settlement and pays commission to the Group. The BOCOM Group also uses broker number under the Exchange Participantship of the Group for subscription of new shares by its customers. The Group will on-pay the entire gross brokerage commission received therefrom to the BOCOM Group.

(ii) Investment advisory and management service

The Group provides investment advisory and management services to certain funds controlled by the BOCOM Group or which have the BOCOM Group as the general partner, and receives fund management fee income from the BOCOM Group.

(iii) Underwriting, sponsoring, securities issuance and advisory services

The Group provides underwriting, sponsoring and securities issuance services in respect of equity and debt securities and advisory services to the BOCOM Group and receives underwriting commissions, sponsor fees and advisory fees for providing such services.

LETTER FROM THE BOARD

(b) Financial services provided by the BOCOM Group to the Group

(i) Deposit services

The Group has maintained deposit accounts with the Hong Kong, Mainland China and Macau branches of BOCOM in the ordinary and usual course of its business and on normal commercial terms. The Group places both client funds and proprietary funds as deposits in such accounts opened with BOCOM. The Group receives interest on such deposits from BOCOM.

(ii) Customer referral services

The BOCOM Group from time to time refers its customers or potential customers who require services provided by the Group to open accounts with and become customers of the Group. The services provided by the Group to the referred customers include securities brokerage and margin financing services. The Group pays referral commission to certain branches of BOCOM for such customer referral services.

(iii) Fund product distribution services

As one of the marketing channels for the Group's fund products, the BOCOM Group provides product distribution services by promoting and distributing the fund products offered or managed by the Group. The Group pays commission to the BOCOM Group for such services.

(iv) Miscellaneous banking and financial services

The Group has engaged the BOCOM Group to provide miscellaneous banking and financial services including insurance and custodian services. The Group pays service fees to the BOCOM Group for such services.

LETTER FROM THE BOARD

General Terms:

At any time during the terms of the Financial Services Framework Agreement, the relevant member of the Group and the relevant member of the BOCOM Group may from time to time enter into definitive agreements in relation to any transaction(s) under the Financial Services Framework Agreement upon, and subject to, the terms and conditions in compliance with those of the Financial Services Framework Agreement.

The transactions under the Financial Services Framework Agreement shall be conducted:

- (a) in the ordinary and usual course of business of the Group and the BOCOM Group;
- (b) on an arm's length basis;
- (c) on normal commercial terms or better to the Group;
- (d) on terms no less favourable to the Group than those offered by the BOCOM Group to independent third parties for similar or comparable transactions (in respect of provision of financial services by the BOCOM Group to the Group);
- (e) on terms no less favourable to the Group than those offered by the Group to independent third parties for similar transactions (in respect of the provision of financial services by the Group to the BOCOM Group);
- (f) in accordance with the specified pricing policies; and
- (g) in compliance with, among other things, the Listing Rules and applicable laws and regulations.

LETTER FROM THE BOARD

- Pricing Policies:**
- (a) *Financial services provided by the Group to the BOCOM Group*
 - (i) *Securities brokerage settlement and subscription of new shares*

The fees and commissions payable by the BOCOM Group to the Group for securities brokerage settlement and subscriptions of new shares are determined by arm's length negotiation after taking into account factors including the prevailing market rates and the rates normally applicable to independent third parties for similar types of transactions at the time of the transaction, the expected significant trading volume of and revenue from the securities brokerage transactions to be referred by the BOCOM Group to the Group for securities trading and brokerage settlement, the scope and extent of the services to be provided by the Group, the fact that the transactions involve customers of the BOCOM Group but not customers of the Group and the insignificant marketing expenses and efforts required of the Group, the fact that the orders will be placed through the trading system of the BOCOM Group but not that of the Group and the immaterial additional costs to the Group for permitting the BOCOM Group to use the broker number under the Exchange Participantship of the Group for subscription of new shares by its customers as the human resources and infrastructure required have already been put in place by the Group for the purposes of conducting other businesses of the Group.

LETTER FROM THE BOARD

(ii) Investment advisory and management services

The fees for the investment advisory and management services provided by the Group are payable by the BOCOM Group in accordance with the rates set out in the relevant fund management agreements which will be determined based on arm's length negotiation after taking into account factors including the extent of the Group's involvement in sourcing of transactions, the prevailing market rates for investment advisory and management services of similar types and nature, the assets under management of the relevant funds in respect of which the Group provides investment advisory and management services, the fees that the Group charges independent customers for similar advisory and management services and the types of the funds involved and their investment strategies and focus which may affect the resources required for providing the management services. For targeted asset management schemes, the Group charges management fees on the basis of a specified percentage of the assets under management. For specialised asset management schemes, the management fee rates will also take into account the purpose of the asset management scheme and the industry involved.

(iii) Underwriting, sponsoring, securities issuance and advisory services

The fees for the underwriting, sponsoring, securities issuance and advisory services provided by the Group are payable by the BOCOM Group in accordance with the rates set out in the relevant underwriting, sponsoring, advisory or other engagement agreements that may be entered into by the Group and the BOCOM Group.

The underwriting commissions, sponsoring fees and securities issuance fees are determined by arm's length negotiation after taking into account factors including the capital market conditions, the size of the proposed issuance, the commission and fee rates charged in respect of recent issuance of similar nature and scale, the market demand for the securities to be issued and the rates that the Group charges independent third parties for similar services.

The securities underwriting market in Hong Kong is highly competitive and the underwriting commission rates, sponsor fees and securities issuance fees have become generally transparent and standardised across the market, which enables the Group to adopt a market-based pricing approach.

LETTER FROM THE BOARD

The fees for advisory services are determined by arm's length negotiation after taking into account factors including the nature of the advisory services involved, the scale and complexity of the transactions or advisory projects involved and the fees and the rates that the Group charges independent customers for similar services.

(b) Financial services provided by the BOCOM Group to the Group

(i) Deposit services

The interest rates of the deposits of the Group placed with BOCOM will be determined by reference to the market rates of deposits in the financial industry payable to independent customers for deposits of the same type and similar amounts during that period.

(ii) Customer referral services

The customer referral commissions payable by the Group to the BOCOM Group are determined by arm's length negotiation after taking into account factors including the nature of services required by the customers referred by the BOCOM Group, the referral commissions payable by the Group to independent parties for customers referred for similar businesses, the market conditions, the expected number of customers to be referred by the BOCOM Group for each type of services to be provided by the Group and the industry practice.

LETTER FROM THE BOARD

(iii) Fund product distribution services

The fees and commissions payable by the Group to the BOCOM Group for the fund product distribution services are determined by arm's length negotiations after taking into account factors including the commissions payable by the Group to independent parties for similar product distribution services, the expected number of customers who will subscribe for fund products offered or managed by the Group through the BOCOM Group's distribution channels and the industry practice.

(iv) Miscellaneous banking and financial services

The fees payable by the Group to the BOCOM Group for the miscellaneous banking and financial services are determined by arm's length negotiation after taking into account factors including the prevailing market rates for similar services provided by other banks and financial institutions. The market rates are generally transparent and standardised across the banking and financial industries.

The Financial Services Framework Agreement came into effect on 19 May 2017 and expired on 31 December 2019, and is automatically renewable for successive periods of three years thereafter, subject to the compliance with the then applicable requirements of the Listing Rules. The automatic renewal of the term of the Financial Services Framework Agreement for the three years ending 31 December 2022 was approved by the Independent Shareholders at the extraordinary general meeting of the Company on 14 June 2019.

LETTER FROM THE BOARD

HISTORICAL ANNUAL CAPS AND TRANSACTION AMOUNTS

The historical annual caps and transaction amounts in respect of the transactions under the Financial Services Framework Agreement for each of the four years ended 31 December 2017, 2018, 2019 and 2020, as well as the annual caps for the year ending 31 December 2021 and the transaction amounts for the three months ended 31 March 2021 are as follows:

	Year ended 31 December								Three months ended	
	2017		2018		2019		2020		Year ending 31 December 2021	31 March 2021
	<i>(HK\$ million)</i>		<i>(HK\$ million)</i>		<i>(HK\$ million)</i>		<i>(HK\$ million)</i>		<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
	<i>(Approximate)</i>		<i>(Approximate)</i>		<i>(Approximate)</i>		<i>(Approximate)</i>		<i>(Approximate)</i>	<i>(Approximate)</i>
1. Financial Services Framework Agreement										
Revenue received by the Group from the BOCOM Group in respect of:	Annual caps	Transaction Amount	Annual caps	Transaction Amount	Annual caps	Transaction Amount	Annual caps	Transaction Amount	Annual caps	Transaction Amount
(1) Securities brokerage settlement and subscription of new shares	20.0	12.2	20.0	10.6	20.0	7.4	19.6	10.8	23.5	4.5
(2) Investment advisory and management services	68.2	34.2	72.7	27.9	84.7	23.3	77.9	22.3	82.8	5.4
(3) Underwriting, sponsoring, securities issuance and advisory services	26.2	6.0	32.8	4.8	41.0	5.8	70.2	7.9	70.2	0
(4) Interest on deposits	5.3	0.9	5.3	4.0	5.3	5.1	15.3	4.6	15.3	7.2
Total	119.7	53.3	130.7	47.3	151.0	41.6	183.0	45.6	191.8	17.1
Fees and commissions paid by the Group to the BOCOM Group in respect of:										
(1) On-payment of securities brokerage commission for subscription of new shares	1.9	1.2	2.2	0.6	2.7	0.8	2.8	1.5	3.4	0.4
(2) Customer referral services	7.8	7.5	18.5	4.1	27.1	2.9	15.1	5.0	20.1	1.3
(3) Fund product distribution services	0.2	0.1	8.7	0.1	8.7	0.1	8.6	0.2	8.6	0.1
(4) Miscellaneous banking and financial services	7.4	7.0	10.6	8.6	12.6	2.8	11.3	3.5	14.0	0.3
Total	17.3	15.8	40.0	13.4	51.1	6.5	37.8	10.2	46.1	2.1

None of the actual transaction amounts during the relevant periods exceeded the annual caps as set out in the Previous Disclosure. The Company expects that none of the existing annual caps for the year ending 31 December 2021 will be exceeded as at the date of the EGM.

LETTER FROM THE BOARD

CURRENT ANNUAL CAPS AND PROPOSED REVISED ANNUAL CAPS

Revenue transactions under the financial Services Framework Agreement

The current annual caps for the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 comprise annual caps in respect of four revenue streams for the Group, namely (i) securities brokerage settlement and subscription of new shares; (ii) investment advisory and management services; (iii) underwriting, sponsoring, securities issuance and advisory services; and (iv) interest on deposits. Such current annual caps have been approved by the Shareholders in the extraordinary general meeting of the Company held on 14 June 2019.

The Board proposed to increase the annual caps in respect of the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 to HK\$51.5 million and HK\$59.6 million respectively, while the annual caps for the other three items of the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 shall remain unchanged.

The current annual caps and the Proposed Revised Financial Services Annual Caps for the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 are as follows:

	Year ending 31 December			
	2021		2022	
	<i>(HK\$ million)</i>		<i>(HK\$ million)</i>	
	<i>(Approximate)</i>		<i>(Approximate)</i>	
Revenue received by the Group from the BOCOM Group in respect of:	Current annual caps	Proposed revised annual caps	Current annual caps	Proposed revised annual caps
(1) Securities brokerage settlement and subscription of new shares	23.5	23.5 (unchanged)	28.2	28.2 (unchanged)
(2) Investment advisory and management services	82.8	82.8 (unchanged)	88.8	88.8 (unchanged)
(3) Underwriting, sponsoring, securities issuance and advisory services	70.2	70.2 (unchanged)	70.2	70.2 (unchanged)
(4) Interest on deposits	15.3	51.5	15.3	59.6
Total	191.8	228.0	202.5	246.8

LETTER FROM THE BOARD

Expenditure transactions under the Financial Services Framework Agreement

The current annual caps for the expenditure transactions representing the fees and commissions to be paid by the Group to the BOCOM Group under the Financial Services Framework Agreement during each of the two years ending 31 December 2021 and 2022 shall remain unchanged.

BASIS OF DETERMINATION OF PROPOSED REVISED FINANCIAL SERVICES ANNUAL CAPS

Interest on deposits

The Proposed Revised Interest on Deposit Annual Caps for the two years ending 31 December 2022 were determined mainly by reference to the following key factors based on the latest information available to the Group:

- (i) the actual interest on the Group's deposits (including but not limited to Hainan Deposit and FinTech Deposit) received from the BOCOM Group for the three months ended 31 March 2021;
- (ii) the estimated interest income for the two years ending 31 December 2021 and 2022 based on the deposits (including but not limited to Hainan Deposit and the FinTech Deposit) placed by the Group with the BOCOM Group as at 31 March 2021;
- (iii) the latest deposit interest rates offered to the Group;
- (iv) the potential appreciation of Renminbi; and
- (v) the potential increase in the level of deposits maintained by the Group due to possible future business development.

The other three items of the revenue transactions

The annual caps for the other three items of the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 shall remain unchanged.

REASONS FOR AND BENEFITS OF REVISING THE CURRENT ANNUAL CAPS

The Group deposits funds as deposits with a number of financial institutions in the ordinary and usual course of its business. The Group has maintained deposit accounts with the Hong Kong, Mainland China and Macau bank branches of BOCOM Group in the ordinary and usual course of its business and on normal commercial terms. The Group places both client funds and proprietary funds as deposits in such accounts and receives interests on such deposits. Placing deposits with the BOCOM Group on normal commercial terms could diversify the business relationships with commercial banks. BOCOM is a licensed and reputable commercial bank and deposit taking is part of its ordinary and usual course of business.

LETTER FROM THE BOARD

During the year ended 31 December 2020, the Group deposited additional funds with the BOCOM Group as a result of two transactions as described below:

(a) The Hainan Deposit

As described in the announcement of the Company dated 26 October 2020 in relation to the Strategic Subscription Agreement, Hainan Subsidiary has agreed to subscribe for the Investor Shares of Ant Group Co., Ltd. in the amount of RMB600 million. Due to the suspension of listing of Ant Group Co., Ltd., Hainan Subsidiary received a refund of approximately RMB603 million, being the aggregate amount of the subscription money and the relevant brokerage fee paid under the Strategic Subscription Agreement and the accrued interest on 9 November 2020. Such refund has been deposited with a bank branch of the BOCOM Group since October 2020 (the “**Hainan Deposit**”) and generated interest income for the Group. For the three months ended 31 March 2021, the Group has recorded interest income of approximately RMB2.5 million from the Hainan Deposit.

(b) The FinTech Deposit

As described in the announcement of the Company dated 25 August 2020, BOCOM FinTech was established with a registered capital of RMB600 million. Subsequent to the establishment of BOCOM FinTech in August 2020, the registered capital of BOCOM FinTech has been deposited with a bank branch of the BOCOM Group since November 2020 (the “**FinTech Deposit**”) and generated interest income for the Group. For the three months ended 31 March 2021, the Group has recorded interest income of approximately RMB3.3 million from the FinTech Deposit.

The above mentioned new deposits were not anticipated when the current annual caps in respect of the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement were determined. The Company has no immediate plan for alternative deployment of the Hainan Deposit and the FinTech Deposit which have generated interest income of approximately RMB5.8 million in aggregate for the three months ended 31 March 2021.

Taking into account the expected increase of interest income generated from the Hainan Deposit and the FinTech Deposit, as well as the potential increase in the level of deposits maintained by the Group due to possible business development, the Directors consider that it would be in the interests of the Company and the Shareholders as a whole to increase the current annual caps in respect of the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement.

WAIVER FROM STRICT COMPLIANCE WITH THE MAXIMUM DAILY BALANCE REQUIREMENT IN RESPECT OF THE GROUP’S BANK DEPOSITS WITH THE BOCOM GROUP

Pursuant to Rule 14A.53 of the Listing Rules, the Company is required to set a maximum daily balance for deposits which the Group places in accounts opened with the BOCOM Group. The Company has applied to the Stock Exchange for and the Stock

LETTER FROM THE BOARD

Exchange has granted the Company a waiver from strict compliance with the requirements of setting a maximum daily balance for the Group's deposits placed with the BOCOM Group under Rule 14A.53 of the Listing Rules for the three years ending 31 December 2022. Please refer to the announcement of the Company dated 25 April 2019 for details.

MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

In order to further safeguard the interests of the Shareholders as a whole, the Group has implemented the following internal approval and monitoring procedures in relation to the transactions contemplated under the Financial Services Framework Agreement (the "**Financial Services Transactions**"):

- (a) before confirming the pricing and the terms of the Financial Services Transactions, the Group will review and consider the pricing offered to or quoted by, as the case may be, two or more independent third parties in respect of transactions of a similar nature and scale in order to determine whether the proposed pricing and terms of the Financial Services Transactions are fair, reasonable and no less favourable to the Group than those quoted by independent third parties to the Group or no more favourable to the Group than those offered by the Group to independent third parties, as the case may be. If no pricing quoted by or offered to independent third parties can be obtained for the purpose of the above comparison, the relevant Financial Services Transactions will have to be separately considered and approved by the head of the relevant business unit in order to ensure that the pricing will be fair and reasonable to the Group;
- (b) the Group has adopted internal guidelines which provide that if the value of any Financial Services Transactions is expected to exceed certain thresholds, the relevant staff must report the Financial Services Transactions to the Company Secretary and the Legal and Compliance Department of the Company (directly or through the head of the relevant business unit) in order for the Company to commence the necessary additional assessment and approval procedures and ensure that the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules; and
- (c) the Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by the Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the Financial Services Transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and are in accordance with the agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the Financial Services Transactions have not been approved by the Board, or not in

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accordance with the pricing policies of the Group in all material respects, or not entered into in accordance with the relevant agreement governing the Financial Services Transactions in all material respects or have exceeded the cap.

- (d) In relation to deposits with the BOCOM Group, the Company regularly reviews the terms (including the interest rates) offered by the BOCOM Group for the deposit of funds to ensure that such terms are no less favourable to the Group than those offered to it by independent financial institutions.

INFORMATION ON 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 ON BOCOM GROUP

BOCOM is a state-owned joint-stock commercial bank registered in the People's Republic of China, with its A shares listed on the Shanghai Stock Exchange and H shares listed on the Stock Exchange. BOCOM provides the customers with corporate banking, personal banking and interbank and financial market businesses. Corporate banking businesses include offering deposits and loans, supply chain finance, cash management, international settlement and trade finance, investment banking, asset custody, wealth management and all kinds of intermediary businesses to corporate customers and government agencies. Personal banking businesses include services such as deposits and loans, wealth management, bank cards, private banking and all kinds of intermediary businesses for individual customers. Interbank and financial market businesses include cooperation with customers in the markets of interest rates, exchange rates, commodities, providing comprehensive services such as investment and financing, transactions, agency, settlement and liquidation. In addition, BOCOM Group is involved in businesses in financial leasing, fund, trust, insurance, overseas securities, debt-to-equity conversion and asset management through wholly-owned or controlling subsidiaries.

LISTING RULES IMPLICATIONS

As at the date of this circular, BOCOM is the ultimate controlling Shareholder holding approximately 73.14% of the issued Shares and hence a connected person of the Company. Therefore, the transactions contemplated under the Financial Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.54 of the Listing Rules, the Company must re-comply with the announcement and independent shareholders' approval requirements before the current annual caps under the Financial Services Framework Agreement are exceeded.

LETTER FROM THE BOARD

The Directors are of the view that the revenue transactions under the Financial Services Framework Agreement are of the same nature and are entered into by the Group with parties who are connected with one another, and therefore should be aggregated under Rules 14A.81 and 14A.82(1) of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Revised Financial Services Annual Caps is 5% or more, the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) will be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the terms of the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps). The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

BOARD APPROVAL

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 Board resolutions in respect of the approval of the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps). In addition, Ms. LIN, Mr. SHOU and Ms. PO are also employees of BOCOM. Save as disclosed above, none of the Directors has a material interest in respect of the Financial Services Framework Agreement and none of them has abstained from voting on the Board resolutions in respect of the approval of the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps).

EGM

The Company will hold the EGM at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, immediately after the conclusion of the annual general meeting of the Company to be held at the same location on Tuesday, 29 June 2021 at 10:00 a.m. (or any adjournment thereof), at which a resolution will be proposed for the purpose of, among others, considering and if thought fit, approving the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps). The notice to convene the EGM is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed on the form and deposit the same at the office of the Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours (excluding any part of a day that is a public holiday) before the time scheduled for the

LETTER FROM THE BOARD

holding of the EGM or any adjournment of EGM (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment of the EGM (as the case may be).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 24 June 2021 to 29 June 2021 (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to attend and vote at the EGM. No transfer of the Shares may be registered during the said period. In order to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on 23 June 2021.

VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on the resolution at the EGM will be conducted by way of poll.

BOCOM and its associates hold 73.14% of the issued Shares and since BOCOM and its associates are considered to have a material interest in respect of the Proposed Revised Annual Caps, BOCOM and its associates shall abstain from voting on the relevant resolution to approve the same pursuant to the Listing Rules. Save as disclosed above, to the best of the information and knowledge of the Company, no other existing Shareholder is required to, or otherwise will, abstain from voting on the relevant resolution to approve the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) for the purpose of the Listing Rules.

RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 23 to 24 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders regarding the resolution to approve the Proposed Revised Annual Caps; (ii) the letter from the Independent Financial Adviser, set out on pages 25 to 35 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps); and (iii) additional information set out in the appendix to this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that (i) the terms of the Financial Services Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable; and (ii) the transactions contemplated under the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are on

LETTER FROM THE BOARD

normal commercial terms or better, in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the EGM in respect of the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps).

The Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) are of the view that (i) the terms of the Financial Services Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable; and (ii) the transactions contemplated under the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are on normal commercial terms or better, in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole. The Board therefore recommends you vote in favour of the resolution in respect of the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) to be proposed at the EGM.

By order of the Board
BOCOM International Holdings Company Limited
TAN Yueheng
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Proposed Revised Annual Caps.



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)

8 June 2021

To the Independent Shareholders

**CONTINUING CONNECTED TRANSACTIONS REVISION OF
ANNUAL CAPS UNDER THE
FINANCIAL SERVICES FRAMEWORK AGREEMENT**

Dear Sir or Madam,

We refer to the circular of the Company dated 8 June 2021 (the “**Circular**”) despatched to the Shareholders, of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to consider and advise the Independent Shareholders on whether (i) the Financial Services Framework Agreement is entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and (ii) the terms of the Financial Technology Services Framework Agreement and the transactions contemplated thereunder and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to (i) the letter from the Independent Financial Adviser containing details of the advice, together with the principal factors and reasons it has taken into consideration, are set out on pages 25 to 35 of the Circular; and (ii) the letter from the Board as set out on pages 5 to 22 of the Circular.

Having taken into account the opinion of the Independent Financial Adviser as set out in its letter of advice, we consider (i) the terms of the Financial Services Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable; and (ii) the transactions contemplated under the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are on normal commercial terms or better, in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders to vote in favour of the resolution to approve the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) at the EGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee
BOCOM International Holdings Company Limited

Mr. TSE Yung Hoi
*Independent non-executive
Director*

Mr. MA Ning
*Independent non-executive
Director*

Mr. LIN Zhijun
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from Altus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the revision of annual caps for the revenue transactions under the Financial Services Framework Agreement, which have been prepared for the purpose of incorporation in this circular.

ALTUS.

Altus Capital Limited
21 Wing Wo Street,
Central, Hong Kong

8 June 2021

To the Independent Board Committee and the Independent Shareholders

BOCOM International Holdings Company Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Hong Kong

Dear Sir and Madam,

CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAPS UNDER THE FINANCIAL SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the revision of annual caps for the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022, details of which are set out in the “Letter from the Board” contained in the circular of the Company dated 8 June 2021 (the “**Circular**”). Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

The current annual caps for the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 (the “**Original Financial Services Annual Caps**”) comprises annual caps in relation to four revenue streams for the Group, namely (i) securities brokerage settlement and subscription of new shares; (ii) investment advisory and management services; (iii) underwriting, sponsoring, securities issuance and advisory services; and (iv) interest on deposits. Such current annual caps have been approved by the Shareholders in the extraordinary general meeting held on 14 June 2019.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Board expects that the annual caps in relation to the interest on deposits received by the Group from the BOCOM Group will not be sufficient for the Group's expected interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement for the two years ending 31 December 2022. As such, the Board proposed to increase the annual caps in relation to the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 to HK\$51.5 million and HK\$59.6 million respectively, while the annual caps of the other items of the revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 shall remain unchanged.

LISTING RULES IMPLICATIONS

BOCOM is the controlling shareholder of the Company, holding approximately 73.14% of the issued Shares, and thus a connected person of the Company. Therefore, the transactions under the Financial Services Framework Agreement between the Company and BOCOM constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, the Company should re-comply with shareholders' approval requirements before the Original Financial Services Annual Caps are exceeded.

As the highest applicable percentage ratio in respect of the Proposed Revised Financial Services Annual Caps is 5% or more, the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) will be subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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 in respect of the approval of the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps). In addition, Ms. LIN, Mr. SHOU and Ms. PO are also employees of BOCOM. Save as disclosed above, none of the Directors has a material interest in respect of the Financial Services Framework Agreement and none of them has abstained from voting on the relevant Board resolutions.

As BOCOM, either itself or its associates, being the counterparty to the Financial Services Framework Agreement, is materially interested in those transactions, BOCOM, its subsidiaries and its associates will abstain from voting on the resolution in respect of the Proposed Revised Financial Services Annual Caps to be proposed at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. TSE Yung Hoi, Mr. MA Ning and Mr. LIN Zhijun, has been established to advise the Independent Shareholders as to (i) whether the terms of the Financial Services Framework Agreement, the transactions contemplated thereunder and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable; (ii) whether the transactions contemplated under the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are on normal commercial terms or better, in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how to vote at the EGM, taking into account the recommendations of the Independent Financial Adviser.

THE INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Financial Services Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable; (ii) whether the transactions contemplated under the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are on normal commercial terms or better, in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution relating thereto to be proposed at the EGM.

We had acted as the independent financial adviser to the Company with regards to (i) the renewal of continuing connected transactions, details of which are set out in the circular of the Company dated 17 May 2019 (the “**CCT Circular**”); (ii) the revision of annual caps of continuing connected transactions, details of which are set out in the circular of the Company dated 4 June 2020; and (iii) continuing connected transactions, details of which are set out in the circular of the Company dated 7 December 2020. Save for the aforesaid engagements, we have not acted as independent financial adviser in relation to any transactions of the Company in the last two years prior to the date of the Circular. Pursuant to Rule 13.84 of the Listing Rules, and given that remuneration for our engagement to opine on the revision of annual caps for the revenue transactions under the Financial Services Framework Agreement is at market level and not conditional upon successful passing of the resolution to be proposed at the EGM, and that our engagement is on normal commercial terms, we are independent of and not associated with the Company, its controlling shareholder(s) or connected person(s).

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the Financial Services Framework Agreement; (ii) the annual report of the Company for the year ended 31 December 2019 (the “**2019 Annual Report**”) and the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”); (iii) CCT Circular; (iv) the announcement (the “**Subscription Announcement**”) issued by the Company dated 26 October 2020 in relation to a strategic subscription agreement entered into among Hainan Subsidiary (as defined below), Ant Group Co., Ltd. and an underwriter; (v) the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

supplemental announcement in relation to the Subscription Announcement dated 6 November 2020 (the “**Supplemental Subscription Announcement**”); (vi) the announcements issued by the Company dated 16 January 2020 and 25 August 2020 (together, the “**BOCOM FinTech Announcements**”) in relation to the establishment of BOCOM Financial Technology Company Limited (“**BOCOM FinTech**”); and (vii) other information set out in the Circular.

We have also relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Group (the “**Management**”). We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company, Directors and the Management were reasonably made after due and careful enquiry and were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular. The Directors collectively and individually accept full responsibility, including particulars given in compliance with the Listing Rules for the purpose of giving information with regards to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement in the Circular misleading.

We have no reason to believe that any such statements, information, opinions or representations we relied on in forming our opinion are untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render them untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations. We consider that we have been provided with and have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

1. BACKGROUND

1.1 Principal businesses of the Group

The Group is principally engaged in four core businesses: (i) securities brokerage and margin financing, including executing trades on behalf of clients in stocks, bonds, futures, options and other marketable securities and offering collateralised financing relating to securities transactions to both retail and institutional customers; (ii) corporate finance and underwriting, which provides services ranging from IPO sponsorship, equity securities underwriting, debt securities underwriting, mergers and acquisitions, pre-IPO financing, and financial advisory; (iii) asset management and advisory, including management of public and private funds and discretionary

managed accounts, and investment advisory services; and (iv) investment and loans, entailing investment in various equity and debt securities as well as public and private funds, and structured financing and loans to enterprises.

1.2 Principal businesses of the BOCOM Group

BOCOM is a state-owned joint-stock commercial bank registered in the People's Republic of China, with its A shares listed on the Shanghai Stock Exchange and H shares listed on the Stock Exchange. BOCOM provides the customers with corporate banking, personal banking and interbank and financial market businesses. Corporate banking businesses include offering deposits and loans, supply chain finance, cash management, international settlement and trade finance, investment banking, asset custody, wealth management and all kinds of intermediary businesses to corporate customers and government agencies. Personal banking businesses include services such as deposits and loans, wealth management, bank cards, private banking and all kinds of intermediary businesses for individual customers. Interbank and financial market businesses include cooperation with customers in the markets of interest rates, exchange rates, commodities, providing comprehensive services such as investment and financing, transactions, agency, settlement and liquidation. In addition, BOCOM is involved in businesses in financial leasing, fund, trust, insurance, overseas securities, debt-to-equity conversion and asset management through wholly-owned or controlling subsidiaries.

1.3 Relationship of the Group with the BOCOM Group

BOCOM is the ultimate controlling Shareholder of the Company. As at the Latest Practicable Date, BOCOM held approximately 73.14% of the total number of issued Shares. The Group continues to serve as an overseas business platform of BOCOM and the BOCOM Group. Through establishing or shareholding various subsidiaries with capital injection, the Group implements the overseas strategies of the BOCOM Group and develop its overseas financial businesses. Similarly, the relationship with the BOCOM Group accelerates the Group's business growth, which is supported by the greater demand from cross-border investing and financing services. Being the international flagship of BOCOM, the Group is committed to creating a large and vibrant international integrated financial services institution with PRC background in Hong Kong.

2. REASONS FOR AND BENEFITS OF THE REVISION OF ANNUAL CAPS

During the Group's ordinary course of business, the Group places deposits with a number of financial institutions. As such, as BOCOM is a licensed reputable commercial bank, placing deposits in bank branches under the BOCOM Group on normal commercial terms is in the ordinary course of business of the Group. The interest income derived from deposits placed with the BOCOM Group constitute continuing connected transactions as governed by the Financial Services Framework Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As certain additional deposits were not anticipated when the current annual caps in relation to the interest on deposits received by the Group from the BOCOM Group under the Financial Services Framework Agreement (the “**Original Interest on Deposit Annual Caps**”) were derived, the Original Interest on Deposit Annual Caps need to be revised upwards to accommodate the additional interest income. Set out below are the background of the transactions leading to the additional deposits.

2.1 The Hainan Deposit

As described in the Subscription Announcement, Hainan BOCOM International Science and Technology Innovation Shengxing Equity Investment Partnership (Limited Partnership)* (海南交銀國際科創盛興股權投資合夥企業(有限合夥), the “**Hainan Subsidiary**”), a wholly-owned subsidiary of the Company, entered into a strategic subscription agreement (“**Subscription Agreement**”) with Ant Group Co., Ltd. and an underwriter on 18 September 2020, pursuant to which, the Hainan Subsidiary has agreed to subscribe for shares of Ant Group Co., Ltd. in an amount of RMB600 million (or approximately RMB603 million inclusive of brokerage and levies). The Subscription Agreement became effective on 21 October 2020.

With reference to the Supplemental Subscription Announcement, on 3 November 2020 and 5 November 2020, Ant Group Co., Ltd. announced that its listing had been suspended. Hence, on 9 November 2020, the Hainan Subsidiary received the refund of approximately RMB603 million, being the aggregate amount of the subscription money and the relevant brokerage fee paid under the Subscription Agreement.

The fund of Hainan Subsidiary designated for the Subscription Agreement was deposited in a bank branch under the BOCOM Group since October 2020 (the “**Hainan Deposit**”), which generated interest income to the Group. For the three months ended 31 March 2021, the Group recorded interest income of approximately RMB2.5 million from the Hainan Deposit.

2.2 The FinTech Deposit

With reference to the BOCOM FinTech Announcements, the Group established BOCOM FinTech on 25 August 2020 with a registered capital of RMB600 million.

Subsequent to the establishment of BOCOM FinTech in August 2020, the registered capital of BOCOM FinTech was deposited to a bank branch under the BOCOM Group since November 2020 (the “**FinTech Deposit**”), which generated interest income to the Group. For the three months ended 31 March 2021, the Group recorded interest income of approximately RMB3.3 million from the FinTech Deposit.

2.3 Section conclusion

As the Management has no immediate plan for alternative deployment of the abovementioned Hainan Deposit and the FinTech Deposit which had already generated interest income of approximately RMB5.8 million for the three months ended 31 March 2021, the expected interest income will increase the aggregate amount

of revenue to be received by the Group from the BOCOM Group for the years ending 31 December 2021 and 2022 in relation to the Financial Services Framework Agreement. In addition, according to the Management, the Group had generated an interest income from the deposits placed with the BOCOM Group of approximately HK\$7.2 million for the three months ended 31 March 2021, representing approximately 47.1% of the Original Interest on Deposit Annual Caps for the year ending 31 December 2021. Accordingly, the Original Interest on Deposit Annual Caps needs to be revised upwards to accommodate such change.

Given that (i) the principal terms of the Financial Services Framework Agreement remained unchanged; and (ii) the abovementioned expected increase in interest on deposits was not anticipated when the Original Interest on Deposit Annual Caps were derived, we are of the view that it is fair and reasonable to revise the Original Interest on Deposit Annual Caps.

As the principal terms of the Financial Services Framework Agreement remain unchanged, we are of the view that the terms of the Financial Services Framework Agreement and the transactions contemplated thereunder will continue to be fair and reasonable and that the transactions contemplated under the Financial Services Framework Agreement will also continue to be on normal commercial terms or better, in the ordinary and usual course business of the Group and in the interests of the Company and the Shareholders as a whole and in the ordinary and usual course of business of the Group.

3. ANALYSIS ON THE PROPOSED REVISED FINANCIAL SERVICES ANNUAL CAPS

3.1 The Original Financial Services Annual Caps

With reference to the CCT Circular, the Original Financial Services Annual Caps comprises annual caps in relation to four revenue streams for the Group, namely (i) securities brokerage settlement and subscription of new shares; (ii) investment advisory and management services; (iii) underwriting, sponsoring, securities issuance and advisory services; and (iv) interest on deposits. The table below sets out the Original Financial Services Annual Caps for each of the two years ending 31 December 2021 and 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the year ending 31 December	
	2021	2022
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
	<i>(Approximate)</i>	<i>(Approximate)</i>
Revenue to be received by the Group from the BOCOM Group in respect of:		
Securities brokerage settlement and subscription of new shares	23.5	28.2
Investment advisory and management services	82.8	88.8
Underwriting, sponsoring, securities issuance and advisory services	70.2	70.2
<i>Interest on deposits</i>	<u>15.3</u>	<u>15.3</u>
Total	<u>191.8</u>	<u>202.5</u>

As elaborated in the CCT Circular, the Original Interest on Deposit Annual Caps were determined by reference to:

- (i) the then expected amount in client money which the Group would receive from its business operations will remain stable for the three years ending 31 December 2022;
- (ii) the interest on the deposits of the Group placed with BOCOM during the two financial years ended 31 December 2018 ranged from 0.11% to 3.15%;
- (iii) the then expected interest rates to be paid to the Group for each of the three years ending 31 December 2022 are approximately 1.5% for Hong Kong dollar deposits and approximately 3.5% for Renminbi deposits respectively; and
- (iv) the then expected upward trends of movements in the market interest rates.

As explained in the paragraph headed “2. Reasons for and benefits of the revision of annual caps” above in this letter, the Hainan Deposit and the FinTech Deposit were not anticipated when the Original Interest on Deposit Annual Caps were derived. As the amount in relation to the Hainan Deposit and FinTech Deposit is material and unanticipated, Original Interest on Deposit Annual Caps need to be revised upwards to accommodate the additional interest income to be generated.

3.2 The Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps)

Set out below is a table illustrating the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) for each of the two years ending 31 December 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the year ending 31 December	
	2021	2022
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
	<i>(Approximate)</i>	<i>(Approximate)</i>
Revenue to be received by the Group from the BOCOM Group in respect of:		
Securities brokerage settlement and subscription of new shares	23.5 (unchanged)	28.2 (unchanged)
Investment advisory and management services	82.8 (unchanged)	88.8 (unchanged)
Underwriting, sponsoring, securities issuance and advisory services	70.2 (unchanged)	70.2 (unchanged)
<i>Interest on deposits (Proposed Revised Interest on Deposit Annual Caps)</i>	<u>51.5</u>	<u>59.6</u>
Total	<u><u>228.0</u></u>	<u><u>246.8</u></u>

We note that the Board proposed to increase the Original Interest on Deposit Annual Caps to the Proposed Revised Interest on Deposit Annual Caps for the two years ending 31 December 2021 and 2022. Except for the Proposed Revised Interest on Deposit Annual Caps, the annual caps of other revenue transactions under the Financial Services Framework Agreement for the two years ending 31 December 2021 and 2022 shall remained unchanged.

As advised by the Management, the Proposed Revised Interest on Deposit Annual Caps are derived based on the following:

- (i) the actual interest earned from the Group's deposits (including but not limited to Hainan Deposit and FinTech Deposit) in bank branches under the BOCOM Group for the three months ended 31 March 2021;
- (ii) the estimated interest income for the two years ending 31 December 2021 and 2022 based on the deposits (including but not limited to Hainan Deposit and the FinTech Deposit) placed by the Group with the BOCOM Group as at 31 March 2021;
- (iii) the latest deposit interest rates offered to the Group;
- (iv) potential appreciation of RMB; and
- (v) potential increase in the level of deposits maintained by the Group due to possible future business development.

We have reviewed documents showing the bank balance in relation to the Hainan Deposit and the FinTech Deposit and noted such deposits have been maintained in the corresponding bank accounts since October 2020 and November 2020 respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have also reviewed (i) the summary of the Group's deposit (in addition to the Hainan Deposit and the FinTech Deposit) as at 31 March 2021 and the interest income earned during the three months ended 31 March 2021; and (ii) documents showing the latest interest rates offered to the Hainan Deposit, the FinTech Deposit and other deposits maintained by the Group in bank branches under the BOCOM Group, which are generally better than the standard deposit rates as announced by the People's Bank of China.

According to the Management, adjustment to exchange rate was adopted to cater for a possible RMB appreciation against HK\$ taking into account the range of historical exchange rates from January 2017 to March 2021 as published by the State Administration of Foreign Exchange of the PRC government. We noted that to cater for possible appreciation of RMB, the Group has taken into consideration the highest exchange rate of RMB against HK\$ during the above period, which we considered reasonable.

Furthermore, based on the Management's estimation, the level of deposits maintained by the Group is expected to increase due to future business development of the Group (including establishment of new funds and capital injection to the Group's subsidiaries) and hence such potential new deposits are taken into consideration when deriving the Proposed Revised Interest on Deposit Annual Caps. According to the 2020 Annual Report, the Group expects that, in 2021, China's economy is expected to continue to grow. The total assets of the Group increased by over 20% as at 31 December 2020 as compared to that of 31 December 2019.

Overall, we noted that (i) the potential appreciation in RMB; and (ii) potential increase in level of deposit are included to provide additional flexibility to the Group in relation to its deposits maintained in bank branches under the BOCOM Group. It would be appropriate and beneficial to the Shareholders to revisit the Original Interest on Deposit Annual Caps with reference to the scenarios in which the interest income to the Group is higher taking into consideration the movement in exchange rate and amount of deposits.

Conclusion

Taking into consideration that when deriving the Proposed Revised Interest on Deposit Annual Caps under the Proposed Revised Financial Services Annual Caps, (i) the Group has taken into account the latest information available; and (ii) the Group has catered for the possible higher interest income scenarios which are beneficial to the Company and the Shareholders as a whole, we are of the view that the Proposed Revised Financial Services Annual Caps (including the Proposed Interest on Deposit Annual Caps) are fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the above principal factors, we are of the view that (i) the terms of the Financial Services Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are fair and reasonable; and (ii) the transactions contemplated under the Financial Services Framework Agreement and the Proposed Revised Financial Services Annual Caps (including the Proposed Revised Interest on Deposit Annual Caps) are on normal commercial terms or better, in the ordinary course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution in respect of the Proposed Revised Financial Services Annual Caps.

Yours faithfully
For and on behalf of
Altus Capital Limited

Jeanny Leung
Executive Director

Leo Tam
Assistant Director

*Ms. Jeanny Leung (“**Ms. Leung**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. She is also a Responsible Officer of Altus Investments Limited licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO. Ms. Leung has over 30 years of experience in corporate finance advisory and commercial field in Greater China, in particular, she has participated in sponsorship work for initial public offerings and acted as financial advisor or independent financial advisor in various corporate finance transactions.*

*Mr. Leo Tam (“**Mr. Tam**”) is a Responsible Officer of Altus Capital Limited licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and permitted to undertake work as a sponsor. He has over six years of experience in corporate finance and advisory in Hong Kong, in particular, he has participated in sponsorship work for initial public offerings and acted as financial advisor or independent financial advisor in various corporate finance transactions. Mr. Tam is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or which were required to be entered in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in Shares of the Company

Name of Director/ Chief Executive	Capacity/ Nature of interest	Number of Shares held	Approximate percentage of interest (%)
TAN Yueheng	Beneficial owner	2,000,000	0.07
XI Xuanhua	Beneficial owner	1,000,000	0.04

Long position in shares of associated corporation — BOCOM

Name of Director	Capacity	Class of shares held in the associated corporation	Number of shares held in the associated corporation	Approximate	Approximate
				percentage of shareholding in the associated corporation (%)	percentage to the total number of issued shares of the associated corporation (%)
TAN Yueheng	Beneficial owner	H shares	170,000	0.00	0.00
		A shares	140,000	0.00	0.00
SHOU Fugang	Beneficial owner	H share	85,000	0.00	0.00
		A shares	80,000	0.00	0.00
LIN Zhihong	Beneficial owner	A shares	30,000	0.00	0.00
PO Ying	Beneficial owner	A shares	65,000	0.00	0.00
MENG Yu	Beneficial owner	A shares	45,000	0.00	0.00
SU Fen	Beneficial owner	H shares	39,000	0.00	0.00

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial Shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as any Directors are aware, the interests or short positions owned by the following parties (other than the Directors or chief executive of the Company) in the Shares or underlying shares or debentures of the Company which were recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Name of Shareholder	Capacity	Long Position/ Short Position	Total Number of Shares held	Approximate percentage of the total number of issued Shares of the Company (%)
BOCOM	Interest in a controlled corporation, beneficiary of trust (<i>Note 1</i>)	Long Position	2,000,000,000	73.14
BOCOM Nominee	Interest in a controlled corporation, trustee (other than bare trustee) (<i>Note 2</i>)	Long Position	2,000,000,000	73.14

Notes:

- Expectation Investment is an indirect subsidiary of BOCOM and is the beneficial owner of 500,000 Shares. BOCOM is deemed to be interested in an aggregate of 2,000,000,000 Shares which BOCOM Nominee is interested in as trustee (other than a bare trustee) and which Expectation Investment is interested in as beneficial owner.
- BOCOM Nominee is a subsidiary of BOCOM and (a) holds 1,999,500,000 Shares on trust for BOCOM and (b) controls 50% of voting rights of Expectation Investment which is the beneficial owner of 500,000 Shares.

3. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, the following Directors were directors or employees of companies which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- Ms. LIN Zhihong is the bureau chief of the audit and supervision bureau and an employee supervisor of the board of supervisors of BOCOM and the supervisor of Bank of Communications Financial Assets Investment Co., Ltd.;

- Mr. SHOU Fugang is an executive director and chief executive officer of China BOCOM Insurance Company Limited, and the director and chief executive of BCOM Finance (Hong Kong) Limited; and
- Ms. PO Ying is the general manager of the equity and investment management department of BOCOM, a non-executive director of Bank of Communications Financial Leasing Co., Ltd., a non-executive director of BANCO BoCom BBM S.A., and the chairman of board of supervisors of Bank of Communications International Trust Co, Ltd.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Director who was a director or employee of a company which had an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date up to which the latest published audited consolidated financial statements of the Group were made.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Altus Capital Limited a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter advice and/or references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which have been since 31 December 2020 (being the date up to which the latest published audited consolidated financial statements of the Company were made) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, save as disclosed in the section headed “Letter from the Board” in this circular, none of the Directors or their respective close associates (as defined in the Listing Rules) had any interests in businesses which competed or might compete with the businesses of the Group or had any other conflict of interests with the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder).

8. DIRECTORS’ INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interest in any assets which had been since 31 December 2020 (being the date up to which the latest published audited financial statements of the Group were made) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which is significant in relation to the business of the Group.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at 9/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong.
- (b) The company secretary of the Company is Ms. YI Li.
- (c) The share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) This circular and the accompanying proxy form have been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the registered office of the Company at 9/F, Man Yee Building, 68 Des Voeux Road Central, Hong Kong from the date of this circular up to and including the date of the EGM on Tuesday, 29 June 2021:

- (a) the letter from the Board, the text of which is set out in the section headed “Letter from the Board” in this circular;
- (b) the letter from the Independent Board Committee, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (c) the letter of advice from the Independent Financial Adviser, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (d) the written consent referred to in the paragraph headed “Expert” in this appendix;
- (e) the Financial Services Framework Agreement; and
- (f) this circular.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of BOCOM International Holdings Company Limited (the “Company”) will be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong immediately after the conclusion of the annual general meeting of the Company to be held at the same location on 29 June 2021 at 10:00 a.m. (or any adjournment thereof), for the purpose of considering and, if thought fit, passing with or without amendments, the following ordinary resolution:

ORDINARY RESOLUTION

“THAT

- (a) the proposed revised annual caps in relation to the revenue transactions (the “**Proposed Revised Financial Services Annual Caps**”), including the Proposed Revised Interest on Deposit Annual Caps, under the Financial Services Framework Agreement (both as defined in the circular of the Company dated 8 June 2021 (the “**Circular**”), a copy of which is tabled at the meeting and marked “**A**” and initialled by the chairman of the meeting for identification purpose) for each of the two years ending 31 December 2022 as set out in the Circular be and are hereby approved; and
- (b) any one director of the Company (the “**Director**”) be and is hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which in the opinion of the Director may be necessary, appropriate, desirable or expedient to implement and/or give effect to the Proposed Revised Financial Services Annual Caps.”

Yours faithfully,

For and on behalf of the Board of Directors
BOCOM International Holdings Company Limited

YI Li

Company Secretary

Hong Kong, 8 June 2021

NOTICE OF EGM

Notes:

1. Given the evolving 2019 novel coronavirus (COVID-19) pandemic, in order to prevent the spreading of COVID-19 and safeguard the health and safety of the shareholders of the Company (the “Shareholders”), it is suggested that the Shareholders consider appointing the chairman of the EGM as their proxy to vote at the meeting instead of attending in person.
2. In order to determine the eligibility to attend and vote at the above meeting, the register of members of the Company will be closed from 24 June 2021 to 29 June 2021 (both dates inclusive). To qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 23 June 2021.
3. Any member of the Company entitled to attend and vote at the above meeting (or any adjournment of thereof) is entitled to appoint one or more proxies as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.
4. In the case of joint registered holders of any shares in the Company, any one of such persons may vote at the above meeting, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. In order to be valid, the completed form of proxy must be deposited at the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours (excluding any part of a day that is a public holiday) before the time appointed for holding the above meeting or adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM and any adjournment thereof if you so wish, and if such event, the form of proxy will be deemed to be revoked.
6. Due to the evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the meeting arrangements at short notice. Shareholders are advised to check the Company’s website for further announcements and updates on the meeting arrangements that may be issued.
7. Shareholders are suggested to telephone the Company’s hotline at (852) 3710 3328 for arrangements of the meeting in the event that a gale warning (tropical cyclone No. 8 or above) or black rainstorm warning is hoisted on the day of the meeting.

As at the date of this circular, the board of Directors of the Company comprises Mr. TAN Yueheng, Mr. MENG Yu and Mr. CHENG Chuange as executive Directors; Ms. LIN Zhihong, Mr. SHOU Fugang and Ms. PO Ying as non-executive Directors; Mr. TSE Yung Hoi, Mr. MA Ning and Mr. LIN Zhijun as independent non-executive Directors.

PRECAUTIONARY MEASURES FOR THE EGM

With the ever-evolving COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will implement the following precautionary measures.

The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. **For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy instead of attending the EGM in person.** Physical attendance is not necessary for the purpose of exercising Shareholder rights. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they subsequently so wish.

The deadline to submit completed proxy forms is Saturday, 26 June 2021 at 10:00 a.m. Completed proxy forms must be returned to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The form of proxy can be downloaded from the Company's website (www.bocomgroup.com) or the Stock Exchange's website.

Non-registered Shareholders whose shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

To safeguard the health and safety of Shareholders who might be attending the EGM in person, the Company will also implement the following measures at the EGM:

- (1) Compulsory temperature checks will be carried out on every attendee. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or who is exhibiting flu-like symptoms may be denied entry into the venue of the EGM and be requested to leave.
- (2) Every attendee will be required to submit a completed health declaration form prior to entry into the venue of the EGM. Please complete and sign the health declaration form such that it is ready for collection at the main entrance of the venue of the EGM to facilitate prompt and smooth processing.
- (3) Every attendee will be required to wear a surgical face mask throughout the EGM and sit at a distance from other attendees. Please note that no masks will be provided at the venue of the EGM and attendees should wear their own masks.
- (4) No corporate gifts or refreshments or drinks will be distributed to attendees at the EGM.

PRECAUTIONARY MEASURES FOR THE EGM

To the extent permitted by law, the Company reserves the right to deny entry into the venue of the EGM or require any person to leave the venue of the EGM so as to ensure the health and safety of the attendees at the EGM.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the arrangements of the EGM at short notice. Shareholders are advised to check the Company's website for further announcements and updates on the arrangements of EGM that may be issued.

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Hong Kong share registrar of the Company, as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: +852 2862 8555
Facsimile: +852 2865 0990
Email: hkinfo@computershare.com.hk