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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)

DISCLOSEABLE TRANSACTION IN RELATION TO FORMATION OF PARTNERSHIP

FORMATION OF PARTNERSHIP

On 29 July 2021 (after trading hours), Shanghai Bole (a wholly-owned subsidiary of the Company) as General Partner, entered into the Partnership Agreement with the Company, Hangzhou Investment, Hangzhou Heda and Chang Xing, as Limited Partners, in relation to the formation of the Partnership. The total capital commitment by all Partners to the Partnership shall be RMB900,000,000 of which each of Shanghai Bole and the Company shall make capital commitments of RMB1,000,000 and RMB464,000,000, respectively. On the same day (after trading hours), Shanghai Bole (as General Partner) entered into the Side Letter with the Manager and Hangzhou Heda (as Limited Partner) pursuant to which, Hangzhou Heda is entitled to certain special rights as a Limited Partner of the Partnership. The establishment of the Partnership is still subject to filing and registration with the relevant government authorities of the People's Republic of China.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in relation to the Transaction is less than 25% but more than 5%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 29 July 2021 (after trading hours), Shanghai Bole (a wholly-owned subsidiary of the Company) as General Partner, entered into the Partnership Agreement with the Company, Hangzhou Investment, Hangzhou Heda and Chang Xing, as Limited Partners, in relation to the formation of the Partnership. The total capital commitment by all Partners to the Partnership shall be RMB900,000,000 of which each of Shanghai Bole and the Company

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PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT AND THE SIDE LETTER

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

Date	: 29 July 2021
Parties	: 1. Shanghai Bole (as General Partner); 2. the Company (as Limited Partner); 3. Hangzhou Investment (as Limited Partner); 4. Hangzhou Heda (as Limited Partner); and 5. Chang Xing (as Limited Partner).
Proposed name of Partnership	: BOCOM Industrial Investment (Hangzhou) Equity Investment Partnership (Limited Partnership)*交銀產投（杭州）股權投資合夥企業（有限合夥）(subject to the approval of relevant government authorities of the People's Republic of China)
Term of Partnership	: The Partnership shall have a term of seven years from the first closing date of the Partnership, which may be extended for one additional year at the sole discretion of the General Partner and further extended if proposed by the General Partner and approved at the Partners' meeting. The investment period shall commence from the first closing date of the Partnership and end on the third anniversary thereof, which may be extended for one additional year if proposed by the General Partner and approved at the Partners' meeting.
Purpose of Partnership	: The purpose of the Partnership is to carry on the businesses of equity investment, quasi equity investment, convertible debt investment and other investments permitted by the applicable laws and stipulated in the Partnership Agreement to achieve capital appreciation.

Capital commitment : The total capital commitment by all Partners to the Partnership shall be RMB900,000,000 of which each of Shanghai Bole, the Company, Hangzhou Investment, Hangzhou Heda and Chang Xing shall make capital commitments of RMB1,000,000, RMB464,000,000, RMB285,000,000, RMB100,000,000 and RMB50,000,000, respectively. The capital contribution to be made by Shanghai Bole and the Company will be funded by the Group's internal resources.

Management : The General Partner shall undertake the role of executive partner of the Partnership and shall have exclusive power to manage, control, operate and make decisions for the Partnership, including but not limited to, the execution, delivery and performance of any agreements and acquisition, management, maintenance and disposal of the assets of the Partnership on behalf of the Partnership.

The Partnership shall engage the Manager designated by the General Partner to provide investment and management services to the Partnership. An annual management fee will be paid by the Partnership for the investment and management services rendered by the Manager to the Partnership.

The Partnership will establish an investment committee which shall be responsible for reviewing and deciding the matters in relation to the investment, exit, impairment and disposal of the projects undertaken by the Partnership. The investment committee comprises five members, two of which shall be designated by the Manager, two of which shall be designated by Hangzhou Investment and one of which shall be a third party nominated by the Manager. Any decision of the investment committee will be passed when exceeding and including 4/5 of all votes cast in favour of the motion.

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

Key policy of distributable proceeds	<p>: The distributable proceeds of the Partnership arising from the fund specified in the Partnership Agreement (the “Fund”) shall be distributed to the Partners in proportion to their aggregate paid-in capital contribution to the Partnership. The distributable proceeds of the Partnership not arising from the Fund shall be distributed in the following order of priority:</p> <ol style="list-style-type: none"> 1. 100% to the Partners (in proportion to their aggregate paid-in capital contribution to the Partnership) until each Partner has received an amount equal to its aggregate paid-in capital contribution to the Partnership as at the date of such distribution multiplied by X; 2. 100% to the Partners (in proportion to their aggregate paid-in capital contribution to the Partnership) until each Partner has received an amount equal to a simple rate of 6% per annum of its aggregate paid-in capital contribution to the Partnership calculated based on the number of days as specified in the Partnership Agreement multiplied by X; and 3. 80% to the Limited Partners (in proportion to their aggregate paid-in capital contribution to the Partnership) and 20% to the Manager. <p>X = the difference between the total aggregate paid-in capital contribution to the Partnership by the Partners and the total aggregate paid-in capital contribution to the Fund by the Partnership/total aggregate paid-in capital contribution to the Partnership by the Partners</p>
Loss sharing	<p>: Any loss of the Partnership shall be shared by all Partners in proportion to their paid-in capital contribution provided however that the Limited Partners shall be liable for the debts of the Partnership up to the amount of their respective capital commitments whereas the General Partner shall bear unlimited liability for the debts of the Partnership.</p>
Transfer of partnership interest	<p>: Any Limited Partner may transfer its partnership interest to third parties provided that prior written consent from the General Partner is obtained. The General Partner may not transfer its partnership interest unless otherwise stipulated in the Partnership Agreement.</p>

On 29 July 2021, Shanghai Bole (as General Partner) entered into the Side Letter with the Manager and Hangzhou Heda (as Limited Partner). Pursuant to the Side Letter, Hangzhou Heda is entitled to, among others, the following rights: (i) to designate one observer to attend the meetings of the investment committee of the Partnership; (ii) to transfer its partnership interest to its affiliates provided that the transferee is a qualified investor for private equity fund; (iii) to exit the Partnership upon the eighth anniversary from the date when the Partnership receives its first capital contribution; and (iv) to exit the Partnership if any of the special circumstances as stipulated in the Side Letter occurs. Further, Hangzhou Heda's consent is required for the change of the registration address of the Partnership unless the new address is within Qiantang new district of Hangzhou. The Side Letter shall become effective upon signing by the parties thereto and terminate when Hangzhou Heda exits from the Partnership.

INFORMATION OF THE COMPANY AND THE GROUP

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

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

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

Shanghai Bole is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of investment management and related consulting services. It is a wholly-owned subsidiary of the Company.

Hangzhou Investment is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of equity investment, investment management, private equity fund management and related consulting services. Its ultimate beneficial owner is State-owned Assets Supervision and Administration Commission of Hangzhou Municipal People's Government* 杭州市人民政府國有資產監督管理委員會.

Hangzhou Heda is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of industrial investment, investment management and related consulting services. Its ultimate beneficial owner is Management Committee Qiantang New District of Hangzhou* 杭州錢塘新區管理委員會.

Chang Xing is a company established in the People's Republic of China with limited liability and is principally engaged in the business of equity investment. Its ultimate beneficial owner is Financial Bureau of Changxing County* 長興縣財政局.

The Manager is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of management in private equity and venture capital funds. It is a wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Hangzhou Investment, Hangzhou Heda and Chang Xing and their respective ultimate beneficial owner(s), are third parties independent of the Company and connected persons of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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

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

In view of the above, the Directors are of the view that the Transaction is conducted by the Company in its ordinary and usual course of business, on normal commercial terms, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in relation to the Transaction is less than 25% but more than 5%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“affiliates”	all entities directly or indirectly controlling, controlled by or under common control with such entities. For the purposes of the Partnership Agreement, “control” means directly or indirectly (i) holding more than 50% of the equity interest of an entity; (ii) holding more than 50% of the voting rights in an entity; or (iii) exercising significant influence or control over an entity
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“Board”	the board of Directors
“Chang Xing”	Changxing Jinkong Equity Investment Company Limited* 長興金控股權投資有限公司
“Company”	BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 3329)
“Director(s)”	the director(s) of the Company
“General Partner”	the general partner of the Partnership, namely Shanghai Bole
“Group”	the Company and its subsidiaries
“Hangzhou Heda”	Hangzhou Heda Industrial Fund Investment Company Limited*杭州和達產業基金投資有限公司
“Hangzhou Investment”	Hangzhou Industrial Investment Company Limited*杭州 產業投資有限公司 (formerly known as Hangzhou Strategic Emerging Industry Investment Company Limited*杭州戰 略新興產業投資有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Limited Partners”	the limited partners of the Partnership, namely the Company, Hangzhou Investment, Hangzhou Heda and Chang Xing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	BOCOM International (Shanghai) Equity Investment Management Company Limited*交銀國際（上海）股權 投資管理有限公司, a wholly-owned subsidiary of the Company
“Partners”	the partners to the Partnership, including the General Partner and the Limited Partners

“Partnership”	the partnership formed pursuant to the Partnership Agreement, with proposed name being BOCOM Industrial Investment (Hangzhou) Equity Investment Partnership (Limited Partnership)*交銀產投（杭州）股權投資合夥企業（有限合夥）(subject to the approval of relevant government authorities of the People’s Republic of China)
“Partnership Agreement”	the partnership agreement dated 29 July 2021 entered into by Shanghai Bole (as General Partner) with the Company, Hangzhou Investment, Hangzhou Heda and Chang Xing (as Limited Partners) in relation to the formation of the Partnership
“percentage ratio(s)”	has the same meaning as ascribed to it under the Listing Rules
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shanghai Bole”	Shanghai Bole Investment Company Limited*上海博樂投資有限公司, a wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Side Letter”	the side letter dated 29 July 2021 entered into by Shanghai Bole (as General Partner), the Manager and Hangzhou Heda (as Limited Partner) in relation to Hangzhou Heda’s entitlement to certain special rights as a Limited Partner of the Partnership
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules

“Transaction” the formation of the Partnership under the Partnership Agreement

“0/0” per cent.

* *For identification purpose only*

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

Hong Kong, 29 July 2021

As at the date of this announcement, the Board 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; and Mr. TSE Yung Hoi, Mr. MA Ning and Mr. LIN Zhijun as Independent Non-executive Directors.