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BOCOM INTERNATIONAL HOLDINGS COMPANY LIMITED

交銀國際控股有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 3329)

CONNECTED TRANSACTION IN RELATION TO FORMATION OF PARTNERSHIP

FORMATION OF PARTNERSHIP

On 3 September 2021, BOCOM Capital, as General Partner, entered into the Partnership Agreement with BOCOM Investment and Hainan Subsidiary, as Limited Partners, in relation to the formation of the Partnership. The total capital commitment by all Partners to the Partnership shall be RMB229,500,000, of which each of BOCOM Capital, BOCOM Investment and Hainan Subsidiary shall make capital commitments of RMB1,000,000, RMB44,900,000 and RMB183,600,000, respectively. On the same day, all Partners entered into the Supplemental Agreement to amend certain terms of the Partnership Agreement. 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

Hainan Subsidiary is a wholly-owned subsidiary of the Company whereas BOCOM Capital and BOCOM Investment are wholly-owned subsidiaries of BOCOM. As at the date of this announcement, BOCOM and its associates held approximately 73.14% of the issued Shares. Therefore, BOCOM is the controlling shareholder of the Company and hence BOCOM Capital and BOCOM Investment are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in relation to the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 3 September 2021, BOCOM Capital, as General Partner, entered into the Partnership Agreement with BOCOM Investment and Hainan Subsidiary, as Limited Partners, in relation to the formation of the Partnership. The total capital commitment by all Partners to the Partnership shall be RMB229,500,000, of which each of BOCOM Capital, BOCOM Investment and Hainan Subsidiary shall make capital commitments of RMB1,000,000, RMB44,900,000 and RMB183,600,000, respectively. On the same day, all Partners entered into the Supplemental Agreement to amend certain terms of the Partnership Agreement. The establishment of the Partnership is still subject to filing and registration with the relevant government authorities of the People's Republic of China.

PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

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

Date	: 3 September 2021
Parties	: 1. BOCOM Capital (as General Partner); 2. BOCOM Investment (as Limited Partner); and 3. Hainan Subsidiary (as Limited Partner)
Proposed name of Partnership	: Jiaxing BOCOM Jiasui Equity Investment Partnership (Limited Partnership)* 嘉興交銀嘉穗股權投資合夥企業（有限合夥） (subject to the approval of relevant government authorities of the People's Republic of China)
Term of Partnership	: The Partnership is expected to have a term of five years from the closing date of the Partnership, subject to the exit of all the projects undertaken by the Partnership (the "Projects").
Purpose of Partnership	: The purpose of the Partnership is to carry on the investment business or the activities related to investment to achieve capital appreciation.

- Capital commitment : The total capital commitment by all Partners to the Partnership shall be RMB229,500,000, of which each of BOCOM Capital, BOCOM Investment and Hainan Subsidiary shall make capital commitments of RMB1,000,000, RMB44,900,000, and RMB183,600,000, respectively. The capital contribution to be made by Hainan Subsidiary will be funded by the Group's internal resources.
- Management : The General Partner shall undertake the role of Executive Partner. Unless otherwise stipulated in the Partnership Agreement or agreed by all Partners, the Executive Partner shall have the power to decide the matters relating to the investment and daily operation of the Partnership at its sole discretion and shall have exclusive power to execute the affairs of the Partnership, including but not limited to, deciding and executing the investments and other affairs and deciding the acquisition, management, maintenance and disposal of the assets of the Partnership for and on behalf of the Partnership.
- The Executive Partner shall also undertake the role of manager of the Partnership and provide investment, administrative management and operation services to the Partnership. The Executive Partner has the right to engage another party to provide the above services to the Partnership at its sole discretion, provided that such party shall be registered as a private equity fund manager with China Securities Investment Fund Industry Association* 中國證券投資基金業協會 and an affiliate of the General Partner. An annual management fee will be paid by the Partnership for the services rendered by the manager of the Partnership.
- Key policy of distributable proceeds : Unless otherwise stipulated in the Partnership Agreement or agreed by all Partners, the distributable proceeds of the Partnership arising from the disposal of the Projects and the investment and operation activities (i.e. dividends and interests) shall be distributed to the Partners in proportion to their respective investment cost allocation to the Partnership, and the distributable proceeds of the Partnership arising from provisional investment and other cash income shall be distributed to the Partners in proportion to their respective aggregate paid-in capital contribution to the Partnership.

- Loss sharing : Unless otherwise stipulated in the Partnership Agreement, the losses incurred by the Partnership shall be shared by all Partners in proportion to their respective investment cost allocation 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.
- Transfer of partnership interest : Any Limited Partner may transfer its Partnership interest provided that prior written consent from the Executive Partner is obtained. Unless required by applicable law, the General Partner may not transfer its Partnership interest to any third party.

The material amendments to the principal terms of the Partnership Agreement under the Supplemental Agreement are summarised below: (i) subject to the relevant lock-up period requirements of the Projects, any Partner may request to dispose, in whole or in part, the equity interest in the Projects indirectly held by the relevant Partner(s) and the Executive Partner shall distribute the distributable proceeds of the Partnership arising from the disposal to the relevant Partner(s) in accordance with their respective proportion of the equity interest held; and (ii) if there is any discrepancy between the Partnership Agreement and Supplemental Agreement, the Supplemental Agreement shall prevail.

INFORMATION OF THE COMPANY AND THE GROUP

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

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

The Partnership is a limited partnership 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.

BOCOM Capital is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of private equity investment fund. It is a wholly-owned subsidiary of BOCOM.

BOCOM Investment is a company established in the People's Republic of China with limited liability and is principally engaged in the businesses of debt-to-equity swap and ancillary supporting. It is a wholly-owned subsidiary of BOCOM.

Hainan Subsidiary is a limited partnership established in the People's Republic of China and is principally engaged in the businesses of private equity investment. It is a wholly-owned subsidiary 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 returns for its Shareholders.

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

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the Transaction is conducted by the Company in its ordinary and usual course of business, on normal commercial terms, is fair and reasonable and in the interests of the Company and its Shareholders as a whole. Due to the executive roles of Ms. LIN Zhihong, Mr. SHOU Fugang and Ms. PO Ying in the BOCOM Group, such non-executive Directors have abstained from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

Hainan Subsidiary is a wholly-owned subsidiary of the Company whereas BOCOM Capital and BOCOM Investment are wholly-owned subsidiaries of BOCOM. As at the date of this announcement, BOCOM and its associates held approximately 73.14% of the issued Shares. Therefore, BOCOM is the controlling shareholder of the Company and hence BOCOM Capital and BOCOM Investment are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in relation to the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“affiliates”	all entities directly or indirectly controlling, controlled by or under common control with an entity. For the purposes of the Partnership Agreement, “control” means directly or indirectly (i) holding more than 50% of the equity interest of an entity (excluding 50% partnership interest held by a limited partner); (ii) holding more than 50% of the voting rights in an entity; (iii) holding more than 50% of the proxy voting rights in an entity; (iv) the right to appoint a majority of the board of directors, or an equivalent governing body, of an entity; or (v) exercising significant influence or control over an entity
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“BOCOM”	Bank of Communications Co., Ltd* 交通銀行股份有限公司, a company registered in the People’s Republic of China as a joint stock limited liability company, the H shares and A shares of which are listed on the Stock Exchange and Shanghai Stock Exchange, respectively, and the ultimate controlling shareholder of the Company
“BOCOM Capital”	BOCOM Capital Management Co., Ltd* 交銀資本管理有限公司, a company established in the People’s Republic of China with limited liability and a wholly-owned subsidiary of BOCOM
“BOCOM Investment”	BOCOM Financial Assets Investment Co., Ltd.* 交銀金融資產投資有限公司, a company established in the People’s Republic of China with limited liability and a wholly-owned subsidiary of BOCOM
“BOCOM Group”	BOCOM and its subsidiaries (excluding the Group)
“Company”	BOCOM International Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 3329)
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Executive Partner”	the executive partner of the Partnership, namely BOCOM Capital
“General Partner”	the general partner of the Partnership, namely BOCOM Capital
“Group”	the Company and its subsidiaries
“Hainan Subsidiary”	Hainan BOCOM Science and Technology Innovation Shengjing Private Fund Partnership Enterprise (Limited Partnership)* 海南交銀科創盛景私募基金合夥企業（有限合夥）， a limited partnership established in the People’s Republic of China and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Limited Partners”	the limited partners of the Partnership, namely BOCOM Investment and Hainan Subsidiary
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Partners”	the partners of the Partnership, including the General Partner and the Limited Partners
“Partnership”	the partnership formed pursuant to the Partnership Agreement, with proposed name being Jiaying BOCOM Jiasui Equity Investment Partnership (Limited Partnership)* 嘉興交銀嘉穗股權投資合夥企業（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 3 September 2021 entered into by all 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
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the same meaning as ascribed to it under the Listing Rules
“Supplemental Agreement”	the supplemental agreement dated 3 September 2021 entered into by all Partners to amend certain terms of the Partnership Agreement
“Transaction”	the formation of the Partnership pursuant to the Partnership Agreement
“%”	per cent.

* *For identification purpose only*

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

Hong Kong, 3 September 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.