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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**

On 15 April 2019, a wholly-owned subsidiary of the Company, Shanghai Boli, as the General Partner, entered into the Partnership Agreement with BOCOM Guo Xin Asset Management, as the Limited Partner, in relation to the formation of the Partnership named BOCOM Science and Technology Innovation Equity Investment Fund (Shanghai Partnership Enterprise (Limited Partnership)* (交銀科創股權投資基金(上海)合夥企業(有限合夥)). The total capital contribution by all Partners to the Partnership shall be RMB200 million, of which each of Shanghai Boli and BOCOM Guo Xin Asset Management shall contribute RMB100 million. The General Partner is entitled to and will appoint BOCOM International (Shanghai) Equity Investment Management, a wholly-owned subsidiary of the Company, as the investment manager of the Partnership for the provision of investment and management consulting services to the Partnership. The Transaction is still subject to the approval of the relevant authorities of the PRC government.

BOCOM currently holds approximately 73.14 % of the issued Shares and is a connected person of the Company. As BOCOM Guo Xin Asset Management is a subsidiary of BOCOM, it is an associate of BOCOM and hence a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in relation to the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 15 April 2019, a wholly-owned subsidiary of the Company, Shanghai Boli, as the General Partner, entered into the Partnership Agreement with BOCOM Guo Xin Asset Management, as the Limited Partner, in relation to the formation of the Partnership named BOCOM Science and Technology

Innovation Equity Investment Fund (Shanghai Partnership Enterprise (Limited Partnership)* (交銀科創股權投資基金(上海)合夥企業(有限合夥))). The total capital contribution by all Partners to the Partnership shall be RMB200 million, of which each of Shanghai Boli and BOCOM Guo Xin Asset Management shall contribute RMB100 million. The General Partner is entitled to and will appoint BOCOM International (Shanghai) Equity Investment Management, a subsidiary of the Company, as the investment manager of the Partnership for the provision of investment and management consulting services to the Partnership. The Transaction is still subject to the approval of the relevant authorities of the PRC government.

PRINCIPAL TERMS OF THE PARTNERSHIP AGREEMENT

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

- Date: 15 April 2019
- Parties: 1. Shanghai Boli (as the General Partner); and
2. BOCOM Guo Xin Asset Management (as the Limited Partner)
- Name of Partnership: BOCOM Science and Technology Innovation Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership)* (交銀科創股權投資基金(上海)合夥企業(有限合夥))
- Term of Partnership: The Partnership shall have a term of ten years from the date the Partnership is established unless wound up and dissolved sooner in accordance with the provisions of the Partnership Agreement. The investment period of the Partnership shall be for a period of three years from the day immediately following the date on which the initial capital contribution by all Partners is due, and the management and exit period shall be for a period of two years following the lapse of the investment period, which may be extended by the General Partner twice, of which each extension shall not exceed one year.
- Purpose of Partnership: The purpose of the Partnership is to carry on the business of investing to achieve satisfactory return to all Partners primarily through direct or indirect investments in equity, quasi-equity or engagement in equity investment related activities.
- Capital contribution: The total capital contribution by all Partners to the Partnership shall be RMB200 million, of which each of Shanghai Boli and BOCOM Guo Xin Asset Management shall contribute RMB100 million. The capital contribution to be made by Shanghai Boli was determined by the Company based on its asset allocation requirement and will be funded by its internal resources.

Management:

The General Partner shall also undertake the role of managing partner of the Partnership. The General Partner shall have absolute and exclusive management power of the Partnership, including but not limited to approving and executing investment and other matters of the Partnership; obtaining, holding, managing and disposing the assets of the Partnership; and engaging any professional advisors or intermediaries to provide services to the Partnership in relation to the management and operation of the Partnership. The General Partner is entitled to and will appoint BOCOM International (Shanghai) Equity Investment Management as the investment manager of the Partnership for the provision of investment and management consulting services to the Partnership. An annual management fee will be paid to BOCOM International (Shanghai) Equity Investment Management by the Partnership for the services rendered by BOCOM International (Shanghai) Equity Investment Management to the Partnership.

The Limited Partner(s) 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:

All the distributable proceeds attributable to the Partnership shall be distributed in the following order of priority:

1. 100% to each Partner in proportion to its respective paid-in capital contribution until each Partner has received an amount equal to its aggregate paid-in capital contribution to the Partnership;
2. 100% to each Partner in proportion to its respective paid-in capital contribution until each Partner has received an amount equal to 8% per annum of its aggregate paid-in capital contribution calculated based on the number of days of its investment in the Partnership as specified in the Partnership Agreement; and
3. 80% to all Partners in proportion to their respective paid-in capital contribution and 20% to BOCOM International (Shanghai) Equity Investment Management.

Loss sharing:	Any debts of the Partnership shall be shared by all Partners in proportion to their respective paid-in capital contribution provided however that the Limited Partner(s) shall be liable for the debts of the Partnership up to the amount of their respective paid-in capital contribution whereas the General Partner shall bear unlimited joint and several liability for the debts of the Partnership.
Transfer of partnership interest:	No transfer of any partnership interest by any Limited Partner, whether in whole or in part shall be allowed unless with the prior written consent of the General Partner. No transfer of any partnership interest by any General Partner is allowed unless it is made to its affiliates and with the consent of the Limited Partner(s).

INFORMATION OF 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, SHANGHAI BOLI AND BOCOM GUO XIN ASSET MANAGEMENT

The Partnership is expected to be established under the laws of the PRC around end of April 2019. As it is yet to be established, neither financial information nor past performance of the Partnership is presented in this announcement.

Shanghai Boli is a company established in the PRC with limited liability and it is principally engaged in the businesses of investment, asset management and investment consultation.

BOCOM Guo Xin Asset Management is a company established in the PRC with limited liability and it is principally engaged in the business of investment.

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 (including the independent non-executive Directors) are of the view that the Transaction is conducted by the Company in its ordinary 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 Mr. WANG Yijun, Ms. LIN Zhihong and Mr. SHOU Fugang in the BOCOM Group, such non-executive Directors have a material interest in the Transaction and have abstained from voting on the relevant Board resolutions.

LISTING RULES IMPLICATIONS

BOCOM currently holds approximately 73.14 % of the issued Shares and is a connected person of the Company. As BOCOM Guo Xin Asset Management is a subsidiary of BOCOM, it is an associate of BOCOM and hence a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio in relation to the Transaction is more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“affiliates”	all entities directly or indirectly controlling, controlled by or under common control with such entities, where control may be by either management authority, contract or equity interest
“associate”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“BOCOM”	Bank of Communications Co., Ltd., a company incorporated in the PRC with limited liability, the A shares of which are listed and traded on the 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 of the Company
“BOCOM Group”	BOCOM and its subsidiaries (excluding the Group)
“BOCOM Guo Xin Asset Management”	BOCOM Guo Xin Asset Management Company Limited* (交銀國信資產管理有限公司), a company established under the laws of the PRC with limited liability

“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
“Director(s)”	the director(s) of the Company
“General Partner”	the general partner of the Partnership, currently being Shanghai Boli
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Limited Partner(s)”	the limited partner(s) of the Partnership, currently being BOCOM Guo Xin Asset Management
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“BOCOM International (Shanghai) Equity Investment Management”	BOCOM International (Shanghai) Equity Investment Management Co., Ltd.* (交銀國際(上海)股權投資管理有限公司), a wholly-owned subsidiary of the Company
“Partners”	the partners to the Partnership, including the General Partner and the Limited Partner(s)
“Partnership”	BOCOM Science and Technology Innovation Equity Investment Fund (Shanghai) Partnership Enterprise (Limited Partnership)* (交銀科創股權投資基金(上海)合夥企業(有限合夥))
“Partnership Agreement”	the partnership agreement relating to the formation of the Partnership dated 15 April 2019 and entered into between Shanghai Boli and BOCOM Guo Xin Asset Management
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Boli”	Shanghai Boli Investment Company Limited*(上海博禮投資有限公司), a company established under the laws of the PRC with limited liability
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the formation of the Partnership under the Partnership Agreement
“%”	per cent.

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

Hong Kong, 17 April 2019

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

* *For identification purposes only*