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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  
DERIVATIVES TRANSACTIONS FRAMEWORK AGREEMENT  
AND  
CLARIFICATIONS RELATING TO RELATED PARTY  
TRANSACTIONS IN ANNUAL REPORTS 2018 AND 2019**

Reference is made to (i) the Company's Previous Disclosure in relation to, among others, the continuing connected transactions under the Derivatives Transactions Framework Agreement entered into between the Company and BOCOM for the three years ending 31 December 2022; and (ii) the annual reports 2018 and 2019 of the Company in relation to certain clarifications relating to the related party transactions.

As part of the Company's periodic review of the Current Annual Caps and communications with the BOCOM Group, the Company has noted an increase in the transaction amount of the Derivatives Transactions between the Group and the BOCOM Group due to an increase in volatility of the commodity market, and expects that the market volatility will continue. As a result, the Board proposes to increase the Current Annual Caps to accommodate the expected volume of transactions under the Derivatives Transactions Framework Agreement.

As at the date of this announcement, BOCOM is a substantial Shareholder and the ultimate controlling Shareholder holding approximately 73.14% of total number of issued Shares and hence BOCOM is a connected person of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, the Company must re-comply with the announcement and independent shareholders' approval requirements before the Current Annual Caps are exceeded. As such, the Company proposes to adopt the Proposed Revised Annual Caps for the Derivatives Transactions under the Derivatives Transactions Framework Agreement.

As the highest applicable percentage ratio in respect of the Proposed Revised Annual Caps is 5% or more, the Proposed Revised 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 Derivatives Transactions Framework Agreement, the Derivatives Transactions and the Proposed Revised Annual Caps. The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Company will convene the EGM for the purpose of, among others, considering and if thought fit, approving the Proposed Revised Annual Caps.

A circular containing, among other things, (i) further information on the Proposed Revised 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; and (iv) the notice of the EGM, will be despatched to the Shareholders on or before 4 June 2020 pursuant to Rule 14A.68(11) of the Listing Rules.

## INTRODUCTION

Reference is made to (i) the Company's announcement dated 26 March 2019, circular dated 17 May 2019 and poll results announcement dated 14 June 2019 (collectively, the "**Previous Disclosure**") in relation to, among others, the continuing connected transactions under the Derivatives Transactions Framework Agreement entered into between the Company and BOCOM for the three years ending 31 December 2022; and (ii) the annual reports 2018 and 2019 of the Company in relation to certain clarifications relating to the related party transactions.

As part of the Company's periodic review of the Current Annual Caps and communications with the BOCOM Group, the Company has noted an increase in the transaction amount of the Derivatives Transactions between the Group and the BOCOM Group due to an increase in volatility of the commodity market, and expects that the market volatility will continue. As a result, the Board proposes to increase the Current Annual Caps to accommodate the expected volume of transactions under the Derivatives Transactions Framework Agreement.

## **PRINCIPAL TERMS OF THE DERIVATIVES TRANSACTIONS FRAMEWORK AGREEMENT**

The principal terms of the Derivatives Transactions 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 Derivatives Transactions between members of the Group and members of the BOCOM Group.

The Group enters into commodity derivatives transactions in order to facilitate the BOCOM Group's management of commodity risks indirectly on offshore commodity future exchanges including the New York Mercantile Exchange. The Group enters into commodity derivatives transactions with the BOCOM Group at specified prices and terms at the over-the-counter market pursuant to the ISDA Master Agreement dated 16 June 2016 entered into by the Company and BOCOM.

Simultaneously, the Group enters into commodity derivatives transactions at an offshore commodity futures exchange on substantially similar prices with an insignificant spread and on otherwise identical commercial terms in the opposite direction. Pursuant to such arrangements and pricing policies, the Group expects to assume no overall risks of investment losses.

**General Terms:** At any time during the terms of the Derivatives Transactions 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 Derivatives Transactions Framework Agreement upon, and subject to, the terms and conditions in compliance with those of the Derivatives Transactions Framework Agreement.

The Derivatives Transactions 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 than those offered by the BOCOM Group to independent third parties for similar or comparable transactions; and
- (e) in compliance with, among other things, the Listing Rules and applicable laws and regulations.

## HISTORICAL ANNUAL CAPS AND TRANSACTION AMOUNTS

### *Trading Gains or Losses to the Group*

The historical annual caps for and the trading gains or losses to the Group in respect of the Derivatives Transactions during each of the three years ended 31 December 2019 were as follows:

	During the year ended 31 December					
	2017		2018		2019	
	<i>(HK\$ million)</i> <i>(Approximate)</i>		<i>(HK\$ million)</i> <i>(Approximate)</i>		<i>(HK\$ million)</i> <i>(Approximate)</i>	
	Annual Caps	Transaction Amount	Annual Caps	Transaction Amount <sup>(2)</sup>	Annual Caps	Transaction Amount <sup>(2)</sup>
<b>Trading Gains/(Losses) to the Group <sup>(1)</sup></b>	58.1	12.5	81.3	7.4	92.9	(15.5)
Realised Actual Trading Gains/ (Losses)	–	11.2	–	2.9	–	(10.9)
Unrealised Floating Trading Gains/ (Losses)	–	1.3	–	4.5	–	(4.6)

Notes: (1) This does not include the trading gains or losses arising from the derivatives transactions in opposite directions entered into by the Group at offshore commodity futures exchanges (which do not constitute continuing connected transactions of the Company).

(2) To clarify the inadvertent clerical errors in the annual reports 2018 and 2019 of the Company: (1) HK\$7.42 million of “trading losses” should read “trading gains” from the derivatives transactions during the year ended 31 December 2018 on page 160 of the annual report 2018 and page 165 of the annual report 2019 of the Company; and (2) HK\$15.527 million of “trading gains” should read “trading losses” from the derivatives transactions during the year ended 31 December 2019 on page

165 of the annual report 2019 of the Company. Such trading gains or losses to the Group accounted for approximately 0.50% and 0.99% of the revenue during each of the two years ended 31 December 2019, respectively, and substantially less if taking into account the commodity derivatives transactions entered into by the Group in opposite direction for commodity risks management, as discussed in “Scope of Service” under the section headed “Principal Terms of the Derivatives Transactions Framework Agreement”. The Company confirms that the annual caps for the trading gains or losses from the Derivatives Transactions were not exceeded during each of the two years ended 31 December 2019 and all remaining information in the notes relating to the related party transactions on pages 160 to 164 of the annual report 2018 of the Company and pages 165 to 169 of the annual report 2019 of the Company remains unchanged. The auditor of the Company also confirms that having considered the above clarifications, its confirmations relating to the Derivatives Transactions for each of the two years ended 31 December 2019 as disclosed on page 33 of the annual report 2018 of the Company and page 38 of the annual report 2019 of the Company remain unchanged.

The trading gains or losses to the Group arising from the Derivatives Transactions in the above table represent the aggregate of (1) the realised actual trading gains or losses; and (2) the unrealised floating trading gains or losses, which are merely indicative gains or losses relating to unclosed positions treated as if all unrealised floating trading gains or losses had become crystallised and settled as at the end of the relevant financial periods. The trading positions are subject to changes from time to time, and the trading gains or losses arising from the Derivatives Transactions appearing earlier in a financial year on the book records may be reduced by the realised actual trading losses or further increased by the unrealised floating trading gains at a later time during the financial year.

Based on the above, due to the fundamental differences between the nature and characteristics of the Derivatives Transactions and those of the typical kind of transactions (such as purchase or sale of goods in conventional types of businesses), the annual caps apply to the trading gains or losses arising from the Derivatives Transactions on an annual basis as at the end of each financial year rather than on a specific time or continuous basis during the financial year. Unlike typical transactions, the Derivatives Transactions involve the trading of derivatives. The quantity of the derivatives products can go both ways and can therefore increase or decrease in either way and offset each other over a period of time depending on the commodity market conditions and decision of counterparties or holders of derivatives products that are not within the control of the Company. As such, it would be impracticable to use any interim figures recorded at any relevant time during the year to determine whether or not the annual cap for the trading gains or losses for a financial year has been exceeded. Any such interim figures are therefore used for reference purposes only and for determining and projecting whether or not the annual caps will need to be increased for annual reporting and review purposes as at the end of the relevant financial year.

## Maximum Fair Value Recorded as Financial Assets and Financial Liabilities

The historical annual caps for and the maximum fair value recorded as financial assets and financial liabilities in respect of the Derivatives Transactions for each of the three years ended 31 December 2019 and the four months ended 30 April 2020 were as follows:

	For the year ended 31 December 2017 (HK\$ million) (Approximate)		For the year ended 31 December 2018 (HK\$ million) (Approximate)		For the year ended 31 December 2019 (HK\$ million) (Approximate)		For the four months ended 30 April 2020 (HK\$ million) (Approximate)	
	Annual Transaction Caps	Amount	Annual Transaction Caps	Amount <sup>(1)</sup>	Annual Transaction Caps	Amount	Annual Transaction Caps	Amount
<b>Maximum Fair Value Recorded as Financial Assets</b>	55.7	18.9	75.5	5.3	90.6	2.3	75.5	71.0
<b>Maximum Fair Value Recorded as Financial Liabilities</b>	55.7	1.3	75.5	0.3	90.6	0	75.5	0

*Note:* (1) To clarify the inadvertent clerical errors in the annual report 2018 of the Company, the “maximum fair value recorded as financial assets” and the “maximum fair value recorded as financial liabilities” of the Company for the year ended 31 December 2018 should read “HK\$5.3 million” (instead of HK\$3.1 million) and “HK\$0.3 million” (instead of HK\$2.0 million) on page 32 of the annual report 2018 of the Company, respectively. Such maximum fair value recorded as financial assets and maximum fair value recorded as financial liabilities accounted for approximately 0.36% and 0.02% of the revenue during the year ended 31 December 2018. The Company confirms that the annual caps for the maximum fair value recorded as financial assets and the maximum fair value recorded as financial liabilities were not exceeded during the year ended 31 December 2018 and all remaining information in the Directors’ report on pages 22 to 34 in the annual report 2018 of the Company remains unchanged. The auditor of the Company also confirms that having considered the above clarifications, its confirmations relating to the Derivatives Transactions for the year ended 31 December 2018 as disclosed on page 33 of the annual report 2018 of the Company remain unchanged.

Based on the information available to the Company, the maximum fair value recorded as financial assets and the maximum fair value recorded as financial liabilities in respect of the Derivatives Transactions did not exceed the Current Annual Caps as at the Latest Practicable Date, and the Company does not expect that such fair values will exceed the Current Annual Caps as at the date of the EGM.

## CURRENT ANNUAL CAPS AND PROPOSED REVISED ANNUAL CAPS

Due to the recent volatility of the commodity market, the Group expects that the transaction amount in respect of the Derivatives Transactions will likely exceed the Current Annual Caps and the Company is therefore taking early steps to seek Shareholders’ approval to adopt the

Proposed Revised Annual Caps. For details of the reasons for revising the Current Annual Caps, please refer to the section headed “Reasons for and Benefits of Revising the Current Annual Caps”.

Despite the proposed increase in annual caps, the Group expects to assume no overall risks of investment losses as the Company will continue to enter into derivatives transactions in opposite directions with independent third parties on offshore commodity futures exchanges and on substantially similar prices with an insignificant spread, so that the trading gains or losses arising from the Derivatives Transactions will be offset by the trading gains or losses arising from the derivatives transactions in opposite directions. For details, please refer to “Scope of Service” in the section headed “Principal Terms of the Derivatives Transactions Framework Agreement”.

### ***Trading Gains or Losses to the Group***

The Current Annual Caps and the Proposed Revised Annual Caps for the trading gains or losses to the Group arising from the Derivatives Transactions during each of the three years ending 31 December 2022 are as follows:

	<b>During the year ending 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
<b>Trading Gains/(Losses) to the Group</b> <sup>(1)</sup>			
– Current Annual Caps	81.3	81.3	81.3
– Proposed Revised Annual Caps	400	400	400

*Note:* (1) This does not include the trading gains or losses arising from the derivatives transactions in opposite directions to be entered into by the Group at offshore commodity futures exchanges (which do not constitute continuing connected transactions of the Company).

### ***Maximum Fair Value Recorded as Financial Assets and Liabilities***

The Current Annual Caps and the Proposed Revised Annual Caps for the maximum fair value recorded as financial assets and financial liabilities in respect of the Derivatives Transactions for each of the three years ending 31 December 2020, 2021 and 2022 are as follows:

	<b>For the year ending 31 December</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
<b>Maximum Fair Value Recorded as Financial Assets</b>			
– Current Annual Caps	75.5	75.5	75.5
– Proposed Revised Annual Caps	400	400	400
<b>Maximum Fair Value Recorded as Financial Liabilities</b>			
– Current Annual Caps	75.5	75.5	75.5
– Proposed Revised Annual Caps	400	400	400

## **BASIS OF DETERMINATION OF PROPOSED REVISED ANNUAL CAPS**

The Proposed Revised Annual Caps provided for the three 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 magnitude of change of trading gains or losses (including both realised actual trading gains or losses and unrealised floating trading gains or losses) arising from the Derivatives Transactions, in particular the change from trading losses for the year ended 31 December 2019 to significant trading gains for the three months ended 31 March 2020;
- (ii) the high volatility of the commodity market, which is presumed to remain the same for the three years ending 31 December 2022 as the average volatility rate of the commodity-based products relating to the Derivatives Transactions during the period from 1 January 2020 to 31 March 2020;
- (iii) the expected transaction amounts in respect of the Derivatives Transactions to be entered into between the Group and the BOCOM Group for each of the three years ending 31 December 2022 (for further details, please refer to the section headed “Reasons for and Benefits of Revising the Current Annual Caps” below);
- (iv) the expected demand for risk management of commodity price fluctuation by the BOCOM Group through the Group on offshore commodity futures exchanges for each of the three years ending 31 December 2022; and
- (v) the expected fair value to be recorded as financial assets and the expected fair value to be recorded as financial liabilities in respect of the Derivatives Transactions, which represent the expected maximum exposure of the Company in relation to (i) the unsettled positions carried forward from the previous financial year; and (ii) the unsettled closed positions and the floating trading gains or losses of the unclosed positions during the then current financial year, both of which are estimated based on the fair value recorded as financial assets and fair value recorded as financial liabilities for the three months ended 31 March 2020 and the historical settlement pattern of BOCOM Group.

## **REASONS FOR AND BENEFITS OF REVISING THE CURRENT ANNUAL CAPS**

Due to the sharp fluctuations in the commodity market (in particular the first quarter of 2020), the transaction amounts in respect of the Derivatives Transactions between the Group and the BOCOM Group have increased. As such, the Company has taken precautionary steps by proposing to revise the Current Annual Caps and re-comply with the Listing Rules well in advance before the end of the financial year ending 31 December 2020. Since January 2020, the transaction amounts (comprising both realised actual gains or losses and unrealised floating gains or losses) in respect of the Derivatives Transactions between the Group and the BOCOM



Group have increased significantly. The Group expects that the transaction amounts in respect of the Derivatives Transactions between the Group and the BOCOM Group may exceed the Current Annual Caps after taking into account the following factors:

- (i) the growing transaction amounts in respect of the Derivatives Transactions between the Group and the BOCOM Group since January 2020 and the historical low commodity prices; and
- (ii) in so far as the Derivatives Transactions between the Group and the BOCOM Group are concerned, the period of the commodity-based products during which the holders of products can trade before the expiration of the product (depending on risk appetite, profit and loss situation and other factors).

Based on the above, the Company considers that the Current Annual Caps are very likely to be unable to satisfy the transaction demand between the Group and the BOCOM Group.

The Directors (excluding the independent non-executive Directors, who will give their opinion after considering the advice from the Independent Financial Adviser) are of the view that the Derivatives Transactions Framework Agreement and the Derivatives Transactions are entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, the terms of the Derivatives Transactions Framework Agreement, the Derivatives Transactions and the Proposed Revised Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **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 commercial and retail bank providing banking services mainly 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. The principal activities of BOCOM and the BOCOM Group include corporate and personal banking services, interbank and financial market business, fund management, trustees, financial leasing, insurance, overseas securities debt-to-equity swap, asset management and other financial services.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, BOCOM is a substantial Shareholder and the ultimate controlling Shareholder holding approximately 73.14% of total number of issued Shares and hence BOCOM is a connected person of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54(1) of the Listing Rules, the Company must re-comply with the announcement and independent shareholders' approval requirements before the Current Annual Caps are exceeded. As such, the Company proposes to adopt the Proposed Revised Annual Caps for the Derivatives Transactions under the Derivatives Transactions Framework Agreement.

Due to the different nature and unique characteristics of the Derivatives Transactions from those of the more typical transactions (such as the sale or purchase of goods), the trading gains or losses in respect of the Derivatives Transactions comprise unrealised floating gains or losses that may on the face of the book records appear to exceed the Current Annual Caps during the relevant reporting period, thereby leading to an anomalous result. Such nature and characteristics of the Derivatives Transactions include, among others, the following: (i) unlike a typical kind of transactions that can go only one-way (e.g. either sale or purchase), the Derivatives Transactions involve derivatives products with trading positions that can go both ways (i.e. the positions may increase or decrease and can offset each other over a period of time depending on the commodity market conditions and the stock market conditions as a whole); (ii) the "transaction amount" (comprising unrealised floating gains on losses in unclosed positions) of the Derivatives Transactions is subject to market conditions and decisions of the counterparties or holders of derivatives products that are not within the control of the Company; and (iii) any interim trading positions recorded during the relevant reporting periods are subject to changes from time to time. Please refer to the section headed "Historical Annual Caps and Transaction Amounts" in this announcement for details.

In light of the anomalous result arising from the application of the annual caps to the Derivatives Transactions on a specific time or continuous basis during the relevant reporting periods as if they were a typical kind of transactions, it would only be reasonable and practicable for the annual caps to apply to the trading gains or losses arising from the Derivatives Transactions on an annual basis as at the end of each financial year. As precautionary measures and for compliance purposes, given the volatility of the market in recent months, the Company has taken early steps to assess the Current Annual Caps, discuss the Current Annual Caps and the Proposed Revised Annual Caps with the BOCOM Group, and decided to seek Shareholders' approval to adopt the Proposed Revised Annual Caps in advance before the end of the financial year.

As the highest applicable percentage ratio in respect of the Proposed Revised Annual Caps is 5% or more, the Proposed Revised 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 Derivatives Transactions Framework Agreement, the Derivatives Transactions and the Proposed Revised 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 Mr. WANG Yijun, Ms. LIN Zhihong and Mr. SHOU Fugang 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 Annual Caps. Save as disclosed above, none of the Directors has a material interest in respect of the Proposed Revised Annual Caps and none of them has abstained from voting on the Board resolutions in respect of the approval of the Proposed Revised Annual Caps.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020 (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 Monday, 15 June 2020.

## **GENERAL**

The Company will convene the EGM for the purpose of, among others, considering and if thought fit, approving the Proposed Revised Annual Caps.

A circular containing, among other things, (i) further information on the Proposed Revised 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; and (iv) the notice of the EGM, will be despatched to the Shareholders on or before 4 June 2020 pursuant to Rule 14A.68(11) of the Listing Rules.

## DEFINITIONS

The following terms have the following meanings in this announcement, 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”	means the board of directors of the Company
“BOCOM”	means 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: 03328), and being the ultimate controlling Shareholder
“BOCOM Group”	means BOCOM and its subsidiaries (excluding the Group)
“Company”	means 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: 03329)
“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
“Current Annual Caps”	means the current annual caps for the Derivatives Transactions
“Derivatives Transactions”	means the transactions between the Group and BOCOM Group contemplated under the Derivatives Transactions Framework Agreement for the three years ending 31 December 2022
“Derivatives Transactions Framework Agreement”	means the derivatives transactions framework agreement dated 25 April 2017 (and renewed on 1 January 2020) entered into between the Company and BOCOM in relation to the Derivatives Transactions
“Directors”	means the directors of the Company
“EGM”	means the extraordinary general meeting of the Company (or any adjournment thereof) to be held for the purpose of considering and, if thought fit, approving the Proposed Revised Annual Caps

“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	means 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 Derivatives Transactions Framework Agreement, the Derivatives Transactions and the Proposed Revised Annual Caps
“Independent Financial Adviser”	means 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 activity under the Securities and Futures Ordinance of Hong Kong, being the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Derivatives Transactions Framework Agreement, the Derivatives Transactions and the Proposed Revised Annual Caps
“Independent Shareholders”	means the Shareholders other than BOCOM and its associates
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Proposed Revised Annual Caps”	means the proposed revised annual caps for the Derivatives Transactions as set out in the section headed “Current Annual Caps and Proposed Revised Annual Caps” in this announcement
“Share(s)”	means the ordinary share(s) of the Company
“Shareholder(s)”	means the holder(s) of Shares

“Stock Exchange” means The Stock Exchange of Hong Kong Limited  
“subsidiary(ies)” has the same meaning ascribed to it under the Listing Rules

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

Hong Kong, 2 June 2020

*As at the date of this announcement, the Board comprises Mr. TAN Yueheng 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.*