

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 INVESTMENT IN SUB-FUND

On 27 December 2017, BOCOM Securities (as broker, for and on behalf of its client, the Company) has entered into the Subscription Agreement with the Fund Company (for and on behalf of the Sub-Fund) and the Manager pursuant to which BOCOM Securities has committed to subscribe for Class A2 Shares of the Sub-Fund for an aggregate amount of not more than US\$100 million on the terms and conditions of the Private Placing Memorandum.

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

SUBSCRIPTION

On 27 December 2017, BOCOM Securities (as broker, for and on behalf of its client, the Company), has entered into the Subscription Agreement with the Fund Company (for and on behalf of the Sub-Fund) and the Manager pursuant to which BOCOM Securities has committed to subscribe for Class A2 Shares of the Sub-Fund for an aggregate amount of not more than US\$100 million on the terms and conditions of the Private Placing Memorandum. BOCOM Securities will pay the price for the Subscription by clearing house automated transfer system.

PRINCIPAL TERMS OF THE SUB-FUND

The principal terms of the Sub-Fund under the Private Placing Memorandum are summarised below:

Name of the Sub-Fund: New China OCT Fund 1 Segregated Portfolio

Duration of the Sub-Fund:	It is intended that the Sub-Fund will have a term of two years from the Initial Closing Date, and upon the expiry of the initial term, the term of the Sub-Fund may be extended for an additional period of up to two years upon the written approval of all the holders of the Participating Shares of the Sub-Fund.
Target size of the Sub-Fund:	<p>The Sub-Fund will have a target total subscription amount of approximately US\$210 million (including fees and expenses of the Sub-Fund), of which approximately US\$60 million and US\$100 million are expected to be derived from subscription of Class A1 Shares and Class A2 Shares, respectively.</p> <p>The placing of the Participating Shares is conditional upon a minimum total subscription amount of US\$200 million. In the event that the minimum total subscription amount is not met, any initial subscription money received by the Sub-Fund will be returned without interest by telegraphic transfer at the risk and expense of the investors, as determined by the directors of the Fund Company at their sole discretion.</p>
Classes of Participating Shares of the Sub-Fund:	The Sub-Fund has four classes of Participating Shares, namely Class A1 Shares, Class A2 Shares, Class B Shares and Class C Shares. Class A1 Shares and Class A2 Shares will enjoy priority in returns and principal repayments to Class B Shares and Class C Shares whereas Class A1 Shares will enjoy priority in returns and principal repayments to Class A2 Shares save for the situations as specified in the Private Placing Memorandum.
Investment objective and strategy:	The investment objective of the Sub-Fund is to achieve absolute returns through indirect equity investment in a PRC company, which businesses include construction, management, leasing and sales of real estate, specifically residential property and commercial facilities.
Early redemption:	The directors of the Fund Company may early redeem all or part of the Participating Shares in accordance with the terms of the Private Placing Memorandum. In particular, the directors of the Fund Company may early redeem Class A2 Shares in full or in part at the Redemption Price, provided that certain conditions as specified in the Private Placing Memorandum are satisfied. Notwithstanding the foregoing and subject to the mandatory redemption provisions contained in the Private Placing Memorandum, no Class A2 Shares may be early redeemed unless all Class A1 Shares have been early redeemed and relevant fixed returns have been paid in full.

Mandatory redemption:	<p>The holders of Class A2 Shares are entitled to, at their election, require the directors of the Fund Company to mandatorily redeem all the Class A2 Shares in full at the Redemption Price on a date notified by the holders of Class A2 Shares in writing to the directors of the Fund Company and pay all the fixed return accrued thereon up to the mandatory redemption date in the event that certain conditions as specified in the Private Placing Memorandum are not fulfilled.</p> <p>The directors of the Fund Company shall mandatorily redeem all the Class A2 Shares in full at the Redemption Price on the Business Day immediately following the second anniversary of the Initial Closing Date, unless otherwise agreed in writing by the holders of Class A2 Shares.</p>
Transfer of Participating Shares:	<p>Transferability of the Participating Shares will be subject to the memorandum and articles of association of the Fund Company. In general, no Participating Shares may be transferred to third parties unless with the consent of the directors of the Fund Company.</p>
Fees, charges and expenses:	<p>No management fee and performance fee are payable by holders of Class A2 Shares to the Manager. The expenses incurred in connection with the formation of the Sub-Fund (including the expenses for preparation and execution of documentation) are estimated at US\$100,000 and will be borne by the Sub-Fund. The Sub-Fund will also be responsible for the administration fees payable to the Administrator.</p>
Fixed return:	<p>Holders of the Class A2 Shares are entitled to a fixed return calculated at 8.0% per annum of the initial offer price of each Class A2 Share, being US\$1,000.</p>
Guaranteed return and redemption price:	<p>Each of the Fund Company and the Manager guarantees to the holders of Class A2 Shares that (i) the Sub-Fund will be able to generate sufficient profit in order to make a distribution for payment of fixed return at the rate of 8.0% per annum to holders of Class A2 Shares; and (ii) the aggregate amount of redemption price for all the Class A2 Shares will not be lower than the aggregate subscription amount paid by the holders of Class A2 Shares, and that the holders of Class A2 Shares will be able to receive the payments as specified in (i) and (ii) in accordance with the terms of the Private Placing Memorandum.</p>

INFORMATION OF THE FUND COMPANY, THE MANAGER AND THE ADMINISTRATOR

The Fund Company is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on 3 November 2017. As a segregated portfolio company, the Fund Company is permitted to create and issue Participating Shares out of one or more segregated portfolio(s) in order to segregate the assets and liabilities of the Fund Company held within or on behalf of a segregated portfolio from the assets and liabilities of the Fund Company held within or on behalf of any other segregated portfolio. The authorised share capital of the Fund Company is US\$50,000 being made up of 100 Management Shares of US\$0.01 each and 4,999,900 Participating Shares of US\$0.01 each. The Sub-Fund is a closed-ended segregated portfolio of the Fund Company.

The Fund Company has appointed the Manager, who is responsible for managing the investment, sale and re-investment of the assets of the Fund Company. The Manager is an exempted company with limited liability incorporated in the Cayman Islands on 10 August 2017 and has been established specifically for the purposes of managing, in the first instance, the assets of the Fund Company, with the intention that its investment management activities will expand over time. The Manager holds 100 Management Shares.

The Fund Company has appointed the Administrator as, among others, the administrator of the Sub-Fund. The Administrator is incorporated in Hong Kong and is a registered trustee. The Administrator will receive from the Sub-Fund an administration fee.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fund Company, the Manager, the Administrator and their respective ultimate beneficial owners are independent of and not connected with the Company or any connected persons (as defined under the Listing Rules) of the Company.

INFORMATION OF THE GROUP

BOCOM Securities is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. The Group is engaged in securities brokerage and margin financing, corporate finance and underwriting, investment and loans, asset management and advisory business. The principal activities of the Group are to carry out regulated activities under the SFO through its licensed subsidiaries. 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.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The amount for the Subscription was determined by the Directors taking into account various factors including the terms, investment objective and potential of the Sub-Fund and the financial position of the Group.

The Subscription enables the Group to expand its client network and strengthen its ability to capture investment opportunity through cooperating with industry partners. Further, the Subscription provides a good opportunity for the Company to enhance its return to its Shareholders having considered the investment objective of the Sub-Fund and the extensive experience and skills of the directors of the Fund Company and the Manager. The Directors believe that the terms of the Subscription are fair and reasonable and are 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 Subscription exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the reporting 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:

“Administrator”	CCB (Asia) Trustee Company Limited, the administrator of the Sub-Fund
“Board”	the board of Directors
“BOCOM Securities”	BOCOM International Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Business Day”	any day (except Saturday and Sunday) on which banks in Hong Kong are open for usual business provided that where as a result of a number 8 or higher typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the directors of the Fund Company otherwise determine and/or such other day or days as determined from time to time by the directors of the Fund Company
“Class A1 Share(s)”	Participating Share(s) designated as Class A1 Share(s)
“Class A2 Share(s)”	Participating Share(s) designated as Class A2 Share(s)

“Class B Share(s)”	Participating Share(s) designated as Class B Share(s)
“Class C Share(s)”	Participating Share(s) designated as Class C Share(s)
“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
“Fund Company”	New China OCT Fund SPC, an exempted company with limited liability incorporated in the Cayman Islands and registered as a segregated portfolio company under the laws of the Cayman Islands
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Initial Closing Date”	5:00 p.m. (Hong Kong time) on 28 December 2017 (or such earlier or later date as the directors of the Fund Company may determine)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	China Urbanization Capital Limited, an exempted company with limited liability incorporated in the Cayman Islands
“Management Share(s)”	non-participating, non-redeemable, voting management share(s) having a nominal value of US\$0.01 each in the share capital of the Fund Company having the rights and being subject to the restrictions specified in the memorandum and articles of association of the Fund Company and the Private Placing Memorandum
“Participating Share(s)”	participating, redeemable, non-voting share(s) having a nominal value of US\$0.01 each in the share capital of the Fund Company which is issued as such and having the rights and being subject to the restrictions provided by or in accordance with the memorandum and articles of association of the Fund Company and the Private Placing Memorandum
“percentage ratios”	has the same meaning as ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China

“Private Placing Memorandum”	the private placing memorandum issued by the Fund Company and the Manager in relation to the private placing of Participating Shares of the Sub-Fund (as may be modified, supplemented or amended from time to time) and the appendix containing specific information in respect of the Participating Shares issued supplementary thereto
“Redemption Price”	the redemption price for each Class A2 Share which is equivalent to the initial offer price per Class A2 Share, being US\$1,000
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Fund”	New China OCT Fund 1 Segregated Portfolio
“Subscription”	the subscription by BOCOM Securities of Class A2 Shares for an aggregate amount of not more than US\$100 million
“Subscription Agreement”	the subscription agreement dated 27 December 2017 entered into by BOCOM Securities (as broker, for and on behalf of its client, the Company), the Fund Company (for and on behalf of the Sub-Fund) and the Manager in relation to the Subscription
“US\$”	the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 27 December 2017

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.