

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.



CONNECTED TRANSACTION

CAPITAL INJECTION INTO BOCCF

The Board is pleased to announce that on 16 April 2018, BOCCC (an indirect wholly-owned subsidiary of the Company) has entered into the Capital Injection and Subscription Agreement in relation to its capital injection of approximately RMB433.1 million into BOCCF in accordance with its proportion of interest in BOCCF. BOCCF is principally engaged in consumer finance business in the PRC, and BOCCC holds approximately 12.37% of its entire equity interest as of the date of this announcement. Pursuant to the Capital Injection and Subscription Agreement, upon the Completion, BOCCC will continue to own approximately 12.37% of the enlarged equity interest in BOCCF as the Capital Injection is made on a pro rata basis.

On the same date, BOCCC has also entered into the JV Agreement with other Investors of BOCCF for regulating their rights and obligations in the operation and management of the business and affairs of BOCCF.

As of the date of this announcement, BOC indirectly holds approximately 66.06% of the issued shares of the Company and is the controlling shareholder of the Company. As BOCCF is a subsidiary of BOC as at the date of this announcement, BOCCF is an associate of BOC and therefore a connected person of the Company. The Capital Injection therefore constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Injection exceeds 0.1% but is less than 5%, the Capital Injection is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the completion of the Capital Injection is subject to the satisfaction (or, if applicable, waiver) of the conditions precedent stated in the Capital Injection and Subscription Agreement, the Capital Injection may or may not proceed to completion. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 16 April 2018, BOCCC (an indirect wholly-owned subsidiary of the Company) has entered into the Capital Injection and Subscription Agreement, pursuant to which BOCCC has agreed to inject capital in the sum of approximately RMB433.1 million into BOCCF in accordance with its proportion of interest in BOCCF. Pursuant to the Capital Injection and Subscription Agreement, upon the Completion, BOCCC will continue to own approximately 12.37% of the enlarged equity interest in BOCCF as the Capital Injection is made on a pro rata basis.

On the same date, BOCCC has also entered into the JV Agreement with other Investors of BOCCF for regulating their rights and obligations in the operation and management of the business and affairs of BOCCF.

MAJOR TERMS OF THE CAPITAL INJECTION AND SUBSCRIPTION AGREEMENT

Date

16 April 2018

Parties

All the Investors (namely BOC, BGCL, LFD, BOCCC, SBDII and BSSMC) and BOCCF

Consideration

The total consideration for the Capital Injection by BOCCC is approximately RMB433.1 million. The total consideration, which is payable on the Completion Date, will be satisfied in cash out of the internal resources of BOCCC.

The total consideration for the Capital Injection was determined after arm's length negotiations among the parties, having regard to the business prospects and business expansion of BOCCF and regulatory requirements, and the Capital Injection is made on a pro rata basis based on the existing equity interest held by the shareholders in BOCCF.

Conditions precedent to the Completion

The Completion is subject to the satisfaction or waiver (as appropriate) of certain conditions precedent set out in the Capital Injection and Subscription Agreement, including but not limited to:

1. the execution of the JV Agreement and the adoption of the amended articles of association of BOCCF;
2. the Increase in Registered Capital by BOCCF having been approved by CBIRC and other regulatory authorities (if required);
3. the relevant shareholders' resolutions and/or board resolutions in respect of the Increase in Registered Capital by BOCCF and the adoption of the amended articles of association of BOCCF having been obtained; and

4. the relevant procedures with the State Administration of Foreign Exchange of the PRC and People's Bank of China in respect of the Capital Injection having been completed (if applicable).

Capital Injection and Subscription by other Investors

The other existing shareholders of BOCCF, namely, BOC, BGCL, LFD, SBDII and BSSMC, also agreed to inject further capital into BOCCF on a pro rata basis in accordance with the terms and conditions of the Capital Injection and Subscription Agreement.

As at the date of this announcement, each of BOC, BGCL, LFD, SBDII and BSSMC holds approximately 40.02%, 20.64%, 12.57%, 9.9% and 4.5% of the equity interest in BOCCF respectively. Their respective interest in the enlarged equity interest in BOCCF will remain unchanged after the Completion as their respective capital injection is made on a pro rata basis pursuant to the Capital Injection and Subscription Agreement.

MAJOR TERMS OF THE JV AGREEMENT

Date

16 April 2018

Parties

All the Investors, namely BOC, BGCL, LFD, BOCCC, SBDII and BSSMC

Effectiveness

The JV Agreement shall become effective upon signing by the parties unless required by applicable laws and regulations.

Board of directors

The board of directors of BOCCF shall consist of 11 directors. Pursuant to the JV Agreement, (i) BOC shall be entitled to appoint four directors and nominate one employee director and one independent director, (ii) BGCL shall be entitled to appoint two directors, and (iii) each of LFD, SBDII and BOCCC shall be entitled to appoint one director.

Lock-up period and right of first refusal

All Investors undertake that, within five years from the date on which the relevant capital injection is completed, none of the Investors will, directly or indirectly, sell, transfer or in any manner dispose of the equity interest obtained pursuant to the relevant capital injection (whether or not the transferee is an affiliate of such shareholder or another shareholder of BOCCF), including the creation of any charge, pledge, guarantee, lien, trust or any other encumbrance over all or any part of its equity interest in BOCCF.

Upon expiry of the five-year lock-up period, any transfer among the Investors and between the Investors and other third parties shall be subject to the restrictions under the JV Agreement (including that the other Investors shall have the right of first refusal to purchase the equity interest in BOCCF that an Investor proposes to sell on a pro rata basis based on their respective contribution to the entire equity interest in BOCCF, provided that the exercise of such right of first refusal shall not affect BOC's shareholding remaining at no less than

30% of the entire equity interest in BOCCF and more than the shareholding of any other investors).

Non-compete undertaking

All the Investors, including BOCCC, undertakes, among other things, in the JV Agreement that for so long as it owns equity interest in BOCCF and unless with the prior written consent of all shareholders of BOCCF, the Investors, their respective authorised parties and affiliates will not (i) seek to obtain any consumer finance company license in the PRC for consumer financing business or related internet business, which is in direct competition with the business of BOCCF; and (ii) for the purpose of competition with BOCCF, set up or invest in any other consumer finance company or other entities with licenses of consumer financing business in the PRC.

REASONS FOR AND BENEFIT OF THE CAPITAL INJECTION

BOCCF is among the first batch of companies that were issued with the official consumer finance company licence by the China Banking Regulatory Commission (which regulatory function has been assumed by CBIRC since April 2018) in 2010. It has first-mover advantage in establishing its consumer finance business in China. Given the growth potential of the consumer credit market in China, the Directors are of the view that the Capital Injection will enable the Company to participate, through BOCCF, the growth in the consumer loan market in the Mainland of China and maximise shareholders' value.

The terms of each of the Capital Injection and Subscription Agreement and the JV Agreement were negotiated on an arm's length basis among the parties. Having considered the above, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of each of the Capital Injection and Subscription Agreement and the JV Agreement are fair and reasonable, on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

All non-executive Directors of the Company, namely Mr. CHEN Siqing and Mr. REN Deqi, are also directors of BOC, and accordingly have abstained from voting on the resolutions in respect of the transactions contemplated under the Capital Injection and Subscription Agreement and the JV Agreement at the meeting of the Board.

INFORMATION ON THE PARTIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of banking and financial services in Hong Kong.

BOCCF is principally engaged in consumer finance business in the PRC.

BOCCC was established in 1980 and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in credit card and consumer loans services in Hong Kong.

BOC and its subsidiaries principally engage in the provision of corporate banking, personal banking, financial market services, investment banking, insurance and other services to customers in the PRC, Hong Kong, Macau and the Taiwan Region as well as other countries and regions.

BGCL was founded in 2003 and is based in Shanghai, the PRC. Its principal businesses include retails businesses such as department stores, shopping malls, outlet, large stores, supermarket, convenience stores, specialty retail, and operation of non-ferrous metals, ferrous metals, automotive, chemical light, electrical, timber, fuel, etc., and engagement in e-commerce, logistics, consumer services, electronic information and other fields.

LFD is a holding company of a state-owned developer, Shanghai Lujiazui Development (Group) Company Limited. It is principally engaged in the businesses including fund investment and asset management.

SBDII is a subsidiary of BoYu capital. BoYu Capital was founded in 2011, which is a leading private equity fund management company in China and commits to create an outstanding enterprise with business growth of the industry, focus on financial services, consumer goods and retails, healthcare, media and high-technology industries.

BSSMC is a subsidiary of Sequoia Capital, which was founded in 1972 and currently manages nearly 30 types of funds, assets under management more than US\$10 billion.

Save for BOC and BOCCF, the Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiry, each of BGCL, BSSMC, LFD and SBDII and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

BOC indirectly holds approximately 66.06% of the total number of issued shares of the Company (as recorded in the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance) as at the date of this announcement, and is therefore the controlling shareholder of the Company. BOC also owns approximately 40.02% of the entire equity interest in BOCCF as of the date of this announcement. BOCCF is therefore an associate of BOC and is a connected person of the Company. Accordingly, the Capital Injection constitutes a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Capital Injection exceed 0.1% but all are less than 5%, the Capital Injection is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the completion of the Capital Injection is subject to the satisfaction (or, if applicable, waiver) of the conditions precedent stated in the Capital Injection and Subscription Agreement, the Capital Injection may or may not proceed to completion. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

"BGCL"	百聯集團有限公司 (Bailian Group Company Limited) [#] , a company with limited liability established under the laws of the PRC
"Board"	the board of directors of the Company
"BOC"	Bank of China Limited, a joint stock limited liability company established under the laws of the PRC, the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange, which indirectly holds approximately 66.06% of the total number of issued shares in the Company as at the date of this announcement (as recorded in the register maintained by the Company pursuant to section 336 of the Securities and Futures Ordinance)
"BOCCC"	BOC Credit Card (International) Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company
"BOCCF"	中銀消費金融有限公司 (BOC Consumer Finance Co., Ltd.) [#] , a consumer finance company with limited liability established under the laws of the PRC, in which BOC holds approximately 40.02% of its entire equity interests as at the date of this announcement
"BSSMC"	北京紅杉盛遠管理諮詢有限公司 (Beijing Sequoia Shengyuan Management Consulting Co., Ltd.) [#] , a company with limited liability established under the laws of the PRC
"Capital Injection"	the proposed capital injection by BOCCC into BOCCF as contemplated under the Capital Injection and Subscription Agreement
"Capital Injection and Subscription Agreement"	the capital injection and subscription agreement dated 16 April 2018 entered into among the Investors and BOCCF in respect of the capital injection by the Investors
"CBIRC"	the China Banking and Insurance Regulatory Commission or its local branch (if applicable)
"Completion"	completion of the capital injection in BOCCF in accordance with the terms and conditions of the Capital Injection and Subscription Agreement
"Completion Date"	the date of Completion as provided under the Capital Injection and Subscription Agreement

"Directors"	the directors of the Company
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Increase in Registered Capital"	the proposed increase in the registered capital of BOCCF as contemplated under the Capital Injection and Subscription Agreement
"Investors"	BOC, BGCL, LFD, BOCCC, SBDII and BSSMC
"JV Agreement"	the Joint Venture Agreement dated 16 April 2018 entered into among the Investors in respect of BOCCF
"LFD"	上海陸家嘴金融發展有限公司 (Shanghai Lujiazui Finance Development Co., Ltd.) [#] , a company with limited liability established under the laws of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mainland of China"	the mainland of the PRC
"PRC" or "China"	the People's Republic of China which, for the purposes of this announcement only, excludes Hong Kong, Macau and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SBDII"	深圳市博德創新投資有限公司 (Shenzhen Bo De Innovative Investment Co., Ltd.) [#] , a company with limited liability established under the laws of the PRC
"Securities and Futures Ordinance"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By Order of the Board
LUO Nan
Company Secretary

Hong Kong, 16 April 2018

As at the date of this announcement, the Board comprises Mr. CHEN Siqing (Chairman), Mr. GAO Yingxin (Vice Chairman and Chief Executive), Mr. REN Deqi*, Mr. LI Jiuzhong, Madam CHENG Eva**, Dr. CHOI Koon Shum**, Mr. KOH Beng Seng** and Mr. TUNG Savio Wai-Hok**.*

For identification purposes only
* Non-executive Directors
** Independent Non-executive Directors