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BOCHK leads the market with the completion of the first blockchain-based cross-platform and cross-border trade finance transaction

Bank of China (Hong Kong) ("BOCHK"), in collaboration with Bank of China Guangdong Provincial Branch and Shenzhen City Branch, leads the market with the completion of the first batch of blockchain-based cross-border trade transactions and the first trade finance transaction upon the connection of Hong Kong's innovative trade finance platform eTradeConnect and the Mainland's Trade Finance Platform. The connection facilitates the automation of trade processes, enhances the service quality of cross-border trade and the efficiency of trade finance for corporations. It also helps corporations reduce transaction and management costs, and promotes economic and trade exchange between Hong Kong and the Mainland.

BOCHK is committed to the application of blockchain technology in financial services, including cross-border trade transactions, in an effort to enable customers to create and transfer complete and encrypted transaction information on blockchain-based platforms, as well as strengthening the traceability of such information. The connection of the two platforms will enhance the transparency of cross-border transactions, and ensure the authenticity and validity of paper documents, thereby facilitating secure information exchange and the streamlining of trade processes. BOCHK also provides support to its corporate customers that apply for trade finance online by facilitating real-time online transmission and the automated processing of transaction documents such as purchase orders and electronic invoices through the shared ledger and smart contract technology. This will enhance the overall efficiency of the cross-border supply chain.

Mr Colin Pou, Executive Director (Financial Infrastructure) of the Hong Kong Monetary Authority, said, "Mainland China has been Hong Kong's largest export and import market. The Proof-of-Concept (PoC) trial that connects eTradeConnect and the PBoC Trade Finance Platform aims to provide importers and exporters in both places with more convenient trade finance services. We are delighted to see BOCHK's significant contribution in phase 1 of the PoC and its conducting of the first trade financing transaction through this cross-platform linkage. As the project is entering the second phase of development, we hope that more banks will join the project to further enhance the functionalities of this cross-platform linkage and enable banks to expedite the expansion of their trade finance business in Hong Kong"

Mr Wang Bing, Deputy Chief Executive of BOCHK, said, "BOCHK played an active role in facilitating the connection of the trade platforms between the Mainland and Hong Kong by providing technical advices and solutions in such areas as business scenario design and system function configuration. As one of the first banks using the newly connected platform, BOCHK

has expanded the application scenarios of blockchain to cover cross-border trade, and enhanced its cross-border financial services for Hong Kong and Mainland corporations. Going forward, BOCHK will continue to apply fintech such as blockchain to provide efficient and secure cross-border financial service solutions to corporate customers, and to promote fintech development in the banking sector."

TCL, one of BOCHK's first customers that conducted transactions on the newly connected platform, experienced the convenience of cross-border trade brought by blockchain. Ms Maggie Li, Vice-president of TCL Tech Group & CEO of TCL Finance, said, "TCL Group is honoured to be among the first companies to complete a transaction upon the connection of the trade platforms between the Mainland and Hong Kong. This transaction has strengthened the synergistic capability of various stages in the industry chain. It has also boosted our operational efficiency by resolving the pain points often encountered in the past, such as having to go through complicated and tedious trade procedures. As blockchain technology becomes increasingly mature, there is a significant surge in the market demand for the application of blockchain. The immutable and traceable nature of the technology has a positive impact on cross-border trade, and plays an important role in driving the digital transformation of the supply chain system."

BOCHK is one of the initiating banks of eTradeConnect, and has been an active participant on both eTradeConnect and Trade Finance Platform. eTradeConnect is the first large-scale cross-bank blockchain project in Hong Kong, managed by the Hong Kong Trade Finance Platform Company Limited, a subsidiary of Hong Kong Interbank Clearing Limited. On this distributed ledger technology (DLT)-based platform, customers and their trading partners can conduct trade and trade financing activities through sharing of information in an effective and cost-efficient way. Trade Finance Platform is managed by a subsidiary of the People's Bank of China's Institute of Digital Currency. The platform is a financial infrastructure that provides public services in trade finance. Since launch, the platform has facilitated a number of businesses including multi-level receivable financing in the supply chain, cross-border financing, international trade remittance supervision, and tax reporting on outward payments.

Note: Services are subject to the terms and conditions.

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About Bank of China (Hong Kong) Limited

Bank of China (Hong Kong) Limited ("BOCHK") is a leading commercial banking group in Hong Kong with strong market positions in all major businesses. We have the most extensive local branch network and diverse service platforms in Hong Kong, including more than 190 branches, 280 automated banking

centres, efficient e-channels of over 1,000 self-service machines, as well as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers. To implement the overseas development strategy of BOC Group, we strive to drive our regional development by expanding our business in the Southeast Asian region. Our branches and subsidiaries have been extended to Southeast Asian countries such as Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos and Brunei, with the provision of professional and high-quality financial services to local customers. We will also expedite our development into a top-class, full-service and internationalised regional bank.

BOCHK is one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong. With our strong RMB franchise, we are the first choice of customers in this business. Through the deep collaboration with our parent bank, BOC, we provide a full range of high-quality cross-border services to multinationals, cross-border customers, mainland enterprises going global, central banks and super-sovereign organisations.

BOC Hong Kong (Holdings) Limited, BOCHK’s holding company, is one of the largest listed companies on the main board of the Stock Exchange of Hong Kong, with stock code “2388” and ADR OTC Symbol “BHKLY”.