

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.



CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

**MAJOR TRANSACTION
IN RELATION TO
SUBSCRIPTION FOR NOTES**

On 20 June 2018, the Company has entered into the Subscription Agreement with the Issuer, pursuant to which, the Company has agreed to subscribe the Notes in the principal amount of HK\$420,000,000.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed(s) 25% but are less than 100%, the entering into of the Subscription Agreement and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders' approval requirements.

The Company has obtained written Shareholders' approval for the Subscription in accordance with Rule 14.44 of the Listing Rules from CMBC Investment, which is a controlling shareholder of the Company beneficially interested in approximately 60.22% of issued share capital of the Company as at the date of this announcement. Pursuant to Rule 14.44 of the Listing Rules, the written approval from CMBC Investment is accepted in lieu of holding a general meeting for approval of the Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Subscription Agreement is expected to be despatched to the Shareholders by 12 July 2018.

THE SUBSCRIPTION

On 20 June 2018, the Company has entered into the Subscription Agreement with the Issuer, pursuant to which, the Company has agreed to subscribe the Notes in the principal amount of HK\$420,000,000.

Principal terms of the Subscription Agreement are set out below:

Date:	20 June 2018
Parties:	1. The Company
	2. The Issuer

Consideration

The Company has agreed to subscribe for HK\$420,000,000 in principal amount of the Notes on the Completion Date at the issue price of the Notes (being HK\$420,000,000).

The Group will fund the total subscription amount under the Subscription from its internal resources.

Use of proceeds

According to the Subscription Agreement, the Issuer will use the net proceeds from the Subscription, *inter alia*, to finance the acquisition of an overseas company.

The Company's rights of termination

If at any time prior to Completion Date:

- (a) the Issuer commits any material breach of or omits in any material respect to observe any of its obligations or undertakings under the Subscription Agreement or any of the warranties thereunder is or becomes untrue or incorrect in any material respect; or
- (b) any of the conditions precedent become incapable of being satisfied (and are not waived),

then, in any such case, the Company may (in its sole and absolute discretion) by notice in writing to the Issuer, forthwith terminate the Subscription Agreement.

Completion

The completion of the Subscription shall take place on the Completion Date.

INFORMATION ON THE NOTES

Principal terms of the Notes are set out below:

Issuer:	the Issuer
Notes Issued:	HK\$1,150,000,000 aggregate principal amount of variable rates senior secured notes due 2020
Issue Price:	100% of the principal amount
Maturity Date:	2 years from the issue date of the Notes and extendible for another year
Interest:	<ul style="list-style-type: none">(a) 6.25% per annum for the period from (and including) the issue date of the Notes to (but excluding) the first anniversary of the issue date of the Notes;(b) 8.25% per annum for the period from the first anniversary of the issue date of the Notes to the Original Maturity Date (both inclusive);(c) (if the Original Maturity Date is duly extended to the First Extended Maturity Date) 8.75% per annum for the period from (but excluding) the Original Maturity Date to (and including) the First Extended Maturity Date; and(d) (if the First Extended Maturity Date is duly extended to the Second Extended Maturity Date) 9.25% per annum for the period from (but excluding) the First Extended Maturity Date to (and including) the Second Extended Maturity Date.
Ranking of the Notes:	The Notes rank at least <i>pari passu</i> with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

Redemption: Unless previously redeemed or purchased and cancelled, the Issuer will redeem each Note at its principal amount together with unpaid accrued interest on either (i) the Original Maturity Date, (ii) (if the Issuer has duly extended the Original Maturity Date to the First Extended Maturity Date) the First Extended Maturity Date, or (iii) (if the Issuer has duly extended the First Extended Maturity Date to the Second Extended Maturity Date) the Second Extended Maturity Date.

No early redemption, purchase or cancellation of the Notes is allowed except in accordance with the terms of the Subscription Agreement and the Notes.

Listing: No application will be made for the listing of the Notes.

INFORMATION OF THE ISSUER

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer is an investment holding company, wholly owned by a segregated portfolio company which is principally engaged in real estate investment.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are Independent Third Parties.

INFORMATION OF THE GROUP

As at the date of this announcement, the Group is principally engaged in the securities business, investment and financing and asset management and advisory business.

REASONS AND BENEFITS FOR THE SUBSCRIPTION

Taking into account the principal activities of the Group, the Directors consider that the Subscription is in the ordinary and usual course of business of the Group.

The terms of the Subscription Agreement and the Notes are negotiated on an arm's length basis among the parties thereto, with reference to the commercial practice and principal amount of the Notes subscribed. The Directors are of the view that the terms of the Subscription are on normal commercial terms. The Subscription has been entered into based on the Company's development strategy. Taking into account the satisfactory financial background of the Issuer, as well as the stable revenue and cashflow stream expected to be generated by the Notes, the Directors consider that the terms of the Subscription are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed(s) 25% but are less than 100%, the entering into of the Subscription Agreement and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders' approval requirements.

The Company has obtained written Shareholders' approval for the Subscription in accordance with Rule 14.44 of the Listing Rules from CMBC Investment, which is a controlling shareholder of the Company beneficially interested in approximately 60.22% of issued share capital of the Company as at the date of this announcement. Pursuant to Rule 14.44 of the Listing Rules, the written approval from CMBC Investment is accepted in lieu of holding a general meeting for approval of the Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Subscription Agreement is expected to be despatched to the Shareholders by 12 July 2018.

DEFINITIONS

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

“CMBC Investment”	CMBC International Investment Limited (民銀國際投資有限公司), a company incorporated in the British Virgin Islands, and a controlling shareholder of the Company
“Company”	CMBC Capital Holdings Limited (民銀資本控股有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1141)
“Completion Date”	21 June 2018 or a later date agreed by the parties (not later than 15 July 2018) to the Subscription Agreement
“Director(s)”	the director(s) of the Company
“First Extended Maturity Date”	the date which is six (6) Months after Original Maturity Date.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Issuer”	the issuer of the Notes, being a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the notes in the aggregate principal amount of HK\$1,150,000,000 due 2020 issued by the Issuer

“Original Maturity Date”	the date which is two (2) years after the issue date of the Notes
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Second Extended Maturity Date”	the date which is six (6) Months after First Extended Maturity Date
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Notes by the Company in the principal amount of HK\$420,000,000
“Subscription Agreement”	the subscription agreement dated 20 June 2018 and entered into between the Company and the Issuer in relation to the Subscription
“%”	per cent

By order of the Board
CMBC Capital Holdings Limited
Li Jinze
Chairman

Hong Kong, 20 June 2018

As at the date of this announcement, the executive Directors are Mr. Li Jinze, Mr. Ding Zhisuo and Mr. Ng Hoi Kam; the non-executive Directors are Mr. Ren Hailong and Mr. Liao Zhaohui; and the independent non-executive Directors are Mr. Lee, Cheuk Yin Dannis, Mr. Wu Bin and Mr. Wang Lihua.