

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)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTIONS OF FUNDS**

THE SUBSCRIPTIONS

References are made to the announcements of the Company dated 17 July 2017 and 3 August 2017 in relation to, among others, the subscription of the BEA Union Investment Fund.

On 10 October 2017 and 17 October 2017, the Fund Manager confirmed that (i) the subscription of the BEA Union Investment Fund with the subscription amount of US\$8 million; and (ii) the subscription of the BEA Union Investment (APM) Fund with the subscription amount of US\$7 million, were allocated to the orders placed by the Company, respectively.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscriptions (as aggregated by the consideration paid under the Subscriptions pursuant to Rule 14.22 of the Listing Rules) exceed(s) 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE SUBSCRIPTIONS

References are made to the announcements of the Company dated 17 July 2017 and 3 August 2017 in relation to, among others, the subscription of the BEA Union Investment Fund.

On 10 October 2017 and 17 October 2017, the Fund Manager confirmed that (i) the subscription of the BEA Union Investment Fund with the subscription amount of US\$8 million; and (ii) the subscription of the BEA Union Investment (APM) Fund with the subscription amount of US\$7 million, were allocated to the orders placed by the Company, respectively.

Date of confirmation: 10 October 2017 (Fourth Subscription)

17 October 2017 (Fifth Subscription)

Parties:

1. The Company as subscriber
2. BEA Union Investment Management Limited as the fund manager

The Group has funded the Subscriptions from its internal resources.

PRINCIPAL TERMS OF THE FUNDS

Principal Terms of the BEA Union Investment Fund

The principal terms of the BEA Union Investment Fund are as follows:

BEA Union Investment Fund: BEA Union Investment Asian Bond and Currency Fund, being a sub-fund of BEA Union Investment Series. BEA Union Investment Series is an umbrella unit trust established in Hong Kong. Both the BEA Union Investment Asian Bond and Currency Fund (CE No.: ARD615) and BEA Union Investment Series (CE No.: AHE623) are authorised by the SFC under section 104 of the SFO.

Fund manager: BEA Union Investment Management Limited

Trustee: BEA Trustee. To the best of the information, knowledge and belief of the Directors, having made all reasonable enquires, BEA Trustee and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Investment Objective: The investment objective of the BEA Union Investment Fund is to seek regular interest income, capital gains and currency appreciation from an actively managed portfolio of debt securities denominated in Asian or other currencies and primarily issued by Asian government or corporate entities (the “**Asian Debt**”).

Investment Strategies: Debt securities invested by the BEA Union Investment Fund may include capital securities and preference shares with fixed income features, convertible, exchangeable and non-exchangeable and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, transferable notes, asset-backed securities, commercial paper, certificates of deposits of variable or fixed interest rates listed, traded or dealt in regulated markets or exchanges, as well as bank deposits, negotiated term deposits, short term bills and notes. These debt securities may include below investment grade and non-rated debt securities. The BEA Union Investment Fund may also invest in money market instruments, unit trusts and cash. The BEA Union Investment Fund will have a limited exposure to investments denominated in RMB. The BEA Union Investment Fund’s assets will be invested primarily in government bonds and corporate bonds.

The Fund Manager may acquire financial future contracts and currency forward contracts for the BEA Union Investment Fund for hedging purposes. The net total aggregate value of contract prices in respect of future contracts and currency forward contracts entered into other than for hedging may not exceed 20% of the total net asset value of the BEA Union Investment Fund.

The Fund Manager intends to invest, under normal circumstances, at least 70% of the non-cash assets of the BEA Union Investment Fund in the Asian Debt.

Management Fee:	Up to 1% per annum
Distribution Policy:	The Fund Manager has the discretion as to whether or not to make any distribution and the frequency and amount of distributions.
Realisation:	The BEA Union Investment Fund can be realised by submitting a realisation request on or before 4:00 p.m. on any business day.

Principal Terms of the BEA Union Investment (APM) Fund

The principal terms of the BEA Union Investment (APM) Fund are as follows:

BEA Union Investment (APM) Fund:	BEA Union Investment Asia Pacific Multi Income Fund, being a sub-fund of BEA Union Investment Series. BEA Union Investment Series is an umbrella unit trust established in Hong Kong. Both the BEA Union Investment Asia Pacific Multi Income Fund (CE No.: AYM184) and BEA Union Investment Series (CE No.: AHE623) are authorised by the SFC under section 104 of the SFO.
Fund manager:	BEA Union Investment Management Limited
Trustee:	BEA Trustee
Investment Objective:	The investment objective of the BEA Union Investment (APM) Fund is to seek income and long-term capital growth through investing in an actively managed portfolio of debt securities, listed real estate investment trusts (“ REITs ”) and other listed securities including equities and managed funds, that are issued or traded in the Asia Pacific region or which have significant operations in, or derive or are expected to derive a significant portion of their revenues from, the Asia Pacific region.

Investment Strategies:

The BEA Union Investment (APM) Fund will invest primarily in debt securities, listed REITs and other listed securities that generally offer distribution income. The BEA Union Investment (APM) Fund may invest up to 90% of its assets in debt securities, and up to 40% of its assets in listed REITs and other listed securities. The Asia Pacific region includes emerging market countries as well as developed countries.

Debt securities that may be invested by the BEA Union Investment (APM) Fund will be primarily capital securities and preference shares with fixed income features, convertible, exchangeable and non-exchangeable and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, transferable notes, asset-backed securities, commercial paper, certificates of deposits of variable or fixed interest rates, listed, traded or dealt in regulated markets or exchanges, as well as bank deposits, negotiated term deposits, short term bills and notes. Debt securities may be issued by government, quasi-government organisations, financial institutions, multi-national organisations and other corporations. The BEA Union Investment (APM) Fund may invest in investment grade debt securities (rated as Baa3 or above by Moody's Investor Services, Inc. or BBB- or above by Standard & Poor's Corporation or equivalent rating by other recognized rating agencies) as well as below investment grade debt securities, and non-rated debt securities that meet the standards as determined by the Fund Manager. The BEA Union Investment (APM) Fund may also invest in collective investment schemes to achieve its investment objectives, and hold cash or cash equivalents. The BEA Union Investment (APM) Fund will have a limited exposure to investments denominated in RMB.

The Fund Manager may acquire financial futures contracts and currency forward contracts for hedging purposes to reduce risk and enhance asset value. The Fund Manager may also acquire financial futures contracts for investment purposes consistent with the investment objective of the BEA Union Investment (APM) Fund. The net total aggregate value of contract prices in respect of futures contracts entered into other than for hedging may not exceed 20% of the total net asset value of the BEA Union Investment (APM) Fund.

The BEA Union Investment (APM) Fund will not invest in any structured deposits or products. The Fund Manager currently does not intend to enter into any securities lending or share repurchase transactions.

Management Fee: Up to 1.2% per annum

Distribution Policy: The Fund Manager has the discretion as to whether or not to make any distribution and the frequency and amount of distributions.

Realisation: The BEA Union Investment (APM) Fund can be realised by submitting a realisation request on or before 4:00 p.m. on any business day.

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 Subscriptions (as aggregated by the consideration paid under the Subscriptions pursuant to Rule 14.22 of the Listing Rules) exceed(s) 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP

As at the date of this announcement, the Group is principally engaged in the business of brokerage and related services, securities investments and provision of finance.

REASONS AND BENEFITS FOR THE SUBSCRIPTIONS

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

The Directors believe that the Subscriptions are in the interest of the Company and the Shareholders as a whole since the Funds have demonstrated a record of consistent positive return and liquidity. It is in line with the Company's strategy of establishing a balanced investment portfolio, managing the Group's assets and liabilities and enhancing the Group's return.

The Directors consider the terms of the Subscriptions are on normal commercial terms which are fair and reasonable and the Subscriptions are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE FUND MANAGER

To the best of the knowledge, information and belief of the Directors, the Fund Manager is a company incorporated in Hong Kong with limited liability in 2007 by The Bank of East Asia, Limited and Union Asset Management Holding AG, and a corporate licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO; the Fund Manager is a Hong Kong based asset management company specialised in Asian equities and fixed income.

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 Fund Manager and its ultimate beneficial owners are Independent Third Parties.

DEFINITION

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

“BEA Union Investment Fund”	the BEA Union Investment Asian Bond and Currency Fund
“BEA Union Investment (APM) Fund”	the BEA Union Investment Asia Pacific Multi Income Fund
“BEA Trustee”	Bank of East Asia (Trustees) Limited, being the trustee of the BEA Union Investment Fund
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and a Sunday) on which banks in Hong Kong are open for normal banking business, provided that where as a result of a number 8 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

“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)
“Director(s)”	the director(s) of the Company
“Fifth Subscription”	the subscription of the BEA Union Investment (APM) Fund with the subscription amount of US\$7 million confirmed on 17 October 2017
“Fourth Subscription”	the subscription of the BEA Union Investment Fund with the subscription amount of US\$8 million confirmed on 10 October 2017
“Funds”	collectively, the BEA Union Investment Fund and BEA Union Investment (APM) Fund
“Fund Manager”	BEA Union Investment Management Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of PRC

“SFC”	the Securities and Futures Commission
“SFO”	Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively, the Fourth Subscription and the Fifth Subscription
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 17 October 2017

As at the date of this announcement, the executive Director is Mr. Li Jinze, 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.