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CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

**DISCLOSEABLE TRANSACTION IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE**

On 17 August 2018, CMBCCF has entered into the Facility Agreement with the Borrower, pursuant to which CMBCCF has agreed to make available to the Borrower the Loan.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Loan exceed(s) 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.15 of the Listing Rules in respect of the disclosure of the identity of the Borrower and the interest rate of the Loan.

THE FACILITY AGREEMENT

On 17 August 2018, CMBCCF has entered into the Facility Agreement with the Borrower, pursuant to which CMBCCF has agreed to make available to the Borrower the Loan.

The principal terms of the Facility Agreement are as follows:

Date: 17 August 2018

Parties: i. CMBCCF as lender; and
ii. the Borrower.

Principal Amount: HK\$500,000,000

Conditions Precedent: The Loan will be made available to the Borrower on the utilisation date upon satisfaction, among others, of the following conditions precedent:

- i. CMBCCF has received all documents as required under the Facility Agreement; and
- ii. no default is continuing or would result from the Loan under the Facility Agreement.

Utilisation: subject to the satisfaction of the conditions precedent as set out in the Facility Agreement, the Borrower may utilise the Loan no later than 27 August 2018.

Purpose: to acquire certain business entities.

- Interest and other fees: The interest and other fees to be charged by CMBCCF for the term of the Loan (i.e. six months) amounts to 3% ~ 5% of total principal amount of Loan
- Maturity Date: 6 months from the utilisation date.
- Repayment: subject as otherwise provided in the Facility Agreement, the Borrower shall repay the outstanding Loan in full on the maturity date.
- Security: the Loan will be secured by, *inter alia*, the following:
- shortfall recovery arrangement provided by the Investment Company;
 - charge on the shares of the Borrower;
 - charge or pledge of certain shares of the companies to be acquired by the Borrower using the proceeds of the Loan.

The Company will finance the Loan with its internal resources.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The grant of the Loan was determined on the basis of CMBCCF credit assessments made on, *inter alia*, that the background of the financial strength of the Investment Company and the assets charged to secure the repayment of the Loan. The Investment Company is a subsidiary of a state-owned company in the PRC with proven track record. According to its audited financial statement as at 31 December 2017, the consolidated total asset of the Investment Company exceeds RMB1,798.50 million. In addition, according to the information provided by the Borrower, the charged assets was valued to be over RMB800,000,000 on 31 December 2017. As such, and taking into consideration the relatively short term of the Loan, the Company considers that the risks involved in the advance to the Borrower are relatively low.

The Borrower is a new client of the Company. Neither the Borrower nor the Investment Company have any previous default on any loans provided by the Group. To the best knowledge, information and belief of the Directors, the Borrower did not have any credit rating as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE FACILITY AGREEMENT

Taking into account the principal activities of the Group, the Directors consider that entering into the Facility Agreement and the grant of the Loan thereunder are in the ordinary and usual course of business of the Group.

The Facility Agreement has been entered into based on the Company's development strategy. Taking into account the return from the grant of the Loan and based on the result of the credit assessments, the Directors consider that the terms of the Facility Agreement are fair and reasonable, the entering into the Facility Agreement and the grant of the Loan hereunder are in the interests of the Company and its Shareholders as a whole.

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.

INFORMATION OF THE BORROWER AND THE INVESTMENT COMPANY

To the best of the knowledge, information and belief of the Directors, as at the date of this announcement, the Borrower, a company incorporated under the laws of the British Virgin Islands with limited liability. The Borrower is a holding company.

To the best of the knowledge, information and belief of the Directors, as at the date of this announcement, the Investment Company is a subsidiary of a state-owned company in the PRC. Incorporated in Hong Kong, the Investment Company principally engaged in investment activities.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower, the Investment Company and their respective ultimate controlling shareholder is an Independent Third Party as at the date of this announcement.

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 Loan exceed(s) 5% but less than 25%, the grant of the Loan constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH RULE 13.15 OF THE LISTING RULES

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 13.15 of the Listing Rules in respect of the disclosure of the identity of the Borrower and the interest rate of the Loan.

DEFINITION

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

“Board”	the board of Directors
“Borrower”	a company incorporated under the laws of the British Virgin Islands with limited liability. To the best of the knowledge of the Directors, the Borrower is a holding company
“Company”	CMBC Capital Holdings Limited (民銀資本控股有限公司), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 1141)
“CMBCCF”	CMBC Capital Finance Limited, a limited liability company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Facility Agreement”	the facility agreement dated 16 August 2018 entered into between CMBCCF and the Borrower, pursuant to which CMBCCF has agreed to make available to the Borrower the Loan
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan to be provided by CMBCCF to the Borrower in the principal amount of HK\$500 million pursuant to the Facility Agreement
“Investment Company”	a company incorporated in Hong Kong with limited liability
“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 the PRC
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	US dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 17 August 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.