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CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

CONTINUING CONNECTED TRANSACTION UNDER OFFICE SHARING AGREEMENT

OFFICE SHARING AGREEMENT

On 31 May 2019, the Company and CMBCI entered into the Office Sharing Agreement, pursuant to which the Company agreed to grant CMBCI the non-exclusive right to use certain area of the Office Space in consideration of the Sharing Fees payable by CMBCI.

LISTING RULES IMPLICATIONS

CMBCI is an indirect controlling shareholder of the Company. As such, CMBCI is a connected person of the Company and the transaction under the Office Sharing Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the relevant percentage ratios in respect of the annual cap for the amounts payable by CMBCI to the Company under the Office Sharing Agreement exceed 0.1% but less than 5%, the transaction under the Office Sharing Agreement and the relevant annual cap are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules, but are exempt from the independent Shareholders' approval requirement.

OFFICE SHARING AGREEMENT

Introduction

On 31 May 2019, the Company and CMBCI entered into the Office Sharing Agreement, pursuant to which the Company agreed to grant CMBCI the non-exclusive right to use certain area of the Office Space in consideration of the Sharing Fees payable by CMBCI.

Date

31 May 2019

Parties

1. the Company; and
2. CMBCI

The Office Sharing Agreement

The Company is the tenant of the Office Space. Pursuant to the Office Sharing Agreement, the Company has agreed to grant CMBCI the non-exclusive right to use an area of approximately 2,000 square feet of the Office Space in consideration of the Sharing Fees payable by CMBCI.

Term and termination

The Office Sharing Agreement shall take effect upon the fulfilment or waiver on or before 1 June 2019 or any other date to be determined by CMBCI and the Company (as the case may be) of (i) provision of evidence to the satisfaction of the Landlord identifying CMBCI and proving the relationship between CMBCI and the Company; (ii) the Tenancy Agreement not being terminated and the Landlord has not given any written or oral notice of such termination; and (iii) all authorizations, registrations, filings, confirmations, licenses, consents, permissions and approvals required being obtained. As at the date of this announcement, all the above-mentioned conditions precedent have been satisfied or waived in accordance with the Office Sharing Agreement.

The Office Sharing Agreement is for a term commencing from the Effective Date and ending on 31 December 2019.

The Office Sharing Agreement shall terminate immediately if (i) the Company considers that it is not feasible to comply with the Listing Rules at any time or (ii) compliance with the Listing Rules would require changes to the Office Sharing Agreement which are not acceptable to any of the parties hereto.

Sharing Fees Determination

The Sharing Fees payable by CMBCI pursuant to the Office Sharing Agreement was determined with reference to the rent, management fees, and all other miscellaneous costs payable by the Company under the Tenancy Agreement and the approximate 2,000 square feet area to be shared with CMBCI.

Payment

Unless otherwise agreed, the Sharing Fees are payable in full by CMBCI on the last Business Day of the prior month.

Annual cap

The proposed annual cap for the Sharing Fees for the period from the Effective Date up to 31 December 2019 is set out below:

**For the year
ending
31 December
2019
(HK\$)**

5,200,000

In arriving at the above proposed annual cap, the Directors have taken into account the following factors: (a) total area of the Office Space; (b) total area of the Office Space to be shared with CMBCI; and (c) total rent, management fees, rates and all other miscellaneous costs paid by the Company in respect of and in relation to the Office Space pursuant to the Tenancy Agreement.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTION

The Company is of the view that the Office Sharing Agreement will benefit the Group by utilising its unused office capacity and receiving Sharing Fees in return. Sharing the Office Space with CMBCI will also save rental payment by the Company, such that the Group and CMBCI can both enjoy economies of scale and maximise cost efficiency.

The Directors (including the independent non-executive Directors of the Company) consider that the terms of the Office Sharing Agreement are arrived at after arm's length negotiations based on normal commercial terms and with reference to market prices, and are fair and reasonable, and the transaction is in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION OF THE GROUP

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

CMBCI is a direct wholly-owned subsidiary of China Minsheng and is principally engaged in the investment and investment holding.

LISTING RULES IMPLICATIONS

CMBCI is an indirect controlling shareholder of the Company. As such, each of the members of CMBCI is a connected person of the Company and the transaction under the Office Sharing Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (other than the profit ratio) in respect of the proposed annual cap under the Office Sharing Agreement are more than 0.1% but less than 5%, the transaction contemplated under the Office Sharing Agreement and the relevant annual cap are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements, and are only subject to the annual review, reporting and announcement requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors from time to time
“Business Day”	any day (other than Saturday, Sunday, public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for business
“China Minsheng”	China Minsheng Banking Corp., Ltd. (中國民生銀行股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange (stock code: 1988) and the A shares of which are listed on the Shanghai Stock Exchange (stock code: 600016)
“CMBCI”	CMBC International Holdings Limited (民生商銀國際控股有限公司), a company incorporated in Hong Kong with limited liability and an indirect controlling shareholder of the Company
“Company”	CMBC Capital Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1141)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company from time to time
“Effective Date”	the date on which all of the conditions set out under the Office Sharing Agreement have been fulfilled or waived by the parties thereto (as the case may be) which is currently expected to be on or before 1 June 2019

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Landlord”	the landlord of the Office Space, being an independent third party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Office Sharing Agreement”	the agreement dated 31 May 2019 entered into between the Company and CMBCI in relation to the sharing of an area of approximately 2,000 square feet of the Office Space between CMBCI and the Company
“Office Space”	the whole of the 45th floor of One Exchange Square, 8 Connaught Place, Hong Kong
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of the Company with a nominal value of HK\$0.01 each
“Shareholder(s)”	shareholders of the Share(s)
“Sharing Fees”	fees of HK\$740,000 per month payable by CMBCI under the Office Sharing Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreement” the tenancy agreement entered into between the Company and the Landlord dated 18 September 2018 with respect to the lease of the Office Space

“%” per cent.

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

Hong Kong, 31 May 2019

As at the date of this announcement, the executive directors of the Company 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.