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**CMBC Capital Holdings Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1141)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO THE OFFICE SHARING AGREEMENT  
AND  
THE DEPOSIT SERVICES AGREEMENT**

**THE RENEWED OFFICE SHARING AGREEMENT**

Reference is made to the announcement of the Company dated 31 May 2019 regarding the Existing Office Sharing Agreement.

As the Existing Office Sharing Agreement expires on 31 December 2019, and the Directors expect that the Group will continue to share the Office Space with CMBCI, the Board is pleased to announce that the Company entered into the Renewed Office Sharing Agreement with CMBCI on 31 December 2019 to renew the Existing Office Sharing Agreement.

**THE RENEWED DEPOSIT SERVICES AGREEMENT**

Reference is made to (i) the announcements of the Company dated 30 July 2018 and 20 September 2018 and (ii) the circular of the Company dated 28 August 2018 in relation to, amongst other things, the Existing Deposit Services Agreement for the provision of the Deposit Services by CMBC HK Branch to the Group.

As the Existing Deposit Services Agreement expires on 31 December 2019, and the Directors expect that the Group will continue to use the Deposit Services provided by CMBC HK Branch from time to time, the Board is pleased to announce that the Company entered into the Renewed Deposit Services Agreement with CMBC HK Branch on 31 December 2019 to renew the Existing Deposit Services Agreement.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CMBCI is an indirect controlling shareholder of the Company, and CMBC HK Branch is the Hong Kong branch of China Minsheng. China Minsheng through CMBCI, its wholly-owned subsidiary, holds approximately 61.58% of the issued share capital of the Company. As such, each of CMBCI and CMBC HK Branch is a connected person of the Company and the transactions contemplated under the Renewed Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratios (other than the profit ratio) as defined under the Listing Rules as determined by reference to the respective proposed annual caps in respect of each of the transactions contemplated under the Renewed Agreements exceeds 0.1% but all applicable percentage ratios are less than 5%, each of the transactions contemplated under the Renewed Agreements, together with the relevant proposed annual caps are only subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **A. THE RENEWED OFFICE SHARING AGREEMENT**

### **(i) Background**

Reference is made to the announcement of the Company dated 31 May 2019 regarding the Existing Office Sharing Agreement.

As the Existing Office Sharing Agreement expires on 31 December 2019, and the Directors expect that the Group will continue to share the Office Space with CMBCI, the Board is pleased to announce that the Company entered into the Renewed Office Sharing Agreement with CMBCI on 31 December 2019 to renew the Existing Office Sharing Agreement.

**(ii) Principal terms**

The principal terms of the Renewed Office Sharing Agreement are as follows:

**Date:** 31 December 2019

**Parties:**

1. the Company; and
2. CMBCI

**Nature of the Transaction:** The Company is the tenant of the Office Space. Pursuant to the Renewed 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.

**Conditions:** The Renewed Office Sharing Agreement shall take effect on the Effective Date, subject to the fulfilment or waiver of: (i) the Tenancy Agreement not being terminated and the Landlord has not given any written or oral notice of such termination; and (ii) 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 Renewed Office Sharing Agreement.

**Term and termination:** The Renewed Office Sharing Agreement is for a term commencing from the Effective Date and ending on 31 December 2022.

The Renewed Office Sharing Agreement may be terminated at any time by either party after giving thirty (30) days' prior written notice to the other party.

The Renewed Office Sharing Agreement shall terminate immediately if (i) the Tenancy Agreement is terminated prior to 31 December 2022, (ii) the Company considers that it is not feasible to comply with the Listing Rules at any time or (iii) compliance with the Listing Rules would require changes to the Renewed Office Sharing Agreement which are not acceptable to any of the parties thereto.

**Consideration:** Under the Renewed Office Sharing Agreement, CMBCI shall pay the Sharing Fees to the Company which was determined with reference to the rent, management fees, rates 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.

The Sharing Fees are payable in cash by CMBCI to the Company on the last Business Day of the prior month.

**(iii) Historical transaction amounts, existing annual caps and proposed annual caps**

The table below sets out the historical transaction amounts, the existing annual caps and the proposed annual caps relating to the Renewed Office Sharing Agreement:

		<b>Year ending 31 December 2020</b>	<b>Year ending 31 December 2021</b>	<b>Year ending 31 December 2022</b>
<b>Seven months ending 31 December 2019</b>	<i>Actual</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<i>Annual cap</i>	<i>amount</i>	<i>annual cap</i>	<i>annual cap</i>	<i>annual cap</i>
<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
5,200,000	5,180,000	8,880,000	8,880,000	8,880,000

In arriving at the above proposed annual caps, 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.

**(iv) Reasons for and benefits of entering into the Renewed Office Sharing Agreement**

The Company is of the view that the Renewed 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 Renewed Office Sharing Agreement (including the proposed annual caps) 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 transactions are in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole. As Mr. Li Jinze, Mr. Ding Zhisuo, Mr. Ng Hoi Kam, Mr. Ren Hailong and Mr. Liao Zhaohui, all being Directors, hold positions in China Minsheng and/or its associates, they have abstained from voting for the approval of the transactions under the Renewed Office Sharing Agreement at the Board meeting. Save for the above, no other Directors have any material interests in the Renewed Office Sharing Agreement or were otherwise required to evade or abstain from voting in respect of the relevant board resolutions.

**B. THE RENEWED DEPOSIT SERVICES AGREEMENT**

**(i) Background**

Reference is made to (i) the announcements of the Company dated 30 July 2018 and 20 September 2018 and (ii) the circular of the Company dated 28 August 2018 in relation to, amongst other things, the Existing Deposit Services Agreement for the provision of the Deposit Services by CMBC HK Branch to the Group.

As the Existing Deposit Services Agreement expires on 31 December 2019, and the Directors expect that the Group will continue to use the Deposit Services provided by CMBC HK Branch from time to time, the Board is pleased to announce that the Company entered into the Renewed Deposit Services Agreement with CMBC HK Branch on 31 December 2019 to renew the Existing Deposit Services Agreement.

**(ii) Principal terms**

The principal terms of the Renewed Deposit Services Agreement are as follows:

**Date:** 31 December 2019

**Parties:**

1. the Company; and
2. CMBC HK Branch

**Nature of the Transaction:** CMBC HK Branch agrees to provide the Group with the Deposit Services subject to the terms and conditions provided in the Renewed Deposit Services Agreement. The Deposit Services will be provided on a non-exclusive basis and the Group may at its sole discretion to decide whether to accept any Deposit Services to be provided by CMBC HK Branch under the Renewed Deposit Services Agreement and shall not be restricted from placing and maintaining deposits with any other bank which is an independent third party.

**Conditions:** The Renewed Deposit Services Agreement shall take effect upon the fulfilment or waiver on or before the Effective Date (or any other date as determined by the Company and CMBC HK Branch (as the case may be)) of 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 Renewed Deposit Services Agreement.

**Term and termination:** The Renewed Deposit Services Agreement is for a term commencing from the Effective Date and ending on 31 December 2022.

The Renewed Deposit Services Agreement may be terminated at any time by either party after giving three months' prior written notice to the other party.

**Interest of Deposit Services :** The interest rate to be paid by CMBC HK Branch for the Group's deposits with CMBC HK Branch shall be determined among the respective parties from time to time on an arm's length basis and shall be based on the prevailing deposit interest rate promulgated by CMBC HK Branch for the same period and should not be lower than the deposit interest rates offered by major commercial banks in Hong Kong for comparable deposits of comparable periods.

**(iii) Historical transaction amounts, existing annual caps and proposed annual caps**

The table below sets out the historical transaction amounts, the existing annual caps and the proposed annual caps relating to the Renewed Deposit Services Agreement:

Year ended 31 December 2017		Year ended 31 December 2018		For the period from 1 January to 30 November 2019		Year ending 31 December		
<i>Annual cap</i>	<i>Highest daily balance</i>	<i>Annual cap</i>	<i>Highest daily balance</i>	<i>Annual cap</i>	<i>Highest daily balance</i>	<i>Proposed annual cap</i>	<i>Proposed annual cap</i>	<i>Proposed annual cap</i>
(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)	(HK\$)
	Approx.		Approx.		Approx.			
1.9 billion	800 million	1.9 billion	1.7 billion	1.9 billion	129.5 million	300 million	300 million	300 million

The proposed annual caps are determined after taking into account of (i) the historical daily balance of deposits of the Group with CMBC HK Branch, (ii) the size of the total assets of the Group and (iii) the anticipated daily balance of deposits of the Group.

**(iv) Reasons for and benefits of entering into the Renewed Deposit Services Agreement**

The Renewed Deposit Services Agreement is beneficial to the Group because it can facilitate the Group in enhancing the fund management. In particular, it will enable the Group to reduce the remittance time and accelerate cash flows. Further, due to the long-standing cooperation between CMBC HK Branch and the Group, both parties have developed an in-depth understanding of each other's general business needs and are therefore able to provide higher quality services to meet the Group's demands.

The Directors (including all of the independent non-executive Directors) consider that the transactions contemplated under the Renewed Deposit Services Agreement are in the ordinary and usual course of business of the Company and on normal commercial terms, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As Mr. Li Jinze, Mr. Ding Zhisuo, Mr. Ng Hoi Kam, Mr. Ren Hailong and Mr. Liao Zhaohui, all being Directors, hold positions in China Minsheng and/or its associates, they have abstained from voting for the approval of the transactions under the Renewed Deposit Services Agreement at the Board meeting. Save for the above, no other Directors have any material interests in the Renewed Deposit Services Agreement or were otherwise required to evade or abstain from voting in respect of the relevant board resolutions.

## **C. INFORMATION OF THE GROUP, CMBCI AND CMBC HK BRANCH**

### **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, corporate finance and advisory business.

### **Information of CMBCI**

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

### **Information of CMBC HK Branch**

CMBC HK Branch is the Hong Kong branch of China Minsheng, a controlling Shareholder holding approximately 61.58% Shares of the Company as at the date of this announcement. China Minsheng mainly provides corporate and personal banking, treasury business, finance leasing, fund and asset management, investment banking and other financial services in the PRC.



## **D. LISTING RULES IMPLICATIONS**

As at the date of this announcement, CMBCI is an indirect controlling shareholder of the Company, and CMBC HK Branch is the Hong Kong branch of China Minsheng. China Minsheng, through CMBCI, its wholly-owned subsidiary, holds approximately 61.58% of the issued share capital of the Company. As such, each of CMBCI and CMBC HK Branch is a connected person of the Company and the transactions contemplated under the Renewed Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest percentage ratios (other than the profit ratio) as defined under the Listing Rules as determined by reference to the respective proposed annual caps in respect each of the transactions contemplated under the Renewed Agreements exceeds 0.1% but all applicable percentage ratios are less than 5%, each of the transactions contemplated under the Renewed Agreements, together with the relevant proposed annual caps are only subject to the reporting, announcement and annual review requirements, but are exempt from the independent Shareholders' approval 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)
“CMBC HK Branch”	the Hong Kong branch of China Minsheng

“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
“continuing connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deposit Services”	cash deposit services including current deposit, time deposit, call deposit or agreement deposit services provided or proposed to be provided by CMBC HK Branch to the Group pursuant to the Existing Deposit Services Agreement or the Renewed Deposit Services Agreement (as the case may be)
“Directors”	directors of the Company from time to time
“Effective Date”	1 January 2020
“Existing Deposit Services Agreement”	the agreement dated 30 July 2018 entered into between the Company (on behalf of the Group) and CMBC HK Branch for the provision of the Deposit Services
“Existing 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
“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
“independent third party”	has the meaning ascribed to it under the Listing Rules
“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 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
“Renewed Agreements”	collectively, the Renewed Office Sharing Agreement and the Renewed Deposit Services Agreement
“Renewed Deposit Services Agreement”	the agreement dated 31 December 2019 entered into between the Company and CMBC HK Branch in relation to the provision of the Deposit Services by CMBC HK Branch
“Renewed Office Sharing Agreement”	the agreement dated 31 December 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
“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 to the Company under the Renewed Office Sharing Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“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 December 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.*