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## **CMBC CAPITAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1141)**

### **CONNECTED TRANSACTION IN RELATION TO THE FEE LETTER**

#### **THE FEE LETTER**

On 10 August 2020 (after trading hours), CMBCS, a wholly-owned subsidiary of the Company, has entered into the Fee Letter with the Issuer, pursuant to which the Issuer agreed to pay CMBCS a commission in the amount of US\$750,000, equaling 1% of the Procured Purchased Amount of the Notes which was purchased by the Purchasers under CMBCS's procurement.

#### **LISTING RULES IMPLICATIONS**

CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 is an associate of China Minsheng Bank and China Minsheng Bank is an indirect controlling Shareholder of the Company. CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 is therefore a connected person of the Company. CMBCI is also an indirect controlling Shareholder of the Company and is therefore a connected person of the Company. CMBCC Investment Fund SPC – CMBCC High Yield Income Fund SP3 is an associate of CMBCI and therefore a connected person of the Company. As such, the transaction under the Fee Letter constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable ratios are less than 5%, the transaction under the Fee Letter is subject to reporting and announcement requirement, but is exempted from independent Shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

## **CONNECTED TRANSACTION**

On 10 August 2020 (after trading hours), CMBCS, a wholly-owned subsidiary of the Company, has entered into the Fee Letter with the Issuer, pursuant to which the Issuer agreed to pay CMBCS a commission in the amount of US\$750,000, equaling 1% of the Procured Purchased Amount of the Notes which was purchased by the Purchasers under CMBCS's procurement (the "**Commission**"). The Commission shall be deducted from the gross proceeds of the Notes prior to payment to the Issuer on the Closing Date. In relation to the Commission, CMBCS agreed to procure the Purchasers to purchase the Procured Purchased Amount of the Notes (the "**Services**").

The Notes will be due in August 2025 and will be listed on the Stock Exchange. The issue price of the Notes is 100% of the principal amount of the Notes.

## **INFORMATION OF CMBCI, CMBCC INVESTMENT FUND SPC – CMBCC STABLE INVESTMENT FUND SP1 AND CMBCC INVESTMENT FUND SPC – CMBCC HIGH YIELD INCOME FUND SP3**

CMBCI is a direct wholly-owned subsidiary of China Minsheng Bank incorporated in Hong Kong with limited liability. As at the date of the announcement, CMBCI is principally engaged in the business of investment.

As at the date of this announcement, CMBCI holds approximately 62.92% of total issued share capital of the Company and is an indirect controlling shareholder of the Company.

CMBCC Investment Fund SPC is an exempted company with limited liability incorporated in the Cayman Islands and registered as a segregated portfolio company under the laws of the Cayman Islands.

CMBCC Stable Investment Fund SP1 is segregated portfolio of CMBCC Investment Fund SPC. CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 is an associate of China Minsheng Bank and China Minsheng Bank is an indirect controlling Shareholder of the Company. CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 is therefore a connected person of the Company.

CMBCC High Yield Income Fund SP3 is also a segregated portfolio of CMBCC Investment Fund SPC. CMBCC Investment Fund SPC – CMBCC High Yield Income Fund SP3 is an associate of CMBCI. CMBCC Investment Fund SPC – CMBCC High Yield Income Fund SP3 is therefore a connected person of the Company.

## **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 ISSUER**

To the best of the knowledge, information and belief of the Directors who have made all reasonable enquiries, as at the date of this announcement, the Issuer is a limited liability company registered in the Cayman Islands with limited liability which is principally engaged in the business of property development and property management.

To the best of the knowledge, information and belief of the Directors who have made all reasonable enquiries, each of the Issuer and its respective ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

Taking into account the principal activities of the Group, the Directors consider that the Services provided under the Fee Letter are made in the ordinary and usual course of business of the Group and is beneficial to the development of the underwriting business of the Group, and the Commission is determined on arm's length negotiation and is in accordance with the market rate.

The Directors (including the independent non-executive Directors) are of the view that the Fee Letter has been entered into in the ordinary and usual course of business of the Group and consider that the terms of the Fee Letter are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 is an associate of China Minsheng Bank and China Minsheng Bank is an indirect controlling Shareholder of the Company. CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 is therefore a connected person of the Company. CMBCI is also an indirect controlling Shareholder of the Company and is therefore a connected person of the Company. CMBCC Investment Fund SPC – CMBCC High Yield Income Fund SP3 is an associate of CMBCI and therefore a connected person of the Company. As such, the transaction under the Fee Letter constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable ratios are less than 5%, the transaction under the Fee Letter is subject to reporting and announcement requirement, but is exempted from independent Shareholders' approval requirement of the Company under Chapter 14A of the Listing Rules.

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 Bank and/or its associates, they have abstained from voting for the approval of the transactions under the Fee Letter at the Board meeting. Save for the above, no other Directors have any material interests in the Fee Letter or were otherwise required to evade or abstain from voting in respect of the relevant Board resolutions.

## DEFINITIONS

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors from time to time
“China Minsheng Bank”	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)
“Closing Date”	10 August 2020
“CMBCC Investment Fund SPC”	an exempted company with limited liability incorporated in the Cayman Islands and registered as a segregated portfolio company under the laws of the Cayman Islands
“CMBCC Stable Investment Fund SP1”	a segregated portfolio of CMBCC Investment Fund SPC
“CMBCC High Yield Income Fund SP3”	a segregated portfolio of CMBCC Investment Fund SPC
“CMBCI”	CMBC International Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect controlling shareholder of the Company
“CMBCS”	CMBC Securities Company Limited, a limited liability company incorporated in Hong Kong and a direct wholly-owned subsidiary 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, the issued shares of which are listed on 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
“Fee Letter”	the fee letter entered into between CMBCS and the Issuer on 10 August 2020 in relation to, inter alia, the Commission
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	KWG Group Holdings Limited, a company incorporated with limited liability under the laws of Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1813)
“Independent Third Party(ies)”	any person(s) who is/are not connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the 5.95% senior notes due 2025 in the aggregate principal amount of US\$200,000,000 issued by the Issuer
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Procured Purchased Amount”	aggregate principal amount of US\$75,000,000

“Purchasers”	collectively, CMBCI, CMBCC Investment Fund SPC – CMBCC Stable Investment Fund SP1 and CMBCC Investment Fund SPC – CMBCC High Yield Income Fund SP3
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollar, the lawful currency of United States
“%”	per cent

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

Hong Kong, 10 August 2020

*As at the date of this announcement, the executive Directors are Mr. Li Jinze, Mr. Ding Zhisuo, 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.*