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CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes that every forty (40) Existing Shares in the share capital of the Company be consolidated into one (1) Consolidated Share. As at the date of this announcement, there are 46,978,667,729 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Existing Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 1,174,466,693 Consolidated Shares in issue which are fully paid or credited as fully paid.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lots size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 1,000 Consolidated Shares.

Based on the closing price of HK\$0.079 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 1,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had already been effective, would be HK\$3,160.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or before 9 December 2021.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every forty (40) Existing Shares in the issued and unissued share capital of the Company be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, there are 46,978,667,729 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Existing Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the SGM, upon the Share Consolidation becoming effective, there will be 1,174,466,693 Consolidated Shares in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the approval for listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of Bermuda and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Wednesday, 29 December 2021 (being one clear Business Day after the date of the SGM), subject to the fulfilment of the above conditions.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot size of 10,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 10,000 Existing Shares to 1,000 Consolidated Shares.

Based on the closing price of HK\$0.079 per Existing Share as quoted on the Stock Exchange as at the date of this announcement, the value of each board lot of 1,000 Consolidated Shares, assuming the Share Consolidation and the Change in Board Lot Size had already been effective, would be HK\$3,160.

The Change in Board Lot Size will not result in change of the relative rights of the Shareholders.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “**Guide**”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Since 2 December 2019, the closing prices of the Shares were trading below HK\$0.185 and were trading at under HK\$2,000 per board lot. Further, since 2 September 2021, the closing prices of the Shares were trading below HK\$0.10. The proposed Share Consolidation will bring a corresponding upward adjustment in the trading price of the Company per board lot of the Consolidated Shares and will reduce the transaction costs and fees per transaction due to increase in value of each new board lot. In addition, the Change in Board Lot Size will support trading and liquidity of the Shares upon Share Consolidation becoming effective by maintaining trading amount for each board lot at a reasonable level. Taking into account the combined effect of the Share Consolidation and the Change in Board Lot Size, it is expected that the implementation will (i) result in an overall increase in the board lot value of the Shares and enable the Company to comply with the expected board lot value of not less than HK\$2,000 as set out in the Guide, and (ii) attract more investors and extend the shareholder base of the Company by making investment in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

The Share Consolidation will decrease the total number of the Existing Shares currently in issue. As at the date of this announcement, the Company has over 46.9 billion Shares in issue. Based on the statistics shown on the 2020 Fact Book published by the Stock Exchange, among the 50 leading companies in market capitalisation, only 3 companies had more than 46.9 billion Shares in issue. The Company proposes to conduct the Share Consolidation based on the proposed ratio of 40:1 such that it can reduce the number of Existing Shares and be convergent with the number of issued shares of other Main Board issuers.

Save for the necessary professional expenses for the implementation of the Share Consolidation and the Change in Board Lot Size, the implementation of the Share Consolidation and the Change in Board Lot Size will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

In view of the above, the Board considers that the Share Consolidation and the Change in Board Lot Size is necessary to achieve the above-mentioned purposes, in particular to ensure the Company's compliance with the trading requirements under the Listing Rules and the Guide. Taking into account of the potential benefits and the insubstantial amount of costs expected to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions including placing and right issues in the next three years which may affect the trading in the Shares or have an effect of undermining or negating the intended purpose of the Share Consolidation and Change in Board Lot Size, and the Company does not have any concrete plan or has entered into any agreement, arrangement, understanding or negotiation (either concluded or in process) to conduct any fund-raising activities in the next 12 months.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Wednesday, 29 December 2021 (being one clear Business Day after the date of the SGM), Shareholders may on or after Wednesday, 29 December 2021 and until Tuesday, 8 February 2022 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for new share certificates in green colour for the Consolidated Shares at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) will be payable by the Shareholders for each share certificate for the Existing Share submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled or issued is higher.

After close of business on Friday, 4 February 2022, trading will only be in Consolidated Shares which share certificates will be issued in green colour. Existing share certificates in blue colour for the Existing Shares will not be accepted for delivery, trading and settlement purposes, but will remain valid and effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time.

EXPECTED TIMETABLE

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to Hong Kong local times and dates.

Despatch date of circular with notice of the SGM on or before
Thursday, 9 December 2021

Latest time for lodging transfers of Shares in order to
qualify for attendance and voting at the SGM 4:30 p.m. on
Monday, 20 December 2021

Register of members closes (both days inclusive) Tuesday, 21 December 2021
to Friday, 24 December 2021

Latest time for lodging forms of proxy for the SGM 11:00 a.m. on
Wednesday, 22 December 2021

Record date for attendance and voting at the SGM Friday, 24 December 2021

Date and time of the SGM 11:00 a.m. on
Friday, 24 December 2021

Publication of the announcement of the results of
the SGM Friday, 24 December 2021

The following events are conditional upon the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement.

Effective date of the Share Consolidation Wednesday, 29 December 2021

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares Wednesday, 29 December 2021

Dealing in the Consolidated Shares commences 9:00 a.m. on
Wednesday, 29 December 2021

Original counter for trading in the Existing Shares in
board lots of 10,000 Existing Shares (in the form
of existing share certificates) temporarily closes 9:00 a.m. on
Wednesday, 29 December 2021

Temporary counter for trading in the Consolidated Shares
in board lots of 250 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. on
Wednesday, 29 December 2021

Original counter for trading in the Consolidated Shares
in board lots of 1,000 Consolidated Shares
(in the form of new share certificates for
the Consolidation Shares) re-opens 9:00 a.m. on
Wednesday, 12 January 2022

Parallel trading in the Consolidated Shares (in the form
of new share certificates for the Consolidated Shares
and existing share certificates) commences 9:00 a.m. on
Wednesday, 12 January 2022

Designated broker starts to stand in the market to
provide matching services for odd lots of
the Consolidated Shares 9:00 a.m. on
Wednesday, 12 January 2022

Designated broker ceases to stand in the market to provide
matching services for odd lots of the Consolidated Shares 4:00 p.m. on
Friday, 4 February 2022

Temporary counter for trading in the Consolidated Shares
in board lots of 250 Consolidated Shares (in the form
of existing share certificates) closes 4:10 p.m. on
Friday, 4 February 2022

Parallel trading in the Consolidated Shares (in the form of
new share certificates for the Consolidation Shares and
existing share certificates) ends 4:10 p.m. on
Friday, 4 February 2022

Last day for free exchange of existing share certificates for
new share certificates for the Consolidated Shares Tuesday, 8 February 2022

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the proposed Share Consolidation and the notice convening the SGM is expected to be despatched to the Shareholders on or before 9 December 2021.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 10,000 Existing Shares to 1,000 Consolidated Shares
“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)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.4 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company

“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held to consider the ordinary resolution to be proposed to approve the Share Consolidation
“Share Consolidation”	the proposed consolidation of every forty (40) issued and unissued Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	Registered holder(s) of the issued Shares of the Company
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 3 December 2021

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. Yang Kunpeng and Mr. Li Wenshi; and the independent non-executive Directors are Mr. Lee, Cheuk Yin Dannis, Mr. Wu Bin and Mr. Wang Lihua.