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CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

CONTINUING CONNECTED TRANSACTIONS UNDER THE SERVICE AGREEMENT

THE SERVICE AGREEMENT

On 16 December 2021, the Company (for itself and on behalf of other members of the Group) entered into the Service Agreement with China Minsheng (for itself and on behalf of other members of China Minsheng Group), pursuant to which, among other things:

- (a) China Minsheng Group agreed to provide China Minsheng Underwriting Referral Services to the Group and the Group agreed to provide China Minsheng Subscription Referral Services to China Minsheng Group;
- (b) the Group agreed to provide asset management services, investment advisory service and ancillary services to the AM Clients and China Minsheng Group agreed to provide the distribution services to the Group;
- (c) the Group agreed to provide the Underwriting Services to China Minsheng Group;
- (d) China Minsheng Group agreed to provide the Custodian Services to the Group; and
- (e) China Minsheng Group agreed to provide the Deposit Services to the Group.

LISTING RULES IMPLICATIONS

China Minsheng is the controlling shareholder of the Company which holds 30,523,539,093 Shares, representing approximately 64.97% of the issued share capital of the Company. Therefore, each of the members of China Minsheng Group is a connected person of the Company. As such, the Services under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps exceed 5%, the Services to be provided under the Service Agreement are subject to the reporting, announcement, circular, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SGM

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps) are fair and reasonable and whether the entering into of the Service Agreement and the Services are (i) on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps) are fair and reasonable, and whether the entering into of the Service Agreement and the Services are (i) on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) in the interests of the Company and the Shareholders as a whole.

The SGM will be held to consider and approve, among others, the ordinary resolutions regarding the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps). A circular containing, amongst other things, (i) further details of the Service Agreement and the Services contemplated thereunder (including the Proposed Annual Caps); (ii) the recommendation from the Independent Board Committee; (iii) the advice from Gram Capital in respect of the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps); (iv) a notice convening the SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders and posted on the website of the Stock Exchange (www.hkexnews.com.hk) and the website of the Company (www.cmbccap.com) on or before 24 December 2021.

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- (c) the Group agreed to provide the Underwriting Services to China Minsheng Group;
- (d) China Minsheng Group agreed to provide the Custodian Services to the Group; and
- (e) China Minsheng Group agreed to provide the Deposit Services to the Group.

Parties

1. the Company (for itself and on behalf of other members of the Group); and
2. China Minsheng (for itself and on behalf of other members of China Minsheng Group)

Date

16 December 2021

Duration

The Service Agreement shall take effect from 1 January 2022 (subject to the approval of the Service Agreement by the Independent Shareholders at the SGM) to 31 December 2024 (both days inclusive), and is automatically renewable for successive periods of three years thereafter, subject to the compliance with the then applicable requirements of the Listing Rules.

The Service Agreement shall be automatically terminated 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 Service Agreement which are not acceptable to any of the parties thereto.

General Principle

The Services contemplated under the Service Agreement shall be provided by China Minsheng Group or the Group on the basis of equality and voluntariness with a view to bring mutual benefits to the parties thereto and with terms not less favourable (in terms of the interest of the Group) than those offered to or by any Independent Third Party for services of a similar kind (if any).

Individual Service Contract

Each type of Services shall be effected and governed by the respective individual service contract or service mandate to be entered into between the relevant member of the Group and the relevant member of China Minsheng Group in accordance with the terms of the Service Agreement. If there is any conflict between the terms of the respective individual service contract and the Service Agreement, the latter shall prevail (except for the Deposit Service Agreement which shall be amended and replaced by the Service Agreement to the extent of any discrepancy).

(a) Referral Services

Pursuant to the Service Agreement, China Minsheng Group agreed to introduce, refer and communicate Underwriting Opportunities (as defined below) offered by Independent Third Parties to the Group.

Pursuant to the Service Agreement, the Group agreed to introduce, refer and communicate Subscription Opportunities (as defined below) offered by Independent Third Parties to China Minsheng Group.

Opportunities for Referral

Underwriting opportunities include opportunities for placing, underwriting and sub-underwriting services of initial public offering of shares, placing of shares and securities convertible into shares, public and private issuance of bonds offered by any Independent Third Party clients which generally involves type 1 regulated activity in Hong Kong as defined under the SFO (the “**Underwriting Opportunities**”). The Group has the sole discretion on accepting any of the Underwriting Opportunities introduced, referred and communicated by China Minsheng Group.

Subscription opportunities include opportunities for subscription and purchasing securities (equity and debt) offered by any Independent Third Party clients which generally involves type 1 regulated activity in Hong Kong as defined under the SFO (the “**Subscription Opportunities**”). The Group has the sole discretion on introducing, referring and communicating the Subscription Opportunities to China Minsheng Group.

Pricing Basis

With respect to the China Minsheng Underwriting Referral Services, China Minsheng Group will charge the Group a referral fee which shall be no more than 50% of the underwriting fees that the Group receives from the Independent Third Party clients.

Details of the payment and pricing terms of the China Minsheng Underwriting Referral Services will be specified in the individual agreement and will be negotiated on an arm's length basis between the Group and China Minsheng Group or Independent Third Party client and on terms no less favourable to the Group than those offered to and from Independent Third Parties referral agents.

Prior to entering into any agreement, the Group will convene a meeting between, inter alia, a member of the senior management, the business team, the legal department and the compliance department, to discuss the terms of the engagement and to decide whether to accept the deal engagement. In determining the underwriting fee and the relevant referral fee, the Group shall take into account the prevailing market rates, the size of the issuance of the securities, its complexities, the market condition, the market responses, competition from other underwriters, and the number of Underwriting Opportunities that have been successfully or will be introduced by China Minsheng Group.

In relation to the China Minsheng Subscription Referral Services, upon successful subscription of the securities by China Minsheng Group under the procurement by the Group, the Group will receive a commission, which is equivalent to a certain percentage of the subscription amount, from the Independent Third Party issuer clients.

The underwriting market is highly competitive and the underwriting fees and commissions are transparent and standardized across the market which enable the Group to adopt a market-based pricing approach.

Settlement Terms

The underwriting fee or commission is settled by the Independent Third Party clients upon completion of the underwriting.

Unless otherwise specified in the individual agreement, the relevant referral fee for China Minsheng Underwriting Referral Services shall be settled by the Group in full upon the receipt of the underwriting fees or commission from the Independent Third Party clients, and in relation to the China Minsheng Subscription Referral Services, the Group will receive a commission or referral fee from the Independent Third Party clients upon the successful subscription of the securities by China Minsheng Group.

The Group considers the above settlement terms are in line with the usual commercial terms whereby the referral fees are only settled upon the receipt of the underwriting fees or commission from the Independent Third Party clients.

Internal Control

The Group will consider the following factors when deciding to accept or to provide the Referral Services (as the case may be):

1. whether the Group has the necessary network and resources required to engage in the relevant Referral Services and satisfy the requirement of the relevant Independent Third Party clients; and
2. whether the potential return expected to be generated by engaging in the relevant Referral Services could justify the resources estimated to be required for providing or receiving the relevant Referral Services (e.g. the referral fee to be charged by the relevant member of China Minsheng Group or the commission to be received by the Group, the expected cost of labour and time to be incurred by the staff of the Group).

A relevant responsible officer (within the meaning of the SFO) (the “**Responsible Officer**”) who does not hold any position in China Minsheng Group will be responsible for assessing the relevant Referral Services and decide whether or not to engage in such services.

To ensure that the terms for the Referral Services are conducted on normal commercial terms and in accordance with the terms of the Service Agreement and are in the interest of the Group, the Company has adopted the following measures:

1. with respect to the China Minsheng Underwriting Referral Services:
 - a. the referral fee to be charged by China Minsheng Group generally represents no more than 50% of the gross commission or fee to be charged by the Group for the relevant underwriting service and may be adjusted by taking into account the potential return expected to be generated by engaging in the Underwriting Opportunities and the resources estimated to be required for providing the relevant underwriting services (e.g. the expected cost of labour and time to be incurred by the staff of the Group). The referral fee will be negotiated by the Group with China Minsheng Group on an arms' length basis and on terms no less favourable to the Group than those offered to and from Independent Third Parties referral agents. The Responsible Officer who does not hold any position in China Minsheng Group will determine the exact percentage within the foregoing range to derive the referral fee, according to the aforesaid expected return and cost in undertaking the Underwriting Opportunities;
 - b. such referral fee shall not be more than 50% of the gross commission or fee to be charged by the Group for the relevant underwriting service;
2. with respect to the China Minsheng Subscription Referral Services, the Responsible Officer will ensure that fees chargeable by the Group are comparable to those transacted with Independent Third Parties;
3. before confirming the referral fees the senior management will review and assess whether the proposed referral fee charged for the relevant Referral Services is fair and reasonable in accordance with the aforesaid pricing policy;
4. the legal department and the accounts department of the Company will monitor the accumulated referral fee on a monthly basis to ensure that the accumulated referral fees will not exceed the Proposed Annual Caps for the Referral Services; and

5. the Company's external auditor and the independent non-executive Directors will conduct an annual review of the Referral Services, which will include the decision making on the acceptance of the Underwriting Opportunities solely undertaken by the Group and the referral of Subscription Opportunities to an Independent Third Party without the involvement of China Minsheng Group, by reviewing the Group's relevant internal approval documents and discussions with the relevant Responsible Officer accepting the Underwriting Opportunities or distributing the Subscription Opportunities.

The independent non-executive Directors are of the view that the foregoing internal control measures are in line with the prevailing market practice.

(b) Listco AM Services

Pursuant to the Service Agreement, the Group agreed to provide asset management services, investment advisory service and ancillary services to the AM Clients.

Pursuant to the Service Agreement, China Minsheng Group agreed to provide distribution services to the Group for distributing the funds that are set up by the Group (the "**Funds**").

The scope of the Listco AM Services will be agreed and specified in the individual client agreement between the Group and the AM Clients and may include, inter alia, overseeing the operations of the investment portfolios, provision of investment policies and strategies and investment advisory services, making general investment decisions and monitoring the performance of the investment portfolio(s), distribution of the Funds and provision of administrative and management services to the investment portfolio(s).

Pricing Basis

The Group will charge the AM Clients management fees, advisory fees and performance fees for the AM Related Products, and China Minsheng Group will charge the Group distribution fees for distributing the Funds. The fees to be charged by the Group or China Minsheng Group for the Listco AM Services shall be in line with comparable market rates and be no less favourable to the Group than those charged to Independent Third Parties. Licensed representatives of type 9 regulated activity of the Group will make reference to at least three recent market comparables generally obtained from public sources, such as SFC's website, to assess the fees to be charged by the Group, which will be reviewed by the Responsible Officer of type 9 regulated activity of the Group.

Details of the payment and pricing terms of the Listco AM Services will be specified in the individual service contract and will be negotiated on an arm's length basis between the Group and the relevant AM Clients and on terms no less favourable to the Group than those offered to and from Independent Third Parties.

Settlement Terms

Unless otherwise specified in the individual service contract, the distribution fees shall be settled by the Group at the time of the distribution of the Funds and at subsequent anniversaries. The management fees and advisory fees shall generally be settled by the AM Clients indirectly through their attributable assets managed under the Listco AM Services periodically (such as per quarter, semi-annual or per annum). The performance fees (if any) shall generally be settled by the AM Clients indirectly through their attributable assets managed under the Listco AM Services when the performance of the Funds that are subject to the performance fees meet the agreed performance benchmarks.

The Group considers the above settlement terms are the usual commercial terms as the Group offers the same settlement terms to its Independent Third Party clients.

Internal Control

To ensure that the terms for the Listco AM Services are conducted on normal commercial terms and in accordance with the terms of the Service Agreement and are in the interest of the Group, the Company has adopted the following measures:

1. the distribution fees to be charged by China Minsheng Group shall be approximately 0.05% to 2% of the amount of the Funds that are distributed by China Minsheng Group;
2. the management fee rate and the advisory fee rate to be charged by the Group shall be in accordance with the Group's and China Minsheng Group's pricing policies, which are determined with reference to the market range of 0.1% to 5% of the total asset value of the assets to be managed by the Group for the AM Clients and will be decided by the relevant Responsible Officer in accordance with the Group's pricing policy applicable to all of its clients;

the performance fee rate to be charged by the Group shall be in accordance with the Group's and China Minsheng Group's pricing policies, which are determined with reference to approximately 20% of the appreciation in the net asset value of the assets to be managed by the Group for the AM Clients during the performance period above the hurdle rate (which is determined with reference to various factors including but not limited to the market condition, the past performance and the qualification of the fund managers, the objectives of the funds, the level of risk acceptable to the AM Clients etc.) after deducting the management fee and will be decided by the relevant Responsible Officer in accordance with the Group's pricing policy applicable to all of its clients;

the management fees, advisory fees and performance fees payable for each period are calculated based on the net asset value of the fund (i.e. total assets minus all accrued debts, liabilities and obligations of the fund) as at the end of the relevant period. The total assets will be valued based on general market practice of investment funds which includes, inter alia, valuation with reference to the market price for listed securities, or valuation with reference to brokers' quotation or valuation by Independent Third Party valuers for non-listed securities. The valuation will be reviewed by the auditors/administrators;

3. a Responsible Officer for type 9 regulated activity will, based on the pricing guidelines as described in paragraph 2 above, determine the management fees, advisory fees and performance fees to be charged for each of the Listco AM Services;
4. the Responsible Officer, the senior management and the accounts department of the Company will review the prevailing comparable market rates, quotations or invoices issued to Independent Third Parties for comparison and as a reference to ensure that fees chargeable by the Group to the AM Clients are comparable to those transacted with Independent Third Parties;
5. the legal department and the accounts department of the Company will monitor the accumulated fees charged for the Listco AM Services on a monthly basis to ensure that it will not exceed the Proposed Annual Caps for the Listco AM Services; and
6. the Company's external auditor and the independent non-executive Directors will conduct an annual review of the Listco AM Services and ensure that the Listco AM Services are in compliance with the Listing Rules.

(c) Underwriting Services

Pursuant to the Service Agreement, the Group also agreed to provide Underwriting Services to China Minsheng Group for securities (including but not limited to securities issued by China Minsheng Group) as contemplated under the Service Agreement, which generally involves type 1 regulated activity in Hong Kong.

Pricing basis

With respect to the Underwriting Services, the Group will charge China Minsheng an underwriting fee.

Details of the payment and pricing terms of the Underwriting Services will be specified in the individual underwriting agreement and will be negotiated on an arm's length basis between the Group and China Minsheng Group and on terms no less favourable to the Group than those offered to Independent Third Parties.

In deciding the underwriting fee, the Group shall take into account the prevailing market rates, the size of the securities to be issued, its complexities, the market condition, the market responses, competition from other underwriters, the number of underwriting projects provided or to be provided by China Minsheng Group and the fees chargeable by the Group to other Independent Third Party issuers of similar size as China Minsheng Group for similar services.

Since the underwriting market is highly competitive and the underwriting fees and commissions are transparent and standardized across the market, the Group can adopt a market-based pricing approach.

Settlement Terms

Unless otherwise specified in the individual agreement, the underwriting fees or commission shall be deducted from the proceeds after completion of the respective transaction of China Minsheng Group.

The Group considers the above settlement terms are the usual commercial terms as the Group offers the same settlement terms to its Independent Third Party clients.

Internal Control

To ensure that the terms for the Underwriting Services are conducted on normal commercial terms and in accordance with the terms of the Service Agreement and are in the interest of the Group, the Company has adopted the following measures:

1. the underwriting fee or commission to be charged by the Group under the Underwriting Services shall be within the range of 0.1% to 1% of the monetary value of the securities underwritten taking into account factors including but not limited to (i) the prevailing market rates of similar services charged by companies with similar size of operations and reputation of the relevant Group company at the relevant time; (ii) the size and nature of the relevant transaction; (iii) the resources to be incurred and the complexity in the provision of the Underwriting Services; (iv) the fees charged by the Group for similar services to Independent Third Parties in the past; and (v) anticipated market response to the securities to be underwritten;
2. the Responsible Officer, the senior management and the accounts department of the Company will conduct regular checks to review the prevailing comparable market rates, quotations or invoices issued to Independent Third Parties for comparison and as a reference to assess whether the fee charged for the Underwriting Services is fair and reasonable in accordance with the aforesaid pricing policy;
3. the legal department and the accounts department of the Company will monitor the accumulated fees charged for the Underwriting Services on a monthly basis to ensure that it will not exceed the Proposed Annual Caps for the Underwriting Services; and
4. the Company's external auditor and the independent non-executive Directors will conduct an annual review of the Underwriting Services and ensure that the Underwriting Services are in compliance with the Listing Rules.

(d) Custodian Services

Pursuant to the Service Agreement, China Minsheng Group agreed to provide Custodian Services to the Group as contemplated under the Service Agreement.

Pricing basis

With respect to the Custodian Services, China Minsheng Group will charge the Group a service fee. The Group will make reference to the service fee offered by two banking institutions/trustee companies (including CMB Wing Lung Bank Limited, Bank of Communications Trustee Limited or other financial institutions with similar size) in Hong Kong for the same services and assess the fees to be charged by China Minsheng Group annually.

Details of the payment and pricing terms of the Custodian Services will be specified in the individual agreement and will be negotiated on an arm's length basis between the Group and China Minsheng Group and on terms no less favourable to the Group than those offered to Independent Third Parties.

Since the custodian service market is highly competitive and the service fees are transparent and standardized across the market, the Group can adopt a market-based pricing approach.

Settlement Terms

Unless otherwise specified in the individual agreement, the Group shall pay services fees to China Minsheng Group for such services annually or as agreed in writing between the Group and China Minsheng Group.

The Group considers the above settlement terms are the usual commercial terms as other banking institutions/trustee companies offer the same settlement terms to the Group.

Internal Control

To ensure that the terms for the Custodian Services are conducted on normal commercial terms and in accordance with the terms of the Service Agreement and are in the interest of the Group, the Company has adopted the following measures:

1. the service fee to be charged by China Minsheng Group under the Custodian Services shall be determined with reference to the factors including but not limited to (i) the prevailing market rates of similar services charged by companies with similar size of operations and reputation of China Minsheng Group at the relevant time; and (ii) the size and nature of the relevant transaction;
2. the Responsible Officer, the senior management and the accounts department of the Company will conduct regular checks to review the prevailing comparable market rates, quotations or invoices issued by Independent Third Parties for comparison and as a reference to assess whether the fee charged for the Custodian Services is fair and reasonable in accordance with the aforesaid pricing policy;
3. the legal department and the accounts department of the Company will monitor the accumulated fees charged for the Custodian Services on a monthly basis to ensure that it will not exceed the Proposed Annual Caps for the Custodian Services; and
4. the Company's external auditor and the independent non-executive Directors will conduct an annual review of the Custodian Services and ensure that the Custodian Services are in compliance with the Listing Rules.

(e) Deposit Services

Pursuant to the Service Agreement, China Minsheng Group agreed to provide Deposit Services to the Group as contemplated under the Service Agreement.

Pricing basis

The interest rate to be paid by China Minsheng Group for the Group's deposits with China Minsheng Group pursuant to the Services Agreement shall be determined based on the prevailing deposit interest rate promulgated by China Minsheng Group for the same period and should not be lower than the deposit interest rates offered by other major commercial banks in Hong Kong or the PRC, including CMB Wing Lung Bank Limited, Industrial and Commercial Bank of China (Asia) Limited or other banks of similar size for the same deposit periods.

Internal Control

To ensure that the terms for the Deposit Services are conducted on normal commercial terms and in accordance with the terms of the Service Agreement and are in the interest of the Group, the Company has adopted the following measures:

1. the Group shall place or maintain any deposits under the Services Agreement on a non-exclusive basis. The Group will, on a regular basis, obtain quotations (setting out, among others, the applicable interest rates) from at least two of other major commercial banks in the relevant jurisdiction who are Independent Third Parties of the Group to confirm the rate(s) offered by China Minsheng Group are no less favourable to the Group, and conduct assessment taking into account several factors, including without limitation external customers' needs, efficiency of financial resources arrangement, daily operation needs and the expected cash flow before making its decision as to the bank with which the deposits are to be placed. In the event that the Group is aware the rates(s) offered by China Minsheng Group become less favourable to the Group, the Group shall arrange to transfer deposits from China Minsheng Group to other financial institutions who are Independent Third Parties of the Group within a reasonable period of time;
2. the Group will monitor the maximum balance of the deposits placed and maintained with China Minsheng Group under the Services Agreement on a daily basis to ensure that such balance does not exceed the relevant Proposed Annual Caps; where the balance is close to the relevant Proposed Annual Caps, the Group will arrange for some of the deposit placed with China Minsheng Group to be transferred to its bank accounts maintained with other financial institutions who are Independent Third Parties of the Group;

3. the legal department and the accounts department of the Company will monitor the daily balance on a monthly basis to ensure that it will not exceed the relevant Proposed Annual Caps for the Deposit Services; and
4. the Company's external auditor and the independent non-executive Directors will conduct an annual review of the Deposit Services and ensure that the Deposit Services are in compliance with the Listing Rules.

PROPOSED ANNUAL CAPS

The Proposed Annual Caps for the next three years ending 31 December 2024 are set out below:

	For the year ending 31 December		
	2022	2023	2024
	(HK\$ million)	(HK\$ million)	(HK\$ million)
Referral Services			
– China Minsheng Underwriting Referral Services*	12	12	12
– China Minsheng Subscription Referral Services	12	12	12
Listco AM Services			
– Distribution fees*	62	68.2	75.02
– Management fees and advisory fees	148.8	178.56	214.27
– Performance fees	74.4	89.28	107.14
Underwriting Services	11	11	11
Custodian Services*	9.42	11.30	13.56
Deposit Services*			
(Daily Deposit Balance)	1,000	1,000	1,000

* Fees to be payable by the Group to China Minsheng Group

BASIS OF THE PROPOSED ANNUAL CAPS

1. Referral Services

The Proposed Annual Caps for Referral Services for the next three years ending 31 December 2024 are determined with reference to the historical transaction amount and the expected growth of the business, the details of which are set out below.

(i) China Minsheng Underwriting Referral Services

The Proposed Annual Caps for China Minsheng Underwriting Referral Services are primarily determined based on the historical amounts of the referral fees that the Group ought to have paid to China Minsheng Group. During the year ended 31 December 2020, the underwriting fees that were generated from the Underwriting Opportunities introduced by China Minsheng Group amounted to approximately US\$4.12 million. According to the 2019 Service Agreement, the Group were required to pay China Minsheng Group approximately US\$2.06 million (which is equivalent to approximately HK\$16.05 million). During the year ending 31 December 2021, as of the date of this announcement, the underwriting fees that have been generated from the Underwriting Opportunities introduced by China Minsheng Group amounted to approximately US\$3.38 million. According to the 2019 Service Agreement, the Group were required to pay China Minsheng Group approximately US\$1.69 million (which is equivalent to approximately HK\$13.17 million) for the year ending 31 December 2021. Due to the change of its internal policy in 2019, China Minsheng has waived the referral fees for the Group. However, it is uncertain whether there will be any change to such policy in the future. In case that there is such a change, the Company may be required to pay the referral fees. To avoid any disruption to the operations of the Group, the Group has proposed to include the China Minsheng Underwriting Referral Services in the Service Agreement and to seek the Shareholders' prior approval.

Since China Minsheng Group has a track record and reputation for underwriting services, the Group can continue to leverage the vast network and the enormous customer base of China Minsheng Bank to develop its underwriting business.

In light of the above, it is anticipated that the revenue generated from the Underwriting Opportunities introduced by China Minsheng Group for each of the three years ending 31 December 2024 would remain steady. Based on the historical referral fees of approximately HK\$16.05 million and approximately HK\$13.17 million as disclosed above which should have paid by the Group to China Minsheng Group for the year ended 31 December 2020 and the year ending 31 December 2021 (up to the date of this announcement), respectively, it is estimated that for each of the three years ending 31 December 2024, the estimated referral fees for China Minsheng Underwriting Referral Services will be approximately HK\$12 million, HK\$12 million and HK\$12 million.

(ii) *China Minsheng Subscription Referral Services*

The Proposed Annual Caps for China Minsheng Subscription Referral Services are determined based on the historical amount of the commission that the Group received for procuring China Minsheng Group to subscribe the notes issued by its Independent Third Party client and the expected business growth.

During the year ended 31 December 2020, the Group completed over 100 underwriting projects for its Independent Third Party clients. Although during the same period, there was only one such transaction and the commission amounted to approximately HK\$5.85 million (“**2020 Subscription Opportunities**”), the Group could have offered more Subscription Opportunities to China Minsheng Group.

As one of the major investment services platforms of China Minsheng Group, the Group will continue to provide China Minsheng Group with investment-related services including referring Subscription Opportunities to China Minsheng Group. Given the amount of bonds underwritten by the Group for the two years ended 31 December 2020, it is expected that the Group will offer more Subscription Opportunities to China Minsheng Group during the three years ending 31 December 2024. For each of the three years ending 31 December 2024, it is expected that the Group may offer two Subscription Opportunities that are of similar size of the 2020 Subscription Opportunities.

In light of the above, it is estimated that the referral fees for China Minsheng Subscription Referral Services will be approximately HK\$12 million, HK\$12 million and HK\$12 million.

2. Listco AM Services

The Proposed Annual Caps for Listco AM Services for the three years ending 31 December 2024 are determined with reference to the historical transaction amount and the expected growth of the business, the details of which are set out below.

(i) *Management fee*

As of 30 June 2021, the assets under management (“**AUM**”) for the Listco AM Services was over US\$1.45 billion (“**Current Funds**”), and for the six months ended 30 June 2021, the Group received the management fees and advisory fees for the funds that are currently managed by the Group for the AM Clients of approximately HK\$53.8 million. With reference to the management fees and the advisory fees for the nine months ended 30 September 2021 (which amounts to approximately HK\$ 81.67 million), it is estimated that for the year ending 31 December 2021, the management fees and advisory fees from the Listco AM Services will be approximately HK\$107.7 million which is approximately 86.8% of the annual cap for the year ending 31 December 2021.

The Group will continue to manage most of the Current Funds for the three years ending 31 December 2024. It is expected that there will be growth in the AUM (by appreciation of the assets under management and further subscription of the funds by the AM Clients) for each of the three years ending 31 December 2024. More particularly, it is expected that the Current Funds will have a growth of approximately 10%-20% for each of the three years ending 31 December 2024 and the management fees and advisory fees for the Current Funds for each of the three years ending 31 December 2024 will increase accordingly. Based on the historical growth of the AUM (which amounts to approximately 8.16%, for the ten months ended 30 October 2021) and the management fees and advisory fees (which amounts to approximately 25.19% for the year ended 31 December 2020), it is estimated that for each of the three years ended 31 December 2024, the management fees and advisory fees will have an annual growth of approximately 10%-13% and will increase to approximately HK\$119.11 million, HK\$134.00 million and HK\$151.40 million, respectively.

In addition to the Current Funds, it is expected that the AM Clients will further invest in the new funds that will be set up and managed by the Group. It is estimated that for the three years ending 31 December 2024, the AM Clients will further invest approximately HK\$3,822 million, HK\$5,545.8 million and HK\$7,311.72 million, respectively, in these new funds. The management fee and advisory fee attributable to these new funds for the three years ending 31 December 2024 are estimated to be HK\$23.87 million, HK\$34.71 million, HK\$48.36 million, respectively.

The total management fee and advisory fee for the three years ending 31 December 2024 are therefore estimated to be HK\$142.97 million, HK\$168.71 million, HK\$196.87 million, respectively.

Taking into account a moderate buffer and the factors mentioned in paragraph headed “6. Other factors” below, the Company proposes to set the Proposed Annual Caps for the management fee and advisory fee for the three years ending 31 December 2024 to be HK\$148.8 million, HK\$178.56 million and 214.27 million, respectively.

(ii) *Performance fee*

Under the Service Agreement entered into between the Group and the AM Clients, the Group may charge the AM Clients performance fees for certain funds where the net asset value of these funds rises above a hurdle rate during the performance period.

As of 30 June 2021, the aggregated value of the funds managed by the Group that were subject to the performance fee was approximately HK\$5.87 billion. For the six months ended 30 June 2021, the Group had charged China Minsheng Group approximately HK\$15.5 million for the performance fee. It is estimated that for the year ending 31 December 2021, the Group will charge China Minsheng Group approximately HK\$52.8 million for the performance fee representing approximately 85.2% of the annual cap for the year ending 31 December 2021.

As mentioned above, it is expected that most of the Current Funds will continue to be managed by the Group for the three years ending 31 December 2024, and that there will be growth in the AUM (by appreciation of the assets and further subscription of the funds by the AM Clients) for each of the three years ending 31 December 2024. Based on the historical growth of the AUM (which amounts to approximately 8.16%, for the ten months ended 30 October 2021), it is estimated that for each of the three years ended 31 December 2024, the performance fee derived from these existing funds will have annual growth of approximately 4%-13% and will increase to approximately HK\$62.17 million, HK\$64.66 million and HK\$71.14 million, respectively.

In addition to the existing funds, it is expected that the AM Clients will further invest in the new funds that will be set up and managed by the Group. It is estimated that the performance fee attributable to these new funds for the three years ending 31 December 2024 are estimated to be HK\$7.49 million, HK\$18.33 million, HK\$29.95 million, respectively.

The total performance fee for the three years ending 31 December 2024 are therefore estimated to be HK\$69.65 million, HK\$83.07 million, HK\$101.17 million, respectively.

Taking into account a moderate buffer and the factors mentioned in paragraph headed “6. Other factors”, the Company proposes to set the Proposed Annual Caps for the performance fee for the three years ending 31 December 2024 to be HK\$74.4 million, HK\$89.28 million and HK\$107.14 million, respectively.

(iii) Distribution fee

Under the Service Agreement, China Minsheng Group will charge the Group distribution fees for distributing the Funds.

The distribution fees to be charged by China Minsheng Group shall be approximately 0.25% to 2% of the amount of the Funds that are distributed by China Minsheng Group. In accordance with market practice, the distribution fees comprise:

(a) Subscription fee

The Group shall pay China Minsheng Group a fee on each subscription of the Funds by the investors introduced by China Minsheng Group and accepted by the Group.

(b) Switching rebate

The Group shall pay China Minsheng Group a fee on each redemption for switching of the Funds by the investors introduced by China Minsheng Group.

(c) Trail fee

The Group shall pay China Minsheng Group a trail fee corresponding to an amount that is not more than 50% of the annual management fees, advisory fees and/or performance fees actually received by the Group in respect of the Funds subscribed by the investors that are introduced by China Minsheng Group.

As of 30 June 2021, the aggregated value of the funds that were subject to the distribution fee was approximately HK\$1.24 billion. For the six months ended 30 June 2021, China Minsheng Group had charged the Group approximately HK\$0.07 million for the distribution fee. It is estimated that for the year ending 31 December 2021, China Minsheng Group will charge the Group approximately HK\$50.9 million for the distribution fee representing approximately 82.1% of the current annual cap.

As mentioned above, it is expected that most of the Current Funds will continue to be managed by the Group for the three years ending 31 December 2024, and that there will be growth in the AUM (by appreciation of the assets and further subscription of the funds by the AM Clients) for each of the three years ending 31 December 2024. Based on the historical growth of the AUM (which amounts to approximately 8.16%, for the ten months ended 30 October 2021), it is estimated that for each of the three years ended 31 December 2024, the distribution fee derived from these existing funds will have annual growth of approximately 4%-13% and will increase to approximately HK\$53.74 million, HK\$58.5 million and HK\$64.66 million, respectively.

In addition to the existing funds, it is expected that the AM Clients will further invest in the new funds that will be set up and managed by the Group. It is estimated that the distribution fee attributable to these new funds for the three years ending 31 December 2024 are estimated to be HK\$2.11 million, HK\$3.43 million, HK\$3.28 million, respectively.

The total distribution fee for the three years ending 31 December 2024 are therefore estimated to be HK\$55.85 million, HK\$61.93 million, HK\$67.94 million, respectively.

Taking into account a moderate buffer and the factors mentioned in paragraph headed “6. Other factors”, the Company proposes to set the Proposed Annual Caps for the distribution fee for the three years ending 31 December 2024 to be HK\$62 million, HK\$68.2 million and HK\$75.02 million, respectively.

3. Underwriting Services

The Proposed Annual Caps for Underwriting Services for the three years ending 31 December 2024 were determined with reference to the historical transaction amount and the expected growth of the business, the details of which are set out below.

For the year ending 31 December 2021, as of the date of this announcement, the Group participated in the underwriting of bonds of a principal amount of approximately HK\$2,340 million issued by a member of China Minsheng Group whereby the Group was engaged to underwrite the bonds in the principal amount of approximately HK\$304.2 million for a commission of approximately HK\$1.76 million.

It is expected that the respective principal amount of bonds to be issued by China Minsheng for the three years ending 31 December 2024 of are approximately HK\$6,084 million, HK\$8.58 billion and HK\$8.58 billion, respectively, and that the Group will participate in the underwriting of these bonds.

With respect to the bonds issued by other members of China Minsheng Group, it is expected that the respective principal amount of bonds to be issued by other members of China Minsheng Group for the three years ending 31 December 2024 are approximately HK\$2,340 million, HK\$2,340 million and HK\$2,340 million, respectively, and that the Group will participate in the underwriting of these bonds.

It is expected the Group will be engaged to underwrite the bonds in the aggregated principal amount of approximately HK\$8.58 billion, HK\$10.92 billion, and HK\$10.92 billion for each of the three years ending 31 December 2024, and the underwriting fee is estimated to be approximately HK\$10 million for each of the years ending 31 December 2024.

Taking into account of a moderate buffer and the factors mentioned in paragraph headed “6. Other factors”, the Company proposes to set the Proposed Annual Caps for the underwriting fee for the three years ending 31 December 2024 to be HK\$11 million, HK\$11 million and HK\$11 million, respectively.

4. Custodian Services

The Proposed Annual Caps for Custodian Services for the three years ending 31 December 2024 are determined with reference to the following factors.

Under the Service Agreement entered into between the Group and China Minsheng Group, China Minsheng Group agreed to provide Custodian Services to the Group and the Group shall pay services fees to China Minsheng Group for such services.

According to the interim report of the Group for the six months ended 30 June 2021, the Group has approximately HK\$208.62 million listed equities and approximately HK\$9,165.39 million listed bonds. Save as disclosed below, the Group has deposited these assets with the Independent Third Party custodians.

As of the date of this announcement, the principal amount of securities that the Group has deposited with China Minsheng Group is approximately HK\$50 million.

It is expected that the Group will gradually increase the principal amount of securities to be deposited with China Minsheng Group. More particularly, for the each of the three years ending 31 December 2024, the Group will deposit its securities of approximately HK\$7.8 billion, HK\$9.36 billion and HK\$11.23 billion, respectively with China Minsheng Group.

It is expected that the custodian fee rate is to be no more 0.11% and for the each of the three years ending 31 December 2024, China Minsheng Group may charge the Group approximately HK\$8.58 million, HK\$10.30 million and HK\$12.36 million, respectively.

Taking into account of a moderate buffer and the factors mentioned in paragraph headed “6. Other factors”, the Company proposes to set the Proposed Annual Caps for the service fee for the three years ending 31 December 2024 to be HK\$9.42 million, HK\$11.30 million and HK\$13.56 million, respectively.

5. Deposit Services

The Proposed Annual Caps for Deposit Services for the three years ending 31 December 2024 were determined with reference to the historical transaction amount and the expected growth of the business, the details of which are set out below.

Under the Service Agreement entered into between the Group and China Minsheng Group, China Minsheng Group agreed to provide Deposit Services.

The maximum amount of deposit that the Group had deposited with China Minsheng Group for the two years ended 31 December 2020 amounted to approximately HK\$257 million. For the six months ended 30 June 2021, the maximum amount of deposit that the Group had deposited with China Minsheng Group amounted to approximately HK\$190 million. On this basis, for each of the three years ending 31 December 2024, it is estimated that the Group may deposit HK\$300 million into its bank account with China Minsheng.

The Group launched an online securities trading system (the “**System**”) in July 2020. Since the launch of the System, the number of clients has increased substantially and is expected to continue to increase. More particularly, as of the date of this announcement, the number of clients has increased by approximately 4,600. The System introduced a new function of bank-securities transfer through which the clients can deposit funds to their securities account from their bank accounts directly and instantly. The daily upper limit for each client to deposit fund to their securities account through the bank-securities transfer is HK\$100 million, and there is no time constraint for the clients to deposit funds to their securities accounts. The Company has no control over the amounts of such deposits and withdrawals, which are entirely at the discretion of a client in accordance with his/her own trading requirements and the Company must act upon such instruction accordingly. Based on the Company’s experience, the client’s deposit will increase substantially when the Hong Kong IPO market performs strongly. In light of this, it would be desirable for the Group to set the maximum daily deposit balance limit with a higher limit to cater for the substantial increase within a short period of time. It is expected that the funds deposited by its clients may amount to approximately HK\$300 million for each of the three years ending 31 December 2024.

In addition, with respect to the Group’s underwriting business, the Group’s clients (i.e., the issuers) may request the Group (as the underwriter) to transfer the proceeds from the bond issuance to their bank accounts within a short period after deducting fees for the sponsors and underwriters. The amount that may be transferred to the Company’s account and to the clients’ accounts out of such business would depend on the deals that the Company participates as the principal underwriter and the amount that the clients may raise from the offerings under the prevailing market conditions. In this regard, it is expected that such deposits may amount to approximately HK\$300 million for each of the three years ending 31 December 2024.

Based on the above analysis, it is expected the Group may deposit as much as HK\$900 million for each of the three years ending 31 December 2024. Taking into account of a moderate buffer and the factors mentioned in paragraph headed “6. Other factors”, the Company proposes to set the Proposed Annual Caps for the maximum daily balance for the three years ending 31 December 2024 to be HK\$1,000 million, HK\$1,000 million and HK\$1,000 million, respectively.

6. Other factors

In addition to the above factors, the Board has considered the following factors when determining the Proposed Annual Caps:

- (i) China Minsheng Group's development and synergistic strategies of promoting the linkage, and effective integration of business resources, level of operation and management among the group members (including the Group), which are expected to further increase the internal cooperation within China Minsheng Group and result in growth in size and scope of connected transactions among the group members;
- (ii) the expected business growth and development with China Minsheng Group in the future; and
- (iii) the expected business growth and development within the Group in the future.

A Responsible Officer for type 1 regulated activity will, based on the basis for the Proposed Annual Caps disclosed above, monitor the annual caps for the Referral Services and Underwriting Services. A Responsible Offer for type 9 regulated activity will, based on the basis for the Proposed Annual Caps disclosed above, monitor the annual caps for Listco AM Services and the Custodian Services. The finance department will monitor the annual caps for the Deposit Services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SERVICE AGREEMENT

The Board considers that the entering into of the Service Agreement will continue to contribute in building the brand and reputation of the Company, promoting the Company's reputation, strengthening its domestic and overseas publicity, and attracting more business opportunities. The Service Agreement and the transactions contemplated thereunder also allow the Group to leverage on the established network of China Minsheng Group and increase the client base of the Group. In addition, the provision of the Services by the Group will provide stable revenue source for the Group. In light of the historical transaction amounts in relation to the similar transactions provided under the 2019 Service Agreement, the current scale of business, the recent business development trend, the expected growth of the Group and the amounts of the Proposed Annual Caps, the Directors expect that the Group's revenue derived from the Services for each of the three years ending 31 December 2024 will not represent a significant portion of the revenue of the Group during the corresponding period which will result in a significant reliance of the Group on China Minsheng Group. As at the date of this announcement, the Group did not have any intention to enter, and had not entered into any negotiation or agreement, arrangement or understanding to scale down and/or dispose of its business, nor does it have any concrete plan to make any acquisition.

The Board considers that the terms of the Service Agreement have been negotiated on an arm's length basis and the transactions contemplated thereunder are on normal commercial terms in the ordinary and usual course of business of the Group. In view of the above and that the transactions contemplated under the Service Agreement are of revenue nature and will contribute positively to the Group's income, the Board considers that the terms of the Service Agreement are fair and reasonable and the entering into of the Service Agreement is in the interests of the Company and the Shareholders as a whole.

As Mr. Li Jinze, Mr. Ding Zhisuo, Mr. Ng Hoi Kam, Mr. Yang Kunpeng and Mr. Li Wenshi, all being Directors, hold positions in China Minsheng and/or its associates, they have abstained from voting for the approval of the Service Agreement at the Board meeting. Save for the above, no other Directors have any material interests in the Service Agreement or were otherwise required to evade or abstain from voting in respect of the relevant Board resolutions.

GENERAL INFORMATION

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

With reference to the annual report of China Minsheng for the year ended 31 December 2020, China Minsheng Group mainly provides corporate and personal banking, treasury business, finance leasing, fund and asset management, investment banking and other financial services in the PRC. China Minsheng Group recorded total assets and net profit of approximately RMB6.95 trillion as at 31 December 2020 and RMB34,309 million for the year ended 31 December 2020 respectively. As at 31 December 2020, the sales network of China Minsheng had covered 132 cities in the PRC, including 140 branch-level institutions (including 41 tier-one branches, 90 tier-two branches and 9 remote sub-branches), 1,178 business outlets of sub-branches (including business departments), 1,106 community sub-branches, 138 small business sub-branches. According to the interim report of China Minsheng for the six months ended 30 June 2021, its single largest shareholder is Dajia Life Insurance Co., Ltd. (whose ultimate beneficial owner is China Insurance Security Fund Co., Ltd.), holding approximately 20.73% of its A shares and approximately 5.50% of its H shares.

LISTING RULES IMPLICATION

China Minsheng is the controlling shareholder of the Company which holds 30,523,539,093 Shares, representing approximately 64.97% of the issued share capital of the Company. Therefore, each of the members of China Minsheng Group is a connected person of the Company. As such, the Services under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios (other than the profits ratio) pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Annual Caps exceed 5%, the Services to be provided under the Service Agreement are subject to the reporting, announcement, circular, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

SGM

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the terms of the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps) are fair and reasonable, and whether the entering into of the Service Agreement and the Services are (i) on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps) are fair and reasonable, and whether the entering into of the Service Agreement and the Services are (i) on normal commercial terms and in the ordinary and usual course of business of the Group; and (ii) in the interests of the Company and the Shareholders as a whole.

The SGM will be held to consider and approve, among others, the ordinary resolutions regarding the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps). A circular containing, amongst other things, (i) further details of the Service Agreement and the Services contemplated thereunder (including the Proposed Annual Caps); (ii) the recommendation from the Independent Board Committee; (iii) the advice from Gram Capital in respect of the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps); (iv) a notice convening the SGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders and posted on the website of the Stock Exchange (www.hkexnews.com.hk) and the website of the Company (www.cmbccap.com) on or before 24 December 2021.

DEFINITIONS

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

“2019 Service Agreement”	the service agreement entered into between the Company (for itself and on behalf of other members of the Group) and China Minsheng (for itself and on behalf of other members of China Minsheng Group) on 23 July 2019 details of which was disclosed in the announcements of the Company dated 23 July 2019 and 27 July 2020 and the circulars of the Company dated 30 August 2019 and 3 August 2020
“AM Clients”	China Minsheng Group, its associates or any third parties who are deemed to be connected with the Company under Rule 14A.20 of the Listing Rules
“AM Related Products”	the equity or debt securities or funds or investment products arranged by the Group to China Minsheng Group and its associates
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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), and the ultimate controlling shareholder of the Company
“China Minsheng Group”	China Minsheng and its subsidiaries, excluding the members of the Group

“China Minsheng Subscription Referral Services”	the referral services to be provided by the Group for subscription of securities by China Minsheng Group pursuant to the Service Agreement
“China Minsheng Underwriting Referral Services”	the referral services to be provided by China Minsheng Group to the Group for underwriting of securities pursuant to the Service Agreement
“CMBC HK Branch”	the Hong Kong branch of China Minsheng
“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
“Custodian Services”	custodian and administration services provided or proposed to be provided by China Minsheng Group to the Group pursuant to the Service Agreement
“Deposit Services”	cash deposit services including current deposit, time deposit, call deposit or agreement deposit services provided or proposed to be provided by China Minsheng Group to the Group pursuant to the Deposit Service Agreement or the Service Agreement (as applicable)
“Deposit Service Agreement”	the agreement entered into between the Company and CMBC HK Branch on 31 December 2019 in relation to the provision of the Deposit Services by CMBC HK Branch, which shall be amended and replaced by the Service Agreement to the extent of any discrepancy

“Directors”	the directors of the Company
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Service Agreement and the Services to be provided thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, namely Mr. Lee, Cheuk Yin Dannis, Mr. Wu Bin and Mr. Wang Lihua, which has been established to advise the Independent Shareholders on the terms of the Service Agreement and the Services to be provided thereunder
“Independent Shareholders”	the Shareholders other than China Minsheng and its associates
“Independent Third Party(ies)”	any person(s) who is/are not connected person(s) of the Company
“Listco AM Services”	the asset management services, investment advisory services and/or ancillary services to be provided by the Group to the AM Clients and the distribution services to be provided by China Minsheng Group to the Group pursuant to the Service Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“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
“Proposed Annual Caps”	collectively, the proposed annual caps for the Services
“Referral Services”	collectively, China Minsheng Subscription Referral Services and China Minsheng Underwriting Referral Services
“regulated activity(ies)”	has the meaning ascribed to it under the SFO
“RMB”	Renminbi, the lawful currency in the PRC
“securities”	has the meaning ascribed to it under the SFO
“Service Agreement”	the service agreement entered into between the Company (for itself and on behalf of other members of the Group) and China Minsheng (for itself and on behalf of other members of China Minsheng Group) in relation to the Services on 16 December 2021
“Services”	collectively, the Listco AM Services, the Referral Services, the Underwriting Services, the Custodian Services and the Deposit Services
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened for the Shareholders to consider and, if thought fit, approve the Service Agreement and the Services to be provided thereunder (including the Proposed Annual Caps)
“Share(s)”	ordinary share(s) of the Company with a nominal value of HK\$0.01 each

“Shareholder(s)”	shareholders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underwriting Services”	the underwriting services and sub-underwriting services for securities (including but not limited to securities issued by China Minsheng Group) to be provided by the Group to China Minsheng Group pursuant to the Service Agreement
“US\$”	United States dollar, the lawful currency in the United States
“%”	per cent

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

Hong Kong, 16 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.