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CMBC CAPITAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

**MAJOR TRANSACTION IN RELATION TO PROVISION OF
FINANCIAL ASSISTANCE**

On 28 August 2017, the Company, together with other members of the Lender Syndicate and the Agent, entered into the Facility Agreement with the Borrowers and the Guarantors, pursuant to which the Lender Syndicate has agreed, on several basis, to make available to the Borrowers the Syndicated Loan in an aggregate amount equivalent to a total commitment of HK\$5.81 billion. The Company has committed to grant HK\$400 million of the Syndicated Loan under the Facility Agreement.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Company's Commitment exceed(s) 25% but are less than 100%, the entering into of the Facility Agreement and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders' approval requirements.

The Company has obtained written Shareholders' approval for the Company's Commitment in accordance with Rule 14.44 of the Listing Rules from CMBC Investment, which is a controlling shareholder of the Company beneficially interested in approximately 60.22% of issued share capital of the Company as at the date of this announcement. Pursuant to Rule 14.44 of the Listing Rules, the written approval from CMBC Investment is accepted in lieu of holding a general meeting for approval of the Facility Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Facility Agreement is expected to be despatched to the Shareholders by 18 September 2017.

THE FACILITY AGREEMENT

On 28 August 2017, the Company, together with other members of the Lender Syndicate and the Agent, entered into the Facility Agreement with the Borrowers and the Guarantors, pursuant to which the Lender Syndicate has agreed, on several basis, to make available to the Borrowers the Syndicated Loan in an aggregate amount equivalent to a total commitment of HK\$5.81 billion.

The principal terms of the Facility Agreement are as follows:

Date: 28 August 2017

Parties: i. the Company and nine other members of the Lender Syndicate, as lenders. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, all such other members of the Lender Syndicate, comprising financial institutions incorporated in the PRC or Hong Kong, are Independent Third Parties; other than (i) three members which are associates of a minority Shareholder which owns approximately 4.26% Shares as at the date of this announcement and; (ii) a member whose holding companies hold 6.01% issued shares in China Minsheng Banking Corp. Ltd., a controlling shareholder of the Company, as at the date of this announcement, all of the other members of the Lender Syndicate do not have any interest in the Company;

- ii. HGH and Huge Auto, as Borrowers;
- iii. National Holdings and Mr. Huang, as Guarantors; and
- iv. BOCI Leveraged & Structured Finance Limited, as Agent.

Total Commitment: HK\$5,810,000,000

Conditions Precedent: The Syndicated Loan will be made available to the Borrowers on the utilisation date upon satisfaction, among others, of the following conditions precedent:-

- i. the Agent has received all documents in form and substance satisfactory to all the members of the Lender Syndicate;
- ii. no event of default is continuing or would result from the proposed loan under the Facility Agreement; and
- iii. the representations deemed to be made by each Obligor in the Facility Agreement are true in all material respects.

Utilisation: subject to the satisfaction of the conditions precedent as set out in the Facility Agreement, the Borrowers may utilise the Syndicated Loan during the period of 30 days from and including the date of the Facility Agreement.

Purpose: to finance or refinance the payment of the amounts owing by the Obligors related to Haitong International Holdings Limited (and its holding companies and subsidiaries) and others, and the other amounts as provided under the Facility Agreement

Interest rate: 5% per annum payable on the utilisation date in advance. No part of the interest so paid shall be refundable in any event.

Maturity Date: 24 months after the utilisation date

Repayment: subject as otherwise provided in the Facility Agreement, the Borrowers shall repay the outstanding Syndicated Loan in full on the maturity date. All members of the Lender Syndicate may by notice to the Borrowers extend the date for repayment of any outstanding amount to a date falling twelve (12) months after the original repayment date, during which extended period the Borrowers will be required to pay interest on the outstanding amount at such higher rate as specified in the Facility Agreement. As the extension of the Syndicated Loan repayment date is subject to approval by all members of the Lender Syndicate, including the Company, the Company will make further announcement as and when necessary if the Company exercises the option to extend the original repayment date of the Syndicated Loan.

Voluntary Prepayment: The Borrower may by not less than 5 business days' (or such shorter period as the Lender Syndicate whose commitments aggregate more than 60% of the total commitment under the Facility Agreement agree) prior notice prepay the whole or any part (in whole multiple of HK\$100 million) of the outstanding loan under the Syndicated Loan. Any prepayment will be applied rateably among the participations of all the members of the Lender Syndicate.

Security: the Syndicated Loan will be secured by, *inter alia*, the following:

- i. share mortgage over all issued shares in CGA by Huge Auto;
- ii. share mortgage over all issued shares in Huge Auto by HGH;
- iii. share mortgage over all issued shares in HGH by National Holdings;
- iv. share mortgage over all issued shares in National Holdings by Mr. Huang;

- v. share mortgage over all issued shares in CGA Mauritius by CGA;
- vi. charge over a Hong Kong bank account and cash pledge and charge over a PRC bank account of CGA Mauritius; and
- vii. share pledge over 1,963,967,413 shares in the PRC Listco held by CGA Mauritius.

The Guarantors jointly and severally guarantee the performance by the Borrowers of their obligations under the Facility Agreement and related finance documents.

THE COMPANY'S COMMITMENT

The Company has committed to grant HK\$400 million of the Syndicated Loan under the Facility Agreement. The obligations of each member of the Lender Syndicate under the Facility Agreement and other finance documents are several. In addition to the interest payment entitled to receive, provided that the Company has fully advanced the amount of the Company's share of the Syndicated Loan to the Agent and subject to the occurrence of the utilisation date according to the terms of the Facility Agreement, HGH agrees to pay the Company a fee of HK\$24 million on the utilisation date.

The Company will finance its participation in the Syndicated Loan with its internal resources.

REASONS FOR AND BENEFITS OF THE COMPANY'S PARTICIPATION IN THE SYNDICATED LOAN

Taking into account the principal activities of the Group, the Directors consider that entering into the Facility Agreement and the grant of the Company's Commitment thereunder are in the ordinary and usual course of business of the Group.

The Facility Agreement has been entered into based on the Company's development strategy. Taking into account the return from the participation of the Syndicated Loan and based on the result of the credit assessments made on the financial strength and repayment ability of the Borrowers and Guarantors and the securities provided to secure the repayment of the Syndicated Loan, the Directors consider that the terms of the Facility Agreement are fair and reasonable, the entering into the Facility Agreement and the grant of the Company's Commitment hereunder are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP

As at the date of this announcement, the Group is principally engaged in the business of brokerage and related services, securities investments and provision of finance.

INFORMATION OF THE AGENT, THE BORROWERS, THE GUARANTORS, CGA AND CGA MAURITIUS

To the best of the knowledge, information and belief of the Directors, as at the date of this announcement:

1. the Agent is a company incorporated in Hong Kong with limited liability whose principal business is the provision of structured financing and financial advisory services;
2. HGH is a company incorporated in Hong Kong with limited liability whose principal business is investment holding, the shares of which are 100% owned by National Holdings;
3. Huge Auto is a business company incorporated under the laws of the British Virgin Islands whose principal business is investment holding, the shares of which are owned as to 72.68% by HGH and 27.32% by an Independent Third Party;
4. National Holdings is a business company incorporated under the laws of the British Virgin Islands whose principal business is investment holding, the shares of which are 100% owned by Mr. Huang, a PRC resident;
5. CGA is an exempted company incorporated under the laws of the Cayman Islands whose principal business is investment holding, the shares of which are owned as to 65.39% by Huge Auto and 34.61% by an Independent Third Party; and
6. CGA Mauritius is a private company limited by shares incorporated under the laws of Mauritius whose principal business is investment holding, the shares of which are 100% owned by CGA.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Agent, the Obligors and their respective ultimate beneficial owners are Independent Third Parties.

Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Company's Commitment exceed(s) 25% but are less than 100%, the entering into of the Facility Agreement and the transactions contemplated thereunder constitute a major transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting, announcement, circular and shareholders' approval requirements.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in the Facility Agreement and the transactions contemplated thereunder and accordingly, no Shareholder or its/his associate(s) is required to abstain from voting if the Company were to convene a general meeting for approving the Facility Agreement and the transactions contemplated thereunder.

The Company has obtained written Shareholders' approval for the Company's Commitment in accordance with Rule 14.44 of the Listing Rules from CMBC Investment, which is a controlling shareholder of the Company beneficially interested in approximately 60.22% of issued share capital of the Company as at the date of this announcement. Pursuant to Rule 14.44 of the Listing Rules, the written approval from CMBC Investment is accepted in lieu of holding a general meeting for approval of the Facility Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Facility Agreement is expected to be despatched to the Shareholders by 18 September 2017.

DEFINITION

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

“Agent”	BOCI Leveraged & Structured Finance Limited, a private company incorporated under the laws of Hong Kong
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrowers”	collectively, HGH and Huge Auto

“CGA”	China Grand Automotive Group Limited, an exempted company incorporated under the laws of the Cayman Islands
“CGA Mauritius”	China Grand Automotive (Mauritius) Limited, a private company limited by shares incorporated under the laws of Mauritius
“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)
“Company’s Commitment”	the commitment of the Company to grant HK\$400 million of the Syndicated Loan under the Facility Agreement
“CMBC Investment”	CMBC International Investment Limited (民銀國際投資有限公司), a company incorporated in the British Virgin Islands, and a controlling shareholder of the Company
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Facility Agreement”	the facility agreement dated 28 August 2017 entered into between the Company, other members of the Lender Syndicate, the Agent, the Borrowers and the Guarantors, pursuant to which the Lender Syndicate has agreed to make available to the Borrowers the Syndicated Loan in an aggregated amount equivalent to a total commitment of HK\$5.81 billion
“Group”	the Company and its subsidiaries
“Guarantors”	collectively, Mr. Huang and National Holdings
“HGH”	Huge Group Holdings Limited, a company incorporated under the laws of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK \$”	Hong Kong Dollars(s), the lawful currency of Hong Kong
“Huge Auto”	Huge Auto Investment Holdings Limited, a company incorporated under the laws of the British Virgin Islands
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
“Lender Syndicate”	a lender syndicate group being the lenders under the Facility Agreement for the Syndicated Loan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Chusheng, the sole shareholder of National Holdings
“National Holdings”	National Holdings Group Company Limited, a company incorporated under the laws of the British Virgin Islands
“Obligors”	collectively, the Borrowers, CGA, CGA Mauritius and the Guarantors
“PRC”	the People’s Republic of China, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Listco”	a joint stock company established in the PRC whose shares are listed on the Shanghai Stock Exchange
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Syndicated Loan” a syndicated loan to be provided by the Lender Syndicate to the Borrowers in the principal amount of HK\$5.81 billion pursuant to the Facility Agreement

“%” per cent.

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

Hong Kong, 28 August 2017

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