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## **CMBC CAPITAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1141)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTIONS OF THE FUNDS**

#### **THE SUBSCRIPTIONS**

Reference is made to the announcement of the Company dated 17 August 2017. On 23 November 2017 and 4 December 2017, PIMCO Funds, through the Administrator, has confirmed that the subscriptions of the Securities Fund with the subscription amount of US\$10 million and the Income Fund with the subscription amount of US\$10 million were allocated to the orders placed by the Company, respectively.

Pursuant to Rule 14.22 of the Listing Rules, the Third Subscription and the Fourth Subscription will be aggregated. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscriptions exceed(s) 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE SUBSCRIPTIONS**

##### **The orders to subscribe**

Date of confirmation: 23 November 2017 (Third Subscription)  
4 December 2017 (Fourth Subscription)

Parties:

1. The Company
2. PIMCO Funds

## **The Subscriptions**

Reference is made to the announcement of the Company dated 17 August 2017. On 23 November 2017 and 4 December 2017, PIMCO Funds, through the Administrator, has confirmed that the subscriptions of the Securities Fund with the subscription amount of US\$10 million and the Income Fund with the subscription amount of US\$10 million were allocated to the orders placed by the Company, respectively. The Group will fund the Subscriptions from its internal resources.

## **Principal Terms of the Income Fund**

The principal terms of the Income Fund are as follows:

<b>Fund:</b>	The Income Fund, being a sub-fund of PIMCO Funds and is authorised by the SFC under section 104 of the SFO
<b>Manager:</b>	PIMCO Global Advisors (Ireland) Limited
<b>Administrator:</b>	State Street Fund Services (Ireland) Limited. To the best knowledge, information and belief of the Directors, the Administrator and its ultimate beneficial owner(s) are Independent Third Parties.
<b>Hong Kong Representative:</b>	PIMCO Asia Limited. To the best knowledge, information and belief of the Directors, the Hong Kong Representative and its ultimate beneficial owner(s) are Independent Third Parties.
<b>Investment Objective:</b>	The primary investment objective of the Income Fund is to seek high current income, consistent with prudent investment management. Long-term capital appreciation is a secondary objective.
<b>Investment Policies:</b>	The Income Fund will utilise a global multi-sector strategy that seeks to combine the investment advisor's total return investment process and philosophy with income maximization. Portfolio construction is founded on the principle of diversification across a broad range of global fixed income securities. Top-down and bottom-up strategies are used to identify multiple sources of value to generate consistent returns. Topdown strategies are deployed taking into account a macro view of the forces likely to influence the global economy and financial markets over the medium term. Bottom-up strategies drive the security selection process and facilitate the identification and analysis of undervalued securities. The Income Fund is diversified broadly across regions, industries, issuers, and asset classes, as well as through a varied set of sources of value and employs independent research and prudent diversification with respect to industries and issuers in order to seek to achieve its investment objective.

Management of the Income Fund:	The Manager is responsible for the investment management of the Income Fund and the general administration of PIMCO Funds and may delegate such functions subject to the overall supervision and control of the directors of PIMCO Funds.
Management Fee:	0.55% per annum
Distribution Policy:	The directors of PIMCO Funds are entitled to pay such dividends at such times as they think fit and as appear to be justified out of (i) net investment income which consists of interest and dividends; (ii) realised profits on the disposal of investments less realised and unrealised losses (including fees and expenses) and; (iii) other funds (including capital) as may be lawfully distributed from the Income Fund.
Redemption:	The Income Fund can be redeemed by submitting a redemption request either directly to the Administrator or to the Hong Kong Representative before 5:00 p.m. on any Hong Kong business day. The redemption price will be the net asset value per share on such day that the redemption request is deemed to have been duly received less any redemption charge (if any). The redemption proceeds are paid usually on the following business day. In any event, the period between a redemption request and payment of proceeds should not exceed 14 calendar days, provided all relevant documentation has been received.

### **Principal Terms of the Securities Fund**

The principal terms of the Securities Fund are as follows:

Securities Fund:	The Securities Fund, being a sub-fund of PIMCO Funds
Manager:	PIMCO Global Advisors (Ireland) Limited
Administrator:	State Street Fund Services (Ireland) Limited. To the best knowledge, information and belief of the Directors, the Administrator and its ultimate beneficial owner(s) are Independent Third Parties.

Hong Kong Representative:	PIMCO Asia Limited. To the best knowledge, information and belief of the Directors, the Hong Kong Representative and its ultimate beneficial owner(s) are Independent Third Parties.
Investment Objective:	The investment objective of the Securities Fund is to seek to provide focused exposure to attractively priced capital securities together with maximum total return, consistent with preservation of capital and prudent investment management.
Investment Policies:	The Fund will seek to achieve its investment objective by investing in an actively managed portfolio of fixed income instruments and other securities of which at least 80% will be invested in capital securities in accordance with the policies set out below. Capital securities are fixed income securities, contingent convertible bonds and/or equities issued by financial institutions such as banks and insurance companies. The Securities Fund uses a combination of bottom-up and top-down processes to identify appropriate capital securities with each capital security being passed through three screens. The first screen is the investment advisor's top down view of the economy and global financial markets. Such matters are critical to the banking system and can have an impact on, for example, regulations and capital requirements. Due to the correlated nature of banking risk and sovereign risk, this screen also incorporates an assessment of sovereign risk in making an investment in a certain country's banking system. The second screen is the investment advisor's bottom-up research which incorporates an evaluation of the relative strength of balance sheets and company earnings power together with maintaining strong access to senior management teams of financial institutions and on-going dialogue with them about the sources of future credit strength or weakness. The third screen is valuation. The strength of how well a capital security passes each screen will assist the investment advisor in any investment decision.
Management of the Securities Fund:	The Manager is responsible for the investment management of the Securities Fund and the general administration of PIMCO Funds and may delegate such functions subject to the overall supervision and control of the directors of PIMCO Funds.
Management Fee:	0.79% per annum

**Distribution Policy:** The directors of PIMCO Funds are entitled to pay such dividends at such times as they think fit and as appear to be justified out of (i) net investment income which consists of interest and dividends; (ii) realised profits on the disposal of investments less realised and unrealised losses (including fees and expenses) and; (iii) other funds (including capital) as may be lawfully distributed from the Securities Fund.

**Redemption:** The Securities Fund can be redeemed by submitting a redemption request either directly to the Administrator or to the Hong Kong Representative before 5:00 p.m. on any Hong Kong business day. The redemption price will be the net asset value per share on such day that the redemption request is deemed to have been duly received less any redemption charge (if any). The redemption proceeds are paid usually on the following business day. In any event, the period between a redemption request and payment of proceeds should not exceed 14 calendar days, provided all relevant documentation has been received.

### **Listing Rules Implications**

Pursuant to Rule 14.22 of the Listing Rules, the Third Subscription and the Fourth Subscription will be aggregated. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscriptions exceed(s) 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **INFORMATION OF THE GROUP**

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

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

Taking into account the principal activities of the Group, the Directors consider that the Subscriptions are in the ordinary and usual course of business of the Group.

The Directors believe that the Subscriptions have been entered into based on the Company's strategy. Considering the past-performance of PIMCO Funds and given that the Manager is a well-known fund management company with substantial management experience in investment funds, the Company considers that the Subscriptions represent an opportunity for the Group to expand and diversify its investments portfolio and enjoy returns from the investments made by the Funds whilst limiting the financial commitment of the Group towards such investments.

The Directors consider the terms of the Subscriptions are on normal commercial terms which are fair and reasonable and the Subscriptions are in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF PIMCO FUNDS AND THE MANAGER**

According to its prospectus, PIMCO Funds is an umbrella type open-ended investment company with variable capital and segregated liability between the funds incorporated under the laws of Ireland and whose assets are held in different funds.

To the best of the knowledge, information and belief of the Directors, the Manager is a private company incorporated in Ireland with limited liability and is principally engaged in the investment management.

As at the date of this announcement, to the best of the information, knowledge and belief of the Directors, having made all reasonable enquiries, PIMCO Funds, the Manager and their respective ultimate beneficial owners are Independent Third Parties.

## **DEFINITION**

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

“Administrator”	State Street Fund Services (Ireland) Limited, being a limited liability company incorporated in Ireland and is a wholly-owned subsidiary of the State Street Corporation
“Board”	the board of Directors
“Company”	CMBC Capital Holdings Limited (民銀資本控股有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1141)

“Director(s)”	the director(s) of the Company
“Fourth Subscription”	the subscription of the Income Fund with the Subscription amount of US\$10 million confirmed on 4 December 2017
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Representative”	PIMCO Asia Limited, being a company incorporated under the laws of Hong Kong with limited liability
“Income Fund”	The Income Fund, being a sub-fund of PIMCO Funds and is authorised by the SFC under section 104 of the SFO
“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
“Ireland”	the Republic of Ireland
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	PIMCO Global Advisors (Ireland) Limited, a private company incorporated in Ireland with limited liability
“PIMCO Funds” or “Funds”	PIMCO Funds: Global Investors Series plc, an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds and incorporated with limited liability under the laws of Ireland
“Securities Fund”	the PIMCO Capital Securities Fund, being a sub-fund of PIMCO Funds
“SFC”	the Securities and Futures Commission

“SFO”	Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	collectively, the Third Subscription and the Fourth Subscription
“Third Subscription”	the subscription of the Securities Fund with the subscription amount of US\$10 million confirmed on 23 November 2017
“US\$”	US dollars, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 4 December 2017

*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. 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.*