

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Capital Finance Holdings Limited
首都金融控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock code: 8239)

**DISCLOSEABLE TRANSACTION INVOLVING
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 21 June 2017, Beijing Jinfu, an indirect wholly-owned subsidiary of the Company held through certain structured agreements, as lender has entered into Revolving Loan Agreement A and Revolving Loan Agreement C with Borrower A and Borrower B respectively; and Beijing Jinshou, an indirect wholly-owned subsidiary of the Company held through certain structured agreements, as lender has entered into Revolving Loan Agreement B with Borrower A. Pursuant to the Revolving Loan Agreements, the Lenders have agreed to grant the Loans with total aggregate amount up to RMB20 million (equivalent to approximately HK\$22.8 million) and RMB10 million (equivalent to approximately HK\$11.4 million), respectively to Borrower A and Borrower B, for a term of 12 months. During the 12-month period preceding the Transaction A and Transaction B, the Group has previously granted loans to Borrower A and Borrower B amounted to RMB10 million (equivalent to approximately HK\$11.4 million) each, all of which have been fully repaid as at the date of this announcement; the Group has previously granted loan to Borrower B amounted to RMB10 million (equivalent to approximately HK\$11.4 million) of which remains outstanding as at the date of this announcement.

The Directors consider that the Revolving Loan Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group. As certain applicable percentage ratios for the Transaction A and the Previous Loan A in aggregate were more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transaction A and the Previous Loan A constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As certain applicable percentage ratios for the Transaction B and the Previous Loans B in aggregate were more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, Transaction B and the Previous Loans B constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 21 June 2017, Beijing Jinfu, an indirect wholly-owned subsidiary of the Company held through certain structured agreements, as lender has entered into Revolving Loan Agreement A and Revolving Loan Agreement C with Borrower A and Borrower B respectively; and Beijing Jinshou, an indirect wholly-owned subsidiary of the Company held through certain structured agreements, as lender has entered into Revolving Loan Agreement B with Borrower A. Pursuant to the Revolving Loan Agreements, the Lenders have agreed to grant the Loans with total aggregate amount up to RMB20 million (equivalent to approximately HK\$22.8 million) and RMB10 million (equivalent to approximately HK\$11.4 million), respectively to Borrower A and Borrower B, for a term of 12 months. During the 12-month period preceding the Transaction A and Transaction B, the Group has previously granted loans to Borrower A and Borrower B amounted to RMB10 million (equivalent to approximately HK\$11.4 million) each, all of which have been fully repaid as at the date of this announcement; the Group has previously granted loan to Borrower B amounted to RMB10 million (equivalent to approximately HK\$11.4 million) of which remains outstanding as at the date of this announcement.

THE REVOLVING LOAN AGREEMENT A

Date of the Revolving Loan Agreement A	:	21 June 2017
Lender	:	Beijing Jinfu
Borrower	:	Borrower A
Principal	:	up to RMB10 million (equivalent to approximately HK\$11.4 million)
Interest rate	:	0.17% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Composite administrative fee	:	1% per month and payable in advance on a monthly basis
Availability period	:	12 months from the date of the Revolving Loan Agreement A (the "Availability Period")
Loan period	:	six months from the draw down date, subject to renewal during the Availability Period by serving a written notice to the Lender
Expected draw down	:	the Borrower may, depending on its own funding requirements, serve a written notice to the Lender for the desired amount of the first draw down, and subsequent draw downs may be requested by the Borrower from time to time during the Availability Period, provided that the aggregate draw downs do not exceed the Principal

Security	:	Share Charge
Repayment	:	The Borrower shall repay the interests and composite administrative fee on a monthly basis and repay the principal amount at the end of the loan period or on demand by the Lender upon occurrence of an event of default, whichever is earlier
Re-borrowing	:	The Borrower may during the Availability Period re-borrow in whole or in part the loan in accordance with the terms and conditions of Revolving Loan Agreement A provided that, among others, the total aggregate amount borrowed and re-borrowed do not exceed the Principal

THE REVOLVING LOAN AGREEMENT B

Date of the Revolving Loan Agreement B	:	21 June 2017
Lender	:	Beijing Jinshou
Borrower	:	Borrower A
Principal	:	up to RMB10 million (equivalent to approximately HK\$11.4 million)
Interest rate	:	0.17% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Composite administrative fee	:	1% per month and payable in advance on a monthly basis
Availability period	:	12 months from the date of the Revolving Loan Agreement B (the "Availability Period")
Loan period	:	six months from the draw down date subject to renewal during the Availability Period by serving a written notice to the Lender
Expected draw down	:	the Borrower may, depending on its own funding requirements, serve a written notice to the Lender for the desired amount of the first draw down, and subsequent draw downs may be requested by the Borrower from time to time during the Availability Period, provided that the aggregate draw downs do not exceed the Principal

Security	:	Share Charge
Repayment	:	The Borrower shall repay the interests and composite administrative fee on a monthly basis and repay the principal amount at the end of the loan period or on demand by the Lender upon occurrence of an event of default, whichever is earlier
Re-borrowing	:	The Borrower may during the Availability Period re-borrow in whole or in part the loan in accordance with the terms and conditions of Revolving Loan Agreement B provided that, among others, the total aggregate amount borrowed and re-borrowed do not exceed the Principal

THE REVOLVING LOAN AGREEMENT C

Date of the Revolving Loan Agreement C	:	21 June 2017
Lender	:	Beijing Jinfu
Borrower	:	Borrower B
Principal	:	up to RMB10 million (equivalent to approximately HK\$11.4 million)
Interest rate	:	0.17% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Composite administrative fee	:	1% per month and payable in advance on a monthly basis
Availability period	:	12 months from the date of the Revolving Loan Agreement C (the "Availability Period")
Loan period	:	six months from the draw down date, subject to renewal during the Availability period by serving a written notice to the Lender
Expected draw down	:	the Borrower may, depending on its own funding requirements, serve a written notice to the Lender for the desired amount of the first draw down, and subsequent draw downs may be requested by the Borrower from time to time during the Availability Period, provided that the aggregate draw downs do not exceed the Principal

Security	:	A charge over the inventory of the Borrower with aggregate amount of approximately RMB42.4 million (equivalent to approximately HK\$48.4 million)
Repayment	:	The Borrower shall repay the interests and composite administrative fee on a monthly basis and repay the principal amount at the end of the loan period or on demand by the Lender upon occurrence of an event of default, whichever is earlier
Re-borrowing	:	The Borrower may during the Availability Period re-borrow in whole or in part the loan in accordance with the terms and conditions of Revolving Loan Agreement C provided that, among others, the total aggregate amount borrowed and re-borrowed do not exceed the Principal

INFORMATION OF BORROWERS

Borrower A is a company established in the PRC with limited liability and its principal business activities include project investment, investment management and investment consultancy services.

Borrower B is a company established in the PRC with limited liability and its principal business activities include, among others, technology development, technology consultancy and services, sale of computer equipment and software, machinery and electronic products.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrowers and their ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the securities are not charged to any other parties other than being charged to the Lenders.

SOURCE OF FUNDING

The Loans are financed by the Group's internal resources.

INFORMATION ON THE GROUP AND THE LENDERS

The Group is principally engaged in short-term financing services in the PRC and Hong Kong.

The Lenders are limited liability companies established in the PRC and indirect wholly-owned subsidiaries of the Company held through certain structured agreements. The Lenders are principally engaged in provision of pawn loan services in Beijing, PRC.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE TRANSACTIONS

Since provision of short-term financing services in the PRC is one of the principal activities of the Group, the Transaction A and Transaction B are in the ordinary and usual course of business of the Group.

The terms of the Revolving Loan Agreements (including the principal amount, the interest rate, the composite administrative fee rate and the loan period) were negotiated on an arm's length basis between the Lenders and the Borrowers after assessing, among other things, (i) the financing needs requested by the Borrowers; (ii) the quality and estimated value of the security provided; and (iii) creditworthiness of the Borrowers supported by historical repayment track records.

In addition, taking into account that the Group has undertaken appropriate approval procedures before entering into the Revolving Loan Agreements and interest income and composite administrative fee income are expected to be generated, the Directors consider that the terms of the Transaction A and Transaction B are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As certain applicable percentage ratios for the Transaction A and the Previous Loan A in aggregate were more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transaction A and the Previous Loan A constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

As certain applicable percentage ratios for the Transaction B and the Previous Loans B in aggregate were more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, Transaction B and the Previous Loans B constitute a disclosable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise:

“Beijing Jinfu”	北京市金福典當有限責任公司 (Beijing City Jinfu Pawning Company Limited*), an indirect wholly-owned subsidiary of the Company held through certain structured agreements
“Beijing Jinshou”	北京市金壽典當有限責任公司 (Beijing City Jinshou Pawning Company Limited*), an indirect wholly-owned subsidiary of the Company held through certain structured agreements
“Board”	the board of Directors
“Borrower A”	the borrower under Revolving Loan Agreement A and Revolving Loan Agreement B, being a company established in the PRC with limited liability
“Borrower B”	the borrower under Revolving Loan Agreement C, being a company established in the PRC with limited liability
“Borrowers”	Borrower A and Borrower B
“Company”	Capital Finance Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lenders”	Beijing Jinfu and Beijing Jinshou
“Loan A”	the secured loan with the principal amount of not more than RMB10 million (equivalent to approximately HK\$11.4 million) conditionally agreed to be granted by Beijing Jinfu to Borrower A pursuant to the Revolving Loan Agreement A

“Loan B”	the secured loan with the principal amount of not more than RMB10 million (equivalent to approximately HK\$11.4 million) conditionally agreed to be granted by Beijing Jinshou to Borrower A pursuant to the Revolving Loan Agreement B
“Loan C”	the secured loan with the principal amount of not more than RMB10 million (equivalent to approximately HK\$11.4 million) conditionally agreed to be granted by Beijing Jinfu to Borrower B pursuant to the Revolving Loan Agreement C
“Loans”	Loan A, Loan B and Loan C
“PRC”	the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Loan A”	loan previously granted to Borrower A in the preceding 12 months before the date of this announcement
“Previous Loans B”	loans previously granted to Borrower B in the preceding 12 months before the date of this announcement
“Previous Loans”	Previous Loan A and Previous Loans B
“Revolving Loan Agreement A”	the revolving loan agreement dated 21 June 2017 entered into between Beijing Jinfu and Borrower A in respect of Loan A
“Revolving Loan Agreement B”	the revolving loan agreement dated 21 June 2017 entered into between Beijing Jinshou and Borrower A in respect of Loan B
“Revolving Loan Agreement C”	the revolving loan agreement dated 21 June 2017 entered into between Beijing Jinfu and Borrower B in respect of Loan C
“Revolving Loan Agreements”	Revolving Loan Agreement A, Revolving Loan Agreement B and Revolving Loan Agreement C
“Share Charge”	a share charge executed by Borrower A in favour of the Lenders over the shares which represent 95% of the equity interest of a company established in the PRC with limited liability to secure the obligations of Borrower A under Revolving Loan Agreement A and Revolving Loan Agreement B

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction A”	the provision of the financial assistance to Borrower A pursuant to the Revolving Loan Agreement A and Revolving Loan Agreement B
“Transaction B”	the provision of the financial assistance to Borrower B pursuant to the Revolving Loan Agreement C
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

By order of the Board of
Capital Finance Holdings Limited
Zhang Wei
Chairman and Executive Director

Hong Kong, 21 June 2017

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB1:HK\$1.142. No representation is made that any amounts in RMB and HK\$ can be or could have been converted at the above exchange rate or any other rates.

As at the date of this announcement, the executive Directors are Mr. Zhang Wei and Ms. Li Wei, and the independent non-executive Directors are Mr. Chen Yihua, Mr. Du Hui and Ms. Sze Sau Wan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at <http://www.capitalfinance.hk>.

* *For identification purposes only*