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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 4 March 2019, Beijing Jinfu and Beijing Jinshou, the two indirect wholly-owned subsidiaries of the Company, as lenders have entered into Revolving Loan Agreement A and Revolving Loan Agreement B, respectively, with the Borrower. Pursuant to each of the Revolving Loan Agreements, each of the Lenders have agreed to grant the loans with an amount up to RMB3 million (equivalent to approximately HK\$3.5 million) and RMB6 million (equivalent to approximately HK\$7.0 million), respectively to the Borrower, for a term of 12 months. During the 12-month period preceding the Transactions, the Group has previously granted a loan in the amount of RMB5 million under the Previous Loan to an individual (who is the legal representative of the holding company of the Borrower), as disclosed in the announcement of the Company dated 26 September 2018, the total amount of which has been fully repaid 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 Transactions and the Previous Loan, in aggregate, were more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transactions and the Previous Loan constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

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holding company of the Borrower), as disclosed in the announcement of the Company dated 26 September 2018, the total amount of which has been fully repaid as at the date of this announcement.

THE REVOLVING LOAN AGREEMENT A

Date of the Revolving Loan Agreement A	:	4 March 2019
Lender A	:	Beijing Jinfu
Borrower	:	the Borrower
Facility amount	:	up to RMB3 million (equivalent to approximately HK\$3.5 million)
Interest rate	:	0.1% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Composite administrative fee	:	1.4% 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	:	6 months from the draw down date, subject to renewal during the Availability Period by serving a written notice to the Lender A
Expected draw down	:	the Borrower may, depending on its own funding requirements, serve a written notice to the Lender A 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 facility amount
Security	:	Share Charge A
Repayment	:	The Borrower shall repay the interests and composite administrative fee on a monthly basis and repay the facility amount at the end of the loan period or on demand by the Lender A 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 facility amount

THE REVOLVING LOAN AGREEMENT B

Date of the Revolving Loan Agreement B	:	4 March 2019
Lender B	:	Beijing Jinshou
Borrower	:	the Borrower
Facility amount	:	up to RMB6 million (equivalent to approximately HK\$7.0 million)
Interest rate	:	0.1% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Composite administrative fee	:	1.4% 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	:	6 months from the draw down date subject to renewal during the Availability Period by serving a written notice to the Lender B
Expected draw down	:	the Borrower may, depending on its own funding requirements, serve a written notice to the Lender B 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 facility amount
Security	:	Share Charge B
Repayment	:	The Borrower shall repay the interests and composite administrative fee on a monthly basis and repay the facility amount at the end of the loan period or on demand by the Lender B 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 facility amount

INFORMATION OF THE BORROWER

The Borrower is a company established in the PRC with limited liability and its principal business activities, among others, include investment management and sales of jewelry, arts, crafts, machinery and electronic products. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower and its ultimate beneficial owners 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, the 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 Transactions are in the ordinary and usual course of business of the Group.

The terms of the Revolving Loan Agreements (including the facility 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 Borrower after assessing, among others, (i) the financing needs requested by the Borrower; and (ii) the quality and estimated value of the security provided.

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 Transactions 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 Transactions and the Previous Loan, in aggregate, were more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transactions and the Previous Loan constitute a discloseable 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”	the borrower under the Revolving Loan Agreements, being a company established in the PRC with limited liability
“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”	GEM operated by 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
“Lender A”	Beijing Jinfu
“Lender B”	Beijing Jinshou
“Lenders”	Lender A and Lender B

“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
“PRC Company”	a company established in the PRC with limited liability
“Previous Loan”	an amount of RMB5 million of loan previously granted to an individual (who is the legal representative of the holding company of the Borrower), in the preceding 12-month period before the date of this announcement, which was subsequently repaid in full
“Revolving Loan Agreement A”	the revolving loan agreement dated 4 March 2019 entered into between Lender A and the Borrower. In relation to the secured loan with the facility amount of not more than RMB3 million (equivalent to approximately HK\$3.5 million) conditionally agreed to be granted by Beijing Jinfu to the Borrower
“Revolving Loan Agreement B”	the revolving loan agreement dated 4 March 2019 entered into between Lender B and the Borrower. In relation to the secured loan with the facility amount of not more than RMB6 million (equivalent to approximately HK\$7.0 million) conditionally agreed to be granted by Beijing Jinshou to the Borrower
“Revolving Loan Agreements”	Revolving Loan Agreement A and Revolving Loan Agreement B
“Share Charge A”	a share charge dated 4 March 2019 and executed by the Borrower in favour of Lender A over the one-third of the equity interest in the PRC Company which is wholly-owned by the Borrower to secure the obligations of the Borrower under Revolving Loan Agreement A
“Share Charge B”	a share charge dated 4 March 2019 and executed by the Borrower in favour of Lender B over the two-third of the equity interest in the PRC Company which is wholly-owned by the Borrower to secure the obligations of the Borrower under Revolving Loan Agreement B
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transactions”	the provision of the financial assistance to the Borrower pursuant to the Revolving Loan Agreement A and Revolving Loan Agreement B
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” Per cent

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

Hong Kong, 4 March 2019

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB1:HK\$1.170. 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 Mr. Yang Bo, the non-executive Director is Mr. Zang Wei and the independent non-executive Directors are Mr. Chen Yihua, Mr. Du Hui, and Dr. Wong Wing Kuen, Albert.

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