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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)

**SUPPLEMENTAL ANNOUNCEMENT REGARDING
DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF 50% EQUITY INTEREST IN
THE TARGET COMPANY**

Reference is made to the announcement of the Company (the “**Announcement**”) dated 6 December 2019 in relation to the discloseable transaction on the part of the Company. Unless the context requires otherwise, capitalised terms used herein shall bear the same meaning as defined in the Announcement. The Company would like to provide further information in relation to the Acquisition as set out below.

BASIS IN DETERMINING CONSIDERATION

The Company would like to supplement that the consideration of RMB30,500,000 (equivalent to approximately HK\$33,886,000) (the “**Consideration**”) was determined with reference to (i) 50% of the valuation of the net assets of the Target Company amounting to RMB60,710,000 (equivalent to approximately HK\$67,449,000) as at 30 November 2019 based on the asset valuation report by an independent valuer using the asset-based method; and (ii) 50% of the registered paid-up capital of the Target Company amounting to RMB60,000,000 (equivalent to approximately HK\$66,660,000). Considering that the Purchaser shall have the right to appoint the executive directors, legal representative, general manager and supervisors of the Target Company with 50% of equity interest in the Target Company, the Board believes that the Consideration is reasonable and is in the interests of the Company.

The Directors thus considered the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 11 December 2019

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB1:HK\$1.111. 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, Ms. Li 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 website of the Company at <http://www.capitalfinance.hk>.