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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)**

**APPLICATIONS FOR THE RIGHTS SHARES**

**AND**

**NUMBER OF UNSUBSCRIBED RIGHTS SHARES SUBJECT TO  
THE COMPENSATORY ARRANGEMENTS PURSUANT TO  
THE RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES  
FOR EVERY ONE EXISTING SHARE HELD ON RECORD DATE  
ON A NON-UNDERWRITTEN BASIS**

As at 4:00 p.m. on Thursday, 25 February 2021, being the Latest Time for Acceptance, the Company had received 10 valid acceptances for a total of 131,967,283 Rights Shares provisionally allotted under the Rights Issue (representing approximately 23.46% of the total number of Rights Shares offered under the Rights Issue). Accordingly, the Rights Issue was approximately 23.46% subscribed.

The remaining 430,585,539 Unsubscribed Rights Shares, representing approximately 76.54% of the total number of Rights Shares offered under the Rights Issue, will be subject to the Compensatory Arrangements.

Reference is made to the prospectus of Capital Finance Holdings Limited (the “**Company**”) dated 9 February 2021 (the “**Prospectus**”) in relation to, among others, the Rights Issue. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Prospectus.

## **APPLICATIONS FOR THE RIGHTS SHARES**

The Company announces that as at 4:00 p.m. on Thursday, 25 February 2021, being the Latest Time for Acceptance, the Company had received 10 valid acceptances for a total of 131,967,283 Rights Shares provisionally allotted under the Rights Issue (representing approximately 23.46% of the total number of Rights Shares offered under the Rights Issue). Accordingly, the Rights Issue was approximately 23.46% subscribed.

The remaining 430,585,539 Unsubscribed Rights Shares, representing approximately 76.54% of the total number of Rights Shares offered under the Rights Issue, will be subject to the Compensatory Arrangements.

## **THE COMPENSATORY ARRANGEMENTS**

Pursuant to Rule 10.31(1)(b) of the GEM Listing Rules, the Company have made arrangements to dispose of the 430,585,539 Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares under the Rights Issue to independent placees on a best effort basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders on a pro-rata basis.

The Placing Agent will on a best effort basis, procure, by no later than 6:00 p.m., on Friday, 12 March 2021, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares. Any Unsubscribed Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Net Gain (if any) will be paid (without interest) on a pro-rata basis (on the basis of all Unsubscribed Rights Shares) to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

- A. where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (C) below); or

- B. where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (C) below); or
- C. if the Rights Issue is extended to the Overseas Shareholders and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, to that Overseas Shareholders.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in “A” to “C” of HK\$100 or more will be paid to them in Hong Kong dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders may or may not receive any Net Gain.

An announcement of the results of the Rights Issue (including the results of the Placing) is expected to be published on the Stock Exchange’s website and the Company’s website on 15 March 2021.

## **WARNING OF THE RISKS OF DEALING IN THE SHARES**

**Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.**

**The Rights Issue will proceed on a non-underwritten basis. Pursuant to the Company’s constitutional documents and the Companies Act, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level. In the event the Rights Issue is undersubscribed, any Unsubscribed Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Any Shareholders or other persons contemplating any dealings in the Shares are recommended to consult their professional advisers.**

**Any Shareholder or investor dealing in the Shares up to the latest time for the Rights Issue and/or the Placing to become unconditional will accordingly bear the risk that the Rights Issue and/or the Placing may not become unconditional and may not proceed. Any Shareholder or investor contemplating any dealings in the Shares are recommended to consult their professional advisers.**

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

Hong Kong, 4 March 2021

*As at the date of this announcement, the executive Directors are Mr. Zhang Wei and Ms. Li Wei; 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 “Latest Listed Company Information” page of the GEM website for at least seven days from the date of its posting and the Company’s website at <http://www.capitalfinance.hk>.*