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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON RECORD DATE ON A NON-UNDERWRITTEN BASIS

Reference is made to the prospectus of Capital Finance Holdings Limited (the “**Company**”) dated 9 February 2021 (the “**Prospectus**”) and the announcement of the Company dated 4 March 2021 (the “**Announcement**”) 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.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, 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).

The remaining 430,585,539 Unsubscribed Rights Shares, representing approximately 76.54% of the total number of Rights Shares offered under the Rights Issue, were 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 (the “**Placing 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 (the “**Placing**”).

The Board announces that all the Placing Shares, representing approximately 51.02% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue, had been successfully placed by the Placing Agent to not less than six (6) Placees at the placing price of HK\$0.135 per Placing Share. Since the placing price is equivalent to the Subscription Price, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, (i) each of the Placee(s), who and whose ultimate beneficial owner(s) (if applicable) are the Independent Third Party(ies); and (ii) none of the Placees has become a substantial Shareholder of the Company (as defined under the GEM Listing Rules) upon completion of the Placing and the Rights Issue.

THE RIGHTS ISSUE AND THE PLACING BECOMING UNCONDITIONAL

All the conditions with respect to the Rights Issue and the Placing set out in the Prospectus have been fulfilled and the Rights Issue and the Placing became unconditional on 12 March 2021. The gross proceeds raised from the Rights Issue (including the Placing) are approximately HK\$75.9 million before expenses.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue.

	(i) Immediately before completion of the Rights Issue		(ii) Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Mr. Zhang	22,752,640	8.09	68,257,920	8.09
Ms. Li	14,587,600	5.19	43,762,800	5.19
Exuberant Global Limited (<i>Note 1</i>)	58,840,000	20.92	58,840,000	6.97
Time Prestige Holdings Limited (<i>Note 2</i>)	5,360,000	1.91	5,360,000	0.64
Bustling Capital Limited (<i>Note 3</i>)	13,400,000	4.76	13,400,000	1.59
Public Shareholders				
Placees	–	–	430,585,539	51.02
Other Public Shareholders	<u>166,336,171</u>	<u>59.13</u>	<u>223,622,974</u>	<u>26.50</u>
Total	<u>281,276,411</u>	<u>100.00</u>	<u>843,829,233</u>	<u>100.00</u>

Note 1: Exuberant Global Limited (“**Exuberant Global**”) holds 58,840,000 Shares. Exuberant Global also holds convertible bonds convertible into 161,587,999 Shares. Exuberant Global is wholly and beneficially owned by Mr. Dai Di. Accordingly, Mr. Dai Di is deemed to be interested in the Shares held by Exuberant Global.

Note 2: Time Prestige Holdings Limited (“**Time Prestige**”) holds 5,360,000 Shares. Time Prestige also holds convertible bonds convertible into 26,868,571 Shares. Time Prestige is wholly and beneficially owned by Mr. Dai Hao. Accordingly, Mr. Dai Hao is deemed to be interested in the Shares held by Time Prestige. In addition, by virtue of being the spouse of Ms. Jin Yu, Mr. Dai Hao is also deemed to be interested in the Shares held by Bustling Capital Limited (“**Bustling Capital**”).

Note 3: Bustling Capital holds 13,400,000 Shares. Bustling Capital also holds convertible bonds convertible into 67,171,428 Shares. Bustling Capital is wholly and beneficially owned by Ms. Jin Yu. Accordingly, Ms. Jin Yu is deemed to be interested in the Shares held by Bustling Capital. In addition, by virtue of being the spouse of Mr. Dai Hao, Ms. Jin Yu is also deemed to be interested in the Shares held by Time Prestige.

Note 4: Certain percentage figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 16 March 2021. No share certificate will be issued to the Placees directly in respect of the Placing Shares under the Compensatory Arrangement and the Placing Shares will be settled directly between the Company and the Placing Agent.

COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES IN FULLY-PAID FORM

Dealings in the Rights Shares, in their fully-paid form, and the Placing Shares are expected to commence on the Stock Exchange at 9:30 a.m. on 17 March 2021.

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

Hong Kong, 15 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>.