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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)

**(1) FULFILLMENT OF PROFIT GUARANTEE
IN RELATION TO THE ACQUISITION OF
PRIMA FINANCE HOLDINGS LIMITED
AND
(2) PROFIT WARNING**

This announcement is made by Capital Finance Holdings Limited (formerly known as “Ming Kei Holdings Limited”) (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 17.10 of the GEM Listing Rules.

Fulfillment of profit guarantee

Reference is made to the announcements of the Company dated 23 December 2013 and 25 June 2014 (the “**Announcements**”) and the circular of the Company dated 30 May 2014 (the “**Circular**”) in relation to, among others, the Acquisition and Completion of the Acquisition. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Circular.

As disclosed in the Circular, subject to the 2014 Actual Profit, the Company shall pay Exuberant Global (or its nominee(s)) the Earn-out Consideration pursuant to the Acquisition Agreement.

The Board is pleased to announce that the Company has received the auditors' certificate confirming that the 2014 Actual Profit exceeded the benchmarked profit level for paying the Earn-out Consideration in full, therefore apart from returning the Deferred Convertible Bonds in the amount of HK\$6,699,179 to Exuberant Global, the Company shall settle the Earn-out consideration of HK\$336 million in the following manner, (i) issue of Convertible Bonds in the principal amount of HK\$236,000,000 to Exuberant Global; (ii) payment of HK\$50,000,000 in cash to Exuberant Global; and (iii) issue of Promissory Notes in the principal amount of HK\$50,000,000 to Exuberant Global.

Profit warning

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a substantial loss (the "**Substantial Loss**") for the nine months ended 31 December 2014 as compared to the loss for the nine months ended 31 December 2013.

Based on the information currently available to the Group and preliminary review of the unaudited consolidated financial information of the Company for the nine months ended 31 December 2014, the Substantial Loss was mainly attributable to the (i) fair value loss on contingent consideration of approximately HK\$398 million mainly arising from the fulfilment of profit guarantee in relation to the Acquisition as mentioned above; (ii) non-cash impairment loss on goodwill arising from the Acquisition of approximately HK\$262.6 million mainly as a result of the increase in the Company's share price which led to an increase in the fair value of the Initial Consideration and contingent Consideration (comprising the consideration shares and Convertible Bonds issued by the Company and the contingent convertible bonds may be issued by the Company) as at the date of completion of the Acquisition on 25 June 2014; and (iii) fair value loss on an investment property of approximately HK\$41 million.

The effective interest on the convertible bonds issued by the Company, which was accounted as finance costs, is also a cause of the Substantial Loss for the nine months ended 31 December 2014.

Shareholders and investors are reminded that apart from the HK\$50 million cash and Promissory Notes in principal amount of HK\$50 million payable to Exuberant Global included in the calculation of fair value loss on contingent consideration, the abovementioned impairment loss/fair value losses are non-cash in nature and do not have any impact on the operating cash flows of the Group and the Board remains positive on the prospects of the Group.

The information contained in this announcement is only based on information currently available and the preliminary review by the Board. Shareholders and potential investors are therefore, advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Capital Finance Holdings Limited
Mr. Han Jianli
Chairman and Executive Director

Hong Kong, 4 February 2015

As at the date of this announcement, the executive Directors are Mr. Han Jianli and Mr. Wong Wai Sing, the non-executive Director is Mr. Tsang Ho Ka, Eugene, and the independent non-executive Directors are Mr. Kwok Kam Tim, Mr. Du Hui and Mr. Chen Yihua.

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>.