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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Financial Adviser to the Company**



**INCU Corporate Finance Limited**

**Placing Agent**



**美高證券有限公司**  
METRO CAPITAL SECURITIES LTD

**Metro Capital Securities Limited**

#### **PLACING OF NEW SHARES**

On 10 March 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent conditionally agreed to place, on a best efforts basis, to not less than six Places for up to 51,800,000 new Shares at a price of HK\$0.58 per Placing Share.

The Placing Price of HK\$0.58 per Placing Share represents:

- (a) a discount of approximately 3.33% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 10 March 2015, being the date of the Placing Agreement; and
- (b) the average of the closing prices of approximately HK\$0.58 per Share as quoted on the Stock Exchange for the last five full trading days of the Shares immediately prior to the date of the Placing Agreement.

The maximum 51,800,000 Placing Shares represent approximately 5.35% of the existing issued share capital of the Company of 968,380,284 Shares as at the date of this announcement and approximately 5.08% of the Company's entire issued share capital as enlarged after the Placing. The net proceeds from the Placing of approximately HK\$29.1 million (assuming the Placing Shares are fully placed and after deducting the placing commission and all relevant expenses) will be used for early settlement of part of the promissory notes issued in relation to the Acquisition and as general working capital of the Group.

The issue of the Placing Shares will be made under the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the annual general meeting of the Company held on 31 July 2014.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

**Shareholders and potential investors should note that the completion of the Placing is subject to the fulfillment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

### Date

10 March 2015 (after trading hours)

- (a) the Company; and
- (b) the Placing Agent.

One of the directors of the Placing Agent was an ex-Director of the Company in the past 12-month period. Nevertheless, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

### **Placees**

The Placing Shares will be placed to not less than six Placees and who and whose ultimate beneficial owners will be Independent Third Parties. None of the Placees will become a Substantial Shareholder immediately after completion of the Placing.

### **Number of Placing Shares**

Up to 51,800,000 new Shares will be placed by the Placing Agent on a best efforts basis. Assuming the Placing Shares are fully placed, the Placing Shares represent approximately 5.35% of the existing issued share capital of the Company of 968,380,284 Shares as at the date of this announcement and approximately 5.08% of the Company's entire issued share capital as enlarged by the Placing. The maximum aggregate nominal value of the Placing Shares will be HK\$518,000.

### **Placing Price**

The Placing Price of HK\$0.58 per Placing Share represents:

- (a) a discount of approximately 3.33% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 10 March 2015, being the date of the Placing Agreement; and
- (b) the average of the closing prices of approximately HK\$0.58 per Share as quoted on the Stock Exchange for the last five full trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was arrived at, after arm's length negotiation between the Company and the Placing Agent on the date (after trading hours) of the Placing Agreement with reference to the recent trading price of the Shares on the Stock Exchange. The Directors consider that the Placing Price is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Placing Agent will receive a placing commission of 2% on the gross proceeds of the actual number of Placing Shares being placed.

## **General Mandate**

The allotment and issue of the Placing Shares will be made under the general mandate granted to the Directors pursuant to the resolutions of the Shareholders passed at the annual general meeting of the Company held on 31 July 2014 to allot, issue and deal with up to 20% of the issued share capital of the Company as at the date of the annual general meeting, which is 193,676,056 Shares. The 51,800,000 Placing Shares to be allotted and issued will utilise approximately 26.75% of the said general mandate. As such, no Shareholders' approval is required for the allotment and issue of the Placing Shares.

## **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, shall rank pari passu in all respects among themselves and with the Shares in issue at the time of allotment and issue of the Placing Shares.

## **Conditions Precedent**

The Placing is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (a) the Listing Committee of the Stock Exchange having granted or agreeing to grant approval for the listing of, and permission to deal in, the Placing Shares; and
- (b) the Placing Agreement not having been terminated in accordance with its terms.

Application will be made to the Stock Exchange for approval for the granting of the listing of and permission to deal in the Placing Shares.

## **Completion**

Completion shall take place at 4:00 p.m. (Hong Kong time) on the Completion Date (or such other date and time as may be agreed by the parties) at the principal place of business of the Company (or such other place to be agreed between the Placing Agent and the Company).

If the conditions precedent of the Placing are not fulfilled by the Long Stop Date, the Placing Agreement shall terminate and neither the Placing Agent nor the Company will have any claim against the other in respect of the Placing save for any antecedent breach of the Placing Agreement.

## **Termination of the Placing Agreement**

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. (Hong Kong time) on the Completion Date if any of the following develops, occurs or comes into force:

- (a) there shall have come to the notice of the Placing Agent any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any material breach of any of the obligations of the Company under the Placing Agreement;
- (b) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof), including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions in Hong Kong, other countries or territories and which in the reasonable opinion of the Placing Agent or the Company (as the case may be) would materially prejudice the success of the Placing or trading of the Shares in the market;
- (c) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, or the Company (as the case may be) is or may be materially adverse to the business or financial position or prospects of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;  
or
- (d) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against each other in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligations under the Placing Agreement.

## **REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in (i) short-term financing services in the PRC; (ii) property investment; and (iii) business of coal trading between the PRC and Indonesia.

Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be approximately HK\$30.0 million. The net proceeds (assuming the Placing Shares are fully placed and after deducting the placing commission and all relevant expenses), will be approximately HK\$29.1 million, representing a net issue price of approximately HK\$0.56 per Placing Share. The Company intends to apply the net proceeds as early settlement of part of the promissory notes issued in relation to the Acquisition and as general working capital of the Group.

The Directors considered that the Placing represents an opportunity for the Group to raise equity capital to reduce the liabilities of the Company. The use of the proceeds in early settlement of part of the promissory notes which carry interest of 8% per annum will reduce the interest expenses of the Company. In addition, the Placing will broaden the Company's shareholder base and strengthen its capital base and working capital position. Accordingly, the Directors consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The following are fund raising activities of the Company during the past 12 months immediately preceding the date of this announcement.

<b>Date of announcements</b>	<b>Event</b>	<b>Net proceeds</b> <i>(Approximate HK\$)</i>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds</b>
8 May 2014	Placing of new Shares under general mandate to not less than six places for up to 44,500,000 new Shares at a price of HK\$0.450 per placing Share	HK\$19.7 million	(i) funding the Acquisition; (as disclosed on the announcement of the Company dated 23 December 2013); and (ii) as the general working capital of the Group	(i) approximately HK\$13.2 million had been used for settlement of the Acquisition related expenses; and (ii) approximately HK\$6.5 million had been used as general working capital
		Total: <u>HK\$19.7 million</u>		

Save as disclosed above, the Company did not raise any other funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Placing which assumes the Placing is fully placed are and will be as follows:–

	As at the date of this announcement		Immediately upon completion of the Placing assuming all the Placing Shares are fully placed	
	Number of Shares	Approx. %	Number of Shares	Approx. %
<b>Director</b>				
Mr. Wong Wai Sing (“Mr. Wong”) (Note 1)	112,076	0.01	112,076	0.01
<b>Substantial Shareholders</b>				
Mr. Dai Di (Note 2)	174,200,000	17.99	174,200,000	17.08
Mr. Dai Hao & Ms. Jin Yu (Notes 3 and 4)	93,800,000	9.69	93,800,000	9.19
<b>Public Shareholders</b>				
The Placees	–	–	51,800,000	5.08
Other public Shareholders	700,268,208	72.31	700,268,208	68.64
<b>Total</b>	<b>968,380,284</b>	<b>100.00</b>	<b>1,020,180,284</b>	<b>100.00</b>

Notes:

- Mr. Wong is the vice chairman and the executive Director of the Company and is also the beneficial owner of 36,400 Shares. In addition, 75,676 Shares are held by Ming Kei International Holding Company Limited (“MKIH”), a company which is beneficially and wholly owned by Mr. Wong, the sole director of MKIH. Accordingly, Mr. Wong is deemed to be interested in the 75,676 Shares held by MKIH.
- Mr. Dai Di is interested in 174,200,000 Shares, through Exuberant Global Limited, a company wholly and beneficially owned by him.
- Mr. Dai Hao is the brother of Mr. Dai Di. Mr. Dai Hao is interested in 26,800,000 Shares, through Time Prestige Holdings Limited (“Time Prestige”), a company wholly and beneficially owned by him. In addition, by virtue of being the spouse of Ms. Jin Yu, Mr. Dai Hao is also deemed to be interested in the 67,000,000 Shares held by Bustling Capital Limited (“Bustling Capital”).



4. Ms. Jin Yu is interested in 67,000,000 Shares, through Bustling Capital, a company wholly and beneficially owned by her. In addition, by virtue of being the spouse of Mr. Dai Hao, Ms. Jin Yu is also deemed to be interested in the 26,800,000 Shares held by Time Prestige.

## **GENERAL**

**Shareholders and potential investors should note that the completion of the Placing is subject to the fulfillment of conditions precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Acquisition”	the very substantial acquisition in relation to the acquisition of the entire equity interest in and shareholder’s loans to Prima Finance Holdings Limited and completed on 25 June 2014
“Board”	the board of Directors from time to time
“Business Day(s)”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Company”	Capital Finance Holdings Limited (formerly known as Ming Kei Holdings Limited), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the GEM

“Completion Date”	a date on which the Placing is completed in accordance with the terms and conditions of the Placing Agreement, which shall be the second Business Day following the fulfilment of the condition precedent under the Placing Agreement
“Director(s)”	the director(s) of the Company from time to time
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	parties which are not connected persons of the Company (as defined in the GEM Listing Rules) and are independent of and not connected with the Company and its connected persons
“Long Stop Date”	24 March 2015 or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any professional, institutional and/or individual investors independent of and not connected with or acting in concert with any of the directors, substantial shareholders and chief executive of the Company or any of its subsidiaries and their respective associates or any parties acting in concert with any of them (as the case may be) procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement

“Placing Agent”	Metro Capital Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the Placing Agreement dated 10 March 2015 entered into between the Placing Agent and the Company in relation to Placing
“Placing Price”	HK\$0.58 per Placing Share
“Placing Share(s)”	a maximum of 51,800,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holders of the issued Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meanings ascribed to it under the GEM Listing Rules
“%”	per cent

On behalf of the board of  
**Capital Finance Holdings Limited**  
**Mr. Han Jianli**  
*Chairman and Executive Director*

Hong Kong, 10 March 2015

*As at the date of this announcement, the executive Directors are Mr. Han Jianli and Mr. Wong Wai Sing, 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 7 days from the date of its posting and the Company’s website at [www.capitalfinance.hk](http://www.capitalfinance.hk).*