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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)

DISCLOSEABLE TRANSACTION
IN RELATION TO THE CONSULTANCY SERVICE AGREEMENT

The Board of Capital Finance Holdings Limited is pleased to announce that on 25 June 2018, Beijing Wanchi, an indirect wholly owned-subsiary of the Company, entered into a Consultancy Service Agreement with Party A whereby Beijing Wanchi has agreed to provide consultancy service to Party A in relation to acquisition of equity interest in an individual third party. Party A has agreed to pay a fee of RMB10,000,000 (equivalent to approximately HK\$12,100,000) to Beijing Wanchi for the consultancy service provided under the Consultancy Service Agreement.

As the relevant applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) of the transaction exceed 5% but are less than 25%, the entering into the Consultancy Service Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

On 25 June 2018, Beijing Wanchi, an indirect wholly owned-subsiary of the Company, entered into a Consultancy Service Agreement with Party A whereby Beijing Wanchi has agreed to provide consultancy service to Party A in relation to acquisition of equity interest in an individual third party. Party A has agreed to pay a fee of RMB10,000,000 (equivalent to approximately HK\$12,100,000) to Beijing Wanchi for the consultancy service provided under the Consultancy Service Agreement. A summary of the major terms and conditions of the Consultancy Service Agreement are set out below:

Date 25 June 2018

Parties (a) Beijing Wanchi
(b) Party A

Consultancy service fee A lump-sum fee of RMB10,000,000 (equivalent to approximately HK\$12,100,000) is payable by Party A to Beijing Wanchi

Default The consultancy service fee once paid shall not be refundable

REASONS AND BENEFITS OF THE CONSULTANCY SERVICE TRANSACTION

The amount of consultancy service fee payable under the Consultancy Service Agreement was determined after arm's length negotiation between Beijing Wanchi and Party A, and also with reference to the consideration payable in connection with the acquisition of equity interests by Party A.

Following the entering into the Consultancy Service Agreement, the Group can obtain revenue and cashflow stream from the consultancy service fee earned. The Group intends to use the proceeds as general working capital of the Group.

The Directors consider that the entering into of the Consultancy Service Agreement is on normal commercial terms which are made on an arm's length basis and the terms are fair and reasonable and in the best interest of the Group and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company and the Group

The Company is an investment holding company. The principal activity of the Group is provision of short-term financing services in the PRC and Hong Kong.

Beijing Wanchi is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. Beijing Wanchi is principally engaged in the provision of entrusted loan, financial consultancy service, investment consultancy service and business information consultancy service.

Party A

Party A is a limited liability company established in the PRC and it is principally engaged in economic trading consultancy service, business planning service, business management consultancy service, financing consultancy service, education consultancy service, travelling consultancy service, marketing research, literary creation and sales of daily supplies.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Party A and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER GEM LISTING RULES

As the relevant applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) of the transaction exceed 5% but are less than 25%, the entering into the Consultancy Service Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context otherwise requires:

“Beijing Wanchi”	北京萬馳科技有限公司(Beijing Wanchi Technology Company Limited*), an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Capital Finance Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on GEM
“Consultancy Service Agreement”	the Consultancy Service Agreement dated 25 June 2018 entered into between Beijing Wanchi and Party A
“Director(s)”	The director(s) of the Company
“Exchange”	The Stock Exchange of Hong Kong Limited
“GEM”	GEM operated by the Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Party A”	A limited liability company established in the PRC, which is principally engaged in economic trading consultancy service, business planning service, business management consultancy service, financing consultancy service, education consultancy service, travelling consultancy service, marketing research, literary creation and sales of daily supplies

“PRC”	the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	Shareholder(s) of the Company
“%”	Per cent

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

Hong Kong, 25 June 2018

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB1:HK\$1.21. 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 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 of the Company 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 <http://www.capitalfinance.hk>.

* *For identification purposes only*