

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 INVOLVING PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 11 January 2023, Beijing Micro-financing, an indirect subsidiary of the Company, as lender has entered into the Revolving Loan Agreement A, the Revolving Loan Agreement B and the Revolving Loan Agreement C with the Borrower A, the Borrower B and the Borrower C, respectively. Pursuant to the Revolving Loan Agreements, the Lender has agreed to grant the loans with (i) total aggregate amount up to RMB4.1 million (equivalent to approximately HK\$4.7 million), comprising an amount up to RMB2.1 million (equivalent to approximately HK\$2.4 million) and RMB2 million (equivalent to approximately HK\$2.3 million), respectively to the Borrower A and the Borrower B; and (ii) an amount up to RMB1.5 million (equivalent to approximately HK\$1.7 million) to the Borrower C, for a term of 12 months. During the 12-month period preceding the Transaction A and the Transaction B, the Group has previously granted loans in the amount of RMB2.4 million (equivalent to approximately HK\$2.8 million) and RMB2 million (equivalent to approximately HK\$2.3 million) under the Previous Loan A and the Previous Loan B to the Borrower D and the Borrower C, respectively, the total amount of all of which have been fully repaid as at the date of this announcement.

The Directors consider that the Revolving Loan Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group. As (i) the Borrower A is the spouse of the Borrower B and the son of the Borrower D; and (ii) the Revolving Loan Agreement A, the Revolving Loan Agreement B and the Previous Loan A agreement were entered into within a 12-month period, the transactions contemplated under the Revolving Loan Agreement A, the Revolving Loan Agreement B and the Previous Loan A agreement are required to be aggregated pursuant to the GEM Listing Rules. As certain applicable percentage ratios for the Transaction A and the Previous Loan A are more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transaction A and the Previous Loan A constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As certain applicable percentage ratios for the Transaction B and the Previous Loan B are more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transaction B and the Previous Loan B constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 11 January 2023, Beijing Micro-financing, an indirect subsidiary of the Company, as lender has entered into the Revolving Loan Agreement A, the Revolving Loan Agreement B and the Revolving Loan Agreement C with the Borrower A, the Borrower B and the Borrower C, respectively. Pursuant to the Revolving Loan Agreements, the Lender has agreed to grant the loans with (i) total aggregate amount up to RMB4.1 million (equivalent to approximately HK\$4.7 million), comprising an amount up to RMB2.1 million (equivalent to approximately HK\$2.4 million) and RMB2 million (equivalent to approximately HK\$2.3 million), respectively to the Borrower A and the Borrower B; and (ii) an amount up to RMB1.5 million (equivalent to approximately HK\$1.7 million) to the Borrower C, for a term of 12 months. During the 12-month period preceding the Transaction A and the Transaction B, the Group has previously granted loans in the amount of RMB2.4 million (equivalent to approximately HK\$2.8 million) and RMB2 million (equivalent to approximately HK\$2.3 million) under the Previous Loan A and the Previous Loan B to the Borrower D and the Borrower C, respectively, the total amount of all of which have been fully repaid as at the date of this announcement.

THE REVOLVING LOAN AGREEMENT A

Date of the Revolving Loan Agreement A	:	11 January 2023
Lender	:	Beijing Micro-financing
Borrower A	:	Mr. Gao Yunpeng (高雲鵬)
Facility amount	:	Up to RMB2.1 million (equivalent to approximately HK\$2.4 million)
Interest rate	:	1.3% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Availability period	:	12 months from the date of the Revolving Loan Agreement A (the “ Availability Period ”)
Loan period	:	Any duration from the first draw down date to the end of the Availability Period, provided that the minimum loan period is 1 month

- Expected draw down : The Borrower A may, depending on his own funding requirements, serve a written notice to the Lender for the desired amount of the first draw down, and subsequent draw downs may be requested by the Borrower A from time to time during the Availability Period, provided that the aggregate draw downs do not exceed the facility amount
- Security : Pledged Property A
- Repayment : The Borrower A shall repay the interests on a monthly basis and repay the facility amount at the end of the loan period or on demand by the Lender upon occurrence of an event of default, whichever is earlier
- Re-borrowing : The Borrower A may during the Availability Period re-borrow in whole or in part the loan in accordance with the terms and conditions of Revolving Loan Agreement A provided that, among others, the total aggregate amount borrowed and re-borrowed do not exceed the facility amount

THE REVOLVING LOAN AGREEMENT B

- Date of the Revolving Loan Agreement B : 11 January 2023
- Lender : Beijing Micro-financing
- Borrower B : Ms. Man Yuan (滿媛)
- Facility amount : Up to RMB2 million (equivalent to approximately HK\$2.3 million)
- Interest rate : 1.3% per month (on a 30-day month basis) and payable in arrears on a monthly basis
- Availability period : 12 months from the date of the Revolving Loan Agreement B (the “**Availability Period**”)
- Loan period : Any duration from the first draw down date to the end of the Availability Period, provided that the minimum loan period is 1 month

Expected draw down	:	The Borrower B may, depending on her own funding requirements, serve a written notice to the Lender for the desired amount of the first draw down, and subsequent draw downs may be requested by the Borrower B from time to time during the Availability Period, provided that the aggregate draw downs do not exceed the facility amount
Security	:	Pledged Property A
Repayment	:	The Borrower B shall repay the interests on a monthly basis and repay the facility amount at the end of the loan period or on demand by the Lender upon occurrence of an event of default, whichever is earlier
Re-borrowing	:	The Borrower B may during the Availability Period re-borrow in whole or in part the loan in accordance with the terms and conditions of Revolving Loan Agreement B provided that, among others, the total aggregate amount borrowed and re-borrowed do not exceed the facility amount

THE REVOLVING LOAN AGREEMENT C

Date of the Revolving Loan Agreement C	:	11 January 2023
Lender	:	Beijing Micro-financing
Borrower C	:	Mr. Wei donglin (魏東林)
Facility amount	:	Up to RMB1.5 million (equivalent to approximately HK\$1.7 million)
Interest rate	:	1.3% per month (on a 30-day month basis) and payable in arrears on a monthly basis
Availability period	:	12 months from the date of the Revolving Loan Agreement C (the “ Availability Period ”)
Loan period	:	Any duration from the first draw down date to the end of the Availability Period, provided that the minimum loan period is 1 month

- Expected draw down : the Borrower C may, depending on his own funding requirements, serve a written notice to the Lender for the desired amount of the first draw down, and subsequent draw downs may be requested by the Borrower C from time to time during the Availability Period, provided that the aggregate draw downs do not exceed the facility amount
- Security : Pledged Property B
- Repayment : The Borrower C shall repay the interests on a monthly basis and repay the facility amount at the end of the loan period or on demand by the Lender upon occurrence of an event of default, whichever is earlier
- Re-borrowing : The Borrower C may during the Availability Period re-borrow in whole or in part the loan in accordance with the terms and conditions of Revolving Loan Agreement C provided that, among others, the total aggregate amount borrowed and re-borrowed do not exceed the facility amount

INFORMATION OF THE BORROWERS AND THE BORROWER D

The Borrower A, the Borrower B, the Borrower C and the Borrower D are individuals who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, are merchants and third parties independent from the Company and its connected person. The Borrower A is the spouse of the Borrower B and the son of the Borrower D.

SECURITY

The revolving loans under the Revolving Loan Agreement A and the Revolving Agreement B are secured by a first legal charge in respect of a residential property (the “**Pledged Property A**”) located in Beijing, the PRC, with a total building area of approximately 93.12 square meters. If any default occurs, the Lender is entitled to recover the outstanding amount, including but not limited to principal, interest, penalty, realisation expenses, through realisation of the Pledged Property A. Based on the best estimation of the Directors with reference to the open market data, the value of the Pledged Property A is approximately RMB5.8 million (equivalent to approximately HK\$6.7 million).

The revolving loan under the Revolving Loan Agreement C is secured by a first legal charge in respect of a residential property (the “**Pledged Property B**”) located in Beijing, the PRC, with a total building area of approximately 123.77 square meters. If any default occurs, the Lender is entitled to recover the outstanding amount, including but not limited to principal, interest, penalty, realisation expenses, through realisation of the Pledged Property B. Based on the best estimation of the Directors with reference to the open market data, the value of the Pledged Property B is approximately RMB2.7 million (equivalent to approximately HK\$3.1 million).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Pledged Property A and the Pledged Property B are not charged to any other parties other than being charged to the Lender.

SOURCE OF FUNDING

The loans are financed by the Group’s internal resources.

INFORMATION ON THE GROUP AND THE LENDER

The Group is principally engaged in short-term financing services in the PRC and Hong Kong.

The Lender is limited liability company established in the PRC and an indirect subsidiary of the Company held through certain structured agreements. The Lender is principally engaged in provision of micro-financing services in Beijing, the PRC.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE TRANSACTIONS

Since provision of short-term financing services in the PRC is one of the principal activities of the Group, the Transactions are in the ordinary and usual course of business of the Group.

The terms of the Revolving Loan Agreements (including the facility amount, the interest rate and the loan period) were negotiated on an arm’s length basis between the Lender and the Borrowers after assessing, among others, (i) the financing needs requested by the Borrowers; and (ii) the quality and estimated value of the security provided.

In addition, taking into account that the Group has taken appropriate approval procedures before entering into the Revolving Loan Agreements and interest income is expected to be generated, the Directors consider that the terms of the Transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

The Directors consider that the Revolving Loan Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group. As (i) the Borrower A is the spouse of the Borrower B and the son of the Borrower D; and (ii) the Revolving Loan Agreement A, the Revolving Loan Agreement B and the Previous Loan A agreement were entered into within a 12-month period, the transactions contemplated under the Revolving Loan Agreement A, the Revolving Loan Agreement B and the Previous Loan A agreement are required to be aggregated pursuant to the GEM Listing Rules. As certain applicable percentage ratios for the Transaction A and the Previous Loan A are more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transaction A and the Previous Loan A constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. As certain applicable percentage ratios for the Transaction B and the Previous Loan B are more than 5% but less than 25% under Rule 19.07 of the GEM Listing Rules, the Transaction B and the Previous Loan B constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the meanings set out below unless the context requires otherwise:

“Beijing Micro-financing”	北京中金福小額貸款有限責任公司 (Beijing Zhongjinfu Micro-financing Company Limited*), an indirect subsidiary of the Company held through certain structured agreements
“Board”	the board of Directors
“Borrower A”	Mr. Gao Yunpeng (高雲鵬), the spouse of Ms. Man Yuan and the son of Mr. Gao Dali
“Borrower B”	Ms. Man Yuan (滿媛), the spouse of Mr. Gao Yunpeng and the daughter-in-law of Mr. Gao Dali
“Borrower C”	Mr. Wei donglin (隗東林)
“Borrower D”	Mr. Gao Dali (高大力), the father of Mr. Gao Yunpeng and the father-in-law of Ms. Man Yuan
“Borrowers”	Borrower A, Borrower B and Borrower C
“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
“connected person”	has the meaning ascribed to it under the GEM Listing Rules

“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Beijing Micro-financing
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Previous Loan A”	a loan in the amount of RMB2.4 million (equivalent to approximately HK\$2.8 million) previously granted to the Borrower D in the preceding 12-month period before the date of this announcement, which was subsequently repaid in full
“Previous Loan B”	a loan in the amount of RMB2 million (equivalent to approximately HK\$2.3 million) previously granted to the Borrower C in the preceding 12-month period before the date of this announcement, which was subsequently repaid in full
“Revolving Loan Agreement A”	the revolving loan agreement dated 11 January 2023 entered into between the Lender and the Borrower A in relation to the secured loan with the facility amount of not more than RMB2.1 million (equivalent to approximately HK\$2.4 million) conditionally agreed to be granted by the Lender to the Borrower A
“Revolving Loan Agreement B”	the revolving loan agreement dated 11 January 2023 entered into between the Lender and the Borrower B in relation to the secured loan with the facility amount of not more than RMB2 million (equivalent to approximately HK\$2.3 million) conditionally agreed to be granted by the Lender to the Borrower B
“Revolving Loan Agreement C”	the revolving loan agreement dated 11 January 2023 entered into between the Lender and the Borrower C in relation to the secured loan with the facility amount of not more than RMB1.5 million (equivalent to approximately HK\$1.7 million) conditionally agreed to be granted by the Lender to the Borrower C

“Revolving Loan Agreements”	Revolving Loan Agreement A, Revolving Loan Agreement B and Revolving Loan Agreement C
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction A”	the provision of the financial assistance to the Borrower A and the Borrower B pursuant to the Revolving Loan Agreement A and the Revolving Loan Agreement B
“Transaction B”	the provision of the financial assistance to the Borrower C pursuant to the Revolving Loan Agreement C
“Transactions”	Transaction A and Transaction B
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	Per cent

* *English name is for identification purposes only.*

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

Hong Kong, 11 January 2023

In this announcement, translation of RMB into HK\$ is based on the exchange rate of RMB1:HK\$1.152. 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 Ms. Li Wei; and the independent non-executive Directors are Mr. Chen Yihua, Mr. Lee Zak Yuen and Mr. Chan Ngai Fan.

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 website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the Company’s website at <http://www.capitalfinance.hk>.