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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)

**SUPPLEMENTAL ANNOUNCEMENT
CONNECTED TRANSACTION
PROPOSED ISSUE OF
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE
AND
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

Reference is made to the announcement of the Company dated 4 April 2022 (the “**Announcement**”) in relation to, among others, the entering into of the Subscription Agreements and the proposed issue of the Convertible Bonds, which constitute connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

As disclosed in the Announcement, the subscription monies of the Subscription will be set off against the outstanding principal amounts of the 2014 Convertible Bonds and the 2015 Convertible Bonds (the “**Setting Off**”). The Setting Off is based on the terms of the 2014 Convertible Bonds and the 2015 Convertible Bonds, which allows early repurchase by the Company and is essentially an early redemption of the 2014 Convertible Bonds and the 2015 Convertible Bonds and there is no alternation of the terms to the 2014 Convertible Bonds and/or the 2015 Convertible Bonds.

Pursuant to FAQ Series 28 issued by the Stock Exchange, transactions or arrangements involving issuance of new shares by a listed issuer to its connected person are exempt from the connected transaction Rules only if they fall under the circumstances described in Rule 20.90 of the GEM Listing Rules. Accordingly, the proposed issue of the Convertible

Bonds to the connected persons of the Company at the subsidiary level will be subject to announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Rule 20.99 of the GEM Listing Rules does not apply to the Subscription Agreements and the Subscription Agreements will be subject to announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The independent board committee (the “**Independent Board Committee**”) comprising all the independent non-executive Directors has been established and an independent financial adviser has been appointed (with details as stated below) to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Board is pleased to announce that Giraffe Capital Limited (“**Giraffe Capital**”), a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed issue of the Convertible Bonds to the connected persons of the Company at the subsidiary level and the Subscription Agreements.

The letter of advice from Giraffe Capital and the recommendation of the Independent Board Committee will be included in the circular to be despatched by the Company to the Shareholders on or before 31 May 2022.

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

Hong Kong, 3 May 2022

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 GEM website for at least seven days from the date of its posting and the Company’s website at <http://www.capitalfinance.hk>.