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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)

POSITIVE PROFIT ALERT

This announcement is made by Capital Finance Holdings Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”), it is expected to record a profit for the three months ended 30 June 2015 as compared to a loss of approximately HK\$290 million for the corresponding period in 2014 (the “**Expected Turnaround**”).

The Expected Turnaround was mainly attributable to:

- (i) no impairment loss on goodwill and fair value loss on contingent consideration were recorded for the three months ended 30 June 2015, while losses of approximately HK\$262.5 million and approximately HK\$18.8 million were recorded respectively in the same period last year; and
- (ii) increase in revenue from the short-term financing services business, acquired on 25 June 2014, due to revenue of this segment for a full 3-month period was incorporated into the Group’s financial results for the three months ended 30 June 2015, while revenue of this segment for a 5-day period of approximately HK\$1 million was recorded in the same period last year.

As the Company is still in the process of finalising the first quarterly results of the Group for the three months ended 30 June 2015, the information contained in this positive profit alert announcement is only based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group for the three months ended 30 June 2015, which have not been reviewed nor audited by the Company's auditor or the audit committee of the Company. Further details of the Group's financial information for the three months ended 30 June 2015 will be disclosed in the unaudited first quarterly results announcement, which are expected to be published on or about 10 August 2015.

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, 3 August 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. Chen Yihua and Mr. Du Hui.

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>.