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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)**

**PROFIT WARNING**

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 information currently available to the Company and preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2017, the Group is expected to record a significant decrease in revenue by approximately 33% for the year ended 31 December 2017 as compared to that for the year ended 31 December 2016. This is mainly attributable to the significant decrease in income from the financial consultancy business and a moderate decrease in interest income from loans made to customers during the year ended 31 December 2017 due to the unfavorable market environment and the slowdown in economic growth in the Mainland China.

Despite the significant decrease in revenue, the Group is expected to record a significant decrease in loss attributable to owners of the Company by approximately 90% for the year ended 31 December 2017 as compared to the substantial loss attributable to owners of the Company of approximately HK\$254 million for the year ended 31 December 2016.

The expected significant decrease in loss was mainly attributable to no non-cash impairment losses on goodwill and intangible assets in relation to the short-term financing cash generating unit was recorded for the year ended 31 December 2017, while an impairment loss of approximately HK\$151.7 million and HK\$149 million (after deferred tax liabilities of approximately HK\$37.3 million) on goodwill and intangible assets relating to the short-term financing cash generating unit respectively was recorded for the year ended 31 December 2016.

The Company is in the process of finalising the results of the Group for the year ended 31 December 2017. The information contained in this announcement is only based on a preliminary assessment by the Board according to the preliminary unaudited consolidated management accounts of the Group for the year ended 31 December 2017 which have not been reviewed by the Company's audit committee and Company's auditor.

Further details of the Group's financial results and performance will be disclosed in the 2017 final results announcement of the Company which is expected to be announced on or about 13 March 2018.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 5 March 2018

*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 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>.*