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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 GEM of the Exchange (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 2019, the Group is expected to record an increase in loss attributable to owners of the Company by approximately 24% for the year ended 31 December 2019 as compared to the loss attributable to owners of the Company of approximately HK\$29.6 million for the year ended 31 December 2018. The expected increase in loss was mainly attributable to the net effect of (i) decrease in total revenue by approximately 27% for the year ended 31 December 2019 as compared to that for the year ended 31 December 2018 as a result of the unfavorable market environment and the slowdown in the People’s Republic of China’s economic growth; (ii) decrease in other income and other gains and losses due to absence of one-off recovery of bad debts and waive of interest expenses on promissory notes during the year ended 31 December 2019 (2018: approximately HK\$12.6 million and HK\$3.2 million respectively); and (iii) charge of loss allowance for expected credit losses (the “**ECLs**”) on loans to customers (net of corresponding deferred tax impacts) of approximately HK\$31.5 million was recorded for the year ended 31 December 2018 while immaterial reversal of loss allowance for ECLs on loans to customers was recorded for the year ended 31 December 2019.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019, the information contained in this announcement is only based on the Company's preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available to the Group. The annual results of the Group for the year ended 31 December 2019 are not yet finalised nor reviewed by the audit committee and the auditor of the Company. Further details of the Group's financial information for the year ended 31 December 2019 will be disclosed in the annual results announcement, which is expected to be published on or around 19 March 2020.

The information contained in this announcement is only based on information currently available and the preliminary review by the Board. Shareholders and potential investors of the Company are therefore, 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, 10 March 2020

*As at the date of this announcement, the executive Directors are Mr. Zhang Wei and Ms. Li Wei, 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 "Latest Listed Company Information" page of the GEM website for at least seven days from the date of its posting and on the website of the Company at <http://www.capitalfinance.hk>.*