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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 three months ended 31 March 2020, it is expected to record an increase in loss attributable to owners of the Company for the three months ended 31 March 2020 by approximately 207% as compared to the loss attributable to owners of the Company of approximately HK\$8.8 million for the three months ended 31 March 2019.

The expected increase in loss was mainly attributable to the unfavorable economic environment and the extreme market and operating conditions caused by COVID-19 pandemic. As a result, the Group is expected to record (i) a decrease in total revenue for the three months ended 31 March 2020 by approximately 28% as compared to that for the three months ended 31 March 2019; and (ii) a charge of loss allowance for expected credit losses (“**ECLs**”) on loans to customers (net of corresponding deferred tax impacts) of approximately HK\$12.7 million for the three months ended 31 March 2020 as compared to the immaterial reversal of loss allowance for ECLs on loans to customers for the three months ended 31 March 2019.

As the Company is still in the process of finalising the first quarterly results of the Group for the three months ended 31 March 2020, 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 first quarterly results of the Group for the three months ended 31 March 2020 are not yet finalised nor reviewed by the audit committee of the Company. Further details of the Group's financial information for the three months ended 31 March 2020 will be disclosed in the unaudited first quarterly results announcement, which is expected to be published on or around 11 May 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, 6 May 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>.*