

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the “Exchange”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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 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 six months ended 30 June 2023 (the “**Interim Period**”), the Group is expected to record a profit attributable to owners of the Company of approximately HK\$2.8 million for the Interim Period as compared to a loss attributable to owners of the Company of approximately HK\$28.9 million for the corresponding period in 2022 (the “**Expected Turnaround**”).

The Board considers that the Expected Turnaround was mainly attributable to the following factors:

1. a reversal of loss allowance for expected credit losses (“**ECLs**”) on loans to customers (net of corresponding deferred tax impacts) of approximately HK\$5.6 million for the Interim Period while a charge of loss allowance for ECLs on loans to customers (net of corresponding deferred tax impacts) of approximately HK\$5.5 million for the six months ended 30 June 2022 mainly due to improvement of customers’ ageing in view of the fact that the adverse impact of the COVID-19 pandemic has gradually waned in 2023 following China’s relaxation of the COVID-19 restrictions since December 2022;

2. a decrease in fair value loss on financial assets at fair value through profit or loss for the Interim Period by approximately HK\$8.3 million as compared to that for the six months ended 30 June 2022; and
3. a decrease in finance cost for the Interim Period by approximately HK\$5.9 million as compared to that for the six months ended 30 June 2022 as a result of partial redemption of convertible bonds by the Group and the conversion of the convertible bonds by the convertible bonds holders of the Group during the year ended 31 December 2022 and the Interim Period.

As the Company is still in the process of finalising the interim results of the Group for the Interim Period, 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 interim results of the Group for the Interim Period are not yet finalised nor reviewed by the audit committee of the Company. Further details of the Group's financial information for the Interim Period will be disclosed in the unaudited interim results announcement, which is expected to be published on or around 11 August 2023.

**Shareholders and potential investors of the Company 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, 4 August 2023

*As at the date of this announcement, the executive Directors are Mr. Zhang Wei, Ms. Li Wei and Mr. Mang Sheung Lok; 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 website of the Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and the Company's website at <http://www.capitalfinance.hk>.*