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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 six months ended 30 June 2024 (the “**Interim Period**”), the Group is expected to record a loss attributable to owners of the Company of approximately HK\$12 million for the Interim Period as compared to a profit attributable to owners of the Company of approximately HK\$2.8 million for the corresponding period in 2023.

The Board considers that the expected loss for Interim Period was mainly due to the combined effects of the following factors:

1. a significant decrease in total revenue by approximately HK\$15.5 million for the Interim Period as compared to that for the six months ended 30 June 2023 as a result of the unfavorable economic environment, the challenging industry landscape and the complex market competition conditions.
2. a charge of loss allowance for expected credit loss (“**ECL**”) on loans to customers of approximately HK\$2.5 million for the Interim Period while a reversal of loss allowance for ECL on loans to customers of approximately HK\$7.5 million for the six months ended 30 June 2023. The increase in the charge of loss allowance for ECL for the Interim Period was mainly due to the deterioration of the customer’s aging and the decline of the expected recoverable value of collaterals and guarantees, which was mainly driven by the unfavorable economic environment, the challenging industry landscape, and the complex market competition conditions.

3. a decrease in finance cost for the Interim Period by approximately HK\$4.0 million as compared to that for the six months ended 30 June 2023 as a result of partial redemption of convertible bonds made by the Group during the year ended 31 December 2023 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 by end of August 2024 in compliance with the GEM Listing Rules.

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

By Order of the Board
Capital Finance Holdings Limited
Zhang Wei
Executive Director

Hong Kong, 19 August 2024

As at the date of this announcement, the executive Directors are Mr. Mang Sheung Lok, Mr. Zhang Wei and Ms. Li Wei; and the independent non-executive Directors are Mr. Chen Yihua, Mr. Chan Ngai Fan and Ms. Cheung Yin Man Monica.

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>.