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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)**

**(1) PERFORMANCE OF PROFIT  
GUARANTEE IN RELATION TO  
THE ACQUISITION OF  
AUTO-SERVE GROUP AND  
(2) POSITIVE PROFIT ALERT**

This announcement is made by Capital Finance Holdings Limited (the “**Company**”) pursuant to the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 17.10 of the GEM Listing Rules.

**PERFORMANCE OF PROFIT GUARANTEE**

Reference is made to the announcements of the Company dated 13 January 2015, 23 January 2015, and 13 March 2015 (the “**Announcements**”) in relation to, among others, the acquisition of Sale Equity in 北京奧拓思維軟件有限公司 (Beijing Auto-serve Software Company Limited\*) and Sale Shares of Vibrant Youth Limited (collectively referred to as the “**Auto-serve Group**”), which involves the issue of Consideration Shares under General Mandate. Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

As disclosed in the Announcements, subject to the Actual Aggregated Profit of the Auto-serve Group for the year ended 31 December 2015, the Company shall pay Vendor C and Vendor D (or their nominee(s)) the Earn Out Consideration Shares pursuant to the Agreement (as amended and supplemented by the Supplemental Agreement).

The Board is pleased to announce that the Company has received the auditors' certificate confirming that the Actual Aggregated Profit for the year ended 31 December 2015 is approximately RMB5,287,000, and the Adjusted 2015 Earn Out Consideration Shares to be approximately 26,512,000 shares of the Company.

The Adjusted 2015 Earn Out Consideration Shares will be allotted and issued to the Vendor C and Vendor D (or their nominee(s)) within 10 Business Days from the issue of the audited financial statements of Beijing Auto-serve Software Company Limited and audited consolidated financial statements of Vibrant Youth Limited for the year ended 31 December 2015.

### **POSITIVE PROFIT ALERT**

The Board wishes to inform the Shareholders and potential investors that the Company and its subsidiaries (the “**Group**”) is expected to record a profit for the nine months ended 31 December 2015 as compared to the loss attributable to owners of the Company of approximately HK\$960 million for the year ended 31 March 2015 (the “**Expected Turnaround**”).

Based on the information currently available to the Group and preliminary review of the unaudited consolidated financial information of the Group for the nine months ended 31 December 2015, the Expected Turnaround was mainly attributable to the combined effects of:

- (i) No non-cash impairment loss on goodwill and fair value loss on contingent consideration in relation to the short-term financing cash generating unit were recorded for the nine months ended 31 December 2015, while losses of approximately HK\$538.5 million and approximately HK\$398 million were recorded, respectively, for the year ended 31 March 2015.
- (ii) No non-cash fair value loss on investment property was recorded for the nine months period ended 31 December 2015 while a non-cash fair value loss on an investment property of approximately HK\$51 million was recorded for the year ended 31 March 2015.
- (iii) Increase in non-cash fair value gain on contingent consideration shares of Auto-serve Group from approximately HK\$11 million for the year ended 31 March 2015 to approximately HK\$25.6 million for the nine months ended 31 December 2015.
- (iv) Increase in non-cash impairment loss on goodwill of Auto-serve Group from approximately HK\$7.6 million for the year ended 31 March 2015 to approximately HK\$33.9 million for the nine months ended 31 December 2015.

**The information contained in this announcement is only based on the preliminary assessment of unaudited management accounts of the Group by the management of the Group and information currently available to the Group. The annual results of the Group for the nine months ended 31 December 2015 are yet to be finalised.**

**Further details of the Group's financial information will be published in the annual results of the Group for the nine months ended 31 December 2015, which is expected to be announced on or about 11 March 2016.**

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

Hong Kong, 2 March 2016

*As at the date of this announcement, the executive Directors are Mr. Zhang Wei, Mr. Wong Wai Sing and Mr. Han Jianli, and the independent non-executive Directors are Mr. Chen Yihua, Mr. Du Hui and Ms. Sze Sau Wan.*

*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>.*

\* *For identification purpose only*