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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)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO POSITIVE PROFIT ALERT**

Reference is made to the Positive Profit Alert Announcement of Capital Finance Holdings Limited (the “**Company**”) dated 6 August 2019 relating to, among other things, the Company and its subsidiaries (the “**Group**”), was expected to record a substantial increase in profit attributable to owners of the Company for the six months ended 30 June 2019. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to clarify that the gain arising from the amendment to convertible bonds (please see circular dated 30 March 2019 of the Company) as a result of extension of maturity date of convertible bonds was re-classified as deemed capital contribution, which was recognised in the equity of the Company. Accordingly, the profit attributable to owners of the Company for the six months ended 30 June 2019 is now expected to turn around to a loss attributable to owners of the Company. Profit Warning Announcement was then issued.

Shareholders and potential investors 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, 9 August 2019

As at the date of this announcement, the executive Directors are Mr. Zhang Wei and Mr. Yang Bo; 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 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>.