**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 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 year ended 31 December 2025 (the "**Year 2025**"), the Group is expected to record a loss attributable to owners of the Company not less than HK$28 million for the Year 2025 as compared to the loss attributable to owners of the Company of approximately HK$16.9 million for the year ended 31 December 2024 (the "**Year 2024**").

The Board considers that the expected increase in loss was mainly attributable to a combination of following factors:

1. an increase in administrative and other expenses by approximately HK$7.7 million as compared to that for the Year 2024 as a result of an increase in staff costs and donation expenses made to a university to support the establishment of the Center for AI Accounting and Finance;

2. an increase in cumulative exchange loss previously recognised in other comprehensive income arising from the deregistration of a subsidiary for the Year 2025 by approximately HK$4.1 million attributable to the completion of the deregistration of subsidiaries;

3. an increase in income tax expenses by approximately HK$24 million as compared to that for the Year 2024 as a result of reversal of temporary difference related to the expected credit loss ("**ECL**") attributable to the decrease in loans to customers; and

Such impact was mitigated by:

4. a reversal of loss allowance for ECL on loans to customer by approximately HK$17.8 million as compared to that for the Year 2024 as a result of the decrease in the loans to customers.

As the Company is still in the process of finalising the annual results of the Group for the Year 2025, 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 annual results of the Group for the Year 2025 are not yet finalised nor reviewed by the audit committee and/or the auditor of the Company. Further details of the Group's financial information for the Year 2025 will be disclosed in the annual results announcement, which is expected to be published by end of March 2026 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**
**Zeng Zhiyun**
*Chairman and Executive Director*

Hong Kong, 11 March 2026

*As of the date of this announcement, the executive Directors are Mr. Zeng Zhiyun (Chairman), Ms. Qiu Mengru (Chief Executive Officer), Ms. Li Wei and Mr. Wong Ming Fair Victor; and the independent non-executive Directors are Mr. Tang Wai Yau, Mr. Li Wei and Mr. Wu Chennan.*