

*Hong Kong Exchanges and Clearing Limited and 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)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG  
LIMITED (THE “EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Capital Finance Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (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.*

The board of Directors (the “**Board**”) of the Company is pleased to report the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Interim Period**”) together with the unaudited comparative figures for the corresponding period in 2024, as follows:

## UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

*For the six months ended 30 June 2025*

		Six months ended 30 June	
		2025 (Unaudited) HK\$'000	2024 (Unaudited) HK\$'000
	Notes		
Revenue	4	14,493	5,968
Other income and other gains and losses, net	4	1,064	3,820
Administrative and other expenses		(12,862)	(12,464)
Reversal/(Charge) of loss allowance for expected credit loss (“ <b>ECL</b> ”) on loans to customers	13(b)	8,860	(2,460)
Finance costs	5	<u>(3,173)</u>	<u>(4,643)</u>
Profit/(Loss) before income tax	6	8,382	(9,779)
Income tax expenses	7	<u>(16,313)</u>	<u>(3,427)</u>
<b>Loss for the period</b>		<b><u>(7,931)</u></b>	<b><u>(13,206)</u></b>
<b>(Loss)/Profit for the period attributable to:</b>			
Owners of the Company		(8,149)	(12,030)
Non-controlling interests		<u>218</u>	<u>(1,176)</u>
		<b><u>(7,931)</u></b>	<b><u>(13,206)</u></b>
<b>Loss per share attributable to owners of the Company</b>			
– Basic and diluted (Hong Kong cents)	9	<b><u>(8.68)</u></b>	<b><u>(29.53)</u></b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Loss for the period</b>	<b><u>(7,931)</u></b>	<b><u>(13,206)</u></b>
<b>Other comprehensive income/(expense) for the period</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
– Exchange differences on translation of share of other comprehensive income of a joint venture	–	3
– Exchange differences on translation of financial statements of foreign operations	<b>3,451</b>	<b>(4,127)</b>
<i>Item that has been reclassified to profit or loss:</i>		
– Reclassification on exchange reserve upon disposal of subsidiaries and a joint venture	<b><u>(407)</u></b>	<b><u>–</u></b>
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b><u>3,044</u></b>	<b><u>(4,124)</u></b>
<b>Total comprehensive expense for the period</b>	<b><u>(4,887)</u></b>	<b><u>(17,330)</u></b>
<b>Total comprehensive (expense)/income attributable to:</b>		
Owners of the Company	<b>(6,623)</b>	<b>(15,215)</b>
Non-controlling interests	<b><u>1,736</u></b>	<b><u>(2,115)</u></b>
	<b><u>(4,887)</u></b>	<b><u>(17,330)</u></b>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2025*

		<b>30 June 2025</b>	31 December 2024
		<b>(Unaudited)</b>	<b>(Audited)</b>
	Notes	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>776</b>	919
Right-of-use assets	10	<b>2,078</b>	2,276
Investment properties	11	–	2,043
Intangible assets		–	–
Goodwill		–	–
Repossessed assets	12	<b>1,622</b>	1,575
Investment in a joint venture		–	–
Deferred tax assets		<b>11,675</b>	26,656
Loans to customers	13	<b>762</b>	4,423
		<b>16,913</b>	37,892
<b>Current assets</b>			
Loans to customers	13	<b>48,342</b>	44,361
Prepayments, deposits and other receivables		<b>665</b>	1,149
Cash and cash equivalents		<b>84,502</b>	72,243
		<b>133,509</b>	117,753

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 30 June 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
<b>Current liabilities</b>			
Accrued expenses, other payables and deposits received		7,866	6,059
Tax payables		96	143
Amounts due to directors	14	–	995
Amount due to a shareholder	15	400	–
Promissory notes	16	65,689	66,913
Lease liabilities		570	556
		<u>74,621</u>	<u>74,666</u>
<b>Net current assets</b>		<u>58,888</u>	<u>43,087</u>
<b>Total assets less current liabilities</b>		<u>75,801</u>	<u>80,979</u>
<b>Non-current liabilities</b>			
Promissory notes	16	6,678	6,891
Lease liabilities		1,862	1,940
		<u>8,540</u>	<u>8,831</u>
<b>Net assets</b>		<u><u>67,261</u></u>	<u><u>72,148</u></u>
<b>Capital and reserves</b>			
Issued capital	17	938	938
Reserves		31,956	38,579
		<u>32,894</u>	<u>39,517</u>
Equity attributable to owners of the Company		32,894	39,517
Non-controlling interests		34,367	32,631
<b>Total equity</b>		<u><u>67,261</u></u>	<u><u>72,148</u></u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Reserves							Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Issued capital	Share premium	Contributed surplus	Capital reserve	Exchange reserve	Statutory reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2025 (Audited)	938	704,127	193,569	304,635	(75,600)	18,644	(1,106,796)	39,517	32,631	72,148
(Loss)/Profit for the period	-	-	-	-	-	-	(8,149)	(8,149)	218	(7,931)
<b>Other comprehensive income/(expense)</b>										
<i>Item that may be reclassified subsequently to profit or loss:</i>										
Exchange differences on translation of										
– financial statements of foreign operations	-	-	-	-	1,933	-	-	1,933	1,518	3,451
<i>Item that has been reclassified to profit or loss:</i>										
Reclassification on exchange reserve upon disposal of subsidiaries and a joint venture	-	-	-	-	(407)	-	-	(407)	-	(407)
Other comprehensive income for the period	-	-	-	-	1,526	-	-	1,526	1,518	3,044
Total comprehensive income/(expense) for the period	-	-	-	-	1,526	-	(8,149)	(6,623)	1,736	(4,887)
Transfer to statutory reserve	-	-	-	-	-	341	(341)	-	-	-
Transfer upon disposal of subsidiaries	-	-	-	-	-	(1)	1	-	-	-
As at 30 June 2025 (Unaudited)	938	704,127	193,569	304,635	(74,074)	18,984	(1,115,285)	32,894	34,367	67,261

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 June 2024

	Reserves								Equity attributable to owners of the Company	Non-controlling interests	Total equity
	Issued capital	Share premium	Contributed surplus	Capital reserve	Exchange reserve	Convertible bonds reserve	Statutory reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024 (Audited)	782	696,772	193,569	304,635	(75,634)	10,769	24,775	(1,104,532)	51,136	38,376	89,512
Loss for the period	–	–	–	–	–	–	–	(12,030)	(12,030)	(1,176)	(13,206)
<b>Other comprehensive expense</b>											
<i>Items that may be reclassified subsequently to profit or loss:</i>											
Exchange differences on translation of											
– share of other comprehensive income of a joint venture	–	–	–	–	3	–	–	–	3	–	3
– financial statements of foreign operations	–	–	–	–	(3,188)	–	–	–	(3,188)	(939)	(4,127)
Other comprehensive expense for the period	–	–	–	–	(3,185)	–	–	–	(3,185)	(939)	(4,124)
Total comprehensive expense for the period	–	–	–	–	(3,185)	–	–	(12,030)	(15,215)	(2,115)	(17,330)
Transfer from statutory reserve	–	–	–	–	–	–	(5,667)	5,667	–	–	–
<b>Transactions with owners</b>											
Issue of new shares upon placing (Note 17)	156	7,355	–	–	–	–	–	–	7,511	–	7,511
Redemption of New 2023 CB (as defined in Annual Report 2024) by cash	–	–	–	–	–	(2,259)	–	–	(2,259)	–	(2,259)
Transactions with owners	156	7,355	–	–	–	(2,259)	–	–	5,252	–	5,252
As at 30 June 2024 (Unaudited)	938	704,127	193,569	304,635	(78,819)	8,510	19,108	(1,110,895)	41,173	36,261	77,434

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	HK\$'000	HK\$'000
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations		12,775	21,985
Interest received		464	754
Income taxes paid		(675)	(4,032)
<b>Net cash from operating activities</b>		<b>12,564</b>	<b>18,707</b>
<b>INVESTING ACTIVITIES</b>			
Net cash inflow on disposal of subsidiaries and a joint venture		6	–
Proceeds from disposal of investment properties		2,043	–
<b>Net cash from investing activities</b>		<b>2,049</b>	<b>–</b>
<b>FINANCING ACTIVITIES</b>			
Advance from a director		–	170
Advance from a shareholder		400	–
Issue of new shares upon placing	17	–	7,820
Payment for transaction costs attributed to issue of shares upon placing	17	–	(309)
Repayment for lease liabilities	10	(166)	(380)
Redemption of convertible bonds		–	(20,391)
Redemption of promissory notes	16	(4,060)	(8,416)
Interest paid on promissory notes	16	(339)	(183)
<b>Net cash used in financing activities</b>		<b>(4,165)</b>	<b>(21,689)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,448</b>	<b>(2,982)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>72,243</b>	<b>93,183</b>
<b>Effect of foreign exchange rate changes, net</b>		<b>1,811</b>	<b>(1,951)</b>
<b>Cash and cash equivalents at end of the period</b>		<b>84,502</b>	<b>88,250</b>
<b>Analysis of the balances of cash and cash equivalents</b>			
Bank balances and cash		84,502	88,250



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

## 1. GENERAL INFORMATION

The Company was previously incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and continues as an exempted company with limited liability in accordance with the Bermuda Companies Act 1981 upon the change of domicile of the Company from the Cayman Islands to Bermuda becoming effective on 30 November 2009, and its shares are listed on GEM of the Exchange. The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is at Suite No. 2, 15/F, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is principally engaged in investment holding. The Group is principally engaged in provision of short-term financing services and information technology (“IT”) solutions and consultancy services in financial sector in the People’s Republic of China (the “PRC”) and Hong Kong.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Exchange.

The Interim Financial Statements have been prepared under the historical cost basis except for investment properties which were stated at fair value. The Interim Financial Statements are presented in Hong Kong dollars (“**HK\$**”), which is same as the functional currency of the Company, and rounded to the nearest thousand unless otherwise indicated.

The Interim Financial Statements include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2024, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), HKASs and Interpretations issued by HKICPA. They shall be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2024 (the “**Annual Report 2024**”).

The preparation of Interim Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, significant judgements made by the Directors in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those that applied in the Annual Report 2024.

The Interim Financial Statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee (the "**Audit Committee**").

## **2.2 Principal Accounting Policies**

The Interim Financial Statements have been prepared on a basis consistent with the accounting policies adopted in the Annual Report 2024, except for the adoption of the standards, amendments and interpretations issued by the HKICPA that are first effective from the current accounting periods beginning on 1 January 2025.

The adoption of the new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current period had no significant effect on the results and financial position of the Group for the current and prior accounting periods.

At the date of authorisation of the Interim Financial Statements, the HKICPA has issued a number of new/revised HKFRS Accounting Standards that are not yet effective for the current period, which the Group has not early adopted. The directors of the Company do not anticipate that the adoption of the new/revised HKFRS Accounting Standards in future periods will have any material impact on the results and the financial position of the Group.

## **3. SEGMENT INFORMATION**

HKFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker ("**CODM**"), for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that there is only one operating segment and no further analysis for segment information is presented.

In determining the Group's geographical segments and revenues are based on the location in which the customers are located.

The Group's revenue are derived from the PRC and Hong Kong during the six months ended 30 June 2025 and 30 June 2024.

The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
Hong Kong	11,963	800
The PRC	2,530	5,168
	<u>14,493</u>	<u>5,968</u>

#### 4. REVENUE, OTHER INCOME AND OTHER GAINS AND LOSSES, NET

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Revenue</b>		
<b>Revenue from other sources</b>		
Interest income from loans to customers	3,193	5,168
Settlement gain from distressed debt assets classified in loans to customers	8,500	–
<b>Revenue from contracts with customers within HKFRS15</b>		
IT solutions and consultancy income (Note a)	2,800	800
	<u>14,493</u>	<u>5,968</u>
<b>Other income and other gains and losses, net</b>		
Exchange differences, net	(50)	(250)
Bank interest income	464	754
Gain on early redemption of convertible bonds	–	3,099
Gain on early termination of a lease	–	30
Gain on early redemption of promissory notes (Note 16)	166	91
Gain on disposal of subsidiaries and a joint venture (Note b)	417	–
Other income	67	96
	<u>1,064</u>	<u>3,820</u>

Note a: The revenue from contracts with customers under HKFRS 15 for IT solutions and consultancy income was recognised over time during the six months ended 30 June 2025 and 2024.

Note b: The Group disposed the entire interest of United Tone Investment Limited, an indirectly wholly-owned subsidiary of the Company, and its subsidiaries and a joint venture to an independent third party at a consideration of HK\$160,000, resulting a gain on disposal of subsidiaries and a joint venture of approximately HK\$417,000.

## 5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Effective interest expenses on		
– Convertible bonds	–	4,321
– Promissory notes	3,128	269
– Lease liabilities	45	53
	<u>3,173</u>	<u>4,643</u>

## 6. PROFIT/(LOSS) BEFORE INCOME TAX

The Group's profit/(loss) before income tax is arrived at after charging the following:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Staff costs (excluding directors' emoluments)		
Salaries, allowances and other benefits	7,178	5,867
Pension scheme contributions	404	446
	<u>7,582</u>	<u>6,313</u>
Auditors' remuneration	480	569
Cost of services	1,566	–
Depreciation of property, plant and equipment	157	125
Depreciation of right-of-use assets	247	543
Short-term or low value lease payments	78	75

## 7. INCOME TAX EXPENSES

The amount of income tax expenses in the unaudited condensed consolidated income statement represents:

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>Current income tax</b>		
The PRC		
Current tax charge for the period	369	836
Under-provision in respect of prior periods	—	44
	<b>369</b>	<b>880</b>
<b>Withholding tax on dividends</b>	<b>547</b>	<b>1,629</b>
<b>Deferred tax charged</b>	<b>15,397</b>	<b>918</b>
<b>Income tax expenses</b>	<b>16,313</b>	<b>3,427</b>

The Company is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which entities in the Group are domiciled and operated.

Pursuant to the rules and regulations of Bermuda, the Cayman Islands and British Virgin Islands, the Group is not subject to any income tax under these jurisdictions.

For the Interim Period, no provision for Hong Kong Profits Tax has been made as the Group had estimated tax losses brought forward to offset against the estimated assessable profits (2024: Nil).

The subsidiaries of the Group established in the PRC, save for below, are subject to enterprise income tax (“EIT”) of the PRC at 25% (2024: 25%).

According to the current effective preferential income tax policies for micro and small enterprises issued by Ministry of Finance and the State Administration of Taxation, the taxable income in periods ended 30 June 2025 and 2024 of certain subsidiaries of the Group established in the PRC were less than Renminbi (“RMB”) 3 million, which satisfies the provisions of the above income tax policies. During the Interim Period, the part of taxable income that is not in excess of RMB1 million is reduced to 25% (2024: 25%) of original total taxable income, and the applicable EIT rate is 20% (2024: 20%). Additionally, the part of taxable income that is between RMB1 million and RMB3 million is reduced to 25% (2024: 25%) of original total taxable income, and the applicable EIT rate is 20% (2024: 20%).

Dividend distribution out of profit of foreign-invested enterprises earned in the PRC subsequent to 1 January 2008 is subject to withholding income tax at a tax rate of 10% (2024:10%).

## 8. DIVIDEND

The Directors do not recommend for payment of a dividend for the Interim Period (2024: Nil).

## 9. LOSS PER SHARE

The calculations of basic loss per share for the current period and prior period are based on the loss for the period attributable to the owners of the Company, and the weighted average number of ordinary shares in issue during the current period and prior period are set forth below.

The calculations of diluted loss per share for the current period and prior period are based on the loss for the period attributable to the owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the current period and prior period and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

For the six months ended 30 June 2025, there are no potential dilutive ordinary shares in existence. For the six months ended 30 June 2024, as the Company's outstanding convertible bonds had an anti-dilutive effect to the basic loss per share calculation, the conversion of the above potential dilutive shares is not assumed in the computation of diluted loss per share. Therefore, the basic and diluted loss per share for the six months ended 30 June 2025 and 30 June 2024 are equal.

The calculations of basic and diluted loss per share attributable to owners of the Company are based on the following data:

	Six months ended 30 June	
	2025	2024
	(Unaudited) HK\$'000	(Unaudited) HK\$'000
<b>Loss</b>		
Loss attributable to the owners of the Company, used in basic loss per share calculation	(8,149)	(12,030)
Adjustment of loss attributable to the owners of the Company: Interest saving of the convertible bonds	—	—*
Loss attributable to the owners of the Company, used in the diluted loss per share calculation	<u>(8,149)</u>	<u>(12,030)</u>

Six months ended 30 June	
2025	2024
(Unaudited)	(Unaudited)
'000	'000

## Shares

Weighted average number of ordinary shares for basic loss per share calculation	93,841	40,733
Effect of dilutive potential ordinary shares:		
Conversion of convertible bonds	—	—*
Weighted average number of ordinary shares for diluted loss per share calculation	<u>93,841</u>	<u>40,733</u>

\* No adjustment/effect considered due to anti-dilutive effects

## 10. RIGHT-OF-USE ASSETS

The Group obtains right to control the use of various office premises and staff quarters for its daily operation for a period of time through lease arrangements. Lease arrangements are negotiated on an individual basis and contain a wide range of different terms and conditions including lease payments and lease terms ranging from 2 to 16 years (as at 31 December 2024: 2 to 16 years). Except for lease covenants mainly related to the maintenance and use of the leased assets that are commonly found in lease arrangements, there are no other covenants or restrictions imposed by the lease agreements. The leased assets may not be used as security for borrowing purposes.

During the Interim Period, the Group has no additions to right-of-use assets (2024: Nil).

During the Interim Period, the total cash outflow for leases was approximately HK\$244,000, including prepayment for short-term leases of approximately HK\$78,000 (six months ended 30 June 2024: total cash outflow for leases was approximately HK\$455,000 including prepayment for short-term leases of approximately HK\$75,000).

As at 30 June 2025, the weighted average effective interest rate for the lease liabilities of the Group was 3.55% per annum (as at 31 December 2024: 3.63%).

## 11. INVESTMENT PROPERTIES

	Period from 1 January 2025 to 30 June 2025 (Unaudited) HK\$'000	Year ended 31 December 2024 (Audited) HK\$'000
<b>At fair value</b>		
At the beginning of the reporting period	2,043	2,269
Disposal	(2,043)	–
Changes in fair value	–	(152)
Exchange realignments	–	(74)
<b>At the end of the reporting period</b>	<b>–</b>	<b>2,043</b>

The Group's entire property interests were held under leases to earn rental income or for capital appreciation which were measured using fair value model and were classified and accounted for as investment properties. The Group's investment properties were located in the PRC.

On 27 February 2025, Beijing Zhicheng Zhuoshi Management Consulting Services Company Limited (“**Beijing Zhicheng**”), a direct wholly-owned subsidiary of the Company, has entered into an agreement with an independent third party, pursuant to which Beijing Zhicheng has agreed to sell the property, which is a residential premise located in Beijing, for a total consideration of RMB1,920,000 (equivalent to approximately HK\$2,043,000) (the “**Disposal**”). The fair value of the property was RMB1,920,000 (equivalent to approximately HK\$2,043,000). The Disposal was completed, with no significant gain or loss on disposal of investment property recognised in the profit or loss during the six months ended 30 June 2025.

## 12. REPOSSESSED ASSETS

The Group obtained assets by taking possession of collaterals held as security in relation to loans to customers. The nature and carrying value of the assets held as at the end of the reporting period are summarised as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Reposessed properties – real estate properties in Beijing	1,622	1,575

The estimated market value of the reposessed assets held by the Group as at 30 June 2025 was approximately HK\$1,648,000 (as at 31 December 2024: approximately HK\$1,592,000). It comprises properties in respect of which the Group has acquired access or control through court proceeding. The Group will proceed to dispose of the properties within a reasonable time after possession, which is not expected to be within 12 months from the end of reporting period.



### 13. LOANS TO CUSTOMERS

		<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
	Note		
Principal and interest receivables:			
Pawn loans		<b>31,208</b>	77,093
Micro-credit loans		<b>55,545</b>	64,012
Distressed debt assets		<b>5,809</b>	5,643
Personal loans		<b>8,553</b>	7,142
		<hr/>	<hr/>
Loans to customers, gross		<b>101,115</b>	153,890
Less: Loss allowance	13(b)	<b>(52,011)</b>	(105,106)
		<hr/>	<hr/>
Loans to customers, net		<b>49,104</b>	48,784
		<hr/>	<hr/>
Analysed as:			
Non-current assets		<b>762</b>	4,423
Current assets		<b>48,342</b>	44,361
		<hr/>	<hr/>
		<b>49,104</b>	48,784
		<hr/>	<hr/>

The loans to customers are arising from the Group's pawn loans, micro-credit loans, distressed debt assets and personal loans. They represented loan principal and interest receivables from pawn loans, micro-credit loans, distressed debt assets and personal loans. The customers are obliged to settle the amounts according to the terms set out in the relevant contracts. The loan periods granted to customers are mainly ranging from 1 to 37 months.

Loss allowance on loans to customers which are short-term in duration (i.e. loan-term of less than one year) are always measured at an amount equal to lifetime ECL.

**(a) Credit Quality Analysis**

Based on the requirements of HKFRS 9, credit quality analysis of loans to customers before loss allowance for ECL as at the end of reporting period, is as follows:

	<b>30 June 2025 (Unaudited) HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Neither overdue nor credit-impaired	<b>38,133</b>	36,220
Overdue but not credit-impaired		
– overdue within 30 days	<b>5,615</b>	–
– overdue 30 to 90 days	<b>2,278</b>	4,753
Overdue and credit-impaired		
– overdue more than 90 days	<b>55,089</b>	112,917
	<b><u>101,115</u></b>	<b><u>153,890</u></b>

The Group has adopted the ECL model as required by HKFRS 9 since 1 January 2018 in assessing and measuring the loss allowance for the Group's loans to customers. As described in the above table, the management categorised the loans into mainly 3 categories: (a) neither overdue nor credit-impaired, (b) overdue but not credit-impaired and (c) overdue and credit-impaired. The management considered a number of factors in determining whether the loans are credit-impaired and concluded that, based on the Group's past experience in loan financing business and relevant forward looking information available to the Group, loans with more than 90 days past due are considered as credit-impaired.

The Group considers the past default experience of the debtor, general economic conditions of the industry in which the debtors operate, the value of collateral and an assessment of both the current as well as the forecast directions of conditions as at the reporting date.

The management reviews the individual outstanding loans at least semi-annually or more regularly when individual circumstances required. Collectively assessment on loss allowance for loans to customers are provided for portfolios of loans to customers with homogeneous collateral type while individually assessment on loss allowance for loans to customers are determined by an evaluation of the incurred loss on a case-by-case basis.

**(b) Movement of loss allowance for ECL on loans to customers under HKFRS 9:**

	<b>Period from 1 January 2025 to 30 June 2025 (Unaudited) HK\$'000</b>	<b>Year ended 31 December 2024 (Audited) HK\$'000</b>
At the beginning of the reporting period	<b>105,106</b>	109,606
(Credited)/Charged to profit or loss	<b>(8,860)</b>	5,257
Disposal	<b>(45,791)</b>	(6,132)
Exchange realignments	<b>1,556</b>	(3,625)
	<hr/>	<hr/>
At the end of the reporting period	<b>52,011</b>	105,106

Specifically, in estimating the amount of ECL, the management uses various approaches taking into account (i) ageing of the Group's loans to customers based on the categories as described above and (ii) the difference between the effective interest rate charged by the Group to the borrowers, which in the opinion of the management, reflects the market borrowing rate of the respective borrowers and the rate that the Group would charge to borrowers with low credit risk, which the management believes that the difference best reflects the Group's exposure credit risk. The Group also takes into account forward-looking information, e.g. the industry and business environment, etc. The Group has recognised loss allowance for ECL, representing approximately 51.4% (as at 31 December 2024: approximately 68.3%) of the gross carrying amount, against all loans to customers as at 30 June 2025.

The Group's loss allowance for ECL on loans to customers may also take into account the subsequent settlement, certain collateral valuation and the management's judgement on the marketability of the collateral properties and customers' capability of payment.

**14. AMOUNTS DUE TO DIRECTORS**

The amounts due to directors are unsecured, interest-free and repayable on demand.

**15. AMOUNT DUE TO A SHAREHOLDER**

The amount due to a shareholder is unsecured, interest-free and repayable on demand.

## 16. PROMISSORY NOTES

	Period from 1 January 2025 to 30 June 2025 (Unaudited) HK\$'000	Year ended 31 December 2024 (Audited) HK\$'000
At the beginning of the reporting period	73,804	13,660
Issued during the period	–	71,332
Effective interest expenses	3,128	2,919
Interest payments	(339)	(366)
Early redemption	(4,226)	(8,507)
Repayment	–	(3,234)
Settlement of matured promissory notes by issuance of new promissory notes	–	(2,000)
Carrying value at the end of the reporting period	<u>72,367</u>	<u>73,804</u>
Face value at the end of the reporting period	<u>68,325</u>	<u>72,385</u>
Analysed as:		
Non-current liabilities	6,678	6,891
Current liabilities	<u>65,689</u>	<u>66,913</u>
	<u>72,367</u>	<u>73,804</u>

On 26 March 2025, the Company has entered redemption agreements with a holder of promissory notes to early redeem promissory notes with aggregate principal amount of HK\$4,060,000 by cash settlement at consideration of HK\$4,060,000. Upon completion of the redemption, the remaining outstanding principal of promissory notes is approximately HK\$59,605,000. The carrying values of the promissory notes redeemed were approximately HK\$4,226,000 and a gain on early redemption of approximately HK\$166,000 was recognised to profit or loss during the Interim Period.

## 17. SHARE CAPITAL

	Note	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>			
As at 1 January 2024 (audited), 31 December 2024 (audited) and 30 June 2025 (unaudited), ordinary share of HK\$0.01 each		100,000,000	1,000,000
<b>Issued and fully paid:</b>			
As at 1 January 2024 (audited), ordinary shares of HK\$0.01 each		78,201	782
Issue of new shares upon placing	(a)	15,640	156
As at 31 December 2024 (audited) and 30 June 2025 (unaudited), ordinary shares of HK\$0.01 each		93,841	938

Note:

- (a) On 28 February 2024, the Company and a placing agent entered into a placing agreement to subscribe for up to 15,640,000 ordinary shares at the placing price of HK\$0.5 per share. The new shares were issued under the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 28 June 2023. The 15,640,000 new ordinary shares, with par value of HK\$0.01 each, were placed to not less than six independent placees on 14 March 2024 with gross proceeds of approximately HK\$7,820,000. The amount of approximately HK\$7,355,000, which represented the premium on the issue of shares of approximately HK\$7,664,000, net of share issue expenses of approximately HK\$309,000, was credited to the Company's share premium accounts.

## **18. RELATED PARTY TRANSACTIONS**

- (a) Lease payments of approximately HK\$118,000 (six months ended 30 June 2024: approximately HK\$119,000) were paid to a non-controlling interest of non-wholly owned subsidiary of the Group during the six months ended 30 June 2025. The lease payments were charged at approximately RMB200,000 per year with 10% increment for every 5 years from 1 September 2018 to 31 December 2034, and the future minimum lease payments under non-cancellable operating lease in respect of such property was approximately HK\$2,457,000 (30 June 2024: approximately HK\$2,626,000) as at 30 June 2025.
- (b) During the six months ended 30 June 2025, consideration received for disposal of loans to customers of approximately HK\$1,027,000 (2024: Nil) from a registered shareholder of the subsidiary under Structured Agreements (as defined in Annual Report 2024), which is a connected person of the Company according to Rule 20.07(1) of the GEM Listing Rules.

## **19. EVENT AFTER THE REPORTING PERIOD**

During the six months ended 30 June 2025, Beijing Zhicheng had filed an application for deregistration to the local authority. On 31 July 2025, the deregistration was completed.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS AND FINANCIAL REVIEW

During the Interim Period, the Group is principally engaged in the provision of short-term financing services and information technology (“IT”) solutions and consultancy services in financial sector in the PRC and Hong Kong.

The Group recorded total revenue for the Interim Period of approximately HK\$14,493,000 (2024: approximately HK\$5,968,000), representing an increase of approximately HK\$8,525,000 as compared with the corresponding period last year, since the Group is able to maintain profits before taxation with its loan portfolio and recover distressed assets amid recovering yet competitive market. The Group is also able to develop and incorporate IT solutions and transformation in order to adapt to the fast-changing business environment and capture the market opportunities with our own resource or through cooperation. This increase was mainly attributable to the settlement gain from distressed debt assets from short-term financing services in Hong Kong and the Group is expanding IT solutions services in financing sector during the Interim Period.

Other income and other gains and losses, net for the Interim Period was approximately HK\$1,064,000 (2024: approximately HK\$3,820,000), which represents a decrease of approximately HK\$2,756,000 when compared with the corresponding period of 2024. The decrease was mainly due to no gain on early redemption of convertible bonds during the Interim Period.

The administrative and other expenses for the Interim Period slightly increased by approximately HK\$398,000 to approximately HK\$12,862,000 (2024: approximately HK\$12,464,000). The increase was mainly due to the increase of the staff costs when compared to the corresponding period of 2024.

The Group recorded reversal of loss allowance for ECL on loans to customers for the Interim Period of approximately HK\$8,860,000 (2024: charge of loss allowance for ECL of approximately HK\$2,460,000), representing a decrease in charge of loss allowance of approximately HK\$11,320,000 as compared with corresponding period of 2024. The decrease in the charge for the loss allowance for ECL during the Interim Period was mainly due to the reduction in the gross amount of loans to customers’ balance.

The finance costs for the Interim Period decreased by approximately HK\$1,470,000 to approximately HK\$3,173,000 (2024: approximately HK\$4,643,000) was mainly due to the decrease in overall debt position during the Interim Period, driven by the early redemption of convertible bonds during the year ended 31 December 2024 and the early redemption of promissory notes during the year ended 31 December 2024 and the Interim Period.

Income tax expense for the Interim Period significantly increased by approximately HK\$12,886,000 to approximately HK\$16,313,000 (2024: approximately HK\$3,427,000), which was mainly due to the reversal of the temporary difference related to the loss allowance for ECL arising from the disposal of loans to customers.

The loss attributable to the owners of the Company for the Interim Period was approximately HK\$8,149,000 (2024: approximately HK\$12,030,000). The decrease in loss for the Interim Period was mainly attributable to the combined effects of (i) increase in total revenue; (ii) increase in reversal of loss allowance for ECL on loans to customers; and (iii) increase in income tax expenses as mentioned above.

## **PROSPECTS**

Looking back at the first half of 2025, China's economy operated generally stably with a positive momentum. The real economy has demonstrated strong resilience and profound potential, laying a solid foundation for the development of the industry and enabling the continuous release of the recovery momentum in the consumer market. However, the competition in the short-term financing sector has still intensified since in previous years. The domestic pawn and micro-lending environment have become increasingly challenging and continue to struggle in the second half of the year.

In this complex and demanding market environment, the Group must respond flexibly to market changes and fully leverage our group's rapid and agile lending strategy to deeply explore customer needs. Our group plans to rely on existing business resources or through partnerships to promote the Group's digital transformation using IT technologies such as blockchain, artificial intelligence (AI), and large models. The Group aims to explore innovative applications of real-world assets (RWA) in the digital finance sector and independently develop an AI intelligent service platform, including but not limited to intelligent data processing, intelligent risk control, intelligent settlement, and intelligent customer service scenarios. The Group will initiate the expansion of IT technology solutions integrated into traditional short-term financing services by leveraging existing resources. The Group will also use the short-term financing services and the construction of the intelligent service platform as an opportunity to upgrade and expand our business scope, continuously enhancing our service capabilities and market competitiveness to adapt to the rapidly changing business environment and seize market opportunities. This move will enable us to align more closely with market developments in customer acquisition, credit assessment, compliance management, and customer service, thereby transforming operational efficiency and competitive advantages into revenue growth and improved customer satisfaction amid market instability. Furthermore, by empowering finance through technology, the Group aims to enhance the Company's valuation potential, laying a solid foundation for shareholder asset appreciation.



While continuing to focus on our existing short-term financing business, our Group will also actively seek new business opportunities in China and/or Hong Kong. This strategy aims to diversify our revenue sources, strengthen core competitiveness, increase returns, and create long-term sustainable value for our shareholders.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS**

Saved as disclosed in this announcement, the Group did not process any other significant investment, acquisition or disposal of subsidiaries or associated companies during the Interim Period.

## **FURTHER PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Saved as disclosed in this announcement, the Group currently does not have any firm intention or specific plans for material investments or capital assets.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2025, the Group had other debts of approximately HK\$72,367,000 (as at 31 December 2024: approximately HK\$73,804,000). The Group will try to obtain future financing, and whenever possible and appropriate, raise fund via equity funding activities in order to further reduce the financing cost.

As at 30 June 2025, the Group had cash and cash equivalents of approximately HK\$84,502,000 (as at 31 December 2024: approximately HK\$72,243,000) which are mainly denominated in HK\$ and RMB. To manage liquidity risk, management monitors forecasts of the Group's liability position and cash and cash equivalent position on the basis of expected cash flow. The Group expects to fund the future cash flow needs through internally cash flows generated from operations and external fund raising activities from the capital market.

As at 30 June 2025, the gearing ratio for the Group was approximately 2.2 (as at 31 December 2024: approximately 1.9), calculated based on the total debts of approximately HK\$72,367,000 (as at 31 December 2024: approximately HK\$73,804,000) over shareholder's equity of approximately HK\$32,894,000 (as at 31 December 2024: approximately HK\$39,517,000). The debt ratio was approximately 0.55 (as at 31 December 2024: approximately 0.54), calculated as total liabilities over total assets of the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

## CAPITAL STRUCTURE

The capital structure of the Group during the Interim Period is summarised as follows:

### (i) Bank Borrowings

There was no bank borrowings outstanding as at 30 June 2025 and 31 December 2024.

### (ii) Promissory Notes

During the Interim Period, the Company had the promissory notes issued for the settlement of the matured New 2023 CB (the definition and details are set out in Note 25 to the Annual Report 2024) and matured promissory note. Summary of the promissory notes is as follows. Further details are set out in Note 16 to the unaudited condensed consolidated financial statements.

Date of issue	Principal amount as at 1 January 2025 (HK\$)	Interest rate per annum	Principal repayment due date (Note)	Redeemed principal amount (HK\$)	Outstanding principal amount as at 30 June 2025 (HK\$)
5 August 2024	6,720,000	8%	4 August 2026	–	6,720,000
5 August 2024	63,664,650	8%	31 December 2025	(4,060,000)	59,604,650
23 December 2024	2,000,000	7%	23 December 2025	–	2,000,000

Note: On 5 August 2024, the Company entered into an agreement with a holder of the New 2023 CB, pursuant to which the Company issued a new promissory note with principal amount of HK\$6,720,000 to settle the outstanding principal amount of HK\$6,400,000 with redemption premium of HK\$320,000 of the New 2023 CB, which was matured on 5 August 2024.

On 5 August 2024, the Company entered into an agreement with a holder of the New 2023 CB, pursuant to which the Company issued a new promissory note with principal amount of HK\$63,664,650 to settle the outstanding principal amount of HK\$60,633,000 with redemption premium of HK\$3,031,650 of the New 2023 CB, which was matured on 5 August 2024.

On 23 December 2024, the Company entered into an agreement with a promissory note holder, pursuant to which the Company issued a new promissory note with principal amount of HK\$2,000,000 to settle the outstanding amount of HK\$2,000,000 of the promissory note, which was matured on 23 December 2024.

On 26 March 2025, the Company has entered into a redemption agreement with a holder of promissory notes to early redeem promissory notes with aggregate principal amount of HK\$4,060,000 by cash settlement at consideration of HK\$4,060,000. Upon completion of the early redemption, the remaining outstanding principal of promissory notes is HK\$59,604,650. The carrying values of the promissory notes redeemed were approximately HK\$4,226,000 and a gain on early redemption of approximately HK\$166,000 was recognised to profit or loss during the Interim Period.

## **FUND-RAISING ACTIVITIES**

On 28 February 2024, the Company entered into the placing agreement to subscribe for up to 15,640,000 placing shares at the placing price of HK\$0.5 per placing share. The actual net proceeds raised from the placing of 15,640,000 ordinary shares of the Company was approximately HK\$7,511,000, which had been fully utilised during the year ended 31 December 2024.

The Company did not conduct any fund-raising activities during the Interim Period.

## **FOREIGN EXCHANGE EXPOSURE**

The Group has transactional currency exposures. Such exposures arise from the business operations in the PRC denominated in RMB. As at 30 June 2025, the Group had a minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities were principally denominated in the respective functional currency, i.e. RMB, used by the respective group entities.

The RMB is not freely convertible into other foreign currencies and conversion of the RMB into foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the PRC government. As at 30 June 2025, the Group did not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will closely monitor its foreign currency exposure and will consider using hedging instruments in respect of significant foreign currency exposure as and when appropriate.

As at 30 June 2025, the Group had no investment in any financial derivatives, foreign exchange contracts, interest or currency swaps, hedgings or other financial arrangements for hedging purposes to reduce any currency risk nor made any over-the-counter contingent forward transactions.

## **CHARGE OF GROUP ASSETS**

As at 30 June 2025 and 31 December 2024, the Group did not have any assets under charge.

## **EMPLOYEE INFORMATION AND REMUNERATION POLICY**

As at 30 June 2025, the Group employed a total of 46 employees (as at 31 December 2024: 39). The salaries and benefits of the Group's employees are maintained at a competitive level and employees are rewarded on a discretionary performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. Year-ended bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees. Staff costs, excluding Directors' emoluments, for the Interim Period amounted to approximately HK\$7,582,000 (30 June 2024: approximately HK\$6,313,000).

The Company has a share option scheme in place, please refer to the paragraph headed "Share Option Scheme" in this announcement for further details.

## **CONTINGENT LIABILITIES**

As at 30 June 2025, the Group did not have any material contingent liability (31 December 2024: Nil).

## **EVENT AFTER REPORTING PERIOD**

Details of the significant events after the Interim Period of the Group are set out in Note 19 to the unaudited condensed consolidated financial statements.

## **DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 June 2025, none of the Directors and chief executives of the Company has any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of Securities and Future Ordinance (the "SFO")) which are required to be notified to the Company and the Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required, pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules, to be notified to the Company and the Exchange.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Interim Period was the Company or any of its subsidiaries a party to any arrangement to enable any of the Directors or the chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate, and none of the Directors, their spouse or their children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the Interim Period.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO showed that, as at 30 June 2025, the following companies and persons (other than a director or chief executive of the Company as disclosed under the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or any associated corporation" above) had interests in more than 5% of the Company's issued share capital:

### Long Positions in the Shares

Name of substantial shareholder	Nature of interest/ holding capacity	Number of shares interested	
		Number of ordinary shares held	Percentage of the issued share of the Company (Note 2)
Mr. Yip Chi Him (Note 1)	Interest of a controlled corporation	26,600,000	28.35%
HSI TECHNOLOGY (HONG KONG) LIMITED (Note 1)	Beneficial Owner	26,600,000	28.35%

Notes:

1. HSI TECHNOLOGY (HONG KONG) LIMITED is wholly and beneficially owned by Mr. Yip Chi Him. Accordingly, Mr. Yip Chi Him is deemed to be interested in the 26,600,000 shares of the Company.
2. The percentage represents the number of shares interested divided by the number of the issued shares as at 30 June 2025 (i.e. 93,841,461 shares).

Save as disclosed above, the Directors are not aware of any other person (other than the Directors and chief executives of the Company) who, as at 30 June 2025, had an interest or a short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register kept by the Company under Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 18 June 2024 (the "**Adoption Date**") for the purpose of providing incentives or rewards to the eligible participants as to recognise and motivate the contribution and potential future contribution by providing them the opportunity to acquire equity interests in the Company. The Share Option Scheme will remain in force for a period of ten years commencing from the Adoption Date. Accordingly, the Share Option Scheme will expire on 17 June 2034.

Eligible participants of the Share Option Scheme include Directors, non-executive officers including independent non-executive Directors, employees of the Group, related entity participants and service providers who provide services to any member of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group.

There is no outstanding options or unvested awards at the beginning and at the end of the Interim Period. No option was granted, vested, lapsed, cancelled or exercised during the Interim Period.

As at 1 January 2025 and 30 June 2025, the total number of options available for grant under the scheme mandate limit and available for issue under the Share Option Scheme were 9,384,146. As at 1 January 2025 and 30 June 2025, the total number of options available for grant under the service provider sublimit and available for issue under the Share Option Scheme were 938,414.

## **COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the code of conduct for securities transactions by the Directors on terms no less exacting than the Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code throughout the Interim Period.

## CHANGES IN DIRECTORS' INFORMATION

Subsequent to the date of the Annual Report 2024, the changes in the Directors' information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules are set out below:

<b>Name of Director(s)</b>	<b>Details of Changes</b>
Mr. Chen Yihua	resigned as independent non-executive director of the Company, effective from 1 April 2025
Mr. Zeng Zhiyun	appointed as executive director and the Chairman of the Company, effective from 14 April 2025 and 6 June 2025 respectively. The Director's fee of Mr. Zeng was adjusted from HK\$90,000 per month to HK\$30,000 per month, effective from 7 June 2025
Mr. Li Wei	appointed as independent non-executive director of the Company, effective from 14 April 2025
Mr. Chan Ngai Fan	appointed as the chairman of the Nomination Committee effective from 14 April 2025 and redesignated as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee effective from 6 June 2025
Mr. Zhang Wei	resigned as executive director of the Company, effective from 6 June 2025
Ms. Cheung Yin Man Monica	resigned as independent non-executive director of the Company, effective from 6 June 2025
Ms. Qiu Mengru	appointed as executive director and chief executive officer of the Company, effective from 6 June 2025
Mr. Tang Wai Yau	appointed as independent non-executive director of the Company, effective from 6 June 2025
Mr. Wu Chennan	appointed as independent non-executive director of the Company, effective from 6 June 2025

## **INTERESTS IN A COMPETING BUSINESS**

During the Interim Period, none of the Directors, the controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) had engaged in any business that competes or might compete with the business of the Group, or had any other conflict of interests with the Group.

## **PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Interim Period.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to promoting high standards of corporate governance through its continuous effort in improving its corporate governance practices and process. Throughout the Interim Period, the Company has complied with all the code provisions set out in Appendix C1 Corporate Governance Code of the GEM Listing Rules.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025.

## **AUDIT COMMITTEE**

The unaudited condensed consolidated financial statements of the Group for the Interim Period have been reviewed by the Audit Committee, which was of the opinion that the preparation of such financial information complied with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

By Order of the Board  
**Capital Finance Holdings Limited**  
**Zeng Zhiyun**  
*Chairman and Executive Director*

Hong Kong, 22 August 2025

*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. Chan Ngai Fan, Mr. Li Wei and Mr. Wu Chennan.*

*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 on the Company's website at <http://www.capitalfinance.hk>.*