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首惠产融
首惠產業金融服務集團有限公司*
CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 730)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the “Board”) of Capital Industrial Financial Services Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 with comparative figures for the year ended 31 December 2023. These final results have been reviewed by the Audit Committee of the Company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue under sale and leaseback arrangements	2	157,495	188,021
Revenue from supply chain management and financial technology business	2	29,976	26,845
Property leasing income	2	4,164	4,419
Total revenue		191,635	219,285
Cost of revenue under sale and leaseback arrangements		(69,077)	(97,083)
Cost of revenue from supply chain management and financial technology business		(3,704)	(1,847)

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
Gross profit		118,854	120,355
Other income	3	20,535	18,580
Other gains, net	4	2,920	3,323
Administrative expenses		(55,593)	(61,235)
Changes in fair value of investment properties		(14,436)	(3,192)
Changes in fair value of financial assets at fair value through profit or loss		108	267
Net impairment losses on financial assets		(22,071)	(24,905)
		<hr/>	<hr/>
Operating profit		50,317	53,193
Finance costs	5	(659)	(1,307)
Share of profit of an associate	10	4,712	2,055
		<hr/>	<hr/>
Profit before income tax		54,370	53,941
Income tax expense	6	(16,722)	(11,507)
		<hr/>	<hr/>
Profit for the year		37,648	42,434
		<hr/> <hr/>	<hr/> <hr/>
Profit is attributable to:			
Owners of the Company		28,684	32,082
Non-controlling interests		8,964	10,352
		<hr/>	<hr/>
		37,648	42,434
		<hr/> <hr/>	<hr/> <hr/>
Profit for the year		37,648	42,434
		<hr/> <hr/>	<hr/> <hr/>

	2024	2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive loss		
<i>Items that will not be reclassified to profit or loss:</i>		
Currency translation differences	(33,550)	(25,244)
Share of currency translation difference of an associate for using equity method	<u>(3,226)</u>	<u>(1,155)</u>
	<u><u>(36,776)</u></u>	<u><u>(26,399)</u></u>
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(1,565)	11,552
Non-controlling interests	<u>2,437</u>	<u>4,483</u>
	<u><u>872</u></u>	<u><u>16,035</u></u>
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic and diluted (<i>HK cents</i>)	8	
	<u><u>0.72</u></u>	<u><u>0.81</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		927	626
Right-of-use assets		4,506	8,377
Investment properties		99,758	116,096
Intangible assets	9	74,769	71,806
Interests in an associate	10	86,337	84,851
Receivables under sale and leaseback arrangements	11	358,308	229,214
Financial assets at fair value through profit or loss		–	2,848
Prepayments	12	97	847
Deferred tax assets		40	465
Total non-current assets		624,742	515,130
Current assets			
Receivables under sale and leaseback arrangements	11	566,938	889,811
Receivable under credit financing arrangement		377,580	165,386
Trade receivables	12	2,752	1,558
Prepayments, deposits and other receivables	12	5,673	19,898
Amounts due from related parties		7,527	3,864
Cash and cash equivalents		282,810	319,054
Total current assets		1,243,280	1,399,571
Total assets		1,868,022	1,914,701
EQUITY			
Share capital	14	39,577	39,846
Reserves		1,355,335	1,376,076
Capital and reserves attributable to owners of the Company		1,394,912	1,415,922
Non-controlling interests		336,132	340,578
Total equity		1,731,044	1,756,500

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
LIABILITIES			
Non-current liabilities			
Loan from a related party		16,274	9,810
Lease liabilities		1,898	5,472
Deferred tax liabilities		3,577	13,454
		<hr/>	<hr/>
Total non-current liabilities		21,749	28,736
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Trade payables	<i>13</i>	1,783	10,162
Other payables and accruals	<i>13</i>	100,360	109,682
Lease liabilities		4,172	3,924
Current tax liabilities		8,914	5,697
		<hr/>	<hr/>
Total current liabilities		115,229	129,465
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		136,978	158,201
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		1,868,022	1,914,701
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Capital Industrial Financial Services Group Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its controlling shareholder, which is defined under the rules governing the listing of securities on the Hong Kong Stock Exchange (the “Listing Rules”) is Wheeling Holdings Limited, a wholly-owned subsidiary of Shougang Group Co., Ltd., a state-owned enterprise under the direct supervision of the State Council of the People’s Republic of China (the “PRC”). The addresses of the registered office and principal place of business of the Company are at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM10, Bermuda and Suite 803, 8/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong respectively.

The Company is an investment holding company. The principal activities of its significant subsidiaries are provision of sale and leaseback arrangements services, property leasing services and supply chain management and financial technology business.

Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit or loss (“FVPL”) and investment properties which are measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs require the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

Amended standards and interpretations adopted by the Group

The Group has applied the following amended standards and interpretations for the first time for the annual reporting period commencing from 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendment to Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statement — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above amended standards and interpretations did not have any significant financial impact on these consolidated financial statements.

Impact of new and amended standards and interpretations issued but not yet applied by the Group

Certain new and amended standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to HKAS 21	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to Hong Kong Interpretation 5	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has already commenced an assessment of the impact of the above new and amended standards and interpretations and does not expect to have a material impact on the Group's consolidated financial statements.

2 SEGMENT INFORMATION

The Company's managing director, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group is currently organised into three operating divisions: sale and leaseback arrangements services, property leasing services and supply chain management and financial technology business.

Sale and leaseback arrangements service is engaging in collateral financing activities. Property leasing service is engaging in rental of properties. Supply chain management and financial technology business is engaged in supply chain management and financial technology services.

Segment results represent the profit or loss of each segment without allocation of central administration costs, changes in fair value of financial assets at FVPL, gain from disposal of financial assets at FVPL, unallocated other income, finance costs and share of profit of an associate. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by operating and reportable segments. Segment revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the current and prior years.

	Sale and leaseback arrangements services <i>HK\$'000</i>	Property leasing services <i>HK\$'000</i>	Supply chain management and financial technology business <i>HK\$'000</i>	Total <i>HK\$'000</i>
During the year ended 31 December 2024				
Revenue under sale and leaseback arrangements	157,495	-	-	157,495
Revenue from supply chain management and financial technology business	-	-	29,976	29,976
Property leasing income	-	4,164	-	4,164
Segment revenue	<u>157,495</u>	<u>4,164</u>	<u>29,976</u>	<u>191,635</u>
Segment results	<u>59,044</u>	<u>(9,485)</u>	<u>8,266</u>	<u>57,825</u>
Unallocated				
Central administration costs				(33,096)
Changes in fair value of financial assets at FVPL				108
Gain from disposal of financial assets at FVPL				5,085
Other income (<i>Note</i>)				20,395
Finance costs				(659)
Share of profit of an associate				<u>4,712</u>
Profit before tax				<u>54,370</u>

	Sale and leaseback arrangements services <i>HK\$'000</i>	Property leasing services <i>HK\$'000</i>	Supply chain management and financial technology business <i>HK\$'000</i>	Total <i>HK\$'000</i>
During the year ended 31 December 2023				
Revenue under sale and leaseback arrangements	188,021	–	–	188,021
Revenue from supply chain management and financial technology business	–	–	26,845	26,845
Property leasing income	–	4,419	–	4,419
	<u>188,021</u>	<u>4,419</u>	<u>26,845</u>	<u>219,285</u>
Segment revenue	<u>188,021</u>	<u>4,419</u>	<u>26,845</u>	<u>219,285</u>
Segment results	<u>48,961</u>	<u>773</u>	<u>4,202</u>	<u>53,936</u>
Unallocated				
Central administration costs				(16,768)
Changes in fair value of financial assets at FVPL				267
Other income (<i>Note</i>)				15,758
Finance costs				(1,307)
Share of profit of an associate				<u>2,055</u>
Profit before tax				<u>53,941</u>

Notes: Unallocated other income represents interest income from bank deposits held by investment holding companies, deposit service interest income from a related party, credit financing arrangement interest income from a related party, management and financial advisory service income, financial technical service income, technology license income, government grant and others.

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

	2024	2023
	HK\$'000	HK\$'000
Segment assets		
Sale and leaseback arrangements services	1,362,155	1,393,283
Supply chain management and financial technology business	94,540	259,536
Property leasing services	101,220	116,539
	<hr/>	<hr/>
Total segment assets	1,557,915	1,769,358
Interest in an associate	86,337	84,851
Financial assets at FVPL	–	2,848
Other unallocated assets	223,770	57,644
	<hr/>	<hr/>
Consolidated assets	1,868,022	1,914,701
	<hr/>	<hr/>
	2024	2023
	HK\$'000	HK\$'000
Segment liabilities		
Sale and leaseback arrangements services	99,681	121,520
Supply chain management and financial technology business	9,640	11,917
Property leasing services	44	102
	<hr/>	<hr/>
Total segment liabilities	109,365	133,539
Other unallocated liabilities	27,613	24,662
	<hr/>	<hr/>
Consolidated liabilities	136,978	158,201
	<hr/>	<hr/>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than interests in an associate, financial assets at FVPL and other unallocated assets (including primarily unallocated property, plant and equipment, right-of-use assets, receivable under credit financing arrangement, cash and cash equivalents and prepayments, deposits and other receivables).
- all liabilities are allocated to reportable segments other than other unallocated liabilities (including primarily unallocated other payables and accruals and lease liabilities).

Other segment information

For the year ended 31 December 2024

	Sale and leaseback arrangements services HK\$'000	Property leasing services HK\$'000	Supply chain management and financial technology business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to non-current assets (<i>Note</i>)	-	-	9,003	-	9,003
Depreciation of property, plant and equipment	244	3	13	87	347
Depreciation of right-of-use assets	3,846	-	-	440	4,071
Amortisation of intangible asset	-	-	2,229	-	2,229
Provision for impairment loss of receivables under sale and leaseback arrangements, net	21,833	-	-	-	21,833
Provision for impairment loss of trade receivables and other receivables	-	-	238	-	238
	<u>-</u>	<u>-</u>	<u>9,254</u>	<u>527</u>	<u>10,038</u>

For the year ended 31 December 2023

	Sale and leaseback arrangements services HK\$'000	Property leasing services HK\$'000	Supply chain management and financial technology business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions to non-current assets (<i>Note</i>)	6	-	-	24	30
Depreciation of property, plant and equipment	242	3	13	87	345
Depreciation of right-of-use assets	2,600	-	-	432	3,032
Amortisation of intangible asset	-	-	1,331	-	1,331
Provision for impairment loss of receivables under sale and leaseback arrangements, net	25,123	-	-	-	25,123
Reversal of provision for impairment loss of trade receivables and other receivables	-	-	(218)	-	(218)
	<u>27,971</u>	<u>3</u>	<u>1,331</u>	<u>543</u>	<u>30,348</u>

Note: Non-current assets exclude goodwill, interests in an associate, financial assets at FVPL, receivables under sale and leaseback arrangements, prepayments, deferred tax assets and right-of-use assets.

Geographical information

The Group operates in two principal geographical areas — Mainland China and Hong Kong.

The Group's revenue from external customers by location of the relevant subsidiary's operations and information about its non-current assets by location of assets are detailed below:

	Revenue from external customers		Non-current assets (<i>Note</i>)	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Mainland China	191,195	218,613	105,345	114,412
Hong Kong	440	672	16,530	19,365
	191,635	219,285	121,875	133,777

Note: Non-current assets of the Group exclude goodwill, interests in an associate, financial assets at FVPL, receivables under sale and leaseback arrangements, prepayments, deferred tax assets and right-of-use assets.

Information about major customers

For the year ended 31 December 2024, no customer contributed over 10% of the total revenue of the Group (2023: same).

3 OTHER INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income		
— Bank deposits	1,047	3,122
— Deposit service interest income from a related party	3,715	426
— Credit financing arrangement interest income from a related party	8,195	8,096
	<u>12,957</u>	<u>11,644</u>
Government grant	30	1,823
Management and financial advisory service income	2,433	1,022
Financial technical service income	4,660	2,868
Technology license income	125	—
Others	330	1,223
	<u>20,535</u>	<u>18,580</u>

4 OTHER GAINS, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Gain on disposal of property, plant and equipment	156	—
Loss on write-off of intangible assets (<i>Note 9</i>)	(2,321)	—
Gain on disposal of financial assets at FVPL	5,085	—
Gain on early termination of lease arrangement	—	50
Recovery of receivables under sale and leaseback arrangements previously written-off	—	3,273
	<u>2,920</u>	<u>3,323</u>

5 FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on secured bank borrowings	—	19
Interest on loan from a related party	288	808
Interest on lease liabilities	371	480
	<u>659</u>	<u>1,307</u>

6 INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax:		
— China enterprise income tax	25,208	16,530
— Under-provision in prior years	834	—
Total current income tax	<u>26,042</u>	16,530
Deferred income tax	<u>(9,320)</u>	<u>(5,023)</u>
Income tax expense	<u>16,722</u>	<u>11,507</u>

Notes:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year ended 31 December 2024.
- (b) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for 2024 (2023: 25%).

7 Dividends

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Final dividend of 2023, proposed of HK\$0.4 cent (2022: HK\$0.3 cents) per ordinary share	—	11,954
Final dividend of 2024, proposed of HK\$0.3 cent (2023: HK\$0.4 cents) per ordinary share	<u>11,862</u>	<u>15,890</u>

On 25 March 2024, the Board has recommended the payment of a final dividend of HK\$0.4 cents per fully paid ordinary share, with total amount of approximately HK\$15,890,000 for the year ended 31 December 2023. The final dividend is subject to the shareholders’ approval at the forthcoming annual general meeting. The final dividend proposed after 31 December 2023 has not been recognised as a liability as at 31 December 2023.

On 25 March 2025, the Board has recommended the payment of a final dividend of HK\$0.3 cents per fully paid ordinary share, with total amount of approximately HK\$11,862,000 for the year ended 31 December 2024. The final dividend is subject to the shareholders’ approval at the forthcoming annual general meeting. The final dividend proposed after 31 December 2024 has not been recognised as a liability as at 31 December 2024.

8 EARNINGS PER SHARE

(a) Basic

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2024	2023
Profit attributable to equity holders of the Company (<i>HK\$'000</i>)	<u>28,684</u>	<u>32,082</u>
Weighted average number of ordinary shares (<i>thousand</i>)	<u>3,979,516</u>	<u>3,984,519</u>
Attributable to the ordinary equity holders of the Company (<i>HK cents</i>)	<u>0.72</u>	<u>0.81</u>
Total basic earnings per share attributable to the ordinary equity holders of the Company (<i>HK cents</i>)	<u>0.72</u>	<u>0.81</u>

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. No diluted earnings per share for the year ended 31 December 2024 and 2023 as there was no dilutive potential shares during the year.

9 INTANGIBLE ASSETS

	Goodwill <i>HK\$'000</i>	Supply chain financing platform <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2023			
Cost	55,543	17,640	73,183
Accumulated amortisation	–	(8,158)	(8,158)
	<u>55,543</u>	<u>9,482</u>	<u>65,025</u>
Net book value	<u>55,543</u>	<u>9,482</u>	<u>65,025</u>
Year ended 31 December 2023			
Opening net book amount	55,543	9,482	65,025
Addition	–	9,030	9,030
Amortisation charge	–	(1,331)	(1,331)
Exchange difference	(792)	(126)	(918)
	<u>54,751</u>	<u>17,055</u>	<u>71,806</u>
Closing net book value	<u>54,751</u>	<u>17,055</u>	<u>71,806</u>
At 31 December 2023			
Cost	54,751	26,388	81,139
Accumulated amortisation	–	(9,333)	(9,333)
	<u>54,751</u>	<u>17,055</u>	<u>71,806</u>
Net book value	<u>54,751</u>	<u>17,055</u>	<u>71,806</u>
Year ended 31 December 2024			
Opening net book amount	54,751	17,055	71,806
Addition	–	9,003	9,003
Write-off	–	(2,321)	(2,321)
Amortisation charge	–	(2,229)	(2,229)
Exchange difference	(1,172)	(318)	(1,490)
	<u>53,579</u>	<u>21,190</u>	<u>74,769</u>
Closing net book value	<u>53,579</u>	<u>21,190</u>	<u>74,769</u>
At 31 December 2024			
Cost	53,579	32,512	86,091
Accumulated amortisation	–	(11,322)	(11,322)
	<u>53,579</u>	<u>21,190</u>	<u>74,769</u>
Net book value	<u>53,579</u>	<u>21,190</u>	<u>74,769</u>

Loss on write-off of intangible assets of HK\$2,321,000 is recognised for the write-off during 2024 (Note 4).

Amortisation expense of HK\$2,229,000 (2023: HK\$1,331,000) was charged in cost of revenue from supply chain management and financial technology business and no amortisation expense was charged in administrative expenses (2023: same).

10 INTERESTS IN AN ASSOCIATE

Set out below is the associate of the Group as at 31 December 2024. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The associate is accounted for using the equity method in these consolidated financial statements.

Name of entity	Nature of relationship	Principal activities	Place of business/country of incorporation	Effective % of ownership interest		Carrying amount	
				2024 %	2023 %	2024 HK\$'000	2023 HK\$'000
京西商業保理有限公司 (Beijing West Business Factoring Company Limited*) (“Beijing West Business Factoring”)	Associate	Provision of factoring services in PRC	The PRC	41.41%	41.41%	86,337	84,851
						2024 HK\$'000	2023 HK\$'000
Cost of investment in associate:							
As at 31 December						84,851	83,951
Share of profits						4,712	2,055
Share of other comprehensive income						(3,226)	(1,155)
Interests in an associate						86,337	84,851

11 RECEIVABLES UNDER SALE AND LEASEBACK ARRANGEMENTS

	2024 HK\$'000	2023 HK\$'000
Current assets	566,938	889,811
Non-current assets	358,308	229,214
	925,246	1,119,025

At 31 December, the Group's receivables under sale and leaseback arrangements were receivable as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	566,938	889,811
Between 1 and 2 years	84,655	229,214
Between 2 and 3 years	199,569	–
Between 3 and 4 years	50,614	–
Between 4 and 5 years	23,470	–
	<u>925,246</u>	<u>1,119,025</u>

As at 31 December 2024, the Group receivables under sale and leaseback arrangements were not yet overdue (2023: same).

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Analysed as:		
Current receivables under sale and leaseback arrangements (receivable within 12 months)	611,036	926,041
Non-current receivables under sale and leaseback arrangements (receivable after 12 months)	381,014	239,263
	<u>992,050</u>	1,165,304
Provision of impairment loss allowance	<u>(66,804)</u>	<u>(46,279)</u>
	<u>925,246</u>	<u>1,119,025</u>
Fixed-rate receivables under sale and leaseback arrangements	925,246	1,097,975
Variable-rate receivables under sale and leaseback arrangements	–	21,050
	<u>925,246</u>	<u>1,119,025</u>

The interest rates of the variable-rate receivables under sales and leaseback arrangement represented prevailing People's Bank of China Renminbi Lending Rate ("PBC rate") or Offshore Chinese Renminbi Hong Kong Interbank Offered Rate ("CNH HIBOR") as at 31 December 2023. No variable-rate receivables under sale and leaseback arrangement as at 31 December 2024.

12 TRADE RECEIVABLES AND PREPAYMENT, DEPOSIT AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables (<i>Note (i)</i>)	2,752	1,558
Provision for impairment loss allowance	—	—
	<u>2,752</u>	<u>1,558</u>
Prepayments	320	1,086
Other receivables	4,329	18,294
Deposits	1,494	1,507
Provision for impairment loss allowance of other receivables	(373)	(142)
	<u>8,522</u>	<u>22,303</u>
Non-current	97	847
Current	<u>8,425</u>	<u>21,456</u>
	<u>8,522</u>	<u>22,303</u>

Notes:

(i) Trade receivables

The credit terms of trade receivables are normally 30 to 90 days as at 31 December 2024. The aging analysis of trade receivables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 3 months	<u>2,752</u>	<u>1,558</u>

Due to the short-term nature of the trade receivables, their carrying amounts are considered to be the same as their fair value (2023: same).

The carrying amounts of the Group's trade receivables are denominated in RMB (2023: same).

13 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables (<i>Note (i)</i>)	<u>1,783</u>	<u>10,162</u>
Accrued salaries and bonuses	13,788	13,128
Accrued legal and professional fees	3,728	2,681
Security deposits received	32,085	52,441
Other tax payables	39,399	26,271
Interest payables	12	8
Others	<u>11,348</u>	<u>15,153</u>
	<u>100,360</u>	<u>109,682</u>
	<u>102,143</u>	<u>119,844</u>

Notes:

- (i) The aging analysis of the trade payables primarily based on invoice date was as follows:

	As at 31 December	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	<u>1,783</u>	<u>10,162</u>

14 SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2023, 31 December 2023 and 31 December 2024	<u>10,000,000,000</u>	<u>10,000</u>
Issued and fully paid:		
At 1 January 2023, 31 December 2023 and 1 January 2024	3,984,639,703	39,846
Cancellation of shares (<i>Note</i>)	<u>(26,937,000)</u>	<u>(269)</u>
At 31 December 2024	<u>3,957,702,703</u>	<u>39,577</u>

Note:

During the year ended 31 December 2024, the Company repurchased 24,827,000 of its own shares (2023: 4,971,000 shares). The total amount paid to repurchase the shares was approximately HK\$3,555,000 (2023: HK\$744,000). 26,937,000 of the repurchased shares were cancelled and charged to share premium within shareholders' equity in 2024.

Subsequent to the year ended 31 December 2024, the remaining repurchased 2,861,000 shares of HK\$327,000 were cancelled and charged to share premium within shareholders' equity in February 2025.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend in the total amount of HK\$11.86 million for the year ended 31 December 2024 (2023: HK\$15.89 million), payable to shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 27 May 2025. Based on 3,953,938,703 ordinary shares of the Company in issue, such a final dividend would amount to HK0.3 cents per ordinary share.

Subject to shareholders' approval of the proposed final dividend at the Company's annual general meeting to be held on Thursday, 22 May 2025, the final dividend is expected to be paid on or about Tuesday, 15 July 2025. For determining the entitlement to the final dividend, the register of members of the Company will be closed from Wednesday, 28 May 2025 to Friday, 30 May 2025, inclusive, during such period no transfer of shares will be registered. In order to be qualified for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 27 May 2025.

For the avoidance of doubt, the Board reserves the right in its discretion to declare and pay dividends of any specified amount and the manner in which dividends are paid for any specified period. In deciding whether to recommend the payment of dividends, the Board will continue to take into account the factors set out in the dividend policy, which currently include the Group's actual and future operating conditions, profit, financial condition, liquidity requirements, cash disbursement and liquidity adequacy, investment needs, future prospects and individual factors that may be relevant.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 19 May 2025 to Thursday, 22 May 2025, inclusive, during such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 16 May 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group continued to push ahead the development philosophy of supply chain management and financial technology business, finance lease and commercial factoring as core businesses, and endeavored to become a service provider of a supply chain financial technology platform characterised by integrating industry and finance to support for industrial upgrading. The Group maintained stable growth in results by seeking progress while ensuring stability, discovering its own potential and constantly making improvement and enhancement in its ability to respond to market changes.

KEY FINANCIAL PERFORMANCE INDICATORS

The key financial performance indicators are analysed as below:

	2024	2023	
	HK\$'000	HK\$'000	Change
Financial performance			
Revenue	191,635	219,285	-13%
Gross profit margin (%)	62%	55%	7%
Profit for the year	37,648	42,434	-11%
Profit attributable to owners of the Company	28,684	32,082	-11%
Key financial indicators			
Total cash	282,810	319,054	-11%
Total assets	1,868,022	1,914,701	-2%
Total liabilities	136,978	158,201	-13%
Loan from a related party	16,274	9,810	66%
Capital and reserves attributable to owners of the Company	1,394,912	1,415,922	-2%
Current ratio	1,079%	1,081%	-2%
Basic earnings per share (<i>HK cent</i>)	0.72	0.81	-11%

FINANCIAL OVERVIEW

The Group recorded profit attributable to owners of the Company of approximately HK\$28,684,000 for the year ended 31 December 2024, as compared with profit attributable to owners of the Company of approximately HK\$32,082,000 for the year ended 31 December 2023, which was mainly due to a decrease in profit from the property leasing services segment. Revenue of the Group for the year ended 31 December 2024 was approximately HK\$191,635,000, which represented a decrease of approximately 13% when compared with that of approximately HK\$219,285,000 for the year 2023. The decrease was mainly attributable to a decrease in revenue under the sales and leaseback arrangements segment. The Group recorded a gross profit of approximately HK\$118,854,000 for the year ended 31 December 2024, representing a decrease of approximately 1% when compared with the gross profit of approximately HK\$120,355,000 for the year 2023. The Group recorded a gross profit margin of approximately 62% for the year ended 31 December 2024, representing an increase when compared with the gross profit margin of approximately 55% for the year 2023. Basic earnings per share of the Group for the year ended 31 December 2024 was HK0.72 cent (2023: basic earnings per share was HK0.81 cent).

Revenue for the year ended 31 December 2024 was approximately HK\$191,635,000, representing a decrease of approximately 13% when compared with that of approximately HK\$219,285,000 for the year 2023. The decrease was mainly attributable to the change in business direction and dedicated more resources from individual customers to corporate customers under sales and leaseback arrangements segment.

The Group recorded a gross profit of approximately HK\$118,854,000 for the year ended 31 December 2024, representing a decrease of 1%, when compared with the gross profit of approximately HK\$120,355,000 for the year 2023. The Group recorded a gross profit margin of approximately 62% for the year ended 31 December 2024, representing an increase when compared with the gross profit margin of approximately 55% for the year 2023, which was mainly attributable to significant effort has taken place on the cost control under sales and leaseback arrangements segment.

Other income for the year ended 31 December 2024 amounted to approximately HK\$20,535,000 (2023: HK\$18,580,000), representing a significant increase of approximately 11%. The increase was mainly due to the increase in deposit service interest income and financial technical service income from related parties.

Administrative expenses for the year ended 31 December 2024 amounted to approximately HK\$55,593,000 (2023: HK\$61,235,000), representing a decrease of approximately 9%. The decrease was mainly due to the decrease in research and development cost, and legal and professional expenses.

For the year ended 31 December 2024, share of profit of associates amounted to approximately HK\$4,712,000 (2023: HK\$2,055,000), as our associates continued to make contributions to the Group's profit.

BUSINESS REVIEW AND OUTLOOK

The Group continued to push ahead the development philosophy of supply chain management and financial technology business, financial leasing and commercial factoring as core businesses, endeavored to become a supply chain financial technology and service platform characterised by integrating industry and finance, and gave full play to the important role of financial services in empowering real economy. Taking advantage of our industrial advantages and competitive edges, we focus on the provision of customized and comprehensive financial service solutions to the steel industry and upstream and downstream customers on the industry chain for different business scenarios including the individual consumer leasing market, and strive to meet our medium and long-term strategic goal of continuous growth in performance.

Sale and Leaseback Arrangements Services Segment

An indirectly owned subsidiary of the Company, South China International Leasing Co., Ltd. ("South China Leasing"), principally engages in the provision of financial leasing in the PRC. The principal mode of finance lease offered by South China Leasing mainly include direct leasing and sale and leaseback arrangements. The major source of fund for this business is loans from banks and internal resources of the Group.

Direct leasing: Under this arrangement, the lessee designates the supplier of the selected equipment. Then the lessee, the equipment supplier, and South China Leasing sign a tripartite leasing contract pursuant to which South China Leasing will pay the equipment supplier for the equipment after acceptance of the equipment by the lessee and the lessee will pay South China Leasing rent for the use of the equipment based on the agreed terms.

Sale and leaseback: Under this arrangement, the lessee sells the subject equipment to South China Leasing and signs an equipment sale and purchase contract with South China Leasing. Then South China Leasing signs a sale-and-leaseback contract with the lessee. South China Leasing will pay the lessee for the equipment and the lessee will pay South China Leasing rent for using the equipment based on the agreed terms.

South China Leasing focuses on steel companies and domestic conglomerates as well as their upstream and downstream customers as its core customer groups as it would enable the Group to earn a stable revenue stream with a considerably lower risk exposure. Most customers of South China Leasing in the PRC are obtained through (a) referrals from business partners of existing customers, banks or peers and (b) marketing and sales effort from South China Leasing.

As at 31 December 2024, approximately 43% (2023: 26%) of the total receivables under the sale and leaseback arrangements was due from the Group's largest sale and leaseback customer which is a related party of the Group. As at 31 December 2024, approximately 62% (2023: 28%) of the total receivables under the sale and leaseback arrangements was due from the Group's three (2023: three) largest sale and leaseback corporate customers, of which two such customers are related parties of the Group. Such related customers accounted for approximately 43% of the total receivables under sale and leaseback arrangements, and the remaining customer accounted for approximately 19% of the total receivables under the sale and leaseback arrangements.

Customer Diversity Table

Customers	Receivables as at 31 December 2024 HK\$'000	%
Independent individual customers	346,990	38
Tonghua Steel Co., Ltd.*#	298,874	32
Beijing Enji Energy Technology Co., Ltd.*^	179,931	19
Shougang Shuicheng Iron and Steel (Group) Co., Ltd.*#	99,451	11

Notes:

Tonghua Steel Co., Ltd.* and Shougang Shuicheng Iron and Steel (Group) Co., Ltd.* are subsidiaries of Shougang Group Co., Ltd., Shougang Group Co., Ltd., a company established in the PRC, which is the holding company of Wheeling Holdings Limited, which in turn, Wheeling Holdings Limited is the controlling shareholder of the Company. Therefore, Tonghua Steel Co., Ltd.* and Shougang Shuicheng Iron and Steel (Group) Co., Ltd.* are connected persons of the Company.

^ Beijing Enji Energy Technology Co., Ltd.* is a company established in PRC with limited liability and is principally engaged in among others, (i) energy-saving technology development, technology promotion and technical services; (ii) energy contract management; (iii) sales of hardware and electricity, mechanical, special and general equipment, electronic products, instrumentation, computer hardware and software and auxiliary equipment; and (iv) engineering, procurement and construction (EPC) contracting. To the best knowledge, information and belief of the Directors after having all reasonable enquiries, Beijing Enji Energy Technology Co., Ltd.* is independent of the Company and its connected person. The Group has provided finance lease services and EMC finance lease services to Beijing Enji Energy Technology Co., Ltd.* during the year. For details, please refer to the announcements of the Company dated 25 July 2024, 29 August 2024 and in the circular of the Company dated 9 October 2024.

As at 31 December 2024, the Group had outstanding 84,850 finance lease transactions of which 84,841 finance lease transactions were with independent individual customers, with principal amounts of approximately RMB6,300 in average. The Group's finance lease customers are spread across industries such as manufacturing industries and individual mobile phone rental customers.

During the year, revenue from the sale and leaseback arrangements services segment decreased by approximately 16% to approximately HK\$157,495,000 (2023: HK\$188,021,000), and the segment recorded a profit of approximately HK\$59,044,000 (2023: HK\$48,961,000). The decrease in revenue from the sales and leaseback arrangements segment was mainly due to change in business direction and dedicated more resources from individual customers to corporate customers while the increase in segment's performance was mainly due to significant effort has taken place on the cost control.

Supply Chain Management and Financial Technology Business Segment

During the year, revenue from the supply chain management and financial technology business segment was approximately HK\$29,976,000 (2023: HK\$26,845,000). The supply chain management and financial technology business segment recorded a profit of approximately HK\$8,266,000 (2023: HK\$4,202,000). The supply chain management and financial technology business segment refers to a business model based on real trade, relying on logistics and centering around the capital flow control. Such business model enables a win-win situation for various participating entities, which include steel enterprises, banks and logistics companies, through the design and management of financial products. The supply chain management and financial technology segment focused on the electronic multi-tier transfer of creditor's rights certificates (the "Shougang Credit Certificate") and related businesses for the steel industry chain. Based on the business application scenarios of core enterprises, this business provides negotiable, apportionable and financeable electronic creditor's rights certificate to core enterprises. It is an electronic certificate created by the Group under a self-developed supply chain financial platform (the "Shougang SCF Platform") that utilise blockchain technology to create immutable and traceable digital representation of suppliers' account receivable due from anchor enterprises that suppliers can use for payment and financing purposes, and to serve the upstream and downstream of the steel industry chain. The increase in revenue and segment's performance was mainly due to the continuous expansion of business.

During the year, the Group has issued Shougang Credit Certificate via the Shougang SCF Platform with an aggregate amount of approximately RMB14.52 billion and an aggregate amount of approximately RMB11.08 billion of financing enabled by using Shougang Credit Certificate. There are approximately 3,788 suppliers and 5 financial institutions registered in Shougang SCF Platform in aggregate. Operational data and performance match with the management's expectations. The Group will further sort out procurement needs in the supply chain, analyze the settlement habit and settlement cycles of each category and supplier, so as to formulate diversified Shougang Credit Certificate products and pricing strategies to cover more application scenarios in the supply chain and gain more recognition. In addition to the existing Shougang Credit Certificate, the Group will continue to develop different products to diversify its product offerings. By doing so, the Group helps to resolve the problems faced by small-to-medium sized suppliers in business scenarios with diversified product offerings, such as financing difficulties, high financing costs, high risk control costs, credit period mismatch and inventory backlog.

In addition, the Group will continue focus on the supply chain management and financial technology business in the future, and continue to improve the intelligent construction level of the Shougang SCF Platform. Based on the actual businesses of supply chain finance, the Group will make use of the advantages of high-techs, innovate the design and create synergies for its other businesses.

Property Leasing Services Segment

During the year, revenue from the property leasing services segment slightly decreased to approximately HK\$4,164,000 (2023: HK\$4,419,000), and the segment recorded a loss of approximately HK\$9,485,000 (2023: a profit of approximately HK\$773,000). The revenue from the property leasing services segment remains stable. The decrease in profit recorded in segment results was mainly attributable to the decrease in fair value of investment properties of the property leasing services segment during the year of approximately HK\$14,436,000, which was more than last year (2023: decrease in fair value of investment properties of approximately HK\$3,192,000).

In terms of risk management, the company implements a prudent risk management and control strategy, builds a sound and reliable risk control system, and establishes a risk control decision support system with the help of information technology, optimizes and improves the efficiency of risk control decision-making, effectively helps the Group's business develop steadily, enhances the Group's long-term investment value, and lays the foundation for the Group's sustainable development.

Looking ahead into 2025, the global economy will remain sophisticated and ever-changing. Uncertain political issues as well as possible implement of additional trade protection policy will bring not only challenges but also opportunities to the market. The Group always upholds a prudent philosophy of good governance, with emphasis on risk management, attends to maintain excellent assets quality and stability of financial resources, laying a solid foundation for the Group's long-term development.

In the policy and market environment of promoting financial innovation, the Group will, keeping focusing on high-quality development, seize new opportunities in the digital economy sector, explore new paths for transformation and development, and formulate long-term business development plans. We will be committed to extending services along the steel industry chain, striving to enhance the Company's market value and elevate economic benefits to new heights. While actively expanding innovative financial service models, we will leverage our cross-border advantages, utilizing Hong Kong's superior geographical location and the convenient financing conditions of international financial markets. Through diversified financing tools and different market and currency cycles both at home and abroad, we aim to bring low cost funds and equity capital to our customers and enable the optimisation of their capital structure.

Also, in view of the national dual-carbon target and the policy guidelines of "Guiding Opinions on Further Strengthening Financial Support for Green and Low-Carbon Development" jointly issued by the People's Bank of China and the relevant regulatory authorities in the PRC, the Group will dedicate more resources to provide finance lease services for different energy management and energy conservation and renovation (EMC) projects, which align to the latest environmental policies set out by the PRC and consistent with the Group's finance lease business development strategy.

It helps the Group to achieve sustainable growth in its business scale and create greater business value for our customers, shareholders and society.

LIQUIDITY, FINANCING RESOURCES AND FINANCING ACTIVITIES

The Group aims to maintain stable funding sources and financing is arranged to balance between business requirements and cash flows. The financial leverage of the Group as at 31 December 2024 as compared to 31 December 2023 is summarized below:

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Total borrowings		
Current borrowings	–	–
Non-current borrowings	16,274	9,810
Sub-total	16,274	9,810
Total cash		
Cash and cash equivalents	282,810	319,054
Total equity	1,731,044	1,756,500
Total assets	1,868,022	1,914,701
Financial Leverage		
Current ratio	<u>1,079%</u>	<u>1,081%</u>

As at 31 December 2024, the Group had cash and cash equivalents of approximately HK\$282,810,000 (31 December 2023: HK\$319,054,000), which were mainly denominated in Hong Kong dollars, US dollars and Renminbi. The decrease was mainly attributable to the increase in receivable under credit financing arrangement of approximately HK\$219,483,000.

As at 31 December 2024, the Group's borrowings amounted to approximately HK\$16,274,000 (2023: HK\$9,810,000) and none of which (2023: Nil) was repayable within twelve months from 31 December 2024 and of which approximately HK\$16,274,000 were repayable after twelve months from 31 December 2024 (2023: HK\$9,810,000). During the year, the Group obtained new loan from a related party of approximately HK\$6,674,000 and has no new bank borrowings (2023: new loan from a related party of approximately HK\$9,810,000) for the financial leasing business and working capital of the Group. All borrowings bore interest at market rates.

CAPITAL STRUCTURE

The capital and reserves attributable to owners of the Company amounted to approximately HK\$1,394,912,000 as at 31 December 2024 (31 December 2023: HK\$1,415,922,000). The decrease was mainly due to the exchange differences arising on translation of approximately HK\$27,829,000 in total during the year. The Company did not issue any new shares during the year. Pursuant to the general mandate(s) given to the Directors, the Company repurchased a total of 24,827,000 (2023: 4,971,000) ordinary shares of HK\$0.01 each of the Company on the Stock Exchange during the year, at an aggregate consideration of approximately HK\$3,555,000 (2023: HK\$744,000) (excluding trading fee). 26,937,000 (2023: Nil) of the repurchased shares were cancelled during the year. As at 31 December 2024, the issued share capital of the Company was approximately HK\$39,577,000 (represented by approximately 3,957,703,000 issued ordinary shares).

MATERIAL ACQUISITION, DISPOSALS AND SIGNIFICANT INVESTMENT

On 20 June 2024 (after trading hours), the South China Leasing (an indirect non-wholly owned subsidiary of the Company) entered into the factoring agreement with the Meizhou Hakka Bank Co., Ltd* (梅州客商銀行股份有限公司) (the “Financing Bank”), pursuant to which South China Leasing may apply to transfer the creditor’s rights and benefits of the lease payment to be received by South China Leasing from its customers in relation to its 3C products finance leasing services (the “Account Receivables”), with book value of no more than RMB200 million (equivalent to approximately HK\$215.4 million), to the Financing Bank, and the Financing Bank may receive such creditor’s rights and benefits of the Accounts Receivables and provide South China Leasing with non-revolving factoring funds of no more than RMB200 million (equivalent to approximately HK\$215.4 million). For details, please refer to the announcement of the Company and circular of the Company dated 20 June 2024 and 4 July 2024 respectively.

Save as disclosed above, the Group had no material acquisitions, disposals and significant investment during the year.

CHARGE ON ASSETS

As at 31 December 2024, the Group had no charge on its assets.

FOREIGN EXCHANGE EXPOSURE

The normal operations and investments of the Group are mainly in Hong Kong and Mainland China, with revenue and expenditure denominated in Hong Kong dollars and Renminbi. The Directors believe that the Group does not have significant foreign exchange exposure. However, if necessary, the Group will consider using forward exchange contracts to hedge against foreign exchange exposures. As at 31 December 2024, the Group had no significant foreign exchange exposure.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2024.

EMPLOYEES

As at 31 December 2024, the Group employed 63 (31 December 2023: 59) full time employees (excluding those under the payroll of associates of the Group). The Group remunerated its employees mainly with reference to the prevailing market practice, individual performance and work experience. Other benefits such as medical coverage, insurance plan, mandatory provident fund and discretionary bonus are also available to employees of the Group. Remuneration packages are reviewed either annually or through special increment.

During the year ended 31 December 2024, the Company and its subsidiaries have not paid or committed to pay to any individual any amount as an inducement to join or upon joining the Company and/or its subsidiaries.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, the Company repurchased a total of 24,827,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$3,555,116. All such repurchased shares were cancelled during the year and subsequently.

Particulars of the shares repurchased during the year are set out below:

Month of repurchase in 2024	Number of shares repurchased	Consideration per share		Aggregate consideration paid <i>HK\$</i>
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>	
January	7,093,000	0.165	0.140	1,110,374
September	14,863,000	0.150	0.127	2,116,053
October	10,000	0.155	0.155	1,550
November	469,000	0.125	0.124	58,158
December	2,392,000	0.125	0.109	268,981
Total	<u>24,827,000</u>			<u>3,555,116</u>

The Directors considered the above repurchase reflected the Company's recognition of its own value and its confidence in the long term prospects of the industry, in which benefit the Company and create value to shareholders.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the financial year ended 31 December 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our customers, suppliers and shareholders for their continuous support to the Group. I would also extend my gratitude and appreciation to all management and staff for their hard work and dedication throughout the year.

By order of the Board
Capital Industrial Financial Services Group Limited
Sun Yajie
Chairman

Hong Kong, 25 March 2025

As at the date of this announcement, the Board comprises Ms. Sun Yajie (Chairman); Ms. Fu Yao (Managing Director); Mr. Tian Gang (Executive Director); Mr. Huang Donglin (Non-executive Director); Mr. Tam King Ching, Kenny (Independent Non-executive Director); Mr. Ng Man Fung, Walter (Independent Non-executive Director) and Ms. On Danita (Independent Non-executive Director)

* *For identification purpose only*