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## CHINA FIRST CAPITAL GROUP LIMITED

中國首控集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1269)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

#### HIGHLIGHTS

| <i>RMB' million</i>                                     | For the year ended 31 December |             | Increase |
|---|--------------------------------|-------------|----------|
|   | 2024                           | 2023        |          |
| Revenue   | 2,187.2                        | 1,833.7     | 19.3%    |
| Loss for the year attributable to owners of the Company | (393.2)                        | (347.2)     | 13.2%    |
| Basic loss per Share                                    | RMB(0.21)                      | RMB(0.19)   | 10.5%    |
| <i>RMB' million</i>                                     | 31 December                    | 31 December | Increase |
|   | 2024                           | 2023        |          |
| Total assets  | 3,087.7                        | 2,807.3     | 10.0%    |
| Deficit in equity attributable to owners of the Company | (1,877.4)                      | (1,469.3)   | 27.8%    |
| Net liability per Share <sup>(Note)</sup>               | RMB(1.02)                      | RMB(0.80)   | 27.5%    |

*Note:* Net liability per Share is arrived at by dividing the deficit in equity attributable to owners of the Company by the number of issued Shares as at the end of the year.

## ANNUAL RESULTS

The Board hereby announces the audited consolidated results of the Group for the year ended 31 December 2024.

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

|  |       | 2024                    | 2023                    |
|--|-------|-------------------------|-------------------------|
|  | NOTES | RMB'000                 | RMB'000                 |
| Revenue  | 3     | 2,187,216               | 1,833,720               |
| Cost of sales and services                             |       | <u>(1,844,587)</u>      | <u>(1,432,595)</u>      |
| Gross profit   |       | 342,629                 | 401,125                 |
| Other income and expenses                              |       | 72,096                  | 64,911                  |
| Other losses, net                                      | 4     | (45,126)                | (13,511)                |
| ECL, net of reversal                                   |       | (182,516)               | (247,476)               |
| Selling and distribution expenses                      |       | (82,375)                | (62,009)                |
| R&D expenditure  |       | (115,723)               | (104,344)               |
| Administrative expenses                                |       | <u>(207,965)</u>        | <u>(154,807)</u>        |
| Operating losses                                       |       | (218,980)               | (116,111)               |
| Finance costs  |       | (234,063)               | (161,070)               |
| Share of results of associates                         |       | (2,390)                 | (5,524)                 |
| Share of results of joint ventures                     |       | 4,166                   | (54,700)                |
| Fair value changes of financial assets at FVTPL        |       | (34,184)                | (33,130)                |
| Fair value changes of derivative financial liabilities |       | <u>–</u>                | <u>4,307</u>            |
| Loss before income tax                                 |       | (485,451)               | (366,228)               |
| Income tax credit                                      | 5     | <u>14,555</u>           | <u>239</u>              |
| <b>Loss for the year</b>                               |       | <b><u>(470,896)</u></b> | <b><u>(365,989)</u></b> |

|  | <b>2024</b>             | 2023                    |
|--|-------------------------|-------------------------|
| <i>NOTES</i>   | <b><i>RMB'000</i></b>   | <i>RMB'000</i>          |
| <b>Other comprehensive loss</b>  |                         |                         |
| <i>Item that may not be reclassified subsequently to profit or loss:</i> |                         |                         |
| Currency translation differences   | <u>(14,793)</u>         | <u>(30,865)</u>         |
| Other comprehensive loss for the year, net of income tax                 | <u>(14,793)</u>         | <u>(30,865)</u>         |
| <b>Total comprehensive loss for the year</b>                             | <b><u>(485,689)</u></b> | <b><u>(396,854)</u></b> |
| <b>Loss for the year attributable to:</b>                                |                         |                         |
| Owners of the Company  | (393,183)               | (347,172)               |
| Non-controlling interests  | <u>(77,713)</u>         | <u>(18,817)</u>         |
|  | <b><u>(470,896)</u></b> | <b><u>(365,989)</u></b> |
| <b>Total comprehensive loss for the year attributable to:</b>            |                         |                         |
| Owners of the Company  | (408,051)               | (377,933)               |
| Non-controlling interests  | <u>(77,638)</u>         | <u>(18,921)</u>         |
|  | <b><u>(485,689)</u></b> | <b><u>(396,854)</u></b> |
| <b>Loss per Share attributable to owners of the Company (RMB)</b>        |                         |                         |
|  | 7                       |                         |
| Basic loss per Share   | (0.21)                  | (0.19)                  |
| Diluted loss per Share   | <u>(0.21)</u>           | <u>(0.19)</u>           |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2024

|  | NOTES | 2024<br>RMB'000    | 2023<br>RMB'000 |
|--|-------|--------------------|-----------------|
| <b>ASSETS</b>                                |       |                    |                 |
| <b>Non-current assets</b>                    |       |                    |                 |
| Property, plant and equipment                |       | 517,864            | 479,952         |
| Right-of-use assets                          |       | 97,496             | 130,330         |
| Interests in associates                      |       | 16,688             | 23,144          |
| Interests in joint ventures                  |       | 71,139             | 65,727          |
| Intangible assets                            |       | 109,339            | 139,049         |
| Other receivables                            | 8     | —                  | 8,433           |
|  |       | <b>812,526</b>     | 846,635         |
| <b>Current assets</b>                        |       |                    |                 |
| Inventories                                  |       | 141,824            | 146,302         |
| Amount due from a joint venture              |       | 80,988             | 92,573          |
| Amount due from an associate                 |       | 3,730              | 4,353           |
| Trade and other receivables                  | 8     | 1,491,900          | 1,009,695       |
| Loan and interest receivables                |       | 7,430              | 49,160          |
| Financial assets measured at FVTPL           |       | 86,046             | 241,843         |
| Financial guarantee assets measured at FVTPL |       | 87,248             | —               |
| Restricted bank balances                     |       | 228,662            | 245,134         |
| Bank balances and cash                       |       | 147,384            | 171,613         |
|  |       | <b>2,275,212</b>   | 1,960,673       |
| <b>Total assets</b>                          |       | <b>3,087,738</b>   | 2,807,308       |
| <b>EQUITY</b>                                |       |                    |                 |
| Equity attributable to owners of the Company |       |                    |                 |
| Share capital                                | 11    | 155,959            | 155,959         |
| Reserves                                     |       | (2,033,315)        | (1,625,264)     |
|  |       | <b>(1,877,356)</b> | (1,469,305)     |
| Non-controlling interests                    |       | (26,148)           | 51,490          |
| <b>Total deficit in equity</b>               |       | <b>(1,903,504)</b> | (1,417,815)     |

|                                     |              | <b>2024</b>               | 2023               |
|-------------------------------------|--------------|---------------------------|--------------------|
|                                     | <i>NOTES</i> | <b><i>RMB'000</i></b>     | <i>RMB'000</i>     |
| <b>LIABILITIES</b>                  |              |                           |                    |
| <b>Non-current liabilities</b>      |              |                           |                    |
| Borrowings                          | 10           | <b>181,832</b>            | 381,560            |
| Lease liabilities                   |              | <b>4,252</b>              | 8,164              |
| Deferred income                     |              | <b>23,638</b>             | 30,386             |
| Deferred tax liabilities            |              | <b>27,375</b>             | 34,668             |
|                                     |              | <u><b>237,097</b></u>     | <u>454,778</u>     |
| <b>Current liabilities</b>          |              |                           |                    |
| Trade and other payables            | 9            | <b>1,683,468</b>          | 1,357,862          |
| Borrowings                          | 10           | <b>1,865,339</b>          | 1,307,653          |
| Convertible bonds                   |              | <b>1,084,517</b>          | 958,540            |
| Lease liabilities                   |              | <b>5,959</b>              | 10,819             |
| Income tax payable                  |              | <b>18,851</b>             | 26,468             |
| Deferred income                     |              | <b>5,005</b>              | 5,049              |
| Contract liabilities                |              | <b>38,968</b>             | 45,595             |
| Provisions                          |              | <b>52,038</b>             | 58,359             |
|                                     |              | <u><b>4,754,145</b></u>   | <u>3,770,345</u>   |
| <b>Total liabilities</b>            |              | <u><b>4,991,242</b></u>   | <u>4,225,123</u>   |
| <b>Total equity and liabilities</b> |              | <u><b>3,087,738</b></u>   | <u>2,807,308</u>   |
| <b>Net current liabilities</b>      |              | <u><b>(2,478,933)</b></u> | <u>(1,809,672)</u> |

## 1 GENERAL INFORMATION

The Group is principally engaged in manufacturing and selling of automotive parts, education management and consultation, and financial services.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 April 2011. The Shares has been listed on the Stock Exchange with effect from 23 November 2011. Up to the date of issuance of these consolidated financial statements, the Company does not have a controlling party.

The financial statements are presented in RMB and rounded to nearest thousand (RMB'000) unless otherwise stated.

## 2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments, which that are measured at fair value.

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

### (a) Going concern basis

For the year ended 31 December 2024, the Group reported a loss attributable to owners of the Company of approximately RMB393 million (31 December 2023: approximately RMB347 million). As at 31 December 2024, the Group had accumulated losses and deficit in equity of approximately RMB2,010 million and approximately RMB1,904 million, respectively (31 December 2023: approximately RMB1,617 million and approximately RMB1,418 million, respectively) and the Group's current liabilities exceeded its current assets by approximately RMB2,479 million (31 December 2023: approximately RMB1,810 million). As at the same date, the Group had total borrowings and convertible bonds amounted to approximately RMB3,132 million (31 December 2023: approximately RMB2,648 million), of which approximately RMB2,950 million (31 December 2023: approximately RMB2,266 million) was classified as current liabilities due within one year, while its bank balances and cash amounted to approximately RMB147 million (31 December 2023: approximately RMB172 million) only. In addition, as at 31 December 2024, the total outstanding principals and accrued interests of borrowings and convertible bonds amounted to approximately RMB2,064 million (31 December 2023: approximately RMB1,529 million) were in default and were classified as current liabilities. A winding-up petition was filed against the Company by an alleged debenture holder (the "**Petitioner**") with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the "**Court**") on 20 December 2023. The Petitioner and the Company later submitted a joint application to the Court for withdrawal of the petition on 9 April 2024. On the same day, a supporting creditor filed an application to the Court to substitute the Petitioner. On 25 November 2024, a second substitution application was filed by another supporting creditor. A hearing on the petition and the substitution applications was held on 19 March 2025 and the Court has reserved judgment.

The above conditions indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to the following:

- (i) the Company has appointed a restructuring advisor to assist in formulating a restructuring plan and execute the Company's restructuring exercise. The Group is, with the assistance of the restructuring advisor, negotiating with creditors to explore feasible restructuring plans;
- (ii) the convertible bonds amounted to approximately RMB1,085 million were overdue for repayment. The Group has been actively negotiating with the holders of the convertible bonds for the extension of the repayment date and introduction of debt capitalisation plans;
- (iii) the Group has been actively negotiating with lenders of borrowings amounted to approximately RMB1,865 million which are overdue or due for repayment within twelve months from the date of the statement of financial position, for the renewal, extension of repayment and/or introduction of debt capitalisation plans;
- (iv) the Group has been actively negotiating with potential investors to introduce new capital and introduce business opportunities with strong profitability and good development prospects to improve its cash flow position;
- (v) the Group has been actively seeking for additional sources of financing to enhance the financial position and support the operations of the Group;
- (vi) the Group has been actively looking for potential buyers for its non-core and non-operating assets so as to increase its liquidity efficiency, if necessary; and
- (vii) the Group continues to strengthen its operation and management for each business unit to enhance operational efficiency and implement cost control measures to enhance its cash flow position.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the following plans:

- (i) negotiating with the holders of the convertible bonds for the extension of the repayment date and/or introduction of debt capitalisation plans;
- (ii) negotiating with lenders of borrowings which are overdue or due for repayment within twelve months from the date of statement of financial position for a renewal, extension of the repayment date and/or introduction of debt capitalisation plans;
- (iii) securing of capital injection from new investors;
- (iv) obtaining additional new sources of financing as and when needed;
- (v) divesting the Group's non-core and non-operating assets within the expected timeframe; and
- (vi) enhancing the Group's operational efficiency and implementing cost control measures.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

**(b) Amendments to standards and interpretation adopted by the Group**

The Group has applied the following amendments to standards and interpretation for the first time for their annual reporting period commencing 1 January 2024:

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

The adoption of these amendments and interpretation has had no significant impact on the results and financial position of the Group. The Group has not changed significantly on its material accounting policies or make retrospective adjustments as a result of adopting these amendments and interpretation.



(c) **New and amended standards and interpretations not yet adopted**

The following new and amended standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

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

In July 2024, HKICPA issued HKFRS 18 which is effective for the Group's annual reporting periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

There are no other new standards, amendments and interpretation that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements. The Group will adopt the above new standards, amendments to existing standards and interpretations when they become effective.

### 3. REVENUE AND SEGMENT INFORMATION

#### (a) Products and services within each operating segment

The segment information reported was determined by the types of products and services and the types of customers to which products are sold and services are provided, which is consistent with the internal information that are regularly reviewed by the executive directors of the Company, who are the chief operating decision makers (the “CODM”) of the Group, for the purposes of resource allocation and assessment of performance.

No operating segment has been aggregated to form the following reportable segments:

- Automotive parts business – engage in the manufacturing and selling of automobile absorber and suspension system products to the automobile market of original automobile manufacturers and the secondary market of the automobile industry.
- Education management and consultation business – engage in the business of provision of management and overseas study consultancy services to educational institutions.
- Financial services business – engage in the business of dealing in securities, underwriting and placing securities, financing consultancy, merger and acquisition agency, financial advisory, asset management and private equity fund management services.

#### (b) Segment revenue and segment results

|   | Segment revenue  |                | Segment results  |                  |
|---|------------------|----------------|------------------|------------------|
|   | 2024             | 2023           | 2024             | 2023             |
|   | <i>RMB'000</i>   | <i>RMB'000</i> | <i>RMB'000</i>   | <i>RMB'000</i>   |
| Automotive parts business                                 | <b>2,097,369</b> | 1,743,164      | <b>(49,993)</b>  | (1,114)          |
| Education management<br>and consultation business         | <b>58,351</b>    | 55,257         | <b>15,030</b>    | (2,372)          |
| Financial services business                               | <b>31,496</b>    | 35,299         | <b>(5,001)</b>   | 29,084           |
| Total segment   | <b>2,187,216</b> | 1,833,720      | <b>(39,964)</b>  | 25,598           |
| Other income and expenses                                 |                  |                | <b>72,096</b>    | 64,911           |
| Other losses, net   |                  |                | <b>(45,126)</b>  | (13,511)         |
| ECL, net of reversal                                      |                  |                | <b>1,979</b>     | (38,302)         |
| Administrative expenses                                   |                  |                | <b>(207,965)</b> | (154,807)        |
| Operating losses  |                  |                | <b>(218,980)</b> | (116,111)        |
| Finance costs   |                  |                | <b>(234,063)</b> | (161,070)        |
| Share of results of associates                            |                  |                | <b>(2,390)</b>   | (5,524)          |
| Share of results of joint ventures                        |                  |                | <b>4,166</b>     | (54,700)         |
| Fair value changes of financial<br>assets at FVTPL        |                  |                | <b>(34,184)</b>  | (33,130)         |
| Fair value changes of derivative<br>financial liabilities |                  |                | <b>–</b>         | 4,307            |
| Loss before income tax                                    |                  |                | <b>(485,451)</b> | <b>(366,228)</b> |

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

| <b>For the year ended 31 December 2024</b>   |                         |                   |                  |                  |
|--|-------------------------|-------------------|------------------|------------------|
| <b>Segments</b>                              | <b>Automotive</b>       | <b>Education</b>  | <b>Financial</b> | <b>Total</b>     |
|  | <b>parts business</b>   | <b>management</b> | <b>services</b>  |                  |
|  | <b>and consultation</b> | <b>business</b>   | <b>business</b>  |                  |
|  | <b>RMB'000</b>          | <b>RMB'000</b>    | <b>RMB'000</b>   | <b>RMB'000</b>   |
| <b>Revenue from contracts with customers</b> |                         |                   |                  |                  |
| External customers                           | 2,097,369               | 58,351            | 24,809           | 2,180,529        |
| Inter-segment sales                          | –                       | –                 | 1,287            | 1,287            |
| <b>Sub-total</b>                             | <b>2,097,369</b>        | <b>58,351</b>     | <b>26,096</b>    | <b>2,181,816</b> |
| Elimination                                  | –                       | –                 | (1,287)          | (1,287)          |
| <b>Revenue from contracts with customers</b> |                         |                   |                  |                  |
| Interest income                              | –                       | –                 | 6,687            | 6,687            |
| <b>Segment revenue</b>                       | <b>2,097,369</b>        | <b>58,351</b>     | <b>31,496</b>    | <b>2,187,216</b> |
| <b>For the year ended 31 December 2023</b>   |                         |                   |                  |                  |
| <b>Segments</b>                              | <b>Automotive</b>       | <b>Education</b>  | <b>Financial</b> | <b>Total</b>     |
|  | <b>parts business</b>   | <b>management</b> | <b>services</b>  |                  |
|  | <b>and consultation</b> | <b>business</b>   | <b>business</b>  |                  |
|  | <b>RMB'000</b>          | <b>RMB'000</b>    | <b>RMB'000</b>   | <b>RMB'000</b>   |
| <b>Revenue from contracts with customers</b> |                         |                   |                  |                  |
| External customers                           | 1,743,164               | 55,257            | 28,262           | 1,826,683        |
| Inter-segment sales                          | –                       | –                 | 792              | 792              |
| <b>Sub-total</b>                             | <b>1,743,164</b>        | <b>55,257</b>     | <b>29,054</b>    | <b>1,827,475</b> |
| Elimination                                  | –                       | –                 | (792)            | (792)            |
| <b>Revenue from contracts with customers</b> |                         |                   |                  |                  |
| Interest income                              | –                       | –                 | 7,037            | 7,037            |
| <b>Segment revenue</b>                       | <b>1,743,164</b>        | <b>55,257</b>     | <b>35,299</b>    | <b>1,833,720</b> |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit/(losses) of each operating segment, conforming to the same measurement reported to the CODM for the purposes of resources allocation and performance assessment.

Other than the segment revenue and segment results analysis presented above, information about assets and liabilities was not regularly provided to the CODM. Hence, no segment asset or segment liability information is presented.

Reportable segment results represent the operating profit/(losses) resulted by each segment and exclude other income and expenses, other losses, net and administrative expense.

**(c) Geographical information**

The Group principally operates in the PRC and Hong Kong.

During the year ended 31 December 2024, approximately 96% (2023: approximately 96%) of the Group's revenue from external customers, based on the operation location of respective customers, is derived from the PRC.

As at 31 December 2024, approximately 99% (31 December 2023: approximately 95%) of the Group's property, plant and equipment and right-of-use assets are located in the PRC.

**4. OTHER LOSSES, NET**

|   | 2024<br><i>RMB'000</i> | 2023<br><i>RMB'000</i> |
|---|------------------------|------------------------|
| Exchange losses, net                                    | (46,837)               | (24,586)               |
| Dividend income from financial assets measured at FVTPL | 6                      | 1,820                  |
| Gains/(losses) on disposal of associates                | 2,732                  | (107)                  |
| Losses on disposal of property, plant and equipment     | –                      | (28)                   |
| Write-off of property, plant and equipment              | (8,288)                | –                      |
| Losses on disposal of right-of-use assets               | (1,673)                | –                      |
| Gains on disposal of subsidiaries                       | 2,613                  | –                      |
| Gains on deemed disposal of joint ventures              | –                      | 2,768                  |
| Gains upon settlement of borrowings                     | –                      | 5,437                  |
| Others  | 6,321                  | 1,185                  |
|   | <u>(45,126)</u>        | <u>(13,511)</u>        |

**5. INCOME TAX CREDIT**

|                                     | 2024<br><i>RMB'000</i> | 2023<br><i>RMB'000</i> |
|-------------------------------------|------------------------|------------------------|
| Current income tax:                 |                        |                        |
| – PRC Enterprise Income Tax (“EIT”) | 198                    | 1,513                  |
| Over-provision in prior years:      |                        |                        |
| – PRC EIT                           | (7,460)                | –                      |
|                                     | <u>(7,262)</u>         | 1,513                  |
| Deferred tax                        | (7,293)                | (1,752)                |
| Income tax credit                   | <u>(14,555)</u>        | <u>(239)</u>           |

## 6. DIVIDENDS

No dividend was paid or proposed by the Company for the years ended 31 December 2024 and 2023. The Director do not recommend the payment of dividend for the year ended 31 December 2024 (2023: Nil).

## 7. LOSS PER SHARE

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

### (a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

|   | 2024                 | 2023                 |
|---|----------------------|----------------------|
| Loss attributable to owners of the Company ( <i>RMB'000</i> ) | (393,183)            | (347,172)            |
| Weighted average number of ordinary shares in issue           | <u>1,848,000,000</u> | <u>1,791,339,452</u> |
| Loss per Share ( <i>RMB</i> )                                 | <u>(0.21)</u>        | <u>(0.19)</u>        |

### (b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all potentially dilutive ordinary shares. The Company has two (2023: two) category of potentially dilutive ordinary shares: share options and convertible bonds (2023: share options and convertible bonds). A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The convertible bonds were assumed to have been converted into ordinary shares, and the net loss has been adjusted to eliminate the interest expense and fair value change less the tax effect, if any.

For the years ended 31 December 2024 and 2023, diluted loss per share is the same as the basic loss per share as the exercise/conversion of potential ordinary shares in relation to the outstanding share options and convertible bonds would have anti-dilutive effects to the basic loss per share.

## 8. TRADE AND OTHER RECEIVABLES

|  | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|--|---|--------------------------------|
| Trade receivables                                  | 1,247,554                               | 866,850                        |
| Less: allowance for trade receivables              | <u>(278,500)</u>                        | <u>(173,625)</u>               |
|  | <b>969,054</b>                          | 693,225                        |
| Bills receivables                                  | 262,455                                 | 190,022                        |
| Deposits and other receivables                     | 184,615                                 | 147,052                        |
| Less: allowance for deposits and other receivables | <u>(37,300)</u>                         | <u>(63,441)</u>                |
|  | <b>1,378,824</b>                        | 966,858                        |
| Prepayment to suppliers of automotive parts        | 112,357                                 | 50,777                         |
| Other prepayments                                  | <u>719</u>                              | <u>493</u>                     |
|  | <b>1,491,900</b>                        | 1,018,128                      |
| Less: non-current portion                          |   |                                |
| Other receivables                                  | <u>–</u>                                | <u>(8,433)</u>                 |
| Current portion                                    | <b><u>1,491,900</u></b>                 | <b><u>1,009,695</u></b>        |

The ageing of trade receivables presented based on invoice date (also approximate to the date of revenue recognition), net of allowance for trade receivables, is as follows:

|                 | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|-----------------|---|--------------------------------|
| 0 to 90 days    | 877,104                                 | 621,271                        |
| 91 to 180 days  | 47,975                                  | 27,300                         |
| 181 to 365 days | 38,043                                  | 12,815                         |
| Over 365 days   | <u>5,932</u>                            | <u>31,839</u>                  |
|                 | <b><u>969,054</u></b>                   | <b><u>693,225</u></b>          |

The ageing of bills receivables presented based on issuance date, is as follows:

|                 | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|-----------------|---|--------------------------------|
| 0 to 30 days    | 90,079                                  | 55,285                         |
| 31 to 60 days   | 75,164                                  | 22,916                         |
| 61 to 90 days   | –                                       | 18,820                         |
| 91 to 120 days  | 29,282                                  | 50,445                         |
| 121 to 150 days | 61,676                                  | 37,544                         |
| 151 to 180 days | <u>6,254</u>                            | <u>5,012</u>                   |
|                 | <b><u>262,455</u></b>                   | <b><u>190,022</u></b>          |

## 9. TRADE AND OTHER PAYABLES

|  | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|--|---|--------------------------------|
| Trade payables                           | 959,746                                 | 694,852                        |
| Bills payables                           | <u>363,000</u>                          | <u>317,168</u>                 |
|  | <b>1,322,746</b>                        | 1,012,020                      |
| Accruals and other payables              | 255,915                                 | 231,677                        |
| Customer deposits for securities trading | 44,917                                  | 45,381                         |
| Other tax payables                       | 7,702                                   | 11,588                         |
| Payroll and welfare payables             | <u>52,188</u>                           | <u>57,196</u>                  |
|  | <b><u>1,683,468</u></b>                 | <b><u>1,357,862</u></b>        |

The ageing of trade payables presented based on invoice date is as follows:

|                 | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|-----------------|---|--------------------------------|
| 0 to 90 days    | 586,567                                 | 427,052                        |
| 91 to 180 days  | 108,722                                 | 90,062                         |
| 181 to 365 days | 46,196                                  | 12,782                         |
| Over 365 days   | <u>218,261</u>                          | <u>164,956</u>                 |
|                 | <b><u>959,746</u></b>                   | <b><u>694,852</u></b>          |

The ageing of bills payables presented based on issuance date is as follows:

|                | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|----------------|---|--------------------------------|
| 0 to 30 days   | 170,000                                 | 60,000                         |
| 31 to 60 days  | 175,800                                 | 44,608                         |
| 61 to 90 days  | 17,200                                  | 55,440                         |
| 91 to 180 days | <u>–</u>                                | <u>157,120</u>                 |
|                | <b><u>363,000</u></b>                   | <b><u>317,168</u></b>          |

## 10. BORROWINGS

|                                      | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|--------------------------------------|---|--------------------------------|
| Bank borrowings                      | 780,990                                 | 678,400                        |
| Notes and debentures                 | 943,522                                 | 812,501                        |
| Invoice financing loans              | 183,987                                 | 91,190                         |
| Other borrowings                     | 138,672                                 | 107,122                        |
| Loans from government                | 67,732                                  | 67,732                         |
| Loans from independent third parties | 70,940                                  | 39,390                         |
|                                      | <b>2,047,171</b>                        | 1,689,213                      |
| Unsecured borrowings                 | 1,370,814                               | 1,155,795                      |
| Secured borrowings                   | 676,357                                 | 533,418                        |
|                                      | <b>2,047,171</b>                        | 1,689,213                      |

The maturity dates of borrowings are as follows:

|                              | <b>31 December<br/>2024<br/>RMB'000</b> | 31 December<br>2023<br>RMB'000 |
|------------------------------|---|--------------------------------|
| Within one year or on demand | 1,865,339                               | 1,307,653                      |
| Between one to two years     | 170,572                                 | 242,722                        |
| Between two to five years    | 11,260                                  | 138,838                        |
|                              | <b>2,047,171</b>                        | 1,689,213                      |
| Less: non-current portion    | <b>(181,832)</b>                        | (381,560)                      |
| Current portion              | <b>1,865,339</b>                        | 1,307,653                      |

As at 31 December 2024, an aggregate amount of borrowings approximately RMB979,863,000 (31 December 2023: RMB 570,933,000) became repayable on demand due to the breaching of covenants underlying the loan agreements.



## 11. SHARE CAPITAL

|   | Number<br>of Shares         | Share capital<br>HK\$     | Par value<br>per Share<br>HK\$ |
|---|-----------------------------|---------------------------|--------------------------------|
| Authorised:   |                             |                           |                                |
| At 1 January 2023, 31 December 2023,<br>1 January 2024 and 31 December 2024 | <u>10,000,000,000</u>       | <u>1,000,000,000</u>      | <u>0.10</u>                    |
| Issued and fully paid:  |                             |                           |                                |
| At 1 January 2023   | 1,722,660,000               | 172,266,000               | 0.10                           |
| Issuance of Shares ( <i>Note</i> )  | <u>125,340,000</u>          | <u>12,534,000</u>         | <u>0.10</u>                    |
| At 31 December 2023, 1 January 2024 and<br>31 December 2024                 | <u><u>1,848,000,000</u></u> | <u><u>184,800,000</u></u> | <u><u>0.10</u></u>             |

*Note:* In June 2023, the Company and several creditors entered into settlement agreements, pursuant to which the Company allotted and issued to the creditors for an aggregate of 125,340,000 shares at the price of HK\$0.10 per share. The subscription amounts payable by the creditors under the settlement agreements were satisfied by capitalising the indebted amounts due from the Company of HK\$12,537,076 out of the outstanding sum. The differences between the fair value of shares issued and the indebted amounts of approximately RMB5,437,000 were recognised in profit or loss.

|  | <b>31 December<br/>2024</b><br><i>RMB'000</i> | 31 December<br>2023<br><i>RMB'000</i> |
|--|---|---------------------------------------|
| Share capital presented in the consolidated statement of<br>financial position | <u><u>155,959</u></u>                         | <u><u>155,959</u></u>                 |

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INTRODUCTION**

The Company is an investment holding company. The Group maintains a diversified development strategy to provide customers with a wide range of products and services, and currently is mainly engaged in (i) financial services business, (ii) education management and consultation business, and (iii) automotive part business. Our financial services business can provide services such as listing sponsorship, underwriting and placing, dealing in securities, financing consultancy, merger and acquisition agency, financial advisory, asset management and private equity fund management; our education management and consultation business mainly provides international high school curriculum and overseas study consultation services; and our automotive parts business is mainly engaged in R&D, manufacturing and sales of automobile absorbers.

### **BUSINESS REVIEW**

#### **Financial Services Business**

The Group has obtained diversified financial service licences and established a consummate financial service system to provide various entities with featured, differentiated and professional financial services. The Group is licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and has been admitted by the SFC as a sponsor under the SFO. As such, (i) in addition to dealing in securities and providing margin financing to customers, it is also engaged in underwriting and placing of shares for listing applicants and listed companies; (ii) it can provide portfolios (such as stocks, bonds, discretionary managed accounts, and funds) management, investment consultation and investment advisory services to its clients; and (iii) it can act as a sponsor for listing applicants in IPO, advise on matters in relation to the Codes on Takeovers and Mergers and Share Buy-backs formulated by the SFC, and advise listed companies in relation to the Listing Rules.

For the year ended 31 December 2024, the Group acted as (i) the sole global coordinator, the joint global coordinator, the joint bookrunner, the joint lead manager for the listing of Lesi Group Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2540); (ii) the joint bookrunner, the joint lead manager for the listing of Hollwin Urban Operation Service Group Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2529); (iii) the joint bookrunner, the joint lead manager for the listing of Marketingforce Management Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2556); (iv) the joint lead manager for the listing of Wuhan Youji Holdings Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2881); (v) the joint bookrunner, the joint lead manager for the listing of Zhonggan Communication (Group) Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2545); (vi) the joint bookrunner, the joint lead manager for the listing of APT Electronics Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2551); (vii) the joint lead manager for the listing of Herbs

Generation Group Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2593); (viii) the joint bookrunner, the joint lead manager for the listing of Contiocean Environment Tech Group Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2613); (ix) the joint bookrunner, the joint lead manager for the listing of Beijing Saimo Technology Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2571); and (x) the joint bookrunner, the joint lead manager for the listing of Anhui Conch Material Technology Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2560).

The Group also serves as (i) the independent financial advisor for discloseable transaction and continuing connected transaction of CRRC Corporation Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1766); (ii) the independent financial advisor for continuing connected transaction of Tianjin Port Development Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3382); (iii) the independent financial advisor for a continuing connected transaction of China Resources Pharmaceutical Group Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 3320); (iv) the independent financial advisor for a continuing connected transaction of Kerry Logistics Network Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 636); (v) the compliance adviser of Lesi Group Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2540); (vi) the compliance adviser of Easou Technology Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2550); (vii) the financial adviser for major transaction of Pak Tak International Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 2668); (viii) the valuation adviser for privatization of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 1558); and (ix) the independent financial adviser for mandatory unconditional cash offer of Hing Ming Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange, stock code: 8425).

## **Education Management and Consultation Business**

The education management and consultation business of the Group mainly operates the PGA (Project of Global Access) international high school curriculum and provides overseas study consultation services to students, with campuses locating in Beijing, Shanghai, Chongqing, Xi'an, Hangzhou, Wuhan and Zhengzhou.

The Group actively explored the localisation of international curriculum and the characterisation of local curriculum, and established school-based curriculum that integrates R&D. The Group placed emphasis on the development, selection and integration of curriculums to fully unleash the personality potential and creative thinking of students and enhance students' performance. In order to fully enhance its teaching quality and management efficiency, the Group continued to optimise the composition of teachers, hired excellent subject teachers, formed a consultant team comprising specialists, and improved the teaching quality assurance system with bilingual teachers as the core.

In terms of overseas study consultation services, the Group selected quality educational resources and institutions for cooperation, actively researched and developed specialised overseas study programmes and upgraded its products of planning and guidance of further education, so as to provide students with a full range of services covering thinking patterns, academic background, interview tutoring, overseas study experience and other aspects.

### **Automotive Parts Business**

According to the statistics of the China Association of Automobile Manufacturers, approximately 31,282,000 automobiles were produced and approximately 31,436,000 automobiles were sold in China in 2024, representing a period-over-period increase of approximately 3.7% and approximately 4.5%, respectively. Among the above, for new energy vehicles, approximately 12,888,000 vehicles were produced and approximately 12,866,000 vehicles were sold (representing approximately 40.9% of the total automobile sales). Meanwhile, the automobile export advantage is becoming more and more obvious. In 2024, the export volume was approximately 5,859,000 automobiles, representing a period-over-period increase of approximately 19.3%.

The automotive parts business of the Group, adhering to the principal operational idea of “Developing the Market, Focusing on Quality, Improving the R&D, and Strengthening the Management (開發市場、狠抓質量、提升研發、強化管理)” and the core values of “Top Quality, Customer Satisfaction, Solidarity and Cooperation, Innovation and Learning, High Efficiency and Pragmatism, Honesty and Trustworthiness (品質第一、客戶滿意、團結合作、創新學習、高效務實、誠實守信)”, kept up with market trends, deepened technology R&D, continued to improve product quality control and customer satisfaction, continued to supply absorbers for automobiles made by manufacturers such as SAIC Motor, Chery Automobile, Geely Auto and Changan Automobile, and while consolidating and optimising existing markets, actively expanded new markets, and strived to achieve the vision of “Where there are Cars, there is Cijan (哪裏有汽車，哪裏就有漸減)”.

## **OUTLOOK**

### **Financial Services Business**

As an international financial centre, not only does Hong Kong share the benefits from the development of China, Hong Kong also enjoys the advantages from the growth of the global economy. Hong Kong’s status and role as the bridge of communication and contact between China and international society will be further enhanced, providing strong support for maintaining the continuous prosperity and stability of the financial market of Hong Kong.

Looking forward, the Group will follow the market trend, seize the development opportunities, innovate the business models and actively explore business opportunities to promote the robust development of its financial services business. Leveraging its diversified financial service licences and consummate financial service system and the brand awareness and market influence of its financial services business, the Group will enhance collaboration among its business units including investment banking, securities, asset management and research, adhere to the strategies of differentiated and characteristic development, and provide customers with diversified and customised professional financial services.

### **Education Management and Consultation Business**

Knowledge changes fate, and education shapes the future. Education is the driving force for social development. The key element of competition of the economy is the competition of science and technology, which fundamentally attributes to the competition of talents, whereas the foundation is on education. Today's scientific and technological achievements determine tomorrow's productivity, whereas today's education determines tomorrow's scientific and technological achievements and future productivity.

Looking ahead, the Group will follow the education development pattern. It will be leveraging the brand and market influence of the PGA international curriculum, so as to establish a new type of international education service platform. Through taking the key dimensions of international talent cultivation as the starting point and by innovating the curriculum system, optimising the curriculum structure, strengthening teaching and research, and improving the quality of teaching with comprehensive integration of student personality development and academic planning, the Group will improve the students' performance, and enhance students' comprehensive quality. The Group will develop overseas study products with more customised and comprehensive options that cater to the target market, providing international education and study plans with higher values to meet the individual needs of different students at different stages according to the needs and characteristics of school campuses and students, and offer convenient access and one-stop services for students to pursue further education and overseas study.

### **Automotive Parts Business**

The Group will leverage its established brand and technology strengths, aim for "Top Quality and Customer Satisfaction", place emphasis on the development strategy of "Focuses on Process and Results", strengthen the R&D of core technologies and management of quality system in order to improve overall customer satisfaction. The Group will strengthen its market sensitivity according to the national industrial policy on the automobile industry, the development trend of the industry and the operation conditions of automobile manufacturers, and devote efforts to cultivating more competitive new products and new markets. The Group will commit itself to building first-class R&D centers by adhering to its technical management philosophy of "Utilisation, R&D and Reserve", so as to boost the reserve and market promotion and application of new technologies.

## **Others**

The Company has appointed Ernst & Young Transactions Limited as the restructuring advisor to assist in formulating a restructuring plan and promote the Company's restructuring exercise. The Company will, with the assistance of the restructuring advisor, negotiate with creditors to explore feasible restructuring plans. The Company will also continue to approach potential investors, hoping to introduce new capital and resources. While promoting the development of existing businesses, it will also actively explore more business opportunities.

## **FINANCIAL REVIEW**

### **Revenue**

For the year ended 31 December 2024, the overall revenue of the Group increased by approximately 19.3% to approximately RMB2,187.2 million from approximately RMB1,833.7 million for the year ended 31 December 2023, of which revenue from automotive parts business increased by approximately 20.3% to approximately RMB2,097.4 million from approximately RMB1,743.2 million for the year ended 31 December 2023, revenue from financial services business decreased by approximately 10.8% to approximately RMB31.5 million from approximately RMB35.3 million for the year ended 31 December 2023, and revenue from education management and consultation business increased by approximately 5.4% to approximately RMB58.3 million from approximately RMB55.3 million for the year ended 31 December 2023. The increase in revenue was mainly due to the increase in sales of automotive parts business.

### **Cost of sales and services**

For the year ended 31 December 2024, the overall cost of sales and services of the Group increased by approximately 28.8% to approximately RMB1,844.6 million from approximately RMB1,432.6 million for the year ended 31 December 2023, of which cost of sales from automotive parts business increased by approximately 29.6% to approximately RMB1,799.8 million from approximately RMB1,388.6 million for the year ended 31 December 2023, cost of services from financial services business decreased by approximately 34.4% to approximately RMB4.0 million from approximately RMB6.1 million for the year ended 31 December 2023, and cost of services from education management and consultation business increased by approximately 7.7% to approximately RMB40.8 million from approximately RMB37.9 million for the year ended 31 December 2023. The increase in cost of sales and services was mainly due to the increase in procurement of automotive parts business.

## **Gross profit**

For the year ended 31 December 2024, the overall gross profit of the Group decreased by approximately 14.6% to approximately RMB342.6 million from approximately RMB401.1 million for the year ended 31 December 2023, of which gross profit from automotive parts business decreased by approximately 16.1% to approximately RMB297.6 million from approximately RMB354.6 million for the year ended 31 December 2023, gross profit from financial services business decreased by approximately 5.8% to approximately RMB27.5 million from approximately RMB29.2 million for the year ended 31 December 2023, and gross profit from education management and consultation business increased by approximately 1.2% to approximately RMB17.5 million from approximately RMB17.3 million for the year ended 31 December 2023. The decrease in gross profit was mainly due to the decrease in gross profit margin of automotive parts business.

## **Gross profit margin**

For the year ended 31 December 2024, the overall gross profit margin of the Group decreased by approximately 6.2 percentage points to approximately 15.7% from approximately 21.9% for the year ended 31 December 2023, of which gross profit margin of automotive parts business decreased by approximately 6.1 percentage points to approximately 14.2% from approximately 20.3% for the year ended 31 December 2023, gross profit margin of financial services business increased by approximately 4.6 percentage point to approximately 87.3% from approximately 82.7% for the year ended 31 December 2023, and gross profit margin of education management and consultation business decreased by approximately 1.5 percentage points to approximately 30.0% from approximately 31.5% for the year ended 31 December 2023.

## **Other income and expenses**

For the year ended 31 December 2024, the Group recorded other income of approximately RMB72.1 million, representing an increase of approximately RMB7.2 million from approximately RMB64.9 million for the year ended 31 December 2023. Such income primarily represented fees for the collection of waste materials in the manufacturing process and provision of product research and development services for the sales of goods as well as income from government grants.

## **Other losses, net**

For the year ended 31 December 2024, the Group recorded net other losses of approximately RMB45.1 million, representing an increase of approximately RMB31.6 million from approximately RMB13.5 million for the year ended 31 December 2023. Such losses primarily represented the exchange loss arising from the depreciation of RMB.

## **Expected credit losses**

The Group recognised the ECL based on the internal credit rating and historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the period as well as the forecast of future conditions. For the year ended 31 December 2024, the Group's provision for ECL amounted to approximately RMB182.5 million, representing a decrease of approximately RMB65.0 million from approximately RMB247.5 million for the year ended 31 December 2023.

## **Selling and distribution expenses**

For the year ended 31 December 2024, the selling and distribution expenses of the Group increased by approximately 32.9% to approximately RMB82.4 million from approximately RMB62.0 million for the year ended 31 December 2023. Such increase was mainly due to the corresponding increase in after-sale service expenses and other distribution expenses of the automotive parts business with the increase in sales.

## **R&D expenditure**

For the year ended 31 December 2024, the R&D expenditure of the Group increased by approximately 10.9% to approximately RMB115.7 million from approximately RMB104.3 million for the year ended 31 December 2023. Such increase was mainly due to the increase in expenses in the R&D centres and projects of automotive parts business.

## **Administrative expenses**

For the year ended 31 December 2024, the administrative expenses of the Group increased by approximately 34.4% to approximately RMB208.0 million from approximately RMB154.8 million for the year ended 31 December 2023. Such increase was mainly due to the increase in remuneration expenses of automotive parts business.

## **Finance costs**

For the year ended 31 December 2024, the finance costs of the Group increased by approximately 45.3% to approximately RMB234.1 million from approximately RMB161.1 million for the year ended 31 December 2023. Such increase was mainly due to the increase in borrowings.

## **Taxation**

For the year ended 31 December 2024, the Group recorded income tax credit of approximately RMB14.6 million, representing an increase of approximately RMB14.4 million as compared with the income tax credit of approximately RMB0.2 million for the year ended 31 December 2023.



## **Loss for the year**

For the year ended 31 December 2024, the Group recorded a loss of approximately RMB470.9 million, representing an increase of approximately 28.7% as compared with a loss of approximately RMB366.0 million for the year ended 31 December 2023. Such loss was mainly due to the fact that a decrease in gross profit margin and an increase in finance costs.

## **Loss per Share**

For the year ended 31 December 2024, the basic and diluted loss per Share of the Group amounted to approximately RMB0.21, while the basic and diluted loss per Share amounted to approximately RMB0.19 for the year ended 31 December 2023.

## **WORKING CAPITAL, FINANCIAL RESOURCES AND BORROWINGS**

### **Net current liabilities**

The Group adopts prudent financial policies, and closely monitors its financial positions, in order to grasp any favourable business opportunities and look ahead future challenges. As at 31 December 2024, the net current liabilities of the Group amounted to approximately RMB2,478.9 million, representing an increase of approximately 37.0% as compared with that of approximately RMB1,809.7 million as at 31 December 2023. Such increase was mainly due to the increase in borrowings due with one year or repayable on demand.

### **Financial position and borrowings**

As at 31 December 2024, the bank balances and cash of the Group are mostly denominated in RMB or HK\$ and amounted to approximately RMB147.4 million, representing a decrease of approximately 14.1% as compared with that of approximately RMB171.6 million as at 31 December 2023.

The borrowings of the Group are denominated in RMB or HK\$. The Group regularly reviews and monitors the borrowings level. As at 31 December 2024, the total borrowings of the Group amounted to approximately RMB2,047.2 million, representing an increase of approximately 21.2% as compared with that of approximately RMB1,689.2 million as at 31 December 2023. Out of the total borrowings, (i) borrowings due within one year or repayable on demand amounted to approximately RMB1,865.3 million as at 31 December 2024, representing an increase of approximately 42.6% as compared with that of approximately RMB1,307.7 million as at 31 December 2023; (ii) borrowings due over one year but within two years amounted to approximately RMB170.6 million as at 31 December 2024, representing a decrease of approximately 29.7% as compared with that of approximately RMB242.7 million as at 31 December 2023; (iii) borrowings due over two years but within five years amounted to approximately RMB11.3 million as at 31 December 2024, representing a decrease of approximately 91.9% as compared with that of approximately RMB138.8 million as at 31 December 2023.

As at 31 December 2024, approximately RMB1,385.4 million (31 December 2023: approximately RMB1,326.9 million) of the total borrowings of the Group were subject to fixed interest rates.

As at 31 December 2024, the gearing ratio of the Group, calculated as the percentage of total borrowings and bills payables divided by total assets, was approximately 78.1% (31 December 2023: approximately 71.5%).

### **Working capital**

The Group regularly reviews and monitors the inventory level. As at 31 December 2024, the inventories of the Group amounted to approximately RMB141.8 million, representing a decrease of approximately 3.1% as compared with that of approximately RMB146.3 million as at 31 December 2023.

The Group regularly reviews and monitors the level of trade receivables. As at 31 December 2024, the trade receivables of the Group amounted to approximately RMB969.1 million, representing an increase of approximately 39.8% as compared with that of approximately RMB693.2 million as at 31 December 2023. Such increase was mainly due to the increase in sales of automotive parts business.

The Group regularly reviews and monitors the level of trade payables. As at 31 December 2024, the trade payables of the Group amounted to approximately RMB959.7 million, representing an increase of approximately 38.1% as compared with that of approximately RMB694.9 million as at 31 December 2023. Such increase was mainly due to the increase in procurement of automotive parts business.

### **SIGNIFICANT INVESTMENT HELD**

The financial assets measured at FVTPL of the Group were investments in securities listed on the Stock Exchange, Singapore Exchange Limited and Shenzhen Stock Exchange as well as investments in unlisted entities. As at 31 December 2024, the fair value of such investments was approximately RMB86.0 million (31 December 2023: approximately RMB241.8 million). For the year ended 31 December 2024, the fair value changes of financial assets measured at FVTPL of the Group recorded a loss of approximately RMB34.2 million (2023: approximately RMB33.1 million).

The principal investment objective of the Group is to explore capital appreciation with a view to enhancing the application of the financial resources of the Group and maximising returns for the Shareholders. Investments will be made by the Group in segments and industries that the Directors may determine from time to time having considered, among others, their prospect, returns to the Group and potential risks. Looking ahead, the global stock market will remain volatile due to the uncertainties as a result of trade friction, interest rate fluctuations and geopolitical conditions. The performance of the securities investments and other

investments of the Group may be affected by such unstable market conditions. The Group will regularly review its investment strategies, and closely monitor the stock markets. In addition, the Group will seek potential investment opportunities to diversify its investment portfolio for the purpose of mitigating the related risks.

## **CAPITAL EXPENDITURES AND CAPITAL COMMITMENTS**

For the year ended 31 December 2024, the capital expenditures of the Group amounted to approximately RMB76.1 million (2023: approximately RMB20.3 million), which were primarily the expenses of automotive parts business in respect of additions to properties, plants and equipment.

The Group has financed its capital expenditures primarily through the cash generated from operations, equity fundraising and debt financing.

As at 31 December 2024, the capital commitments of the Group in respect of additions to property, plant and equipment amounted to approximately RMB37.6 million (31 December 2023: approximately RMB29.4 million).

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

As at 31 December 2024, the Group did not have any other immediate plans for material investments and capital assets (31 December 2023: Nil).

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any material contingent liabilities (31 December 2023: Nil).

## **PLEDGE OF ASSETS**

As at 31 December 2024, the financial assets measured at FVTPL, financial guarantee assets measured at FVTPL and bills receivables of the Group with a carrying amount of approximately RMB12.8 million, RMB87.2 million and RMB184.0 million (31 December 2023: financial assets measured at FVTPL of approximately RMB113.5 million) have been pledged to acquire borrowings and convertible bonds for the Group.

As at 31 December 2024, the restricted bank balances of the Group with a carrying amount of approximately RMB228.7 million (31 December 2023: approximately RMB245.1 million) were used for customer deposits for trading securities and pledged for bills payables with a maturity within one year issued to suppliers.

## **HUMAN RESOURCES**

As at 31 December 2024, the Group had 2,454 employees (31 December 2023: 1,938 employees). For the year ended 31 December 2024, the total remuneration and welfare benefits expenses of the Group amounted to approximately RMB266.5 million (2023: approximately RMB205.5 million). Based on the remuneration policy of the Group, the remuneration of employees is primarily determined based on the job responsibilities, work experience, job performance and length of service of each employee and the prevailing market condition. On top of basic salaries, bonus may be paid with reference to the Group's performance as well as individual employees' performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of internal and external training courses. Share options and/or awarded shares may also be granted to eligible employees by reference to the Group's performance as well as individual employees' contribution. The remuneration of the Directors is determined based on their job duties and responsibilities, experience and the prevailing market condition.

## **INTEREST RATE RISK**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest earned on the restricted bank balances and bank balances, and variable rate of interest incurred on bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings.

The Group currently has not used any financial instrument to hedge the interest rate risk that it is exposed to. However, the Group monitors interest rate risk exposures and will consider hedging significant interest rate risk should the need arise.

## **FOREIGN EXCHANGE RISK**

The consolidated financial statements of the Group are presented in RMB. Certain assets and liabilities of the Group are denominated in currencies other than RMB, such as HK\$. Any material volatility in the exchange rates of these currencies against RMB may affect the financial position of the Group.

The Group currently has not used any financial instrument to hedge the foreign exchange risk that it is exposed to. However, the Group monitors foreign exchange risk exposures and will consider hedging significant foreign exchange risk should the need arise.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATED COMPANIES AND JOINT VENTURES**

For the year ended 31 December 2024, the Group had no material acquisitions and disposals of subsidiaries, associated companies and joint ventures.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

For the year ended 31 December 2024, the Company had complied with the Corporate Governance Code so as to enhance the corporate governance standard of the Company. For the year ended 31 December 2024, there had been no material changes of the corporate governance practices as compared with the information disclosed in the annual report for the year ended 31 December 2023 of the Company.

None of the Directors is aware of any information which would reasonably indicate that the Company was not in compliance with the Corporate Governance Code for the year ended 31 December 2024.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code as the code of conduct for securities transactions by the Directors. Having made specific enquiries to the Directors, to the best of their knowledge, all Directors had complied with the required standards set out in the Model Code for the year ended 31 December 2024.

## **COMPETITION AND CONFLICT OF INTERESTS**

As at the date of this announcement, none of the Directors has, either directly or indirectly, an interest in a business which causes or may cause any significant competition with the business of the Group or has or may have any other conflict of interests with the Group.

## **SHARE OPTION SCHEME**

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 19 October 2011, a share option scheme (the “**Share Option Scheme 2011**”) was approved and adopted by the Company. Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 9 June 2021, the Share Option Scheme 2011 was terminated and a new share option scheme (the “**Share Option Scheme 2021**”) was approved and adopted by the Company. The Share Option Scheme 2021 will remain in force for a period of 10 years from the date of its adoption.

For the year ended 31 December 2024, no share option was granted or agreed to be granted under the Share Option Scheme 2021 by the Company. As at 31 December 2024 and 2023, 10,000,000 share options granted under the Share Option Scheme 2011 were outstanding and no share option under the Share Option Scheme 2021 was outstanding.

## SHARE AWARD SCHEME

On 5 July 2022, the Board resolved to adopt a share award scheme (the “**Share Award Scheme**”), which will remain in force for a period of 10 years from the date of its adoption. The Board would determine the timing of awards, list of selected persons, the timing and condition of vesting and number of awarded shares based on the overall results and performance of the Group and contributions made by the eligible persons, as part of the overall remuneration system of the Group.

For the year ended 31 December 2024, no awarded share was granted or agreed to be granted under the Share Award Scheme by the Company. As at 31 December 2024 and 2023, no awarded share remain unvested.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## SIGNIFICANT LEGAL PROCEEDINGS

For the year ended 31 December 2024, save as disclosed below, to the best of the knowledge and belief of the Directors, the Group had not been involved in any significant legal proceedings or arbitration and there is no significant legal proceeding or claim pending or threatened against the Group.

On 20 December 2023, a winding-up petition (the “**Petition**”) was presented by an alleged holder of bonds of the Company in a principal amount of HK\$10,000,000 (the “**Bonds**”) to the High Court for the winding up of the Company. The Petition is related to the outstanding principal of Bonds and the accrued interest. On 9 April 2024, the said petitioner and the Company made a joint application to the court for withdrawal of the Petition. On the same day, a supporting creditor of the Petition made an application to the court to substitute the petitioner of the Petition (the “**Substitution Application**”). On 25 November 2024, another supporting creditor of the Petition filed an application to substitute the petitioner of the Petition (the “**New Substitution Application**”). The hearing of the Petition, the Substitution Application, and the New Substitution Application took place in the High Court on 19 March 2025 and the judge reserved judgment for the hearing. For details, please refer to the announcements of the Company dated 20 December 2023, 28 February 2024, 10 April 2024, 18 April 2024, 10 May 2024, 4 October 2024, 27 November 2024, 13 December 2024, and 19 March 2025.

On 21 May 2024, an alleged holder of bonds of the Company (the “**Plaintiff**”) commenced legal proceedings against the Company in the High Court (the “**Action**”). According to the statement of claim filed by the Plaintiff in the Action, the Plaintiff claimed against the Company for the sum of HK\$12,250,000, together with interest and cost. For details, please refer to the announcement of the Company dated 22 May 2024.

## **FINAL DIVIDEND**

The Board does not recommend the payment of final dividend for the year ended 31 December 2024 (2023: Nil).

## **SCOPE OF WORK OF THE AUDITOR**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this announcement have been agreed by the Auditor, Linksfield CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2024 as approved by the Board on 26 March 2025. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

## **EXTRACT OF THE AUDITOR'S REPORT**

The below sections set out an extract of the report by the Auditor, regarding the consolidated financial statements of the Group for the year ended 31 December 2024:

### **Disclaimer of Opinion**

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Basis for Disclaimer of Opinion**

#### ***Multiple Uncertainties Relating to Going Concern***

As set out in Note 2.1.1 to the consolidated financial statements, the Group reported a loss attributable to owners of the Company of approximately RMB393 million for the year ended 31 December 2024. As at 31 December 2024, the Group had accumulated losses and deficit in equity of approximately RMB2,010 million and approximately RMB1,904 million, respectively and the Group's current liabilities exceeded its current assets by approximately RMB2,479 million. As at the same date, the Group had total borrowings and convertible bonds of approximately RMB3,132 million, of which approximately RMB2,950 million were classified as current liabilities due within one year, while its bank balances and cash amounted

to approximately RMB147 million only. In addition, as at 31 December 2024, the total outstanding principals and accrued interests of borrowings and convertible bonds amounted to approximately RMB2,064 million were in default and were classified as current liabilities. A winding-up petition was filed against the Company by an alleged debenture holder (the “**Petitioner**”) with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**Court**”) on 20 December 2023. The Petitioner and the Company later submitted a joint application to the Court for withdrawal of the petition on 9 April 2024. On the same day, a supporting creditor filed an application to the Court to substitute the Petitioner. On 25 November 2024, a second substitution application was filed by another supporting creditor. A hearing on the petition and the substitution applications was held on 19 March 2025 and the Court has reserved judgment.

These conditions, together with other matters described in Note 2.1.1 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt over the Group’s ability to continue as a going concern.

The directors of the Company have been undertaking a number of plans and measures to mitigate the Group’s liquidity pressure and improve its financial position, which are set out in Note 2.1.1 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these plans and measures, which are subject to multiple uncertainties, including (i) the successful negotiations with the holders of the convertible bonds for an extension of the repayment date and/or introduction of debt capitalisation plans; (ii) the successful negotiations with lenders of borrowings which are overdue or due for repayment within twelve months from the date of the statement of financial position for a renewal, extension of the repayment date and/or introduction of debt capitalisation plans; (iii) the successful of securing capital injections from new investors; (iv) the successful obtaining of additional sources of financing as and when needed; (v) the successful of divesting the Group’s non-core and non-operating assets within the expected timeframe; and (vi) enhancing the Group’s operational efficiency and implementing cost control measures to generate sufficient cash inflow. In view of the above circumstances, the directors of the Company are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the foreseeable future and therefore, the Group has the ability to continue as a going concern and will continue its operations for at least 12 months from 31 December 2024. Accordingly, the directors of the Company are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group’s assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of the adjustments have not been reflected in these consolidated financial statements.



## **THE POSITION, VIEW AND ASSESSMENT OF THE COMPANY ON THE DISCLAIMER OF OPINION**

In view of such circumstances, the Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position which include, but are not limited to the following:

- (i) the Company has appointed a restructuring advisor to assist in formulating a restructuring plan and execute the Company's restructuring exercise. The Group is, with the assistance of the restructuring advisor, negotiating with creditors to explore feasible restructuring plans;
- (ii) negotiating with the holders of the convertible bonds for the extension of the repayment date and/or introduction of debt capitalisation plans;
- (iii) negotiating with lenders of borrowings which are overdue or due for repayment within twelve months from the date of statement of financial position for a renewal, extension of the repayment date and/or introduction of debt capitalisation plans;
- (iv) securing of capital injection from new investors;
- (v) obtaining additional new sources of financing as and when needed;
- (vi) divesting the Group's non-core and non-operating assets within the expected timeframe; and
- (vii) enhancing the Group's operational efficiency and implementing cost control measures.

The Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 December 2024. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Directors are of the view that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the plans.

## **VIEW OF THE AUDIT COMMITTEE ON THE DISCLAIMER OF OPINION**

The Company has established the Audit Committee pursuant to Rules 3.21 and 3.22 of the Listing Rules, with written terms of reference in compliance with the requirements of the Corporate Governance Code, to review and supervise the effectiveness of the financial reporting systems and internal control systems of the Group. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has reviewed the consolidated financial statements and annual results of the Group for the year ended 31 December 2024 and expressed no disagreement with the accounting policies and principles adopted by the Group.

The Audit Committee has reviewed the basis for disclaimer of opinion, the position, view and assessment of the Company on the disclaimer of opinion and measures taken and to be taken by the Company for addressing the basis for disclaimer of opinion. The Audit Committee agreed with the position of the Company. Moreover, the Audit Committee requested the Company to take all necessary actions to address the effect on the basis for disclaimer of opinion to procure no such disclaimer of opinion to be made in the future. The Audit Committee has also discussed with the Auditor regarding the financial position of the Group, measures taken and to be taken by the Company, and considered the rationale of the Auditor and understood its consideration in arriving the disclaimer of opinion.

## **ANNUAL GENERAL MEETING**

The Company will hold an annual general meeting on Monday, 9 June 2025. Notice of the forthcoming annual general meeting will be published and despatched to the Shareholders in accordance with the articles of association of the Company and the Listing Rules as soon as practicable.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 4 June 2025 to Monday, 9 June 2025, both days inclusive, during this period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 3 June 2025, for registration.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.cfcg.com.hk](http://www.cfcg.com.hk). The annual report of the Company for the year ended 31 December 2024, in both English and Chinese versions, will be despatched to the Shareholders to their choice of means of receipt and language of corporate communications of the Company, and will also be available on the same websites as mentioned above in due course.

### **EVENT AFTER THE REPORTING DATE**

Save as disclosed in this announcement, there were no significant events which had material effect on the Group subsequent to the year ended 31 December 2024 and up to the date of this announcement.

### **APPRECIATION**

The Group would like to express its sincere appreciation for the unremitting effort and dedication made by the Board, the management of the Group and all of its staff, as well as the continuous support from the Shareholders, loyal customers, the government, business partners and professional advisers.

### **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the same meanings set out below:

|                   |  |
|-------------------|--|
| “Audit Committee” | the audit committee of the Company   |
| “Auditor”         | the auditor of the Company   |
| “Board”           | the board of Directors   |
| “China” or “PRC”  | the People’s Republic of China which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan                                      |
| “Company”         | China First Capital Group Limited, a company incorporated in the Cayman Islands with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange with stock code of 1269 |

|                             |   |
|-----------------------------|---|
| “Convertible Bonds”         | the convertible bonds in the initial principal amount of HK\$800,000,000 issued by the Company on 14 December 2017, as revised with effect on 16 May 2022 |
| “Corporate Governance Code” | the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules  |
| “Director(s)”               | the director(s) of the Company  |
| “ECL”                       | expected credit losses  |
| “FVTPL”                     | fair value through profit or loss   |
| “Group”                     | the Company and its subsidiaries  |
| “HK\$”                      | Hong Kong dollars, the lawful currency of Hong Kong   |
| “HKAS”                      | the Hong Kong Accounting Standards  |
| “HKFRS(s)”                  | the Hong Kong Financial Reporting Standard(s)   |
| “HKICPA”                    | the Hong Kong Institute of Certified Public Accountants   |
| “Hong Kong”                 | the Hong Kong Special Administrative Region of the PRC  |
| “Listing Rules”             | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Model Code”                | the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules                                  |
| “R&D”                       | research and development  |
| “RMB”                       | Renminbi, the lawful currency of the PRC  |
| “SFC”                       | the Securities and Futures Commission   |
| “SFO”                       | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |

|                  |   |
|------------------|---|
| “Share(s)”       | (i) the ordinary share(s) of HK\$0.02 each in the issued and unissued share capital of the Company prior to 20 August 2021, or (ii) the consolidated ordinary share(s) of HK\$0.10 each in the issued and unissued share capital of the Company with effect from 20 August 2021, as the case may be |
| “Shareholder(s)” | the holder(s) of the Share(s)   |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited   |
| “%”              | per cent  |

By Order of the Board  
**China First Capital Group Limited**  
**Chan Kwok Kee, Andy**  
*Company Secretary*

Hong Kong, 26 March 2025

*As at the date of this announcement, the executive Directors are Dr. Wilson Sea, Mr. Zhao Zhijun and Dr. Zhu Huanqiang; and the independent non-executive Directors are Mr. Chu Kin Wang, Peleus, Mr. Loo Cheng Guan and Ms. Lu Dan.*