CHINA LEON INSPECTION HOLDING LIMITED
中国力鸿检验控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1586)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

- Revenue amounted to HK$1,263.1 million (2023: HK$1,118.5 million) representing an increase of 12.9% when compared to last year.
- Profit attributable to owners of the Company amounted to HK$82.7 million (2023: HK$80.0 million) representing an increase of 3.4% when compared to last year.
- Basic earnings per share was HK14.29 cents (2023: HK13.73 cents) representing an increase of 4.1% when compared to last year.

In this announcement, "we", "us" and "our" refer to the Company (as defined below) and where the context otherwise requires, the Group (as defined below).

The board (the "**Board**") of directors (the "**Directors**") of China Leon Inspection Holding Limited (the "**Company**") is pleased to announce that the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024 (the "**Year**") with the comparative figures for the year ended 31 December 2023 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Revenue	*3*	**1,263,129**	1,118,514
Cost of sales		**(747,980)**	(638,384)
Gross profit		**515,149**	480,130
Other income and losses, net		**4,213**	6,248
Selling and distribution expenses		**(51,459)**	(40,325)
Administrative expenses		**(256,649)**	(241,166)
Impairment losses on financial assets, net		**(6,544)**	(3,753)
Fair value changes of financial assets and liabilities at fair value through profit or loss		**73**	(4,523)
Other expenses		**(34,032)**	(30,810)
Finance costs		**(8,641)**	(8,589)
Profit before tax	*6*	**162,110**	157,212
Income tax expense	*5*	**(36,070)**	(35,049)
Profit for the year		**126,040**	122,163
Attributable to:			
Owners of the Company		**82,725**	80,048
Non-controlling interests		**43,315**	42,115
		126,040	122,163

	Note	2024 *HK$'000*	2023 *HK$'000*
Other comprehensive (loss)/income			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		**(11,810)**	(12,566)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation from functional currency to presentation currency		**424**	128
Other comprehensive loss for the year, net of tax		**(11,386)**	(12,438)
Total comprehensive income for the year		**114,654**	109,725
Attributable to:			
Owners of the Company		**74,155**	73,705
Non-controlling interests		**40,499**	36,020
		114,654	109,725
Earnings per share attributable to ordinary equity holders of the Company			
Basic (HK$ cents)	*8*	**14.29**	13.73
Diluted (HK$ cents)	*8*	**14.20**	13.68

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Note	At 31 December 2024 HK$'000	At 31 December 2023 HK$'000
Non-current assets			
Property, plant and equipment		**244,187**	233,983
Investment properties		**14,114**	15,829
Right-of-use assets		**70,844**	75,900
Goodwill		**31,445**	34,021
Intangible assets		**2,341**	2,585
Financial assets at fair value through profit or loss		**4,697**	4,714
Deferred tax assets		**2,897**	2,250
Prepayments, other receivables and other assets		**2,962**	1,151
Total non-current assets		**373,487**	370,433
Current assets			
Inventories		**4,857**	2,935
Trade and bills receivables	*9*	**221,395**	208,841
Prepayments, other receivables and other assets		**47,425**	43,991
Financial assets at fair value through profit or loss		**–**	1,471
Pledged deposits		**2,726**	160
Time deposits with an initial term of over three months		**38,487**	39,454
Cash and cash equivalents		**267,235**	227,250
Total current assets		**582,125**	524,102

	Note	At 31 December 2024 HK$'000	At 31 December 2023 HK$'000
Current liabilities			
Trade payables	10	**47,558**	51,910
Contract liabilities		**7,285**	8,029
Other payables and accruals		**79,361**	70,432
Interest-bearing bank loans		**47,882**	48,530
Tax payable		**37,516**	31,586
Lease liabilities		**20,249**	17,863
Convertible bonds		**–**	48,612
Total current liabilities		**239,851**	276,962
Net current assets		**342,274**	247,140
Total assets less current liabilities		**715,761**	617,573
Non-current liabilities			
Lease liabilities		**37,776**	43,792
Deferred tax liabilities		**3,307**	3,780
Other payables and accruals		**631**	723
Convertible bonds		**19,945**	–
Total non-current liabilities		**61,659**	48,295
Net assets		**654,102**	569,278
Equity			
Equity attributable to owners of the Company			
Share capital		**233**	210
Reserves		**468,270**	424,291
		468,503	424,501
Non-controlling interests		**185,599**	144,777
Total equity		**654,102**	569,278

NOTES

For the year ended 31 December 2024

1. GENERAL

China Leon Inspection Holding Limited (the "**Company**") is an exempted company with limited liability incorporated in the Cayman Islands on 29 July 2015. The registered office address of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal places of business are Suite 1015, 10/F, Ocean Centre, Harbour City, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong and Buildings No. 77–78, Taida Science Park, No. 12 Zhuyuan Road, Shunyi District Beijing, China. The Company's shares have been listed on The Stock Exchange of Hong Kong Limited since 12 July 2016.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS ACCOUNTING STANDARDS")

Changes in accounting policies and disclosures

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The nature and the impact of the revised IFRS Accounting Standards are described below:

(a) Amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of IFRS 16, the amendments did not have any impact on the financial position or performance of the Group.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 upon initial application of the amendments. As at 1 January 2023, the Group had convertible bonds with carrying amounts of HK$50,861,000, and a maturity date of 11 June 2026, which has fully redeemed in cash on 11 June 2024. Prior to the initial application of the amendments, the convertible bonds were classified as non-current liabilities. Upon initial application of the amendments, the convertible bonds were reclassified as current liabilities since the conversion options were not classified as equity and are exercisable at any time on or after 1 July 2023 at the bondholders' options. The quantitative impact on the consolidated statements of financial position is summarised below.

	Increase/(decrease)		
	As at 31 December 2024	As at 31 December 2023	As at 1 January 2023
	HK$'000	*HK$'000*	*HK$'000*
Current liabilities			
Convertible bonds	**N/A**	N/A	50,861
Total current liabilities	**N/A**	N/A	50,861
Net Current Assets	**N/A**	N/A	50,861
Total assets less current liabilities	**N/A**	N/A	50,861
Non-current liabilities			
Convertible bonds	**N/A**	N/A	(50,861)
Total non-current liabilities	**N/A**	N/A	(50,861)

The adoption of the amendments did not have any impact on the basic and diluted earnings per share attributable to ordinary equity holders of the parent, profit or loss, other comprehensive income and the consolidated statements of cash flows for the years ended 31 December 2024 and 2023.

(c) Amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial information.

Issued but not yet effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[3]
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to IAS 21	*Lack of Exchangeability*[1]
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Further information about those IFRS Accounting Standards that are expected to be applicable to the Group is described below.

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from IAS 1 with limited changes, IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in IAS 1 are moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as IAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of IFRS 18, limited, but widely applicable, amendments are made to IAS 7 *Statement of Cash Flows*, IAS 33 *Earnings per Share* and IAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other IFRS Accounting Standards. IFRS 18 and the consequential amendments to other IFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of IFRS 18 on the presentation and disclosure of the Group's financial statements.

IFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with IFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply IFRS 19. Some of the Company's subsidiaries are considering the application of IFRS 19 in their specified financial statements.

Amendments to IFRS 9 and IFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB. However, the amendments are available for adoption now.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 set out amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- IFRS 7 *Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of IFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing IFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing IFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 9 *Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 of IFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of IFRS 9 and Appendix A of IFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IFRS 10 *Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of IFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

- IAS 7 *Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of IAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

3. REVENUE

(i) Disaggregated revenue information

	2024	2023
	HK$'000	*HK$'000*
Type of services		
Testing services	**795,024**	716,422
Surveying services	**358,397**	303,933
Witnessing and ancillary services	**109,708**	98,159
Total	**1,263,129**	1,118,514
Geographical markets		
Greater China	**695,513**	650,368
Singapore and other countries/regions	**567,616**	468,146
Total	**1,263,129**	1,118,514
Timing of revenue recognition		
Services transferred at a point in time	**1,262,063**	1,118,053
Services transferred over a period of time	**1,066**	461
Total	**1,263,129**	1,118,514
Revenue from contracts with customers		
External customers	**1,263,129**	1,118,514
Total	**1,263,129**	1,118,514

The following table shows the amount of revenue recognised in the current reporting period that was included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2024	2023
	HK$'000	*HK$'000*
Total	**8,029**	3,565

(ii) Performance obligations

Information about the Group's performance obligation is summarised below:

The Group performs analytical tests and issues testing certificates or reports after completion of the on-site preparation. The performance obligation is satisfied upon (i) completion of testing services and/or (ii) issuance of testing certificate. A contract liability is recognised for advance payments received for sales in which revenue has yet been recognised.

The Group provides surveying services and witnessing and ancillary services (excluding supervision and equipment maintenance services) on-site. Service reports are issued after services rendered. The performance obligation is satisfied upon (i) completion of provision of services and/or (ii) issuance of service reports, if any. A contract liability is recognised for advance payments received for sales in which revenue has yet been recognised.

The Group provides supervision and equipment maintenance on-site. Such services are recognised as a performance obligation satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. Revenue is recognised for these services based on the stage of completion of the contract using output method.

All services provided by the Group are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OPERATING SEGMENT

Information reported to the executive directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment focuses on revenue analysis by geographic location of customers. No other discrete financial information is provided other than the Group's results and financial position as a whole. Accordingly, only entity-wide disclosures are presented.

Geographical information

(a) Revenue from external customers

	2024	2023
	HK$'000	*HK$'000*
Greater China	**695,513**	650,368
Singapore and other countries/regions	**567,616**	468,146
Total revenue	**1,263,129**	1,118,514

(b) Non-current assets

	2024	2023
	HK$'000	*HK$'000*
Greater China	**279,670**	277,933
Singapore and other countries/regions	**86,223**	85,536
Total non-current assets	**365,893**	363,469

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about a major customer

During the year ended 31 December 2024, there was no single customer (2023: one) generated 10% or more of the Group's total revenue.

5. INCOME TAX

Pursuant to the local rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

The Company's subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits. The tax on the dividend income from a subsidiary in Chinese Mainland has been provided at the rate of 5% during the year.

The Company's subsidiaries in Chinese Mainland are subject to income tax at a statutory rate of 25% on their respective taxable profit, except for certain subsidiaries, which have been identified as high and new technology enterprises entitled to a preferential income tax rate of 15% for the years ended 31 December 2024 and 2023.

The Company's subsidiaries incorporated in Singapore are subject to income tax at the rate of 17% on the estimated assessable profits.

	2024	2023
	HK$'000	*HK$'000*
Current tax		
– Chinese Mainland	**18,948**	15,328
– Other jurisdictions	**18,368**	19,577
Deferred tax	**(1,246)**	144
Total tax charge for the year	**36,070**	35,049

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2024 HK$'000	2023 HK$'000
Cost of sales	**747,980**	638,384
Depreciation of property, plant and equipment	**45,933**	43,012
Depreciation of investment properties	**1,396**	1,416
Depreciation of right-of-use assets	**23,229**	19,590
Amortisation of intangible assets	**548**	1,162
Impairment of goodwill	**1,575**	–
Lease payments not included in the measurement of lease liabilities	**4,237**	5,075
Research and development costs*	**30,657**	27,970
Auditor's remuneration	**2,356**	2,277
Employee benefit expenses (including directors' and chief executive's remuneration):		
– Wages and salaries	**435,901**	377,776
– Pension scheme contributions	**31,396**	25,589
– Equity-settled share-based payment expense	**4,154**	3,241
– Welfare and other expenses	**118,218**	99,766
Total	**589,669**	506,372
Impairment of financial assets:		
Impairment of trade and bills receivables	**6,544**	3,362
Impairment of prepayments, other receivables and other assets	**–**	391
Total	**6,544**	3,753

* During the year ended 31 December 2024, research and development costs of approximately HK$27,544,000 (2023: HK$27,688,000) were included in employee benefit expenses.

7. DIVIDENDS

	2024 HK$'000	2023 HK$'000
2023 Final — HK$0.0174 (2022 Final — HK$0.0272) per ordinary share	**9,431**	13,293
2024 Interim — Nil (2023 Interim — HK$0.0269) per ordinary share	**–**	14,566

Dividends for ordinary shareholders of the Company were recognised as distribution during the year after consideration of dividends on the shares held by the Company's share award scheme under the trust, including HK$242,000 of the 2023 final dividend declared paid (HK$208,000 of the 2022 final dividend declared paid and HK$296,000 of 2023 interim dividend declared paid).

Subsequent to the end of the reporting period, the Board of Directors has resolved not to recommend the payment of a final dividend for the year ended 31 December 2024 (2023: HK$0.0174 per ordinary share).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 579,029,022 (2023: 583,074,385) in issue during the year, as adjusted to reflect the rights issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the Company, adjusted to reflect the interest and fair value gain on the convertible bonds, where applicable (see below). The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation:	**82,725**	80,048
Adjusted for:		
Interest on convertible bonds	**306**	–
Profit attributable to ordinary equity holders of the Company, used in the diluted earnings per share calculation:	**83,031**	80,048

	Number of shares	
	2024	2023
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation *(Notes)*	**579,029,022**	583,074,385
Effect of dilution — weighted average number of ordinary shares:		
Share options	**1,068,750**	2,206,536
Convertible bonds	**4,657,534**	–
Total	**584,755,306**	585,280,921

Notes:

(a) The weighted average number of ordinary shares shown above for the years ended 31 December 2024 and 2023 have been arrived at after adjusting the shares held by the Company's share award scheme under the trust.

(b) The weighted average number of ordinary shares shown above for the year ended 31 December 2024 have been arrived at after adjusting the shares upon exercise of share options and convertible bonds.

(c) In addition, the number of shares adopted in the calculation of the basic and diluted earnings per share for the years ended 31 December 2024 and 2023 have been retrospectively adjusted to reflect bonus shares which became effective in July 2024.

(d) The weighted average number of shares was after taking into account the effect of treasury shares held.

The computation of diluted earnings per share for the year ended 31 December 2024 and 2023 does not assume the exercise of certain of the Company's share options because the exercise price of those options was higher than the average market price for shares for 2024 and 2023.

At the year ended 31 December 2023, because the diluted earnings per share amount is increased when taking convertible bonds into account, the convertible bonds had an anti-dilutive effect on the basic earnings per share for the year and were excluded in the calculation of diluted earnings per share.

Therefore, the diluted earnings per share amounts are calculated based on the profit for the year of HK$83,031,000, and the weighted average number of ordinary shares of 584,755,306 in issue during the year.

9. TRADE AND BILLS RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade and bills receivables	**233,750**	218,424
Impairment	**(12,355)**	(9,583)
Total	**221,395**	208,841

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally ranged from on demand and up to three months. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

No trade and bills receivables (2023: HK$20,210,000) were pledged to secure a bank loan.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 3 months	**177,508**	171,431
Over 3 to 6 months	**25,113**	22,417
Over 6 months to 1 year	**13,578**	8,345
Over 1 to 2 years	**3,641**	5,107
Over 2 years	**1,555**	1,541
Total	**221,395**	208,841

As at 31 December 2024, included in the Group's trade and bills receivables balance are debtors with aggregate carrying amount of HK$53,421,000 (2023: HK$46,474,000) which are past due as at the reporting date. The past due balances is not considered as in default due to the management's historical experience on the settlement pattern or record from these debtors and the good business relationship with these debtors.

10. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 3 months	**41,433**	42,022
Over 3 to 6 months	**5,189**	8,639
Over 6 months to 1 year	**825**	993
Over 1 to 2 years	**111**	256
Total	**47,558**	51,910

Trade payables are non-interest-bearing and are normally settled on 90-day terms.

11. EVENTS AFTER THE REPORTING PERIOD

During the year ended 31 December 2024, the Company repurchased a total of 6,504,000 of its ordinary shares (the "**Shares**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate consideration of approximately HK$12,982,560 (exclude expenses) (HK$13,030,026 include expenses). All these repurchased Shares were cancelled subsequently after the year end date.

Subsequent to the year ended 31 December 2024, the Company further repurchased 4,180,000 of its Shares on the Stock Exchange at an aggregate consideration of approximately HK$9,699,040 (exclude expenses). Out of those repurchased Shares, 2,404,000 Shares of approximately HK$5,457,040 (exclude expenses) were cancelled up to the date of this announcement.

Save as disclosed above, the Group has no other significant events after the reporting period up to the date of this announcement.

CHAIRMAN'S STATEMENT

Dear Shareholders,

As a leader in the niche sector of TIC (Testing, Inspection, and Certification) industry, we deliver high-quality, professional services to support our global clients in addressing a wide range of supply chain challenges, spanning safety, environmental concerns, social responsibility, and product or service quality, which enable them to transition more effectively toward green and low-carbon practices. The Group collaborates with partners to co-create enduring business value.

The Group remains committed to effective strategic planning and robust business development, aiming for steady and sustainable progress while evolving into a pragmatic enterprise with deep foundations and strong growth potential. Since its listing, the Company has consistently delivered impressive results to investors. Since its listing, the Company has achieved a compound annual growth rate (CAGR) of 24.7% in revenue, 15.8% in company profit, and 9.9% in net profit attributable to the parent.

We fully recognize that the Group's steady growth relies on the unwavering support of all shareholders, and the Company's shareholder returns are closely tied to its high-quality, sustainable development. According to Webb-site Database, the total return rate for the Company's shareholders was 291.2% from 2016 to 2024.[1] The Company places great importance on shareholder returns. Since its listing, the Company has actively rewarded shareholders through various methods, including cash dividends and bonus issues. Despite the severe impact of the pandemic on the global economy since 2020, the Company has maintained a long-term stable dividend policy, delivering substantial cash dividends. Based on broader considerations, the Company adjusted its shareholder return approach in 2024, suspending cash dividends for the first time. To fully maximize shareholder value and returns, we officially launched a share repurchase on 13 December 2024, and as of 28 February 2025, a total of 10,684,000 shares were repurchased. Guided by the core principle of long-term sustainable development, the Company remains committed to safeguarding shareholders' interests and sharing the benefits of its economic achievements.

1 Source: https://webb-site.com/dbpub/ctr.asp

Inspired by Mr. Warren Buffett and the value investing philosophy of Berkshire Hathaway, the Group is guided by a "long-term vision" business philosophy and a corporate strategy focused on sustainable development. This approach drives us to comprehensively expand sustainable business value and create long-term value for all stakeholders. Benjamin Graham, the "father of value investing," once said: "In the short run, the market is a voting machine, but in the long run, it is a weighing machine."

Since its listing, the Company's controlling shareholders, acting in concert, have increased their shareholdings multiple times without any divestment. Their total equity interest in the Company has risen from approximately 52.7% at the time of listing to approximately 61.0% as of the date. We strongly affirm the Company's long-term value and maintain unwavering confidence in its future strategic planning and growth prospects. Moving forward, we intend to continue to increase our holdings in the Company's shares in compliance with regulatory requirements. We have fostered a long-term, stable, and mutually trusting relationship with all shareholders, growing alongside the Company and anticipating a return of value. This enables all shareholders to effectively share in the Company's growth and achieve reasonable investment returns.

Upholding the development policy of seeking progress in the midst of stability, the Group continued to enhance its brand credibility, operational efficiency and core competitive advantages. The "long-term vision" and "sustainable development" require a high degree of respect for the spirit of contract and the value of credibility, specifically implemented in various dimensions of corporate management strategies and tactics. Under the guidance of sound business philosophy and corporate culture, we have consistently adhered to clear and definite development strategic goals since listing, and strengthened the deployment for long-term growth. The first two three-year strategies had achieved promising results, expanding significantly in personnel scale, service networks, business segments and revenue and profit scale, and steadily stepping into rapid development. In the first three-year strategic plan from 2018 to 2020, the Group continued to consolidate its leading position in the niche segment of energy testing and expand the commodity services mainly focused on energy, and successfully deployed overseas business, with the service offerings and network coverage having been successfully expanded. In the second three-year strategic plan from 2021 to 2023, the Group continued to consolidate pillar businesses in the energy and commodity, enhanced the layout of the commodity services, and successfully extended new business scopes to clean energy, environmental protection, and climate change and other ESG related fields, deepening the globalized layout and diversified business expansion. The Group has expanded its presence from major trading ports and hub cities in the Asia Pacific region to emerging markets in South America and Africa. The Group is currently advancing its third development strategy with steady progress. In addition to accelerating the development of product lines in its energy and commodity businesses, the Group will continue to increase investment and efforts in clean energy, low-carbon transition, and other ESG-related derivative businesses (X businesses). This aims to expedite its global expansion and maximize corporate value.

The rapid advancement of Artificial intelligence (Al) technology is reshaping the global economic landscape in the medium to long term. In 2025, the Group designates AI as key application of the new technologies, firmly seizing the opportunities presented by the AI industry's growth. The Group is fully embracing the AI era by cultivating AI capabilities, integrating AI resources, and continuously advancing AI progress through rapid iteration, ongoing improvement, and relentless innovation. Leveraging AI and robotics, the Group is accelerating technological innovation and upgrades, accelerating AI empowerment in business scenarios and establishing a blueprint for corporate development.

The Group is actively fostering an internal innovation ecosystem to accelerate corporate growth. It prioritizes innovation development and technology incubation by establishing a dedicated technology incubation platform to continuously strengthen its technological innovation capabilities. By addressing key technological innovation management challenges, including innovation and development, industry-university-research collaboration, and the development of a high-caliber technical talent pool, the Group ensures that its technological innovation is both systematic and comprehensive.

Benefiting from effective strategic policies and the successful implementation of the "unique M&A approach" model, the Group has achieved significant results in international expansion, with remarkable performance in emerging market development and continuous growth in revenue. In the future, the Group will intensify its efforts in M&A, actively focusing on selecting high-quality M&A projects to further leverage the scale of fast globalized growth and deepen the advantages of its international service network.

On behalf of the Group's management, I would like to express my gratitude to our employees for their invaluable contributions, our partners for their trust, and our shareholders for their continued support.

Li Xiangli
Chairman and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024, the global energy industry continued to thrive, with new models and formats constantly emerging. Benefiting from the robust growth of the global energy industry and the TIC sector, the Group, guided by effective strategies, continued to enhance its brand credibility, improve operational efficiency, and strengthen its core competitive advantages, steadily advancing high-quality development. During the Year, the Company recorded revenue of HK$1,263.1 million, representing a year-on-year increase of 12.9%; profit for the Year reached HK$126.0 million, representing a year-on-year increase of 3.2%; profit attributable to owners of the Company amounted to HK$82.7 million, representing a year-on-year increase of 3.4%, further consolidating its industry-leading position.

The Group continued to deepen the globalized layout and diversify its business expansion. The Company had extended the business scope from traditional energy pillar business to clean energy, environmental protection, climate change, and other ESG-related sectors, while expanding its service network from major trading ports and hub cities in the Asia-Pacific region to multiple emerging markets. The Group operates 78 branches and professional laboratories worldwide, spanning 19 countries. As the global economy continues to develop, the importance of emerging markets has become increasingly evident. The Group strategically seizes development opportunities in emerging markets, proactively expanding into regions such as Africa and the Middle East with its superior global service capabilities. The Group's business presence has flourished across multiple regions, further reinforcing the strengths of its internationalized service network.

Business review of each segment

The Group provides global industry leaders with a wide range of one-stop services in testing, and inspection, as well as technical and consulting services around the clock, focusing on four key areas, namely commodity services, clean energy, environmental protection and climate change, empowering global industry leaders to achieve eco-friendly and low-carbon transformation. ESG-oriented development is a key priority for the Group's "3+X" development strategy. Through the three main implementation dimensions of (1) ESG-Friendly; (2) ESG+; and (3) ESG-Focused, we have achieved our long-term sustainable strategies, fulfilled our corporate social responsibilities, and contributed to the green and low-carbon transition of the industry. In 2024, the Group leveraged synergies across its business segments to drive overall revenue growth. Details are set out below:

I. ESG-Friendly:

Commodity Business

With as many as 78 service outlets and 18 categories of professional qualification certifications around the world, the Group's services cover more than 50 types of commodities and natural resources. Supported by its robust overall capabilities, exceptional technical expertise, and outstanding talent pool, the Group has become a designated inspection institution for multiple exchanges. In 2024, the Group continued to secure qualifications as a designated quality inspection institution for futures exchanges, further reinforcing its extensive experience and brand credibility in bulk commodity inspection.

On 22 January 2024, the Shanghai Futures Exchange authorized the Group as its designated inspection institution for alumina futures. Having already been designated as the inspection institution for the Shanghai Futures Exchange's key non-ferrous metals-copper, aluminum, and zinc, the Group became its designated inspection institution for alumina futures as well, further enhancing its brand recognition with non-ferrous metal clients.

On 14 June 2024, the Zhengzhou Commodity Exchange designated the Group as its inspection institution for ferroalloy futures, reflecting its high recognition of the Group's extensive experience and brand credibility in bulk commodity inspection.

The Group has established a comprehensive presence on the four leading futures exchanges, thereby significantly strengthening its brand credibility in specialized sectors. Below is the list of futures inspection qualifications obtained by the Group and its subsidiaries from major exchanges to date:

Exchange	**Futures products**
Shanghai Futures Exchange	Copper, aluminum, zinc, alumina, aluminum alloy
Dalian Commodity Exchange	Coking coal, coke, iron ore
Zhengzhou Commodity Exchange	Thermal coal, ferrosilicon, manganese-silicon
Guangzhou Futures Exchange	Industrial silicon, lithium carbonate
Shanghai International Energy Exchange	Bonded copper

The Group's testing and inspection product line continues to expand, and it has now become the leading quality inspection institution for lithium carbonate, ferroalloys, and industrial silicon. With fair, efficient, and professional services, the Group will contribute positively to the high-quality and sustainable development of the new energy industry while continuously enhancing its international competitiveness. The Group continues to strengthen its ability to serve international leading customers, establishing business cooperation with several major clients during the Year.

The Group continues to increase its R&D investments and participates in the formulation and revision of standards to drive industry development. The Group actively participated in the drafting of the group standard for recycled steel raw materials organized by the Dalian Commodity Exchange, serving as the third drafting unit to complete the development of the Operational Specifications for Sampling Recycled Steel Raw Materials (published). Concurrently, recommended by the Dalian Commodity Exchange, the Group joined the drafting team for the national standard Recycled Steel Raw Materials, which was issued on 28 November 2024. Additionally, commissioned by the Dalian Commodity Exchange, the Group continues to undertake inspection tasks for recycled steel raw materials in 2024.

Looking ahead, the Group will continue to ensure the quality and safety of futures deliveries with professional, high-quality services, support the stable operation of commodity futures and options markets, and provide expert services for the in-depth market of energy commodity inspection.

Research Development

The Group is accelerating its integration into the wave of intelligent development, leveraging Al to drive technological innovation and upgrades, and leading industry advancement. The Group has taken the lead in deploying AI application technologies across its business lines, including coal, commodity services, integrated refining and chemicals, new energy, and environmental sectors. It has introduced automated spectral analysis pre-processing systems and Al-powered visual inspection devices, significantly improving automation rates in key processes and data verification efficiency. With the support of its partners, the Group has established the "Smart Testing Laboratory 3.0" and developed a blockchain-based platform for certifying testing data. Through the in-house smart test system, customers can track testing progress in real time and independently authorize report circulation, greatly enhancing service response speed. By leveraging technological innovations such as Al applications to optimize and upgrade service capabilities, the Group continuously strengthens its ability to serve top-tier clients, enhances customer loyalty and market competitiveness, and solidifies its leading position in the industry.

The Group plans to complete the global deployment of its Al system by 2025, while achieving continuous breakthroughs in areas such as establishing a cross-border AI inspection mutual recognition system, developing an Al-powered carbon emission accounting module, and creating a quality prediction model for bulk energy commodities. In the medium to long term, the Group will bolster its support for R&D innovation, continuously driving the deep integration of technologies like Al, digital twins, and blockchain into testing technologies, equipment, and laboratory management. This will facilitate the development of AI-powered unmanned testing and laboratory platforms, ultimately establishing a new paradigm of "Al-driven, human-machine collaboration" in testing and inspection.

II. ESG+:

As the construction of a new power system accelerates, the Group leverages its ESG+ business, encompassing the three core segments of clean energy, environmental protection, and climate change, to fully harness its deep industry experience and strengths. The Group actively aligns with the transition needs of existing clients, introduces advanced technologies, and drives technological innovation. With a multifaceted focus on environmental protection, it supports clients in proactively addressing climate change, directly contributing to the green and low-carbon transition of the industry and facilitating the high-quality, accelerated development of new power systems.

(1) **Clean Energy Business**: The Group has expanded into new energy sectors, focusing on wind power and solar power generation, alongside testing services in other clean energy fields. Our service scope includes quality inspection and re-inspection for wind power and photovoltaic projects, covering manufacturing supervision, hoisting supervision, wind turbine inspections, pre-warranty expiration quality assessments, and operational maintenance. Additionally, we provide data collection, testing, and regular maintenance during the operation of wind and photovoltaic systems to improve power generation stability.

(2) **Environmental protection business**: The Group enhances its environmental protection capabilities through Leakage Detection and Repair ("**LDAR**") services, screening and precisely locating suspected pipeline leaks. By integrating pipeline data platforms, risk identification and assessment systems, and detection and repair processes, we offer diversified, comprehensive services. These efforts assist enterprises in mitigating pipeline safety risks, reducing accident rates, and strengthening environmental protection services. LDAR is a key contributor to low-carbon emissions reduction and an essential element in achieving green low carbon goals. Additionally, the Group provides a wide range of ecological and environmental consulting and testing services, including environmental protection monitoring, ecological monitoring, soil pollution investigation, environmental pollution prevention, professional total solution operator for environmental protection, consulting on environmental protection technology, soil and water conservation, water resources argumentation, social stability risk assessment, environmental protection equipment sales, as well as sales and operation maintenance of online monitoring equipments.

(3) **Climate change business**: The Group offers a wide range of professional, integrated solutions in the fields of low-carbon and sustainable development. These services primarily encompass four key areas: due diligence, development, technical consulting, and trading of carbon emission reduction assets; low-carbon technology consulting; ESG (Environmental, Social, and Governance) technical consulting; and low-carbon digitalization. Our key strategic clients are core contributors to building clean, low-carbon, safe, and efficient energy systems. The Group actively supports these clients in enhancing efficiency, achieving their goals, and implementing large-scale energy-saving and carbon reduction initiatives, enabling them to pursue sustainable, low-carbon, and green development strategies. Furthermore, through a one-stop comprehensive carbon neutrality solution, the Group has successfully assisted industry-leading clients in meeting their corporate carbon neutrality commitments. With a deep understanding of the global carbon market's current status and trends, we proactively help clients complete the registration of projects under various international carbon reduction mechanisms. This support empowers our clients to fully uphold their corporate social responsibilities and establish themselves as leaders in low-carbon and sustainable development within their industries.

    During the Year, the climate change business continued to build on its momentum. As one of the leading carbon asset traders in the Beijing carbon market, the Group significantly expanded its carbon asset trading volume in collaboration with clients this year, enabling more customers to meet their annual compliance obligations cost-effectively. The Group also strengthened its global operational capabilities, securing several overseas carbon asset projects during the Year to support the industry and clients in achieving sustainable low-carbon transitions. With the progressive rollout and clarification of new global carbon market regulations, the market is poised for substantial growth. The Group is well-positioned to seize these opportunities, leveraging its internal experts, recognized as specialists in emerging global carbon market mechanisms, and its strong brand credibility and influence among clients and governments.

III. ESG-Focused:

The Group have bolstered our sustainability capabilities, sharpening our expertise in ESG-related areas such as green and low-carbon solutions, energy-saving initiatives, and emission reduction services, while keeping a keen eye on potential investment opportunities. Looking ahead, the Company will accelerate investment plans aligned with the Group's ESG strategy, targeting mergers, acquisitions, and investment opportunities in emerging markets with strong potential for green, low-carbon, and sustainable growth. By integrating AI innovative technologies, we aim to deliver a broader range of high-quality services, empowering our clients to achieve their green and low-carbon transition goals.

PROSPECT

As a leading player in the Asia-Pacific region, we aim to capitalize on the thriving TIC market. The Group is dedicated to fully integrating AI and cutting-edge technology across the entire service process, from planning and precise guidance before testing, to real-time monitoring and accurate predictions during testing, and rapid data processing, in-depth analysis, and decision-making support post-testing. This holistic approach significantly boosts service efficiency and customer satisfaction.

FINANCIAL REVIEW

Overview

	2024	2023	**Change**
	HK$'000	*HK$'000*	
Revenue	**1,263,129**	1,118,514	12.9%
Profit attributable to owners of the Company	**82,725**	80,048	3.4%

Revenue

The Group's revenue increased by 12.9% from approximately HK$1,118.5 million in 2023 to approximately HK$1,263.1 million in 2024. Leveraging the dynamic trends in emerging markets and an expanding international service network, the Group has steadily advanced its business development. On one hand, ESG+ new businesses have experienced rapid growth, significantly broadening the customer base and exceeding expectations. On the other hand, the Group achieved outstanding results in overseas market expansion, with overseas revenue increasing by 21.3% to HK$567.6 million in 2024, accounting for 44.9% of total Group revenue. The dual momentum from new businesses and markets had collectively fueled the Group's overall revenue growth.

Profit attributable to owners of the Company

The Group's profit attributable to owners of the Company for the Year increased by 3.4% from approximately HK$80.0 million in 2023 to approximately HK$82.7 million in 2024. The Group relies on its global service networks to efficiently meet the one-stop service demands of customers worldwide. The Group places great emphasis on the forward-looking strategic investments required for long-term sustainable development, increasing costs in the development of new businesses and emerging markets during the Year, which increased overall operational expenditures, ultimately laying a solid foundation for future profit growth.

Cash and Cash Equivalents

The Group's cash and cash equivalents consist primarily of cash and bank balances denominated in RMB, HKD, USD and SGD. The Group remained in a strong cash position throughout 2023 and 2024, with cash and cash equivalents of HK$227.3 million and HK$267.2 million as at 31 December 2023 and 2024 respectively.

Treasury Management and Funding Policy

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023 respectively.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year under review. To manage the Group's liquidity risk, the management monitors the Group's liquidity position and maintains sufficient cash and cash equivalents within the Group, as well as ensuring the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

Contingent Liabilities

As at 31 December 2024, the Group did not have any significant contingent liabilities or guarantees to third parties.

Gearing Ratio

The Group monitors capital on the basis of the gearing ratio. The calculation of gearing ratio is based on total net debt divided by capital plus net debt and multiplied by 100.0%. Net debt is calculated as trade payables, other payables and accruals, interest-bearing bank loans and convertible bonds, less cash and cash equivalents as shown in the consolidated statement of financial position. Total capital is calculated as "equity attributable to owners of the Company" as shown in the consolidated statement of financial position.

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**47,558**	51,910
Other payables and accruals	**79,992**	71,155
Interest-bearing bank loans	**47,882**	48,530
Convertible bonds	**19,945**	48,612
Less: Cash and cash equivalents	**(267,235)**	(227,250)
Net surplus	**(71,858)**	(7,043)
Equity attributable to owners of the Company	**468,503**	424,501
Capital and net debt	**396,645**	417,458
Gearing ratio *(Note)*	**–**	–

Note: Gearing ratio is zero when the amount of cash and cash equivalents is higher than gross debt (2023: Zero).

Credit Risk

Credit risk is the risk of loss arising from a customer's or counterparty's inability to meet its obligations. The Group enters into transactions only with recognized and creditworthy parties. It is the Group's policy that all customers who wish to have credit transactions with the Group are subject to credit verification procedures taking into account the customers' financial position and the Group's past experience with the customers.

In addition, the Group monitors receivable balances on an ongoing basis. The management of the Group evaluates the creditworthiness of its existing and prospective customers and ensures that the customers have adequate financing for the projects as well as the source of the financing. No collateral is required.

The Group's other financial assets include financial assets included in deposits and other receivables and cash and cash equivalents. The credit risk of these financial assets arises from default of the counterparty. The maximum exposure to credit risk equals to the carrying amounts of these assets.

Foreign Exchange Risk

The Group was exposed to foreign currency risk on cash and cash equivalents, receivables, payables and interest-bearing bank loans that were denominated in a currency other than respective functional currencies of the Group's entities. The currencies giving rise to this risk were primarily Hong Kong dollar, Renminbi, United States dollar and Singapore dollar.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

During the year ended 31 December 2024, the Company repurchased a total of 6,504,000 of its ordinary shares (the "**Shares**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate consideration of approximately HK$12,982,560 (exclude expenses) (HK$13,030,026 include expenses). All these repurchased Shares were cancelled subsequently after the year end date.

Subsequent to the year ended 31 December 2024, the Company further repurchased 4,180,000 of its Shares on the Stock Exchange at an aggregate consideration of approximately HK$9,699,040 (exclude expenses). Out of those repurchased Shares, 2,404,000 Shares of approximately HK$5,457,040 (exclude expenses) were cancelled up to the date of this announcement.

Save as disclosed above, the Group has no other significant events after the reporting period up to the date of this announcement.

EMPLOYEES

As of 31 December 2024, the Group had 3,374 (2023: 3,016) employees in total. The Group's employee compensation includes base salary, bonuses and cash subsidies. Other agreed employee benefits includes pension scheme, medical insurance, on-job training, education subsidy and other social security and paid leaves stipulated under the relevant jurisdiction of places of operation. The Company maintained good relationship with its employees. Furthermore, the Company has adopted the share option scheme as well as the share award scheme as the incentives to Directors and eligible employees.

As regards to the emolument policy of the employees of the Group, in general, the Group determines employee compensation based on each employee's performance, qualifications, position and seniority. The emoluments of the Directors are recommended and decided by the remuneration committee and the Board respectively, having regard to the Company's operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

There are no provisions of pre-emptive rights under the Company's articles of association, or the laws of the Cayman Islands (being the jurisdiction in which the Company was incorporated), which would oblige the Company to offer new Shares on a pro-rata basis to its existing shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2024, the Company repurchased a total of 6,504,000 of its Shares on the Stock Exchange at an aggregate consideration of approximately HK$12,982,560 (exclude expenses). All these repurchased Shares were cancelled subsequently after the year and date.

Details of the repurchase are summarised as follows:

Month	**Number of Shares repurchased**	**Price per Share Highest**	**Price per Share Lowest**	**Aggregate consideration paid (exclude expenses)**
		HK$	*HK$*	*HK$*
December 2024	6,504,000	2.15	1.89	12,982,560

The repurchase of the Shares was effected by the Board pursuant to the mandate granted by the shareholders of the Company at the annual general meeting held on 18 June 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

DIVIDEND

No interim dividend was paid by the Company for the six months ended 30 June 2024 (2023: HK$0.0269 per Share).

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: HK$0.0174 per Share).

CLOSURE OF REGISTER

For the purpose of ascertaining shareholders' entitlement to attend and vote at the annual general meeting of the Company, which is to be held on 30 June 2025 (the "**AGM**"), the register of members of the Company will be closed from Wednesday, 25 June 2025 to Monday, 30 June 2025, both days inclusive and during which period no share transfer will be effected. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 24 June 2025.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the Board, as at the date of this announcement, the Company has maintained the public float as required under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its shareholders as a whole. The Company has adopted the code provisions on Corporate Governance Code as set out in Appendix C1 to the Listing Rules (the "**CG Code**").

For the year ended 31 December 2024, in the opinion of the Directors, the Company had complied with the code provisions as set out in the CG Code except the deviation from code provision C.2.1 of the CG Code.

Currently, Mr. LI Xiangli ("**Mr. Li**") takes up the roles of both chairman of the Board and chief executive officer ("**CEO**") of the Company, which is deviated from code provision C.2.1 of the CG Code that requires the roles of chairman and chief executive of the Company should be separate and should not be performed by the same individual. The Board considers that Mr. Li possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. In the opinion of the Directors, through supervision by the Board and the independent non-executive Directors, together with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of chairman and chief executive can achieve the goal of improving the Company's efficiency in decision-making and execution and effectively capturing business opportunities. The Board will review the effectiveness of this arrangement from time to time.

The Board will continue to review and monitor the practices of the Company with an aim of maintaining a high standard of corporate governance.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding dealings in the securities of the Company by the Directors and the Company's employees who, because of their offices or employments, are likely to possess inside information of the Company and/or its securities.

Having made specific enquiry by the Company with all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code regarding directors' securities transactions throughout the year ended 31 December 2024.

REVIEW OF FINANCIAL STATEMENTS

Audit Committee

The Company has established the audit committee (the "**Audit Committee**") of the Board in compliance with Rules 3.21 and 3.22 of the Listing Rules. The Audit Committee now comprises three members, namely Mr. LIU Hoi Keung (Chairman of the Audit Committee), Mr. WANG Zichen and Mr. ZHAO Hong, all being the independent non-executive Directors.

The Audit Committee has discussed with the management and reviewed the annual consolidated financial statements of the Group for the year ended 31 December 2024 and this announcement.

Scope of work of Ernst & Young

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 the preliminary announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hk1586.com, respectively. The annual report of the Company for the year ended 31 December 2024 containing all the information required under the Listing Rules will be despatched to the shareholders of the Company and published on the abovementioned websites in due course.

By Order of the Board
China Leon Inspection Holding Limited
Li Xiangli
Chairman and CEO

Hong Kong, 31 March 2025

As at the date of this announcement, the Board of the Company comprises eight Directors:

Executive Directors:
Mr. Li Xiangli *(Chairman and CEO)*
Ms. Zhang Aiying *(Vice President)*
Mr. Liu Yi *(Vice President)*
Mr. Yang Rongbing *(Vice Chairman)*

Non-executive Director:
Mr. Hao Yilei

Independent Non-executive Directors:
Mr. Wang Zichen
Mr. Zhao Hong
Mr. Liu Hoi Keung