首惠产融

首惠產業金融服務集團有限公司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board of directors (the "Board") of Capital Industrial Financial Services Group Limited (the "Company") is pleased to report the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2026. These interim results have been reviewed by the Audit Committee of the Board of the Company ("Audit Committee") and the Company's auditor.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue under sale and leaseback arrangements	*5*	**24,827**	29,650
Revenue from supply chain management and financial technology business	*5*	**68,002**	16,149
Property leasing income	*5*	**2,323**	2,023
Total revenue		**95,152**	47,822
Cost of revenue under sale and leaseback arrangements		**(5)**	(4,408)
Cost of revenue from supply chain management and financial technology business		**(59,270)**	(2,615)

	Notes	Six months ended 30 June **2026** *HK$'000* (Unaudited)	2025 *HK$'000* (Unaudited)
Gross profit		**35,877**	40,799
Other income	*6*	**21,161**	11,094
Administrative expenses		**(25,418)**	(25,198)
Change in fair value of investment properties		**(3,719)**	(8,452)
Reversal of impairment losses on financial assets		**844**	17,727
Operating profit		**28,745**	35,970
Finance costs	*8*	**(352)**	(326)
Share of (loss) profit of an associate		**(147)**	1,354
Profit before income tax		**28,246**	36,998
Income tax expenses	*9*	**(8,412)**	(9,505)
Profit for the period	*7*	**19,834**	27,493
Profit is attributable to:			
Owners of the Company		**15,022**	19,838
Non-controlling interests		**4,812**	7,655
		19,834	27,493

	Notes	Six months ended 30 June **2026** ***HK$'000*** **(Unaudited)**	 2025 *HK$'000* (Unaudited)
Profit for the period		**19,834**	27,493
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Currency translation differences		**66,493**	23,808
Share of currency translation difference of an associate using equity method		**3,396**	2,016
Other comprehensive income for the period		**69,889**	25,824
Total comprehensive income for the period		**89,723**	53,317
Total comprehensive income attributable to:			
Owners of the Company		**70,914**	40,146
Non-controlling interests		**18,809**	13,171
		89,723	53,317
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic and diluted *(HK cents)*	*10*	**0.38**	0.50

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**30 June 2026 HK$'000 (Unaudited)**	31 December 2025 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**430**	583
Right-of-use assets		**3,669**	5,450
Investment properties		**80,027**	81,247
Intangible assets		**79,684**	78,410
Interest in an associate		**88,389**	85,140
Receivables under sale and leaseback arrangements	*11*	**717,694**	562,796
Deferred tax assets		**162**	188
Total non-current assets		**970,055**	813,814
Current assets			
Receivables under sale and leaseback arrangements	*11*	**159,838**	222,390
Receivable under credit financing arrangement		**469,691**	451,129
Trade receivables	*12*	**9,821**	64,561
Prepayments, deposits and other receivables		**66,044**	20,770
Amounts due from related parties		**4,839**	9,034
Inventories		**107**	781
Cash and cash equivalents		**288,475**	305,475
Total current assets		**998,815**	1,074,140
Total assets		**1,968,870**	1,887,954

	Notes	30 June 2026 HK$'000 (Unaudited)	31 December 2025 HK$'000 (Audited)
EQUITY			
Share capital	*14*	**39,539**	39,539
Reserves		**1,465,339**	1,406,287
Capital and reserves attributable to owners of the Company		**1,504,878**	1,445,826
Non-controlling interests		**358,950**	340,141
Total equity		**1,863,828**	1,785,967
LIABILITIES			
Non-current liabilities			
Loans from a related party		**17,351**	16,685
Lease liabilities		**1,791**	2,563
Deferred tax liabilities		**1,809**	2,876
Total non-current liabilities		**20,951**	22,124
Current liabilities			
Trade payables	*13*	**3,237**	10,757
Other payables and accruals		**75,213**	61,797
Lease liabilities		**2,581**	3,427
Current tax liabilities		**3,060**	3,882
Total current liabilities		**84,091**	79,863
Total liabilities		**105,042**	101,987
Total equity and liabilities		**1,968,870**	1,887,954

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Capital Industrial Financial Services Group Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office is at Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The Company is an investment holding company. The principal activities of its significant subsidiaries are provision of sale and leaseback arrangements services, property leasing services and supply chain management and financial technology business. These condensed consolidated interim financial information are presented in Hong Kong dollars ("HK$"), unless otherwise stated.

These condensed consolidated interim financial information have not been audited.

2 BASIS OF PREPARATION

These condensed consolidated interim financial information of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2026 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). These condensed consolidated interim financial information do not include all the notes of the type normally included in the annual consolidated financial statements. Accordingly, these condensed consolidated interim financial statements are to be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

The functional currency of the Company is Renminbi ("RMB") while these condensed consolidated interim financial information are presented in Hong Kong dollars ("HK$"), unless otherwise stated. Exchange differences relating to the translation of the assets and liabilities of the subsidiaries with the same functional currency as the Company (i.e. RMB) to the presentation currency of the Group (i.e. HK$) are recognised directly in other comprehensive income and accumulated translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

3 ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards and interpretation as set out below.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRS Accounting standards issued by HKICPA which are effective for the Group's financial year beginning 1 January 2026:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial information.

4 ESTIMATES AND JUDGEMENT

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2025.

5 SEGMENT INFORMATION

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

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

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

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

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

	Sale and leaseback arrangements business *HK$'000*	**Property leasing business** *HK$'000*	**Supply chain management and financial technology business** *HK$'000*	**Total** *HK$'000*
During the six months ended 30 June 2026 (unaudited)				
Revenue under sale and leaseback arrangements	**24,827**	**–**	**–**	**24,827**
Revenue from supply chain management and financial technology business	**–**	**–**	**68,002**	**68,002**
Property leasing income	**–**	**2,323**	**–**	**2,323**
Segment revenue	**24,827**	**2,323**	**68,002**	**95,152**
Segment results	**26,771**	**(1,524)**	**(2,038)**	**23,209**
Unallocated				
Central administration costs				**(9,847)**
Other income *(Note)*				**15,383**
Finance costs				**(352)**
Share of profit of an associate				**(147)**
Profit before income tax				**28,246**

	Sale and leaseback arrangements business *HK$'000*	Property leasing business *HK$'000*	Supply chain management and financial technology business *HK$'000*	Total *HK$'000*
During the six months ended 30 June 2025 (unaudited)				
Revenue under sale and leaseback arrangements	29,650	–	–	29,650
Revenue from supply chain management and financial technology business	–	–	16,149	16,149
Property leasing income	–	2,023	–	2,023
Segment revenue	29,650	2,023	16,149	47,822
Segment results	38,525	(6,494)	3,699	35,730
Unallocated				
Central administration costs				(9,868)
Other income *(Note)*				10,108
Finance costs				(326)
Share of profit of an associate				1,354
Profit before income tax				36,998

Note:

Unallocated other income represents certain interest income from bank deposits held by an investment holding company, certain deposit service interest income from a related party, credit financing arrangement income from a related party and others.

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Segment assets		
Sale and leaseback arrangements business	**1,058,671**	1,012,997
Supply chain management and financial technology business	**121,364**	117,573
Property leasing business	**82,115**	83,205
Total segment assets	**1,262,150**	1,213,775
Interest in an associate	**88,389**	85,140
Other unallocated assets	**618,331**	589,039
Consolidated assets	**1,968,870**	1,887,954
Segment liabilities		
Sale and leaseback arrangements business	**49,931**	49,232
Supply chain management and financial technology business	**24,970**	25,500
Property leasing business	**104**	104
Total segment liabilities	**75,005**	74,836
Other unallocated liabilities	**18,173**	27,151
Consolidated liabilities	**93,178**	101,987

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

– all assets are allocated to reportable segments other than interests in an associate and other unallocated assets (including primarily unallocated property, plant and equipment, right-of-use assets, receivable under credit financing arrangement, cash and cash equivalents, interest receivables for credit financing arrangement, prepayments, deposits and other receivables and deferred tax assets).

– all liabilities are allocated to reportable segments other than other unallocated liabilities (including primarily loans from a related party, lease liabilities, deferred tax liabilities, other payables and accruals, and current tax liabilities).

6 OTHER INCOME

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest income		
– Bank deposits	**60**	184
– Deposit service interest income from a related party	**477**	864
– Credit financing arrangement income from a related party	**10,149**	9,970
	10,686	11,018
Others	**10,475**	76
	21,161	11,094

7 PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Employee benefit expenses	**21,594**	20,831
Depreciation of property, plant and equipment	**174**	182
Amortisation of intangible assets	**1,836**	1,472
Depreciation of right-of-use assets	**1,963**	1,863

8 FINANCE COSTS

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on loans from a related party	**227**	217
Interest on lease liabilities	**125**	109
	352	326

9 INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax:		
– China enterprise income tax	**8,412**	9,577
Deferred income tax	**–**	(72)
Income tax expense	**8,412**	9,505

Notes:

(a) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits for the six months ended 30 June 2026 (six months ended 30 June 2025: 16.5%).

(b) The Group's major business is in the PRC. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 June 2026 and 2025 respectively, except for one subsidiary of the group which is recognised as high technology enterprise is entitled to enjoy a preferential EIT rate of 15% for six months ended 30 June 2026 (six months ended 30 June 2025: 25%).

10 EARNINGS PER SHARE

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

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(HK$'000)*	**15,022**	19,838
Weighted average number of ordinary shares *(thousand)*	**3,953,963**	3,953,963
Basic earnings per share *(HK cents)*	**0.38**	0.50

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. No diluted earnings per share for the six months ended 30 June 2026 and 2025 as there was no dilutive potential shares during the periods.

11 RECEIVABLES UNDER SALE AND LEASEBACK ARRANGEMENTS

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current assets	**159,838**	222,390
Non-current assets	**717,694**	562,796
	877,532	785,186

At 30 June 2026 and 31 December 2025, the Group's receivables under sale and leaseback arrangements were repayable as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within one year	**159,838**	222,390
Between 1 and 2 years	**357,708**	394,771
Between 2 and 3 years	**349,067**	107,903
Between 3 and 4 years	**10,919**	60,122
	877,532	785,186

As at 30 June 2026 and 31 December 2025, all of the Group's receivables under sale and leaseback arrangements were not yet overdue.

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Analysed as:		
Current receivables under sale and leaseback arrangements (receivable within 12 months)	**206,278**	233,744
Non-current receivables under sale and leaseback arrangements (receivable after 12 months)	**712,604**	591,530
	918,882	825,274
Provision of impairment loss allowance	**(41,350)**	(40,088)
	877,532	785,186

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fixed-rate receivables under sale and leaseback arrangements	**877,532**	785,186

Interest rates per annum of the above receivables under sale and leaseback arrangements for the period/year are as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Fixed-rate receivables	**4.0% to 5.5%**	5.0% to 5.5%

12 TRADE RECEIVABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables	**9,821**	64,561

Notes:

As at 30 June 2026, the gross amount of trade receivable arising from contracts with customers approximately amounted to HK$9,821,000 (2025: HK$64,561,000). The carrying amounts of the Group's trade receivables are denominated in RMB (2025: same).

The credit terms of trade receivables are normally 30 days as at 30 June 2026 and 31 December 2025. The aging analysis of trade receivables is as follows:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 3 months	**9,821**	64,561

13 TRADE PAYABLES

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade payables *(Note)*	**3,237**	10,757

Note:

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

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Within 30 days	**2,608**	10,757
91-180 days	**397**	–
181-365 days	**232**	–
	3,237	10,757

14 SHARE CAPITAL

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 January 2025, 30 June 2025, 1 January 2026 and 30 June 2026	10,000,000,000	10,000
Issued and fully paid:		
At 1 January 2025	3,957,702,703	39,577
Cancellation of shares	(3,764,000)	(38)
At 30 June 2025 (unaudited)	3,953,938,703	39,539
At 1 January 2026 and 30 June 2026 (unaudited)	3,953,938,703	39,539

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2026 (2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

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

KEY FINANCIAL PERFORMANCE INDICATORS

The key financial performance indicators are analysed as below:

	Six months ended 30 June		
	2026	2025	+/(-)
	HK\$'000	*HK\$'000*	Change
Financial performance			
Revenue	**95,152**	47,822	99%
Gross profit margin *(%)*	**38%**	85%	-47%
Profit for the period	**19,834**	27,493	-28%
Profit attributable to owners of the Company	**15,022**	19,838	-24%
Basic earnings per share *(HK cents)*	**0.38**	0.50	-24%

	30 June	31 December	
	2026	2025	+/(-)
	HK\$'000	*HK\$'000*	Change
Key financial indicators			
Total cash	**288,475**	305,475	-6%
Total assets	**1,968,870**	1,887,954	4%
Total liabilities	**105,042**	101,987	3%
Loans from a related party	**17,351**	16,685	4%
Capital and reserves attributable to owners of the Company	**1,504,878**	1,445,826	4%
Current ratio	**11.88**	13.45	-12%

FINANCIAL OVERVIEW

The Group recorded profit attributable to owners of the Company of approximately HK$15,022,000 for the six months ended 30 June 2026, representing a decrease of approximately 24% as compared with profit attributable to owners of the Company of approximately HK$19,838,000 for the six months ended 30 June 2025, which was mainly due to the significant decrease in the reversal of impairment losses on financial assets. Revenue of the Group for the six months ended 30 June 2026 was approximately HK$95,152,000, which represented an increase of approximately 99% when compared with that of approximately HK$47,822,000 for the same period of 2025. The increase was mainly due to the Group has resumed steel product trading in the second half of 2025. The Group recorded a gross profit of approximately HK$35,877,000 for the six months ended 30 June 2026, representing a decrease of approximately 12% when compared with the gross profit of approximately HK$40,799,000 for the same period of 2025. The Group recorded a gross profit margin of approximately 38% for the six months ended 30 June 2026, representing a decrease when compared with the gross profit margin of approximately 85% for the same period of 2025. Basic earnings per share of the Group for the six months ended 30 June 2026 was HK0.38 cents (six months ended 30 June 2025: basic earnings per share was HK0.50 cents).

Revenue for the six months ended 30 June 2026 was approximately HK$95,152,000, representing an increase of approximately 99% when compared with that of approximately HK$47,822,000 for the same period of 2025. The increase was mainly due to the Group has resumed steel product trading in the second half of 2025.

The Group recorded a gross profit of approximately HK$35,877,000 for the six months ended 30 June 2026, representing a decrease of approximately 12%, when compared with the gross profit of approximately HK$40,799,000 for the same period of 2025. The Group recorded a gross profit margin of approximately 38% for the six months ended 30 June 2026, representing a decrease when compared with the gross profit margin of approximately 85% for the same period of 2025, which was mainly attributable to the Group has resumed steel product trading under the supply chain management and financial technology business segment in the second half of 2025.

Other income for the six months ended 30 June 2026 amounted to approximately HK$21,161,000 (six months ended 30 June 2025: HK$11,094,000), representing a significant increase of approximately 91%. The increase was mainly due to the increase in the increase in management and financial advisory service income from a related related party, the increase in financial technical service income from related parties and the recovery of receivables under sale and leaseback arrangements previously written-off.

Administrative expenses for the six months ended 30 June 2026 amounted to approximately HK$25,418,000 (six months ended 30 June 2025: HK$25,198,000), representing a slight increase of approximately 1%, remained stable in general.

For the six months ended 30 June 2026, share of loss of an associate amounted to approximately HK$147,000 (six months ended 30 June 2025: share of profit HK$1,354,000).

BUSINESS REVIEW AND OUTLOOK

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

While the Group will continue to explore business opportunities in energy management, energy conservation and renovation (EMC) projects and related businesses, it is also exploring potential strategic acquisition and investment opportunities in businesses that are similar or complementary to its existing principal businesses, including commercial factoring and related supply chain finance, supply chain management, financial technology, financial leasing, and industry-finance services relating to robotics and intelligent manufacturing equipment. Such services may include financial leasing, operating leasing, sale and leaseback, term leasing and related services. The Group will evaluate such opportunities prudently with a view to supporting its long-term business development and creating value for the shareholders.

Sale and Leaseback Arrangements Business Segment

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

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

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

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

As at 30 June 2026, approximately 89% (31 December 2025: 99%) of the total receivables under the sale and leaseback arrangements was due from the Group's three largest sale and leaseback customers, of which two such customers are related parties of the Group.

Customer Diversity Table

	Receivables as at 30 June 2026 *HK$'000*	*%*
Customers		
Beijing Enji Energy Technology Co., Ltd.*^	**344,533**	**39**
Tonghua Steel Co., Ltd.*#	**328,354**	**37**
Shougang Shuicheng Iron and Steel (Group) Co. Ltd.*#	**109,646**	**13**
Beijing Shougang International Engineering Technology Co., Ltd.*#	**94,999**	**11**

Notes:

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

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

* *For identification purpose only*

The Group's sale and leaseback customers are spread across industries such as manufacturing industries and energy saving technology industries.

During the period under review, revenue from the sale and leaseback arrangements services segment decreased by approximately 16% to approximately HK$24,827,000 (six months ended 30 June 2025: HK$29,650,000), and the segment results recorded a profit of approximately HK$26,771,000 (six months ended 30 June 2025: HK$38,525,000). The decrease in revenue from the sales and leaseback arrangements segment was mainly due to change in business direction and dedicated more resources from individual customers to corporate customers while the segment's performance was steady as compared to last year same period.

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

Supply Chain Management and Financial Technology Business Segment

During the period under review, revenue from the supply chain management and financial technology business segment was approximately HK$68,002,000 (six months ended 30 June 2025: HK$16,149,000). The supply chain management and financial technology business segment results recorded a loss of approximately HK$2,038,000 (six months ended 30 June 2025: a profit of HK$3,699,000). The supply chain management and financial technology business segment refers to a business model based on real trade, relying on logistics and centering around the capital flow control. Such business model enables a win-win situation for various participating entities, which include steel enterprises, banks and logistics companies, through the design and management of financial products. The supply chain management and financial technology business segment focused on the electronic multitier transfer of creditor's rights certificates (the "Shougang Credit Certificate") and related businesses for the steel industry chain. Based on the business application scenarios of core enterprises, this business provides negotiable, apportionable and financeable electronic creditor's rights certificate to core enterprises. It is an electronic certificate created by the Group under a self-developed supply chain financial platform (the "Shougang SCF Platform") that utilise blockchain technology to create immutable and traceable digital representation of suppliers' account receivable due from anchor enterprises that suppliers can use for payment and financing purposes, and to serve the upstream and downstream of the steel industry chain. The increase in revenue was mainly due to the Group has resumed steel product trading in the second half of 2025 and decrease in segment's performance was mainly due to increase in staff costs.

The Group will further sort out procurement needs in the supply chain, analyze the settlement habit and settlement cycles of each category and supplier, so as to formulate diversified Shougang Credit Certificate products and pricing strategies to cover more application scenarios in the supply chain and gain more recognition. In addition to the existing Shougang Credit Certificate, the Group will continue to develop different products to diversify its product offerings. By doing so, the Group helps to resolve the problems faced by small-to-medium sized suppliers in business scenarios with diversified product offerings, such as financing difficulties, high financing costs, high risk control costs, credit period mismatch and inventory backlog.

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

Property Leasing Business Segment

During the period under review, revenue from the property leasing business segment increased to approximately HK$2,323,000 (six months ended 30 June 2025: HK$2,023,000), while the segment results recorded a loss of approximately HK$1,524,000 (six months ended 30 June 2025: a loss of approximately HK$6,494,000). The revenue from the property leasing business segment remains stable. The decrease in loss recorded in segment results was mainly attributable to the decrease in fair value of investment properties of the property leasing business segment during the period of approximately HK$3,719,000 (six months ended 30 June 2025: decrease in fair value of investment properties of HK$8,452,000).

Under the policy environment and market environment of promoting financial innovation, the Group will grasp opportunities brought by the policies in relation to China's innovation of modern supply chain area and the upgrading strategies of industries in which target core enterprises operate to provide innovative financial products and service portfolios to those target core enterprises and their upstream and downstream customer groups, so as to serve the real economy. Through our supply chain financing platform, we will provide accessible financing to our small-to-medium sized enterprises customers to lower financing costs and enhance the stability of supply chains, which will bring low cost funds and equity capital to our customers and optimise their capital structure, help the Group to achieve sustainable growth in its business scale and create greater business value for our customers, shareholders and society.

In terms of risk management infrastructure, prudent and effective risk management can help in tapping the commercial value of long-term investments, as well as laying a solid foundation for the Group's sustainable development. We will put emphasis on strengthening our risk control system, introducing information technology platform, and adjusting our management and control strategies in a timely manner and continuously improving our management by improving and optimising our risk control mechanism. In addition, we will also continue to promote the development of our online risk management platform based on asset securitisation and industry supply chain business so as to provide an effective tool for the Group's risk management.

LIQUIDITY, FINANCIAL RESOURCES AND FINANCING ACTIVITIES

The Group has been focusing on maintaining stable funding sources and financing is arranged to match business requirements and cash flows. The financial leverage of the Group as at 30 June 2026 as compared to 31 December 2025 is summarised below:

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Total borrowings		
Non-current borrowings	**17,351**	16,685
Total cash		
Cash and cash equivalents	**288,475**	305,475
Total equity	**1,863,828**	1,785,967
Total assets	**1,968,870**	1,887,954
Financial leverage		
Current ratio	**11.88**	13.45

As at 30 June 2026, the Group had cash and cash equivalents of approximately HK$288,475,000 (31 December 2025: HK$305,475,000), which were mainly denominated in Hong Kong dollars and Renminbi. The decrease was mainly attributable to the net cash used in operating activities of approximately HK$47,179,000.

As at 30 June 2026, the Group' s borrowings amounted to approximately HK$17,351,000 (31 December 2025: HK$16,685,000), which were repayable after twelve months from 30 June 2026 (31 December 2025: HK$16,685,000). During the period under review, the Group did not obtain any new borrowings as the working capital for the Group's operations. All borrowings bore interest at fixed rate.

CAPITAL STRUCTURE

The capital and reserves attributable to owners of the Company amounted to approximately HK$1,504,878,000 as at 30 June 2026 (31 December 2025: HK$1,445,826,000). The increase was mainly due to the exchange differences arising from translation during the period totalling approximately HK$53,345,000. The Company did not issue any new shares during the period under review. The issued share capital of the Company was approximately HK$39,539,000 (represented by approximately 3,953,938,000 issued ordinary shares).

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

The Group had no material acquisitions, disposals and significant investment during the six months ended 30 June 2026.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Share Consolidation

On 14 July 2026 (after trading hours), the Company proposed to implement consolidation of every fifty (50) existing shares in issue into one (1) consolidated share (the "Share Consolidation"). Share Consolidation is not yet completed and subject to shareholders' approval. Details of which are set out in the Company's announcement dated 14 July 2016 and the circular of the Company dated 21 August 2026.

Rights Issue

On 14 July 2026, the Company announced the proposed Share Consolidation and the Rights Issue on the basis of one (1) Rights Share for every one (1) Consolidated Share at HK$6.25 per Rights Share. A maximum of 79,078,774 Rights Shares will be issued, raising maximum gross and net proceeds of approximately HK$494.2 million and HK$488.2 million, respectively. On the same date, the Company entered into the Placing Agreements in respect of the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares on a best effort basis.

As at the date of this announcement, the Rights Issue has not yet been completed and remains subject to the fulfilment of the conditions set out in the Company's announcement dated 14 July 2026 and circular dated 21 August 2026, including the Placing Agreements not having been terminated in accordance with their respective terms.

Details of which are set out in the Company's announcement dated 14 July 2026 and the circular of the Company dated 21 August 2026.

CHARGE ON ASSETS

As at 30 June 2026, the Group had no charge on its assets.

FOREIGN EXCHANGE EXPOSURE

The normal operations and investments of the Group are mainly in Hong Kong and China, with revenue and expenditure denominated in Hong Kong dollars and Renminbi. The Directors believe that the Group does not have significant foreign exchange exposure. However, if necessary, the Group will consider using forward exchange contracts to hedge against foreign exchange exposures. As at 30 June 2026, the Group has no significant foreign exchange exposure.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2026.

EMPLOYEES

As at 30 June 2026, the Group employed 46 (31 December 2025: 58) full time employees (excluding those under the payroll of associates of the Group). The Group remunerated its employees mainly with reference to the prevailing market practice, individual performance and work experience. Other benefits such as medical coverage, insurance plan, mandatory provident fund and discretionary bonus are also available to employees of the Group. Remuneration packages are reviewed either annually or through special increment.

During the six months ended 30 June 2026, the Company and its subsidiaries have not paid or committed to pay to any individual any amount as an inducement to join or upon joining the Company and/or its subsidiaries.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the period under review.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining good corporate governance standard and procedures to safeguard the interests of all shareholders and to enhance accountability and transparency.

The Company has complied with the code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2026.

AUDIT COMMITTEE

The Audit Committee comprised four members including three Independent Non-executive Directors, namely Mr. Tam King Ching, Kenny as Chairman, Mr. Ng Man Fung, Walter and Ms. On Danita, and one Non-executive Director, namely Mr. Huang Donglin.

The Audit Committee is accountable to the Board. It focuses primarily on financial reporting related matters, such as reviewing financial information and overseeing financial reporting related systems and controls. The Committee also advises the Board on high-level risk related matters, risk management and internal control, including advising on risk assessment and oversight of the internal audit function.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2026.

SCOPE OF WORK OF SHINEWING

SHINEWING (HK) CPA Limited, certified public accountants and the independent auditor of the Company, has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

APPRECIATION

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

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

Hong Kong, 28 August 2026

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

* *For identification purposes only*