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首惠产融

首惠產業金融服務集團有限公司*

CAPITAL INDUSTRIAL FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 730)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 2024. These interim results have been reviewed by the Audit Committee of the Board of the Company (“Audit Committee”).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue under sale and leaseback arrangements	5	93,805	86,499
Revenue from supply chain management and financial technology business	5	13,513	11,220
Property leasing income	5	2,134	2,301
Total revenue		109,452	100,020
Cost of revenue under sale and leaseback arrangements		(48,584)	(44,415)
Cost of revenue from supply chain management and financial technology business		(3,145)	(1,862)

		Six months ended 30 June	
		2024	2023
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Gross profit		57,723	53,743
Other income	6	5,253	9,827
Administrative expenses		(25,014)	(20,303)
Change in fair value of investment properties		(2,341)	100
Change in fair value of financial assets at fair value through profit or loss		(10)	(575)
Net impairment losses on financial assets		(559)	(3,468)
		<hr/>	<hr/>
Operating profit		35,052	39,324
Finance costs	8	(583)	(875)
Share of profit of an associate	16	2,556	1,878
		<hr/>	<hr/>
Profit before income tax		37,025	40,327
Income tax expense	9	(10,764)	(10,207)
		<hr/>	<hr/>
Profit for the period	7	26,261	30,120
		<hr/> <hr/>	<hr/> <hr/>
Profit is attributable to:			
Owners of the Company		17,981	22,406
Non-controlling interests		8,280	7,714
		<hr/>	<hr/>
		26,261	30,120
		<hr/> <hr/>	<hr/> <hr/>

	Six months ended 30 June	
	2024	2023
<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit for the period	26,261	30,120
Other comprehensive loss		
<i>Items that will not be reclassified to profit or loss:</i>		
Currency translation differences	(9,956)	(53,113)
Share of currency translation difference of an associate for using equity method	(1,973)	(2,690)
Total comprehensive loss for the period	(11,929)	(55,803)
Total comprehensive income/(loss) for the period	14,332	(25,683)
Total comprehensive income/(loss) attributable to:		
Owners of the Company	7,554	(23,943)
Non-controlling interests	6,778	(1,740)
	14,332	(25,683)
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic and diluted (<i>HK cents</i>)	<i>10</i>	
	0.45	0.56

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		30 June 2024	31 December 2023
	<i>Notes</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	<i>11</i>	1,103	626
Right-of-use assets		6,448	8,377
Investment properties	<i>12</i>	113,076	116,096
Intangible assets	<i>13</i>	72,053	71,806
Interest in an associate	<i>16</i>	85,434	84,851
Receivables under sale and leaseback arrangements	<i>14</i>	–	229,214
Financial assets at fair value through profit or loss		2,086	2,848
Prepayments		793	847
Deferred tax assets		–	465
Total non-current assets		280,993	515,130
Current assets			
Receivables under sale and leaseback arrangements	<i>14</i>	1,016,299	889,811
Receivable under credit financing arrangement	<i>18(g)</i>	164,215	165,386
Trade receivables	<i>15</i>	897	1,558
Prepayments, deposits and other receivables		19,979	19,898
Amounts due from related parties		–	3,864
Cash and cash equivalents		430,886	319,054
Total current assets		1,632,276	1,399,571
Total assets		1,913,269	1,914,701

		30 June 2024	31 December 2023
	<i>Note</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
EQUITY			
Share capital	17	39,726	39,846
Reserves		<u>1,366,749</u>	<u>1,376,076</u>
Capital and reserves attributable to owners of the Company			
Non-controlling interests		<u>1,406,475</u>	1,415,922
		<u>340,473</u>	<u>340,578</u>
Total equity		<u>1,746,948</u>	<u>1,756,500</u>
LIABILITIES			
Non-current liabilities			
Loan from a related party	18(h)	9,741	9,810
Lease liabilities		3,283	5,472
Deferred tax liabilities		<u>11,666</u>	<u>13,454</u>
Total non-current liabilities		<u>24,690</u>	<u>28,736</u>
Current liabilities			
Trade payables		9,425	10,162
Other payables and accruals		124,383	109,682
Lease liabilities		4,076	3,924
Current tax liabilities		<u>3,747</u>	<u>5,697</u>
Total current liabilities		<u>141,631</u>	<u>129,465</u>
Total liabilities		<u>166,321</u>	<u>158,201</u>
Total equity and liabilities		<u>1,913,269</u>	<u>1,914,701</u>

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. This condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2024 has 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”). This condensed consolidated interim financial information does not include all the notes of the type normally included in the annual consolidated financial statements. Accordingly, this condensed consolidated interim financial statement is to be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The functional currency of the Company is Renminbi (“RMB”) while this condensed consolidated interim financial information is 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 with 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 estimation of income tax (Note 9) and the adoption of new and amended standards and interpretation as set out below.

(a) Amendments and interpretations adopted by the Group

The following amendments to standards and interpretations apply for the first time to financial reporting period commencing on or after 1 January 2024:

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

The amendments listed above did not have any material impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

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

The following new and amended standards and interpretations have been issued but not effective for periods commencing on or after 1 January 2024 and have not been early adopted by the Group:

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

The Group has already commenced an assessment of the impact of the above new and amended standards and interpretations and does not expected to have a material impact on the Group's 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 the 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 for the year ended 31 December 2023.

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 services, property leasing services and supply chain management and financial technology business.

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

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

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

	Sale and leaseback arrangements services HK\$'000	Property leasing services HK\$'000	Supply chain management and financial technology business HK\$'000	Total HK\$'000
During the six months ended 30 June 2024 (unaudited)				
Revenue under sale and leaseback arrangements	93,805	–	–	93,805
Revenue from supply chain management and financial technology business	–	–	13,513	13,513
Property leasing income	–	2,134	–	2,134
	<u>93,805</u>	<u>2,134</u>	<u>13,513</u>	<u>109,452</u>
Segment revenue	<u>93,805</u>	<u>2,134</u>	<u>13,513</u>	<u>109,452</u>
Segment results	<u>39,219</u>	<u>(264)</u>	<u>4,135</u>	<u>43,090</u>
Unallocated				
Central administration costs				(12,437)
Other income (<i>Note</i>)				4,409
Changes in fair value of financial assets at FVPL				(10)
Finance costs				(583)
Share of profit of an associate				<u>2,556</u>
Profit before income tax				<u>37,025</u>

	Sale and leaseback arrangements services <i>HK\$'000</i>	Property leasing services <i>HK\$'000</i>	Supply chain management and financial technology business <i>HK\$'000</i>	Total <i>HK\$'000</i>
During the six months ended 30 June 2023 (unaudited)				
Revenue under sale and leaseback arrangements	86,499	–	–	86,499
Revenue from supply chain management and financial technology business	–	–	11,220	11,220
Property leasing income	–	2,301	–	2,301
	<u>86,499</u>	<u>2,301</u>	<u>11,220</u>	<u>100,020</u>
Segment revenue	<u>86,499</u>	<u>2,301</u>	<u>11,220</u>	<u>100,020</u>
Segment results	<u>34,994</u>	<u>2,197</u>	<u>5,113</u>	<u>42,304</u>
Unallocated				
Central administration costs				(8,020)
Other income (<i>Note</i>)				5,424
Changes in fair value of financial assets at FVPL				(575)
Finance costs				(684)
Share of profit of an associate				1,878
Profit before income tax				<u>40,327</u>

Note:

Unallocated other income represents interest income from credit financing arrangement income from a related party and bank deposits held by investment holding companies.

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

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Segment assets		
Sale and leaseback arrangements services	1,387,307	1,393,283
Supply chain management and financial technology business	254,075	259,536
Property leasing services	114,524	116,539
	<hr/>	<hr/>
Total segment assets	1,755,906	1,769,358
Interest in an associate	85,434	84,851
Financial assets at FVPL	2,086	2,848
Other unallocated assets	69,843	57,644
	<hr/>	<hr/>
Consolidated assets	1,913,269	1,914,701
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Sale and leaseback arrangements services	120,327	121,520
Supply chain management and financial technology business	5,354	11,917
Property leasing services	87	102
	<hr/>	<hr/>
Total segment liabilities	125,768	133,539
Other unallocated liabilities	40,553	24,662
	<hr/>	<hr/>
Consolidated liabilities	166,321	158,201
	<hr/> <hr/>	<hr/> <hr/>

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

- all assets are allocated to reportable segments other than interests in an associate, financial assets at FVPL and other unallocated assets (including primarily unallocated property, plant and equipment, receivable under credit financing arrangement, cash and cash equivalents, prepayments and deferred tax assets).

- all liabilities are allocated to reportable segments other than other unallocated liabilities.

6 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income		
— Bank deposits	593	2,630
— Deposit service interest income from a related party	294	—
— Credit financing arrangement income from a related party	3,936	4,152
	<u>4,823</u>	<u>6,782</u>
Government grant (<i>Note</i>)	—	2,343
Others	430	702
	<u>5,253</u>	<u>9,827</u>

Note: During the six months ended 30 June 2023, government grant of HK\$2,343,000 was received from the Government of the People's Republic of China for the deduction of value added tax. There are no unfulfilled conditions or other contingencies attaching to these grants.

7 PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Legal and professional fees	331	2,330
Employee benefit expenses	20,451	13,247
Depreciation of property, plant and equipment	163	210
Amortisation of intangible assets	1,126	692
Depreciation of right-of-use assets	1,885	1,163
	<u>1,885</u>	<u>1,163</u>

8 FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	–	626
Less: amounts included in costs of sale and leaseback arrangements	–	(141)
	–	485
Interest on loan from a related party	373	164
Interest on lease liabilities	210	226
	583	875

9 INCOME TAX EXPENSE

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax:		
— China enterprise income tax	12,000	9,546
Deferred income tax	(1,236)	661
	10,764	10,207

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 2024 (six months ended 30 June 2023: 16.5%).
- (b) Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the six months ended 30 June 2024 (six months ended 30 June 2023: 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	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>17,981</u>	<u>22,406</u>
Weighted average number of ordinary shares (<i>thousand</i>)	<u>3,973,037</u>	<u>3,984,640</u>
Basic earnings per share (<i>HK cents</i>)	<u>0.45</u>	<u>0.56</u>

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 2024 and 2023 as there was no dilutive potential shares during the periods.

11 PROPERTY, PLANT AND EQUIPMENT

The movement of the net book amount for property, plant and equipment is as follows:

	<i>HK\$'000</i>
(Unaudited)	
Six months ended 30 June 2023	
Opening net book amount	954
Depreciation (<i>Note 7</i>)	(210)
Currency translation differences	<u>(21)</u>
Closing net book amount	<u><u>723</u></u>
(Unaudited)	
Six months ended 30 June 2024	
Opening net book amount	626
Additions	644
Depreciation (<i>Note 7</i>)	(163)
Currency translation differences	<u>(4)</u>
Closing net book amount	<u><u>1,103</u></u>

12 INVESTMENT PROPERTIES

The movement of the fair value for investment properties is as follows:

	Residential and Commercial properties <i>HK\$'000</i> (Unaudited)
At 1 January 2023	133,202
Changes in fair value recognised in profit or loss	100
Disposal	(12,500)
Exchange differences	(3,122)
	<hr/>
At 30 June 2023	117,680
	<hr/> <hr/>
At 1 January 2024	116,096
Changes in fair value recognised in profit or loss	(2,341)
Exchange differences	(679)
	<hr/>
At 30 June 2024	113,076
	<hr/> <hr/>

The following table analyses the investment properties carried at fair value, by valuation method.

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
Recurring fair value measurements		
Residential property units located in Hong Kong	18,410	19,320
Commercial property units located in Mainland China	94,666	96,776
	<hr/>	<hr/>
	113,076	116,096
	<hr/> <hr/>	<hr/> <hr/>

Valuation processes of the Group

All of the Group's property interests held to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The fair values of the Group's investment properties at 30 June 2024 and 31 December 2023 have been arrived at on the basis of a valuation carried out on those dates by Greater China Appraisal Limited, an independent qualified professional valuer not connected with the Group. Greater China Appraisal Limited is a registered firm of Hong Kong Institute of Surveyors, and has appropriate qualifications and experience. The valuation was arrived at by reference to market evidence of transaction prices for similar properties in the same location and conditions and where appropriate by capitalisation of rental income from properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

13 INTANGIBLE ASSETS

	Goodwill <i>HK\$'000</i>	Supply chain financing platform <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2023 (Unaudited)			
Opening net book amount	55,543	9,482	65,025
Amortisation charge (<i>Note 7</i>)	–	(692)	(692)
Exchange difference	(1,729)	(274)	(2,003)
	<u>53,814</u>	<u>8,516</u>	<u>62,330</u>
Closing net book value	<u>53,814</u>	<u>8,516</u>	<u>62,330</u>
At 30 June 2023 (Unaudited)			
Cost	53,814	17,345	71,159
Accumulated amortisation	–	(8,829)	(8,829)
	<u>53,814</u>	<u>8,516</u>	<u>62,330</u>
Net book value	<u>53,814</u>	<u>8,516</u>	<u>62,330</u>
Six months ended 30 June 2024 (Unaudited)			
Opening net book amount	54,751	17,055	71,806
Addition	–	1,868	1,868
Amortisation charge (<i>Note 7</i>)	–	(1,126)	(1,126)
Exchange difference	(388)	(107)	(495)
	<u>54,363</u>	<u>17,690</u>	<u>72,053</u>
Closing net book value	<u>54,363</u>	<u>17,690</u>	<u>72,053</u>
At 30 June 2024 (Unaudited)			
Cost	54,363	28,135	82,498
Accumulated amortisation	–	(10,445)	(10,445)
	<u>54,363</u>	<u>17,690</u>	<u>72,053</u>
Net book value	<u>54,363</u>	<u>17,690</u>	<u>72,053</u>

Goodwill has been allocated to two individual cash generating units (“CGU”), comprising:

- Sale and leaseback arrangements services segment — South China International Leasing Co., Ltd. (“South China Leasing”), and
- Supply chain management and financial technology business segment — 北京京西供應鏈管理有限公司 (Beijing Jingxi Supply Chain Management Co., Ltd.*)

During the six months ended 30 June 2024 and 2023, the directors determine that there is no impairment of the CGU represented by Sale and leaseback arrangements services and Supply chain management and financial technology business.

14 RECEIVABLES UNDER SALE AND LEASEBACK ARRANGEMENTS

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Current assets	1,016,299	889,811
Non-current assets	–	229,214
	<u>1,016,299</u>	<u>1,119,025</u>

At 30 June 2024, the Group's receivables under sale and leaseback arrangements were repayable as follows:

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within one year	1,016,299	889,811
Between 1 and 2 years	–	229,214
	<u>1,016,299</u>	<u>1,119,025</u>

As at 30 June 2024, the Group's receivables under sale and leaseback arrangements were not yet overdue (31 December 2023: same).

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Analysed as:		
Current receivables under sale and leaseback arrangements (receivable within 12 months)	1,061,691	926,041
Non-current receivables under sale and leaseback arrangements (receivable after 12 months)	–	239,263
	<u>1,061,691</u>	<u>1,165,304</u>
Provision of impairment loss allowance	(45,392)	(46,279)
	<u>1,016,299</u>	<u>1,119,025</u>

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Fixed-rate receivables under sale and leaseback arrangements	1,016,299	1,097,975
Variable-rate receivables under sale and leaseback arrangements	<u>–</u>	<u>21,050</u>
	<u>1,016,299</u>	<u>1,119,025</u>

The interest rates of the variable-rate receivables under sales and leaseback arrangement represented prevailing People's Bank of China Renminbi Lending Rate ("PBC rate") or Offshore Chinese Renminbi Hong Kong Interbank Offered Rate ("CNH HIBOR") as at 31 December 2023.

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

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Fixed-rate receivables	5.0% to 8.0%	5.0% to 12.0%
Variable-rate receivables	<u>–</u>	<u>5.5% to 5.5%</u>

Interest rate of variable-rate receivables is reset when there is a change of the prevailing PBC rate or CNH HIBOR.

15 TRADE RECEIVABLES

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivables	<u>897</u>	<u>1,558</u>

The credit terms of trade receivables are normally 30 days as at 31 December 2023 and 30 June 2024. The aging analysis of trade receivables is as follows:

	30 June 2024	31 December 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 1 months	<u>897</u>	<u>1,558</u>

16 INTEREST IN AN ASSOCIATE

Set out below is the associate of the Group as at 30 June 2024. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The associate is accounted for using the equity method in these consolidated financial statements.

Name of entity	Nature of relationship	Principal activities	Place of business/ country of incorporation	Effective % of ownership interest		Carrying amount	
				30 June 2024	31 December 2023	30 June 2024	31 December 2023
				%	%	<i>HK\$'000</i>	<i>HK\$'000</i>
				(Unaudited)	(Audited)	(Unaudited)	(Audited)
京西商業保理有限公司 (Beijing West Business Factoring Company Limited*) (“Beijing West Business Factoring”)	Associate	Provision of factoring services in PRC	The PRC	41.41%	41.41%	85,434	84,851

The carrying amount of interest in an associate has changed as follows:

	For the six months ended 30 June 2024 HK\$'000 (Unaudited)	For the year ended 31 December 2023 HK\$'000 (Audited)
Cost of investment in associate:		
At beginning of period/year	84,851	83,951
Share of operating profits	2,556	2,055
Share of other comprehensive loss	<u>(1,973)</u>	<u>(1,155)</u>
Interest in an associate	<u><u>85,434</u></u>	<u><u>84,851</u></u>

Included in cost of investment in an associate of the Group, is goodwill of approximately HK\$23,697,000 as at 30 June 2024 (31 December 2023: approximately HK\$23,866,000). As at 30 June 2024 and 2023, the management considers that there is no impairment indicator for the investment in an associate.

17 SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	<u>10,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 January 2023, 30 June 2023 and 1 January 2024	3,984,639,703	39,846
Cancellation of shares (<i>Note</i>)	<u>(12,064,000)</u>	<u>(120)</u>
At 30 June 2024	<u><u>3,972,575,703</u></u>	<u><u>39,726</u></u>

Note:

During the year ended 31 December 2023 and the six months ended 30 June 2024, the Company repurchased 4,971,000 and 7,093,000 of its own shares respectively. The total amount paid to repurchase the shares was approximately HK\$744,000 and HK\$1,110,000 respectively.

All of the repurchased shares were cancelled and charged to share premium within shareholders' equity in February 2024.

18 RELATED PARTY DISCLOSURE

The Controlling Shareholder of the Company defined under the Listing Rules is Wheeling Holdings Limited which is a wholly-owned subsidiary of Shougang Group Co., Ltd., a state-owned enterprise under the direct supervision of the State Council of the PRC. Accordingly, the Company and the Group are ultimately controlled by Shougang Group Co., Ltd. The transactions and those balances with Shougang Group Co., Ltd. and its subsidiaries (collectively referred as “Shougang Group”) and other PRC government-related financial institutions are disclosed below:

(a) Key management personnel compensation

Key management personnel includes directors (executive, non-executive and external directors) and the senior management of the Group. The compensation paid or payable to key management personnel is shown below:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Wages, salaries and other benefits	3,859	2,066
Retirement benefit scheme contribution	<u>232</u>	<u>102</u>
Total employee benefit expenses	<u><u>4,091</u></u>	<u><u>2,168</u></u>

(b) Transactions with related parties

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue under sale and leaseback arrangements <i>(Note ii)</i>		
Subsidiaries of Shougang Group	<u>7,726</u>	<u>8,554</u>
Revenue from supply chain management and financial technology services <i>(Note iii)</i>		
Subsidiaries of Shougang Group	<u>5,530</u>	<u>2,843</u>
Associates of Shougang Group	<u>22</u>	<u>–</u>
	<u>5,552</u>	<u>2,843</u>
Credit financing arrangement interest income <i>(Note 6)</i>		
Subsidiaries of Shougang Group	<u>3,936</u>	<u>4,152</u>
Deposit service interest income <i>(Note 6)</i>		
Subsidiary of Shougang Group	<u>294</u>	<u>–</u>
Management fee expenses <i>(Note i)</i>		
Subsidiaries of Shougang Group	<u>187</u>	<u>42</u>
Utility expenses <i>(Note i)</i>		
Subsidiaries of Shougang Group	<u>4</u>	<u>–</u>
Interest expense <i>(Note 8)</i>		
Subsidiaries of Shougang Group	<u>373</u>	<u>164</u>
Lease payments <i>(Note i)</i>		
Subsidiary of Shougang Group	<u>850</u>	<u>240</u>

Notes:

- (i) The transactions were carried out in accordance with the relevant lease and other agreements.
- (ii) The transactions were carried out in accordance with relevant sale and leaseback and loan agreements summarised as below:

The Company entered into the master facility agreement with Shougang Group Co., Ltd., pursuant to which the Company has conditionally agreed to provide or procure its subsidiaries to provide the uncommitted facilities to Shougang Group Co., Ltd. and/or its subsidiaries in an aggregate principal amount of up to RMB2,000,000,000 for a term of 3 years commenced from August 2021.

- (iii) The transactions were carried out in accordance with master service agreement with Shougang Group which the Company has agreed to provide supply chain management and financial technology service, for a term of 32 months commenced from May 2023.

(c) Outstanding balance arising from sale and leaseback business

Included in receivables under sale and leaseback arrangements of the Group as disclosed in Note 14, there are receivables under sale and leaseback arrangements from subsidiaries of Shougang Group with total carrying amount of HK\$289,948,000 as at 30 June 2024 (31 December 2023: HK\$290,317,000).

(d) Outstanding balance arising from supply chain management and financial technology services

Included in trade receivables of the Group as disclosed in Note 15, there are receivables from supply chain management and financial technology services for the service fee charge with carrying amount of HK\$897,000 as at 30 June 2024 (31 December 2023: HK\$1,558,000) from subsidiaries of Shougang Group.

(e) Amounts due from related parties

Included in prepayments, deposits and other receivables, there are amounts due from related parties with carrying amount of HK\$1,014,000 in relation to management and financial advisory service and HK\$2,850,000 in relation financial technical service as at 31 December 2023. The balances are unsecured, repayable on demand and interest free.

No amounts due from related parties in relation to management and financial advisory service and financial technical service as at 30 June 2024.

(f) Amounts due to related parties

Included in other payables and accruals, no amounts due to related parties in relation to information technology services as at 30 June 2024 (31 December 2023: HK\$1,710,000). The balances are unsecured, repayable on demand and interest free.

(g) Receivable under credit financing arrangement

At 30 June 2024, the balance of HK\$164,215,000 (31 December 2023: HK\$165,386,000) is unsecured, repayable on demand and carried interest of 5% per annum (31 December 2023: 5% per annum). Interest receivable for credit financing arrangement of HK\$9,907,000 (31 December 2023: HK\$5,788,000) is included in prepayments, deposits and other receivables.

(h) Loans from related party

At 30 June 2024, the balance of HK\$9,741,000 (31 December 2023: HK\$9,810,000) is unsecured, repayable on demand and carried interest of 2.76% per annum (31 December 2023: 2.76% per annum).

(i) Deposits in a related company

Included in cash and cash equivalents as at 30 June 2024, there are demand deposits of HK\$284,335,000 (31 December 2023: HK\$217,094,000) placed in a financial institution, which is a subsidiary of the Shougang Group. The interest rate of the demand deposits is 0.35% per annum (2023: 0.35% per annum).

(j) Investment in related companies

At 30 June 2024, the Group's financial assets at FVPL included listed securities of 8,446,000 shares (31 December 2023: 11,770,000 shares) of Shougang Century Holdings Limited ("Shougang Cent") with carrying amount of HK\$2,086,000 (31 December 2023: HK\$2,848,000).

During the six months period ended 30 June 2024, the Group disposed 3,324,000 shares of Shougang Cent for HK\$752,000.

Shougang Cent is an associate of Shougang Group.

(k) Transaction and balance with other PRC government-related entities

Apart from the transactions and balances with the Shougang Group as disclosed in Notes 18(b), 18(c), 18(d), 18(e), 18(f), 18(g), 18(h) and 18(i), and the investments in related companies as disclosed in Note 18(j), the Group has entered into various transactions in its ordinary course of business including deposit placements and other general banking facilities, with certain banks and financial institutions which are government-related entities. As at 30 June 2024, 100% (31 December 2023: 100%) of bank balances are held with these government-related financial institutions.

INTERIM DIVIDEND

The Board did not declare an interim dividend for the six months ended 30 June 2024 (2023: 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		+ / (-) Change
	2024 HK\$'000	2023 HK\$'000	
Financial performance			
Revenue	109,452	100,020	9%
Gross profit margin (%)	53%	54%	-1%
Profit for the period	26,261	30,120	-13%
Profit attributable to owners of the Company	17,981	22,406	-20%
Basic earnings per share (HK cents)	0.45	0.56	-20%
	<u>30 June 2024 HK\$'000</u>	<u>31 December 2023 HK\$'000</u>	<u>+ / (-) Change</u>
Key financial indicators			
Total cash	430,886	319,054	35%
Total assets	1,913,269	1,914,701	0%
Total liabilities	166,321	158,201	5%
Loan from a related party	9,741	9,810	-1%
Capital and reserves attributable to owners of the Company	1,406,475	1,415,922	-1%
Current ratio	1,152%	1,081%	71%

FINANCIAL OVERVIEW

The Group recorded profit attributable to owners of the Company of approximately HK\$17,981,000 for the six months ended 30 June 2024, representing a decrease of 20% as compared with profit attributable to owners of the Company of approximately HK\$22,406,000 for the six months ended 30 June 2023, which was mainly due to an increase in administrative expenses and the decrease in fair value of investment properties. Revenue of the Group for the six months ended 30 June 2024 was approximately HK\$109,452,000, which represented an increase of approximately 9% when compared with that of approximately HK\$100,020,000 for the same period of 2023. The increase was mainly attributable to an increase in revenue from the sales and leaseback arrangement services segment. The Group recorded a gross profit of approximately HK\$57,723,000 for the six months ended 30 June 2024, representing an increase of approximately 7% when compared with the gross profit of approximately HK\$53,743,000 for the same period of 2023. The Group recorded a gross profit margin of approximately 53% for the six months ended 30 June 2024, it remains stable when compared with the gross profit margin of approximately 54% for the same period of 2023. Basic earnings per share of the Group for the six months ended 30 June 2024 was HK0.45 cents (six months ended 30 June 2023: basic earnings per share was HK0.56 cents).

Revenue for the six months ended 30 June 2024 was approximately HK\$109,452,000, representing an increase of approximately 9% when compared with that of approximately HK\$100,020,000 for the same period of 2023. The increase was mainly attributable to the increase in revenue from sales and leaseback arrangement services segment.

The Group recorded a gross profit of approximately HK\$57,723,000 for the six months ended 30 June 2024, representing an increase of approximately 7%, when compared with the gross profit of approximately HK\$53,743,000 for the same period of 2023. The Group recorded a gross profit margin of approximately 53% for the six months ended 30 June 2024, it remain stable when compared with the gross profit margin of approximately 54% for the same period of 2023.

Other income for the six months ended 30 June 2024 amounted to approximately HK\$5,253,000 (six months ended 30 June 2023: HK\$9,827,000), representing a decrease of approximately 47%. The decrease was mainly due to the decrease in bank deposit interest income and government grant.

Administrative expenses for the six months ended 30 June 2024 amounted to approximately HK\$25,014,000 (six months ended 30 June 2023: HK\$20,303,000), representing an increase of approximately 23%. The increase was mainly due to the increase in administrative staff cost.

For the six months ended 30 June 2024, share of profit of an associate amounted to approximately HK\$2,556,000 (six months ended 30 June 2023: profit of HK\$1,878,000), continued to make contribution to the Group's profit.

BUSINESS REVIEW AND OUTLOOK

The Group continued to push ahead the development philosophy of supply chain management and financial technology business, 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 including the corporate customer and individual consumer leasing market, and strive to meet our medium- and long-term strategic goal of continuous growth in performance.

Sale and Lease Back Arrangements Services Segment

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

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

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

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

As at 30 June 2024, approximately 29% (31 December 2023: 26%) of the total receivables under the sale and leaseback arrangement was due from the Group's largest sale and leaseback customer which is a related party of the Group.

Customer Diversity Table

Customers	Receivables as	
	at 30 June	
	2024	
	HK\$'000	%
Independent individual customers	726,351	71
Tonghua Steel Co., Ltd.*#	289,948	29

Notes:

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

* *For identification purpose only*

As at 30 June 2024, the Group had entered into 127,681 finance lease transactions of which 127,680 finance lease transactions were with independent individual customers, with principal amounts of approximately RMB9,200 in average. The Group's sale and leaseback customers are spread across diverse industries such as manufacturing industries and individual mobile phone rental customers.

During the period under review, revenue from the sale and leaseback arrangements services segment increased by approximately 8% to approximately HK\$93,805,000 (six months ended 30 June 2023: HK\$86,499,000), and the segment results recorded a profit of approximately HK\$39,219,000 (six months ended 30 June 2023: HK\$34,994,000). The increase in revenue and the profit recorded in segment results from the sale and leaseback arrangements services segment was mainly due to the continuous expansion of the individual consumer leasing business and continued to make significant contribution to the Group's profit.

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\$13,513,000 (six months ended 30 June 2023: HK\$11,220,000). The supply chain management and financial technology business segment results recorded a profit of approximately HK\$4,135,000 (six months ended 30 June 2023: HK\$5,113,000). The decrease in profit recorded in segment results was mainly attributable to increase of staff cost. The supply chain management 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.

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 Supply Chain Financial Platform (“Shougang SCF Platform”). Based on the actual businesses of supply chain finance, the Group will make use of the advantages of high-techs, innovate the design and create synergies for its other businesses.

Property Leasing Services Segment

During the period under review, revenue from the property leasing services segment decreased to approximately HK\$2,134,000 (six months ended 30 June 2023: HK\$2,301,000), while the segment results recorded a loss of approximately HK\$264,000 (six months ended 30 June 2023: a profit of approximately HK\$2,197,000). The revenue from the property leasing services segment remains stable. The decrease in profit recorded in segment results was mainly attributable to the decrease in fair value of investment properties of the property leasing services segment during the period of approximately HK\$2,341,000 (six months ended 30 June 2023: increase in fair value of investment properties of HK\$100,000).

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 2024 as compared to 31 December 2023 is summarised below:

	30 June 2024 HK\$'000	31 December 2023 HK\$'000
Total borrowings		
Current borrowings	–	–
Non-current borrowings	9,741	9,810
Sub-total	9,741	9,810
Total cash		
Cash and cash equivalents	430,866	319,054
Total equity	1,746,948	1,756,500
Total assets	1,913,269	1,914,701
Financial leverage		
Current ratio	1,152%	1,081%

As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$430,886,000 (31 December 2023: HK\$319,054,000), which were mainly denominated in Hong Kong dollars, US dollars and Renminbi. The increase was mainly attributable to the net cash generated from operating activities of approximately HK\$120,207,000.

As at 30 June 2024, the Group's borrowings amounted to approximately HK\$9,741,000, which were repayable after twelve months from 30 June 2024. 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\$1,406,475,000 as at 30 June 2024 (31 December 2023: HK\$1,415,922,000). The decrease was mainly due to the exchange differences arising from translation during the period totalling approximately HK\$10,428,000. The Company did not issue any new shares during the period under review. The issued share capital of the Company was approximately HK\$39,726,000 (represented by approximately 3,972,576,000 issued ordinary shares).

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

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

Save as disclosed above, the Group had no material acquisitions, disposals and significant investment during the six months ended 30 June 2024.

* *For identification purpose only*

CHARGE ON ASSETS

As at 30 June 2024, the Group had no charge on its assets.

FOREIGN EXCHANGE EXPOSURE

The normal operations and investments of the Group are mainly in Hong Kong and 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 2024, the Group has no significant foreign exchange exposure.

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2024.

EMPLOYEES

As at 30 June 2024, the Group employed 62 (31 December 2023: 59) full time employees (excluding those under the payroll of associates of the Group). The Group remunerated its employees mainly with reference to the prevailing market practice, individual performance and work experience. Other benefits such as medical coverage, insurance plan, mandatory provident fund and discretionary bonus are also available to employees of the Group. Remuneration packages are reviewed either annually or through special increment.

During the six months ended 30 June 2024, the Company and its subsidiaries have not paid or committed to pay to any individual any amount as an inducement to join or upon joining the Company and/or its subsidiaries.

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

During the six months ended 30 June 2024, the Company repurchased at total of 7,093,000 shares on the stock exchange at an aggregate consideration (before expenses) of HK\$1,110,374. All such repurchased shares were cancelled during the period under review.

Particular of the shares repurchased during the period are set out below:

Month	Number of share repurchased	Consideration per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
January	<u>7,093,000</u>	0.165	0.140	<u>1,110,374</u>
Total	<u><u>7,093,000</u></u>			<u><u>1,110,374</u></u>

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (whether on the Stock Exchange or otherwise) during the 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 Rules Governing the Listing of Securities on the Stock Exchange during the six months ended 30 June 2024.

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 2024.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers, 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 2024 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, 26 August 2024

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

* *For identification purpose only*