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

**FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025**

The board of directors (the “Board”) of Capital Industrial Financial Services Group Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2025 with comparative figures for the year ended 31 December 2024. These final results have been reviewed by the Audit Committee of the Company.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue under sale and leaseback arrangement	2	<b>53,322</b>	157,495
Revenue from supply chain management and financial technology business	2	<b>98,008</b>	29,976
Property leasing income	2	<b>4,245</b>	4,164
<b>Total revenue</b>		<b>155,575</b>	191,635
Cost of revenue under sale and leaseback arrangement		<b>(5,882)</b>	(69,077)
Cost of revenue from supply chain management and financial technology business		<b>(68,937)</b>	(3,704)

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Gross profit</b>		<b>80,756</b>	118,854
Other income	3	<b>31,921</b>	20,535
Other gains, net	4	–	2,920
Administrative expenses		<b>(58,277)</b>	(55,593)
Changes in fair value of investment properties		<b>(20,315)</b>	(14,436)
Change in fair value of financial assets at fair value through profit or loss		–	108
Reversal of impairment losses (impairment losses) on financial assets		<b>25,518</b>	(22,071)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>59,603</b>	50,317
Finance costs	5	<b>(721)</b>	(659)
Share of (loss)/profit of an associate		<b>(4,008)</b>	4,712
		<hr/>	<hr/>
<b>Profit before income tax</b>		<b>54,874</b>	54,370
Income tax expense	6	<b>(16,787)</b>	(16,722)
		<hr/>	<hr/>
<b>Profit for the year</b>		<b>38,087</b>	37,648
		<hr/> <hr/>	<hr/> <hr/>
<b>Profit is attributable to:</b>			
Owners of the Company		<b>29,261</b>	28,684
Non-controlling interests		<b>8,826</b>	8,964
		<hr/>	<hr/>
		<b>38,087</b>	37,648
		<hr/> <hr/>	<hr/> <hr/>
<b>Profit for the year</b>		<b>38,087</b>	37,648
		<hr/> <hr/>	<hr/> <hr/>

	Notes	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Other comprehensive income/(loss)</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Currency translation differences		46,580	(33,550)
Share of currency translation difference of an associate for using equity method		<u>(4,144)</u>	<u>(3,226)</u>
		<u>42,436</u>	<u>(36,776)</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		62,875	(1,565)
Non-controlling interests		<u>17,648</u>	<u>2,437</u>
		<u>80,523</u>	<u>872</u>
<b>Earnings per share for profit attributable to the ordinary equity holder of the Company:</b>			
Basic and diluted ( <i>HK cents</i> )	8	<u>0.74</u>	<u>0.72</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		583	927
Right-of-use assets		5,450	4,506
Investment properties		81,247	99,758
Intangible assets		78,410	74,769
Interests in an associate		85,140	86,337
Receivables under sale and leaseback arrangements	10	562,796	358,308
Prepayments		–	97
Deferred tax assets		188	40
<b>Total non-current assets</b>		<b>813,814</b>	<b>624,742</b>
<b>Current assets</b>			
Receivables under sale and leaseback arrangement	10	222,390	566,938
Receivables under credit financing arrangement		451,129	377,580
Trade receivables	9	64,561	2,752
Prepayments, deposits and other receivables	9	20,770	5,673
Amounts due from related parties		9,034	7,527
Inventories		781	–
Cash and cash equivalents		305,475	282,810
<b>Total current assets</b>		<b>1,074,140</b>	<b>1,243,280</b>
<b>Total assets</b>		<b>1,887,954</b>	<b>1,868,022</b>
<b>EQUITY</b>			
Share capital	12	39,539	39,577
Reserves		1,406,287	1,355,335
<b>Capital and reserves attributable to owners of the Company</b>			
Non-controlling interests		340,141	336,132
<b>Total equity</b>		<b>1,785,967</b>	<b>1,731,044</b>

	<i>Notes</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loan from a related party		<b>16,685</b>	16,274
Lease liabilities		<b>2,563</b>	1,898
Deferred tax liabilities		<b>2,876</b>	3,577
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>22,124</b>	21,749
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Current liabilities</b>			
Trade payables	<i>11</i>	<b>10,757</b>	1,783
Other payables and accruals	<i>11</i>	<b>61,797</b>	100,360
Lease liabilities		<b>3,427</b>	4,172
Current tax liabilities		<b>3,882</b>	8,914
		<hr/>	<hr/>
<b>Total current liabilities</b>		<b>79,863</b>	115,229
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total liabilities</b>		<b>101,987</b>	136,978
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
<b>Total equity and liabilities</b>		<b>1,887,954</b>	1,868,022
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# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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

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

### **Basis of Preparation**

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

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

### ***Amended standards adopted by the Group***

The Group has applied the following amended standards for the first time for the annual reporting period commencing from 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The adoption of the above amended standards did not have any significant financial impact on these consolidated financial statements.

## 2. SEGMENT INFORMATION

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

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

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

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

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

	Sale and leaseback arrangement <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>
<b>During the year ended</b>				
<b>31 December 2025</b>				
Revenue under sale and leaseback arrangement	53,322	–	–	53,322
Revenue from supply chain management and financial technology business	–	–	33,315	33,315
Revenue from trading of goods	–	–	64,693	64,693
Property leasing income	–	4,245	–	4,245
Segment revenue	<u>53,322</u>	<u>4,245</u>	<u>98,008</u>	<u>155,575</u>
Segment results	<u>63,268</u>	<u>(16,597)</u>	<u>7,137</u>	<u>53,808</u>
<b>Unallocated</b>				
Central administration costs				(24,272)
Other income ( <i>Note</i> )				30,067
Finance costs				(721)
Share of loss of an associate				<u>(4,008)</u>
Profit before tax				<u>54,874</u>

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

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

### 3. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Interest income</b>		
– Bank deposits	417	1,047
– Deposit service interest income from a related party	2,233	3,715
– Credit financing arrangement interest income from a related party	20,632	8,195
	<u>23,282</u>	<u>12,957</u>
Government grant	–	30
Management and financial advisory service income	2,771	2,433
Financial technical service income	4,740	4,660
Technology license income	892	125
Others	236	330
	<u>31,921</u>	<u>20,535</u>

### 4. OTHER GAINS, NET

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Gain on disposal of property, plant and equipment	–	156
Loss on write-off of intangible assets	–	(2,321)
Gain on disposal of financial assets at FVPL	–	5,085
	<u>–</u>	<u>2,920</u>

### 5. FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest on loan from a related party	441	288
Interest on lease liabilities	280	371
	<u>721</u>	<u>659</u>

## 6. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax:		
– China enterprise income tax	16,787	25,208
– Under-provision in prior years	924	834
Total current income tax	17,711	26,042
Deferred income tax	(924)	(9,320)
Income tax expense	<u>16,787</u>	<u>16,722</u>

### Notes:

- (a) Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the years ended 31 December 2025.
- (b) The Group's major business is in the PRC. Under the law of the PRC on EIT and its Implementation Regulation, the tax rate of the PRC subsidiaries is 25% for both years, 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 the year ended 31 December 2025 (2024: 25%).

## 7. DIVIDENDS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Final dividend of 2024, proposed of HK\$0.3 cent (2023: HK\$0.4 cents) per ordinary share	–	11,862
Final dividend of 2025, proposed of HK\$0.3 cent (2024: HK\$0.3 cents) per ordinary share	<u>11,862</u>	<u>–</u>

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

On 25 March 2026, the Board has recommended the payment of a final dividend of HK\$0.3 cents per fully paid ordinary share, with total amount of approximately HK\$11,862,000 for the year ended 31 December 2025. The final dividend is subject to the shareholders' approval at the forthcoming annual general meeting. The final dividend proposed after 31 December 2025 has not been recognised as a liability as at 31 December 2025.

## 8. EARNINGS PER SHARE

### (a) Basic

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit attributable equity holders of the Company ( <i>HK\$'000</i> )	<u>29,261</u>	<u>28,684</u>
Weighted average number of ordinary shares ( <i>thousand</i> )	<u>3,953,951</u>	<u>3,979,516</u>
Attributable to the ordinary equity holders of the Company ( <i>HK cents</i> )	<u>0.74</u>	<u>0.72</u>
Total basic earnings per share attributable to the ordinary equity holders of the Company ( <i>HK cents</i> )	<u>0.74</u>	<u>0.72</u>

### (b) Diluted

Diluted earnings per share for the year ended 31 December 2025 and 2024 are the same as basic earnings per share as there was no dilutive potential shares during the years.

## 9. TRADE RECEIVABLES AND PREPAYMENT, DEPOSIT AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables ( <i>Note (i)</i> )	<u>64,561</u>	<u>2,752</u>
Prepayments	2,892	320
Other receivables	16,014	4,329
Deposits	1,958	1,494
Provision for impairment loss allowance of other receivables	<u>(94)</u>	<u>(373)</u>
	<u><u>85,331</u></u>	<u><u>8,522</u></u>
Non-current	–	97
Current	<u>85,331</u>	<u>8,425</u>
	<u><u>85,331</u></u>	<u><u>8,522</u></u>

*Note:*

(i) Trade receivables

At as 31 December 2025, the gross amount of trade receivable arising from contracts with customers approximately amounted to HK\$64,561,000 (2024: HK\$2,752,000).

The credit terms of trade receivables are normally 30 to 90 days as at 31 December 2025. The aging analysis of trade receivables based on invoice date is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	<u><u>64,561</u></u>	<u><u>2,752</u></u>

The carrying amounts of the Group's trade receivables are denominated in RMB (2024: same).

## 10. RECEIVABLES UNDER SALE AND LEASEBACK ARRANGEMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current assets	222,390	566,938
Non-current assets	562,796	358,308
	<u>785,186</u>	<u>925,246</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	222,390	566,938
Between 1 and 2 years	394,771	84,655
Between 2 and 3 years	107,903	199,569
Between 3 and 4 years	60,122	50,614
Between 4 and 5 years	–	23,470
	<u>785,186</u>	<u>925,246</u>

As at 31 December 2025, the Group receivables under sale and leaseback arrangements were not yet overdue (2024: same).

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Analysed as:		
Current receivables under sale and leaseback arrangements (receivable within 12 months)	233,744	611,036
Non-current receivables under sale and leaseback arrangements (receivable after 12 months)	591,530	381,014
	<u>825,274</u>	<u>992,050</u>
Provision of impairment loss allowance	(40,088)	(66,804)
	<u>785,186</u>	<u>925,246</u>
Fixed-rate receivables under sale and leaseback arrangements	<u>785,186</u>	<u>925,246</u>

## 11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables ( <i>Note (i)</i> )	<u>10,757</u>	<u>1,783</u>
Accrued salaries and bonuses	17,299	13,788
Accrued legal and professional fees	4,263	3,728
Security deposits received	–	32,085
Other tax payables	37,250	39,399
Interest payables	12	12
Other	<u>2,973</u>	<u>11,348</u>
	<u>61,797</u>	<u>100,360</u>
	<u>72,554</u>	<u>102,143</u>

*Notes:*

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 3 months	<u>10,757</u>	<u>1,783</u>

## 12. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>10,000,000,000</u>	<u>10,000</u>
Issued and fully paid:		
At 1 January 2024	3,984,639,703	39,846
Cancellation of shares	<u>(26,937,000)</u>	<u>(269)</u>
At 31 December 2024 and 1 January 2025	3,957,702,703	39,577
Cancellation of shares ( <i>Note</i> )	<u>(3,764,000)</u>	<u>(38)</u>
	<u>3,953,938,703</u>	<u>39,539</u>

*Note:* During the year ended 31 December 2025, the Company repurchased 903,000 of its own shares (2024: 24,827,000 shares). The total amount paid to repurchase the shares was approximately HK\$99,000 (2024: HK\$3,555,000). 3,764,000 of the repurchased shares, including 2,861,000 shares repurchased in 2024 were cancelled and charged to share premium within shareholder's equity in 2025.

## **FINAL DIVIDEND**

The Board has resolved to recommend a final dividend in the total amount of HK\$11.86 million for the year ended 31 December 2025 (2024: HK\$11.86 million), payable to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 1 June 2026. Based on 3,953,938,703 ordinary shares of the Company in issue, such a final dividend would amount to HK0.3 cent per ordinary share.

Subject to shareholders' approval of the proposed final dividend at the Company's annual general meeting to be held on Friday, 22 May 2026, the final dividend is expected to be paid on or about Friday, 17 July 2026. For determining the entitlement to the final dividend, the register of members of the Company will be closed from Friday, 29 May 2026 to Monday, 1 June 2026, inclusive, during such period no transfer of shares will be registered. In order to be qualified for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 28 May 2026.

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

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 19 May 2026 to Friday, 22 May 2026, inclusive, during such period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 18 May 2026.

## 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:

	<b>2025</b>	2024	
	<b>HK\$'000</b>	HK\$'000	Change
<b>Financial performance</b>			
Revenue	<b>155,575</b>	191,635	-19%
Gross profit margin (%)	<b>52%</b>	62%	-10%
Profit for the year	<b>38,087</b>	37,648	1%
Profit attributable to owners of the Company	<b>29,261</b>	28,684	2%
<b>Key financial indicators</b>			
Total cash	<b>305,475</b>	282,810	8%
Total assets	<b>1,887,954</b>	1,868,022	1%
Total liabilities	<b>101,987</b>	136,978	-26%
Loan from a related party	<b>16,685</b>	16,274	3%
Capital and reserves attributable to owners of the Company	<b>1,445,826</b>	1,394,912	4%
Current ratio	<b>13.45</b>	10.79	25%
Basic earnings per share (HK cent)	<b>0.74</b>	0.72	3%

## FINANCIAL OVERVIEW

The Group recorded profit attributable to owners of the Company of approximately HK\$29,261,000 for the year ended 31 December 2025, as compared with profit attributable to owners of the Company of approximately HK\$28,684,000 for the year ended 31 December 2024, which was mainly due to the combined effect of the decrease in profit from the property leasing services segment and the increase in profit from the sale and leaseback arrangements business segment. Revenue of the Group for the year ended 31 December 2025 was approximately HK\$155,575,000, which represented a decrease of approximately 19% when compared with that of approximately HK\$191,635,000 for the year 2024. The decrease was mainly attributable to change in business direction and dedicated more resources from individual customers to corporate customers under the sale and leaseback arrangements business segment. The Group recorded a gross profit of approximately HK\$80,756,000 for the year ended 31 December 2025, representing a decrease of approximately 32% when compared with the gross profit of approximately HK\$118,854,000 for the year 2024. The Group recorded a gross profit margin of approximately 52% for the year ended 31 December 2025, representing a decrease when compared with the gross profit margin of approximately 62% for the year 2024. Basic earnings per share of the Group for the year ended 31 December 2025 was HK0.74 cent (2024: basic earnings per share was HK0.72 cent).

Revenue for the year ended 31 December 2025 was approximately HK\$155,575,000, representing a decrease of approximately 19% when compared with that of approximately HK\$191,635,000 for the year 2024. The decrease was mainly attributable to the change in business direction and dedicated more resources from individual customers to corporate customers under sale and leaseback arrangements segment.

The Group recorded a gross profit of approximately HK\$80,756,000 for the year ended 31 December 2025, representing a decrease of 32%, when compared with the gross profit of approximately HK\$118,854,000 for the year 2024. The Group recorded a gross profit margin of approximately 52% for the year ended 31 December 2025, representing a decrease when compared with the gross profit margin of approximately 62% for the year 2024, which was mainly attributable to the Group has resumed steel product trading under the supply chain management and financial technology business segment during the year.

Other income for the year ended 31 December 2025 amounted to approximately HK\$31,921,000 (2024: HK\$20,535,000), representing a significant increase of approximately 55%. The increase was mainly due to the increase in credit financing arrangement interest income from a related party.

Administrative expenses for the year ended 31 December 2025 amounted to approximately HK\$58,277,000 (2024: HK\$55,593,000), representing an increase of approximately 5%. The increase was mainly due to the increase in staff costs and legal and professional fees.

For the year ended 31 December 2025, share of loss of associates amounted to approximately HK\$4,008,000 (2024: share of profit HK\$4,712,000).

## **BUSINESS REVIEW AND OUTLOOK**

The Group continued to push ahead the development philosophy of supply chain management and financial technology business, financial leasing and commercial factoring as core businesses, endeavored to become a supply chain financial technology and service platform characterised by integrating industry and finance, and gave full play to the important role of financial services in empowering real economy. Taking advantage of our industrial advantages and competitive edges, we focus on the provision of customized and comprehensive financial service solutions to the steel industry and upstream and downstream customers on the industry chain for different business scenarios including the individual consumer leasing market, and strive to meet our medium and long-term strategic goal of continuous growth in performance. Other than organic growth, the Group has been also proactively seeking for business expansion and exploring new opportunities through cautious strategic deployment, including but not limited to vertical or horizontal integration, in order to provide more comprehensive services to customers and thereby enabling sustainable growth of the Group.

### **Sale and Leaseback Arrangements Services Segment**

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

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

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

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

As at 31 December 2025, approximately 99% (2024: 62%) of the total receivables under the sale and leaseback arrangements was due from the Group’s three (2024: three) largest sale and leaseback corporate customers, of which two such customers are related parties of the Group.

## Customer Diversity Table

<b>Customers</b>	<b>Receivables as at 31 December 2025 HK\$'000</b>	<b>%</b>
Beijing Enji Energy Technology Co., Ltd.*^	<b>354,904</b>	<b>45</b>
Tonghua Steel Co., Ltd.*#	<b>316,660</b>	<b>40</b>
Shougang Shuicheng Iron and Steel (Group) Co., Ltd.*#	<b>104,893</b>	<b>14</b>
Beijing Shougang International Engineering Technology Co., Ltd.*#	<b>8,729</b>	<b>1</b>

### Notes:

^ 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.

# 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., 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, Steel (Group) Co., Ltd.\* and Beijing Shougang International Engineering Technology Co., Ltd.\* are connected persons of the Company.

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

During the year, revenue from the sale and leaseback arrangements services segment decreased by approximately 66% to approximately HK\$53,322,000 (2024: HK\$157,495,000), and the segment recorded a profit of approximately HK\$63,268,000 (2024: HK\$59,044,000). The decrease in revenue from the sale and leaseback arrangements segment was mainly due to change in business direction and dedicated more resources from individual customers to corporate customers while the increase in segment's performance was mainly due to the reversal of provision for impairment loss of receivable under this segment during the year of approximately HK\$27,995,000.

## **Supply Chain Management and Financial Technology Business Segment**

During the year, revenue from the supply chain management and financial technology business segment was approximately HK\$98,008,000 (2024: HK\$29,976,000). The supply chain management and financial technology business segment recorded a profit of approximately HK\$7,137,000 (2024: HK\$8,266,000). The supply chain management and financial technology business segment refers to a business model based on real trade, relying on logistics and centering around the capital flow control. Such business model enables a win-win situation for various participating entities, which include steel enterprises, banks and logistics companies, through the design and management of financial products. The supply chain management and financial technology segment focused on the electronic multi-tier transfer of creditor's rights certificates (the "Shougang Credit Certificate") and related businesses for the steel industry chain. Based on the business application scenarios of core enterprises, this business provides negotiable, apportionable and financeable electronic creditor's rights certificate to core enterprises. It is an electronic certificate created by the Group under a self-developed supply chain financial platform (the "Shougang SCF Platform") that utilise blockchain technology to create immutable and traceable digital representation of suppliers' account receivable due from anchor enterprises that suppliers can use for payment and financing purposes, and to serve the upstream and downstream of the steel industry chain. The increase in revenue was mainly due to the Group has resumed steel product trading during the year and decrease in segment's performance was mainly due to increase in staff costs.

During the year, the Group has issued Shougang Credit Certificate via the Shougang SCF Platform with an aggregate amount of approximately RMB15.65 billion and an aggregate amount of approximately RMB12.29 billion of financing enabled by using Shougang Credit Certificate. There are approximately 5,605 suppliers and 8 financial institutions registered in Shougang SCF Platform in aggregate. Operational data and performance match with the management's expectations. The Group will further sort out procurement needs in the supply chain, analyze the settlement habit and settlement cycles of each category and supplier, so as to formulate diversified Shougang Credit Certificate products and pricing strategies to cover more application scenarios in the supply chain and gain more recognition. In addition to the existing Shougang Credit Certificate, the Group will continue to develop different products to diversify its product offerings. By doing so, the Group helps to resolve the problems faced by small-to-medium sized suppliers in business scenarios with diversified product offerings, such as financing difficulties, high financing costs, high risk control costs, credit period mismatch and inventory backlog.

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

## **Property Leasing Services Segment**

During the year, revenue from the property leasing services segment slightly increased to approximately HK\$4,245,000 (2024: HK\$4,164,000), and the segment recorded a loss of approximately HK\$16,597,000 (2024: approximately HK\$9,485,000). The revenue from the property leasing services segment remains stable. The increase in loss recorded in segment results was mainly attributable to the decrease in fair value of investment properties of the property leasing services segment during the year of approximately HK\$20,315,000, which was more than last year (2024: decrease in fair value of investment properties of approximately HK\$14,436,000).

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

## **Outlook**

Looking ahead into 2026, the global economy will remain sophisticated and ever-changing. Uncertain political issues as well as possible implement of additional trade protection policy will bring not only challenges but also opportunities to the market. The Group always upholds a prudent philosophy of good governance, with emphasis on risk management, attends to maintain excellent assets quality and stability of financial resources, laying a solid foundation for the Group's long-term development.

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

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

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

## LIQUIDITY, FINANCING RESOURCES AND FINANCING ACTIVITIES

The Group aims to maintain stable funding sources and financing is arranged to balance between business requirements and cash flows. The financial leverage of the Group as at 31 December 2025 as compared to 31 December 2024 is summarized below:

	<b>31 December 2025 HK\$'000</b>	31 December 2024 HK\$'000
Total borrowings		
Non-current borrowings	<b>16,685</b>	16,274
Total cash		
Cash and cash equivalents	<b>305,475</b>	282,810
Total equity	<b>1,785,967</b>	1,731,044
Total assets	<b>1,887,954</b>	1,868,022
Financial Leverage		
Current ratio	<b>13.45</b>	10.79

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$305,475,000 (31 December 2024: HK\$282,810,000), which were mainly denominated in Hong Kong dollars, US dollars and Renminbi. The increase was mainly attributable to the decrease in net cash used in operating activities to approximately HK\$1,875,000 and the effects of foreign exchange rate changes of approximately HK\$36,107,000.

As at 31 December 2025, the Group's borrowings amounted to approximately HK\$16,685,000 (2024: HK\$16,274,000) and none of which (2024: Nil) was repayable within twelve months from 31 December 2025 and of which approximately HK\$16,685,000 were repayable after twelve months from 31 December 2025 (2024: HK\$16,274,000). During the year, the Group did not obtain new borrowings. All borrowings bore interest at market rates.

## **CAPITAL STRUCTURE**

The capital and reserves attributable to owners of the Company amounted to approximately HK\$1,445,826,000 as at 31 December 2025 (31 December 2024: HK\$1,394,912,000). The increase was mainly due to the exchange differences arising on translation of approximately HK\$36,722,000 in total during the year. The Company did not issue any new shares during the year. Pursuant to the general mandate(s) given to the Directors, the Company repurchased a total of 903,000 (2024: 24,827,000) ordinary shares of HK\$0.01 each of the Company on the Stock Exchange during the year, at an aggregate consideration of approximately HK\$99,000 (2024: HK\$3,555,000) (excluding trading fee). 3,764,000 (2024: 26,937,000) of the repurchased shares were cancelled during the year. As at 31 December 2025, the issued share capital of the Company was approximately HK\$39,539,000 (represented by approximately 3,953,938,000 issued ordinary shares).

## **MATERIAL ACQUISITION, DISPOSALS AND SIGNIFICANT INVESTMENT**

On 9 January 2025 (after trading hours), South China Leasing (an Indirect non-wholly owned subsidiary of the Company) entered into the disposal agreement with the Sichuan Xinhuang Jiuhe Financial Leasing Co., Ltd\* (the “Purchaser”), pursuant to which South China Leasing agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivables, at a consideration of no more than RMB300 million (equivalent to approximately HK\$318.03 million). For details, please refer to the announcement and circular dated on 9 January 2025 and 24 January 2025 respectively.

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

## **CHARGE ON ASSETS**

As at 31 December 2025, the Group had no charge on its assets.

## **FOREIGN EXCHANGE EXPOSURE**

The normal operations and investments of the Group are mainly in Hong Kong and Mainland China, with revenue and expenditure denominated in Hong Kong dollars and Renminbi. The Directors believe that the Group does not have significant foreign exchange exposure. However, if necessary, the Group will consider using forward exchange contracts to hedge against foreign exchange exposures. As at 31 December 2025, the Group had no significant foreign exchange exposure.

## **CONTINGENT LIABILITIES**

The Group had no significant contingent liabilities as at 31 December 2025.

## EMPLOYEES

As at 31 December 2025, the Group employed 58 (31 December 2024: 63) full time employees (excluding those under the payroll of associates of the Group). The Group remunerated its employees mainly with reference to the prevailing market practice, individual performance and work experience. Other benefits such as medical coverage, insurance plan, mandatory provident fund and discretionary bonus are also available to employees of the Group. Remuneration packages are reviewed either annually or through special increment.

During the year ended 31 December 2025, the Company and its subsidiaries have not paid or committed to pay to any individual any amount as an inducement to join or upon joining the Company and/or its subsidiaries.

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

During the year ended 31 December 2025, the Company repurchased a total of 903,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$98,595. All such repurchased shares were cancelled during the year.

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

Month of repurchase in 2025	Number of shares repurchased	Consideration per share		Aggregate consideration paid HK\$
		Highest HK\$	Lowest HK\$	
January	903,000	0.114	0.108	98,595
Total	903,000			98,595

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

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

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the financial year ended 31 December 2025.

## **SCOPE OF WORK OF SHINEWING (HK) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, the consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the Preliminary Announcement have been agreed by the Group's auditor, SHINEWING (HK) CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by SHINEWING (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SHINEWING (HK) CPA Limited on the preliminary announcement.

## **APPRECIATION**

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

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

Hong Kong, 25 March 2026

*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. Shen Zhuolin (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*