

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

**CONFIDENCE INTELLIGENCE HOLDINGS LIMITED**  
**信 懇 智 能 控 股 有 限 公 司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1967)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

The board (the “**Board**”) of directors (“**Directors**”) of Confidence Intelligence Holdings Limited (the “**Company**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2024 (the “**Reporting Period**”), together with the comparative figures for the year ended 31 December 2023.

	<b>2024</b>	2023
<b>Continuing Operations</b>		
Revenue ( <i>RMB'000</i> )	<b>288,825</b>	264,457
Gross profit ( <i>RMB'000</i> )	<b>44,774</b>	16,744
Gross profit margin (%)	<b>15.5</b>	6.3
Profit/(loss) for the year from continuing operations ( <i>RMB'000</i> )	<b>6,551</b>	(19,249)
<b>Discontinued Operation</b>		
Loss for the year from discontinued operation ( <i>RMB'000</i> )	–	(12,250)
<b>Continuing and Discontinued Operations</b>		
Profit/(loss) for the year ( <i>RMB'000</i> )	<b>6,551</b>	(31,499)
<b>Earnings/(losses) per share attributable to owners of the Company</b>		
From continuing and discontinued operations		
– Basic and diluted ( <i>RMB cents</i> )	<b>0.64</b>	(9.54)
From continuing operations		
– Basic and diluted ( <i>RMB cents</i> )	<b>0.64</b>	(8.67)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Continuing Operations</b>			
Revenue	4	<b>288,825</b>	264,457
Cost of sales		<b>(244,051)</b>	(247,713)
<b>Gross profit</b>		<b>44,774</b>	16,744
Other income	5	<b>5,911</b>	8,506
Other gains/(losses), net	6	<b>354</b>	(1,872)
Selling and distribution expenses		<b>(3,484)</b>	(2,363)
Administrative and other operating expenses		<b>(32,838)</b>	(31,714)
Impairment losses on financial assets and contract assets	7	<b>(3,064)</b>	(7,535)
Impairment losses on property, plant and equipment	7	<b>(930)</b>	–
Finance costs	7	<b>(708)</b>	(772)
<b>Profit/(loss) before tax from continuing operations</b>	7	<b>10,015</b>	(19,006)
Income tax expenses	8	<b>(3,464)</b>	(243)
<b>Profit/(loss) for the year from continuing operations</b>		<b>6,551</b>	(19,249)
<b>Discontinued Operation</b>			
Loss for the year from discontinued operation		<b>–</b>	(12,250)
<b>Profit/(loss) for the year</b>		<b>6,551</b>	(31,499)
<b>Profit/(loss) for the year attributable to:</b>			
From continuing and discontinued operations			
– Owners of the Company		<b>1,596</b>	(23,840)
– Non-controlling interests		<b>4,955</b>	(7,659)
		<b>6,551</b>	(31,499)
From continuing operations			
– Owners of the Company		<b>1,596</b>	(21,683)
– Non-controlling interests		<b>4,955</b>	2,434
		<b>6,551</b>	(19,249)
		<b><i>RMB cents</i></b>	<b><i>RMB cents</i></b>
<b>Earnings/(losses) per share attributable to owners of the Company</b>			
From continuing and discontinued operations			
– Basic and diluted	9	<b>0.64</b>	(9.54)
From continuing operations			
– Basic and diluted	9	<b>0.64</b>	(8.67)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**  
*FOR THE YEAR ENDED 31 DECEMBER 2024*

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>Continuing and Discontinued Operations:</b>			
Profit/(loss) for the year		<u>6,551</u>	<u>(31,499)</u>
<b>Other comprehensive loss:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company's financial statements to presentation currency		985	728
Changes in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	11	(531)	(1,317)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(1,202)</u>	<u>(1,053)</u>
<b>Total other comprehensive loss for the year</b>		<u>(748)</u>	<u>(1,642)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><b>5,803</b></u>	<u><b>(33,141)</b></u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
– Owners of the Company		848	(25,482)
– Non-controlling interests		<u>4,955</u>	<u>(7,659)</u>
		<u><b>5,803</b></u>	<u><b>(33,141)</b></u>

		2024	2023
	Note	RMB'000	RMB'000
<b>Continuing Operations</b>			
Profit/(loss) for the year		<u>6,551</u>	<u>(19,249)</u>
<b>Other comprehensive loss:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company's financial statements to presentation currency		985	728
Changes in fair value of financial assets at FVOCI	11	(531)	(1,317)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(1,202)</u>	<u>(1,053)</u>
<b>Total other comprehensive loss for the year</b>		<u>(748)</u>	<u>(1,642)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>5,803</u></u>	<u><u>(20,891)</u></u>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
– Owners of the Company		848	(23,325)
– Non-controlling interests		<u>4,955</u>	<u>2,434</u>
		<u><u>5,803</u></u>	<u><u>(20,891)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>102,723</b>	129,102
Intangible assets		<b>889</b>	951
Prepayments, deposits and other receivables	12	<b>–</b>	5,872
Deferred tax assets		<b>1,295</b>	2,923
Financial assets at FVOCI	11	<b>10,245</b>	8,658
		<b>115,152</b>	147,506
<b>Current assets</b>			
Inventories		<b>14,416</b>	17,987
Trade and bills receivables and contract assets	13	<b>104,018</b>	92,783
Prepayments, deposits and other receivables	12	<b>8,900</b>	4,627
Financial assets at amortised cost	14	<b>12,317</b>	17,215
Financial assets at fair value through profit or loss (“FVTPL”)		<b>13,423</b>	–
Income tax recoverable		<b>301</b>	–
Cash and cash equivalents		<b>73,719</b>	60,696
		<b>227,094</b>	193,308
<b>Current liabilities</b>			
Trade payables	15	<b>15,106</b>	14,876
Contract liabilities	16	<b>2,693</b>	1,175
Other payables and accruals	16	<b>23,930</b>	21,662
Bank borrowings		<b>3,250</b>	3,750
Lease liabilities		<b>3,404</b>	6,122
Income tax payable		<b>–</b>	763
Deferred government grants		<b>4,798</b>	5,016
		<b>53,181</b>	53,364
<b>Net current assets</b>		<b>173,913</b>	139,944
<b>Total assets less current liabilities</b>		<b>289,065</b>	287,450

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Non-current liabilities</b>		
Lease liabilities	3,272	2,131
Deferred government grants	8,767	11,479
Deferred tax liabilities	128	345
	<u>12,167</u>	<u>13,955</u>
<b>NET ASSETS</b>	<u><b>276,898</b></u>	<u><b>273,495</b></u>
<b>Capital and reserves</b>		
Share capital	2,250	2,250
Share premium	98,676	98,676
Retained earnings	31,184	31,240
Other reserves	131,279	130,375
	<u>263,389</u>	<u>262,541</u>
Equity attributable to owners of the Company	13,509	10,954
Non-controlling interests		
<b>TOTAL EQUITY</b>	<u><b>276,898</b></u>	<u><b>273,495</b></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Confidence Intelligence Holdings Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 7 December 2018. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 October 2019. The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company’s principal place of business is situated at Unit 702, 7th Floor, Greenfield Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong and the Group’s headquarter is situated at No. 7 Building, New Development Zone, Baishixia, Fuyong Street, Bao’an District, Shenzhen, the People’s Republic of China (the “**PRC**”).

The Company is an investment holding company and its subsidiaries are principally engaged in (i) provision of electronic manufacturing service (“**EMS**”) and (ii) sales of printed circuit board assembly (“**PCBA**”) and electronic components. The Group was also engaged in the operation of financial-related application platform (“**Financial Application Platform**”) and related maintenance services (“**Platform Maintenance Services**”) which were discontinued from 21 August 2023 (“**Disposal Date**”).

In the opinion of the directors of the Company, the ultimate controlling party of the Group is Mr. Li Hao (the “**Ultimate Controlling Party**”).

## 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”) and all amounts have been rounded to the nearest thousand (“**RMB’000**”), unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the following revised HKFRSs that are relevant to the Group and effective from the current period.

### Adoption of revised HKFRSs

The Group has applied, for the first time, the following revised HKFRSs that are relevant to the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (“ <b>HK Int 5</b> ”) (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
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback

## Future changes in HKFRSs

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current period, which the Group has not early adopted.

	Effective for periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 – Classification and measurement of financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – 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	The effective date to be determine

The directors of the Company do not anticipate that the adoption of the new/revised HKFRSs in future periods will have any material impact on the Group's consolidated financial statements.

## 3. SEGMENT INFORMATION

The executive directors of the Company who make strategic decisions have been identified as the Group's chief operating decision maker (“**CODM**”) to evaluate the performance of operating segments and to allocate resources to those segments. Based on risks, returns, the production process and the Group's internal financial reporting, the CODM considers that the Group has one reportable and operating segment which is the provision of EMS and sales of PCBA and electronic components during the year of 2024. As this is the only operating segment of the Group in its continuing operations, no further analysis for segment information is presented for the year ended 31 December 2024. During the year of 2023, the operating segments of the Group comprised in the consolidated financial statements:

- (1) Provision of EMS and sales of PCBA and electronic components; and
- (2) Provision of Financial Application Platform and Platform Maintenance Services which was discontinued with effect from the Disposal Date.

In determining the Group's geographical segments, revenue is attributable to the countries based on the location of customers; non-current assets are attributable to the countries based on the locations of the assets.



A major customer is a customer (including a group of entities under common control) with whom revenue from transactions amounted to 10% or more of the Group's total revenue from continuing operations in the respective reporting period.

Revenue from customers (including a group of entities under common control) individually contributed over 10% of the total revenue of the Group from continuing operations is as follows:

	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Continuing Operation – Provision of EMS and sales of PCBA and electronic components</b>		
Customer A	<b>124,969</b>	55,586
Customer B	<b>N/A</b>	30,312
Customer C	<b>59,870</b>	51,755
Customer D	<b>N/A</b>	60,040
	<u><b>                    </b></u>	<u><b>                    </b></u>

Revenue from Customers B and D were less than 10% of the total revenue of the Group for the year ended 31 December 2024.

The five largest customers accounted for approximately 78% of the Group's total revenue for the year ended 31 December 2024 (2023: approximately 84%).

## Geographical Information

### (i) *Revenue from external customers*

The Group's operation is principally domiciled in the PRC. The Group's revenue by geographical location, which is determined by the location of customers, is as follows:

	<b>2024</b>		2023	
	<b>Continuing Operations RMB'000</b>	Continuing Operation RMB'000	Discontinued Operation RMB'000	Consolidated RMB'000
The PRC	<b>288,661</b>	264,299	1,116	265,415
The United States of America (the "USA")	<b>110</b>	158	–	158
Malaysia	<b>54</b>	–	–	–
	<u><b>288,825</b></u>	<u>264,457</u>	<u>1,116</u>	<u>265,573</u>

### (ii) *Non-current assets by geographical location*

At 31 December 2024 and 2023, majority of the Group's non-current assets were located in the PRC.

#### 4. REVENUE

	2024 RMB'000	2023 RMB'000
<b>Revenue from contracts with customers within HKFRS 15</b>		
Continuing Operations		
<i>Recognised on overtime basis</i>		
– Provision of EMS	187,936	264,457
<i>Recognised on point in time basis</i>		
– Sales of PCBA and electronic components	<u>100,889</u>	<u>–</u>
	<u>288,825</u>	<u>264,457</u>
Discontinued Operation		
<i>Overtime</i>		
– Provision of Platform Maintenance Services	–	154
<i>Point in time</i>		
– Provision of Financial Application Platform	<u>–</u>	<u>962</u>
	<u>–</u>	<u>1,116</u>
	<u><b>288,825</b></u>	<u><b>265,573</b></u>

The amounts of revenue recognised for the year ended 31 December 2024 that were included in the contract liabilities at the beginning of the reporting period was approximately RMB120,000 (2023: RMB3,989,000).

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

##### (a) Provision of EMS

The performance obligation is satisfied over time as services are rendered. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

##### (b) Sales of PCBA and electronic components

The performance obligation is satisfied upon the goods have been shipped to the customer's specific location (delivery). Following delivery or used, the customers have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. Sales to customers are either due for payment on delivery or with credit term of normally no more than 120 days.

Under the Group's standard contract terms, customers have a right to exchange defective goods within specified periods. The Group uses its accumulated historical experience to estimate the number of exchange, using the expected value method. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised. The management consider that there will be no significant reversal of revenue as of the end of the reporting period for exchange of goods.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision. Based on accumulated historical experience, the amount of relevant provisions was insignificant, hence, the provision was close to zero or no provision was recognised.

## 5. OTHER INCOME

	2024 Continuing Operations RMB'000	Continuing Operation RMB'000	2023 Discontinued Operation RMB'000	Consolidated RMB'000
Bank interest income	503	1,096	–	1,096
Government subsidies ( <i>Note</i> )	5,347	7,367	47	7,414
Others	61	43	25	68
	<u>5,911</u>	<u>8,506</u>	<u>72</u>	<u>8,578</u>

*Note:* Government grants primarily represent subsidies from relevant local government authorities granted to the Group for purchase of certain qualified property, plant and equipment for its operation. During the year ended 31 December 2024, the assets related grants recognised to profit or loss were approximately RMB3,872,000 (2023: RMB5,503,000). There are no unfulfilled conditions or contingencies attached to the remaining government grants for the years ended 31 December 2024 and 2023.

## 6. OTHER GAINS/(LOSSES), NET

	2024 Continuing Operations RMB'000	Continuing Operation RMB'000	2023 Discontinued Operation RMB'000	Consolidated RMB'000
Interest income from unlisted corporate bonds	1,238	1,808	–	1,808
Interest income from amount due from an independent third party	456	80	–	80
Dividend income from equity investment at FVOCI	353	186	–	186
Fair value changes on financial assets at FVTPL	185	–	–	–
(Losses)/gains on disposal of property, plant and equipment, net	(639)	6	–	6
Written off of property, plant and equipment	(242)	(2,578)	–	(2,578)
Written off of other receivables	(571)	–	–	–
Gains on early termination of long-term leases	251	–	–	–
Exchange losses, net	(677)	(1,374)	–	(1,374)
Others	–	–	(22)	(22)
	<u>354</u>	<u>(1,872)</u>	<u>(22)</u>	<u>(1,894)</u>

## 7. PROFIT/(LOSS) BEFORE TAX

	2024 Continuing Operations RMB'000	Continuing Operation RMB'000	2023 Discontinued Operation RMB'000	Consolidated RMB'000
<b>Finance costs</b>				
Interest on bank borrowings	156	263	–	263
Interest on lease liabilities	552	509	–	509
	<u>708</u>	<u>772</u>	<u>–</u>	<u>772</u>
<b>Staff costs (including directors' emoluments) (Note vi)</b>				
Salaries, allowances and other benefits in kind	55,201	74,407	3,359	77,766
Discretionary bonus	4,954	2,091	–	2,091
Contributions to defined contribution plans (Note i)	4,670	3,828	2,057	5,885
	<u>64,825</u>	<u>80,326</u>	<u>5,416</u>	<u>85,742</u>
Manpower service expenses (Note ii)	8,194	4,616	–	4,616
	<u>73,019</u>	<u>84,942</u>	<u>5,416</u>	<u>90,358</u>
<b>Other expenses by nature</b>				
Cost of raw materials and consumables used	120,161	103,461	–	103,461
Subcontracting charges	18,598	14,683	–	14,683
Expenses recognised under short-term leases				
– Machineries	8,155	17,684	–	17,684
– Offices, warehouses, production plant and staff quarters	1,010	3,723	28	3,751
Utilities	1,127	8,657	–	8,657
Depreciation (Note iii)	39,919	34,529	37	34,566
Amortisation (Note iv)	541	860	887	1,747
Auditor's remuneration	1,332	1,757	–	1,757
Professional fees	3,432	3,478	321	3,799
Provision for/(reversal of) write-down of inventories, net	4,524	(3,069)	–	(3,069)
Impairment losses on financial assets and contract assets	3,064	7,535	–	7,535
Impairment losses on intangible assets	–	–	14,671	14,671
Impairment losses on property, plant and equipment	930	–	–	–
Other tax and surcharges	2,291	1,664	–	1,664
Transportation	1,042	229	–	229
Travelling expenses	1,903	924	15	939

*Notes:*

- (i) As stipulated under the relevant rules and regulations in the PRC, subsidiaries operating in the PRC contribute to state-sponsored retirement plans for its employees. For the years ended 31 December 2024 and 2023, depending on the provinces of the employees' registered residences and their current region of work, the subsidiaries contributed certain percentages of the basic salaries of its employees and had no further obligations for the actual payment of pensions or postretirement benefits beyond the contributions. The state-sponsored retirement plans are responsible for the entire pension obligations payable to the retired employees.
- (ii) During the years ended 31 December 2024 and 2023, the Group entered into certain manpower service arrangements with several external manpower service organisations in the PRC. Under these arrangements, certain of the Group's manpower requirements were fulfilled by these organisations at agreed service fees whereas the human resources provided were directly employed by the relevant service organisations. The individuals providing services to the Group did not have any employment relationship with the Group.
- (iii) During the years ended 31 December 2024 and 2023, depreciation expenses have been charged in costs of sales and administrative and other operating expenses, as appropriate, as below:

	<b>2024</b>		<b>2023</b>	
	<b>Continuing</b>	Continuing	Discontinued	Consolidated
	<b>Operations</b>	Operation	operation	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Costs of sales	<b>38,125</b>	31,698	–	31,698
Administrative and other operating expenses	<b>1,794</b>	2,831	37	2,868
	<b>39,919</b>	<b>34,529</b>	<b>37</b>	<b>34,566</b>

- (iv) During the years ended 31 December 2024 and 2023, amortisation expenses have been charged in costs of sales and administrative and other operating expenses, as appropriate, as below:

	<b>2024</b>		<b>2023</b>	
	<b>Continuing</b>	Continuing	Discontinued	Consolidated
	<b>Operations</b>	Operation	operation	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Costs of sales	<b>188</b>	327	887	1,214
Administrative and other operating expenses	<b>353</b>	533	–	533
	<b>541</b>	<b>860</b>	<b>887</b>	<b>1,747</b>

- (v) Staff costs, material costs and other miscellaneous expenses incurred for research and development purposes in aggregate amounted to approximately RMB13,436,000 (2023: RMB16,006,000) for the year ended 31 December 2024 and are included in costs of sales and administrative and other operating expenses of the Group.

- (vi) During the years ended 31 December 2024 and 2023, staff costs have been charged in costs of sales, selling and distribution expenses and administrative and other operating expenses, as appropriate, as below:

	<b>2024</b>		<b>2023</b>	
	<b>Continuing</b>	Continuing	Discontinued	Consolidated
	<b>Operations</b>	Operation	operation	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Costs of sales	<b>51,882</b>	67,543	–	67,543
Selling and distribution expenses	<b>731</b>	905	–	905
Administrative and other operating expenses	<b>20,406</b>	16,494	5,416	21,910
	<b>73,019</b>	84,942	5,416	90,358

## 8. TAXATION

	<b>2024</b>		<b>2023</b>	
	<b>Continuing</b>	Continuing	Discontinued	Consolidated
	<b>Operations</b>	Operation	Operation	
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>Current tax</b>				
PRC enterprise income tax (“PRC EIT”)				
Provision for the year	<b>2,479</b>	246	–	246
Over provision in respect of prior years	<b>(426)</b>	–	–	–
	<b>2,053</b>	246	–	246
<b>Deferred taxation</b>				
Changes in temporary differences	<b>1,411</b>	(3)	4,182	4,179
<b>Total income tax expenses</b>	<b>3,464</b>	243	4,182	4,425

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax during the years ended 31 December 2024 and 2023.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong during the years ended 31 December 2024 and 2023.

The Group’s entities established in the PRC are subject to the PRC EIT at a statutory rate of 25% except for Shenzhen Confidence Intelligence Electronic Co. Limited\* (“**Shenzhen Confidence Intelligence**”) (深圳信懋智能電子有限公司) and Chongqing Xinken Technology Company Limited\* (“**Chongqing Xinken Technology**”) (重慶信懋科技有限公司) (“重慶信懋科技”) which were recognised as High and New Technology Enterprise and are entitled to a preferential tax rate of 15% during the year ended 31 December 2024 (2023: Shenzhen Confidence Intelligence, Regan Financial Information Service Co., Ltd.\* (“**Regan Financial Information**”) (上海雷根金融信息服務有限公司), and Chongqing Xinken Technology were recognised as High and New Technology Enterprise). The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years.

## Reconciliation of income tax expenses

	2024 RMB'000	2023 RMB'000
<b>Continuing Operations</b>		
Profit/(loss) before tax	<b>10,015</b>	(19,006)
Income tax at statutory tax rate applicable in respective tax jurisdictions	<b>2,826</b>	(3,581)
Effects of the preferential income tax rates	<b>(1,382)</b>	–
Tax exempt revenue	<b>(341)</b>	(619)
Non-deductible expenses	<b>2,009</b>	3,458
Unrecognised tax losses	<b>1,224</b>	2,557
Super deductions on research and development expenses ( <i>Note i</i> )	<b>(446)</b>	(1,572)
Over provision in prior years	<b>(426)</b>	–
<b>Total income tax expenses</b>	<b>3,464</b>	243

*Note:*

- (i) According to the relevant laws and regulations promulgated by the State Administration of Taxation of the PRC, enterprises engaging in research and development activities are entitled to claim 175% to 200% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year.

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxation profits is probable. At 31 December 2024, no deferred tax assets arising from tax losses has been recognised (2023: Same).

At 31 December 2024, the Group has accumulated unrecognised tax losses of approximately RMB1,504,000 (2023: RMB885,000) and RMB69,355,000 (2023: RMB61,537,000), arising in Hong Kong and the PRC respectively, which are available for offsetting against future taxable profits of the entities in which the losses arose. Deferred tax assets have not been recognised in respect of these tax losses due to the uncertainty of future taxable profits against which the tax losses can be utilised. The tax losses arising in Hong Kong and the PRC can be carried forward against future taxable profits. Under the current tax legislation, the tax losses arising in Hong Kong can be carried forward indefinitely and the tax losses arising in the PRC can be carried forward for a maximum of 10 years from the year in which the tax loss was incurred as the entity in which the tax loss arose is recognised as High and New Technology Enterprise in the PRC.

## 9. EARNINGS/(LOSSES) PER SHARE

The calculation of basic and diluted earnings/(losses) per share attributable to owners of the Company is based on the following information:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>From continuing and discontinued operations</b>		
<i>Profit/(loss)</i>		
Profit/(loss) for the year attributable to owners of the Company, used in basic and diluted earnings/(losses) per share calculation	<u>1,596</u>	<u>(23,840)</u>
	<i>'000</i>	<i>'000</i>
<i>Number of shares</i>		
Weighted average number of ordinary shares for basic and diluted earnings/(losses) per share calculation	<u>250,000</u>	<u>250,000</u>
	<i>RMB cents</i>	<i>RMB cents</i>
<i>Earnings/(losses) per share</i>		
Basic and diluted earnings/(losses) per share	<u>0.64</u>	<u>(9.54)</u>
	<i>2024 RMB'000</i>	<i>2023 RMB'000</i>
<b>From continuing operations</b>		
<i>Profit/(loss)</i>		
Profit/(loss) for the year attributable to owners of the Company, used in basic and diluted earnings/(losses) per share calculation	<u>1,596</u>	<u>(21,683)</u>
	<i>'000</i>	<i>'000</i>
<i>Number of shares</i>		
Weighted average number of ordinary shares for basic and diluted earnings/(losses) per share calculation	<u>250,000</u>	<u>250,000</u>
	<i>RMB cents</i>	<i>RMB cents</i>
<i>Earnings/(losses) per share</i>		
Basic and diluted earnings/(losses) per share	<u>0.64</u>	<u>(8.67)</u>

The basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

Diluted earnings/(losses) per share are same as the basic earnings/(losses) per share as there are no potential dilutive ordinary shares in existence for the years ended 31 December 2024 and 2023.



## 10. DIVIDENDS

The directors did not recommend a payment of any dividend for the year ended 31 December 2024 (2023: Nil).

## 11. FINANCIAL ASSETS AT FVOCI

The Group's financial assets at FVOCI comprise equity securities which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category.

	2024 RMB'000	2023 RMB'000
<b>Non-current assets</b>		
Listed trading securities		
– Alibaba	2,289	–
– Baidu, Inc.	475	652
– Bilibili Inc.	479	309
– 3SBio Inc.	5,236	6,338
– Yuexiu Services Group Limited	1,766	1,359
	<u>10,245</u>	<u>8,658</u>

The movements of the financial assets at FVOCI are analysed as follows:

	2024 RMB'000	2023 RMB'000
At the beginning of the reporting period	8,658	9,840
Additions	1,900	–
Changes in fair value recognised in other comprehensive income	(531)	(1,317)
Exchange realignments	218	135
	<u>10,245</u>	<u>8,658</u>

All of the financial assets at FVOCI are denominated in HK\$.

During the year ended 31 December 2024, the dividend income from the financial assets at FVOCI amount to RMB353,000 (2023: RMB186,000).

## 12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>Current portion</b>			
Prepayments to suppliers		<b>1,544</b>	806
Prepayment for consultancy services fee		<b>926</b>	1,994
Rental and other deposits	12(i)	<b>1,413</b>	910
Interest receivable from unlisted corporate bonds		<b>269</b>	462
Interest receivable from amount due from an independent third party		<b>545</b>	80
Other receivables	12(i)	<b>150</b>	375
Amount due from an independent third party	12(ii)	<b>4,630</b>	–
Amount due from Shanghai Wanhai Jinyuan Business Management Company Limited (“ <b>Wanhai Jinyuan</b> ”)	12(iii)	<b>7,032</b>	7,032
		<b>16,509</b>	11,659
Less: Loss allowance		<b>(7,609)</b>	(7,032)
		<b>8,900</b>	4,627
<b>Non-current portion</b>			
Prepayments of acquisition of property, plant and equipment		–	214
Amount due from an independent third party	12(ii)	–	4,531
Rental deposits	12(i)	–	1,321
		–	6,066
Less: Loss allowance		–	(194)
		–	5,872
		<b>8,900</b>	10,499

*Notes:*

- (i) At 31 December 2024 and 2023, the carrying amounts of deposits and other receivables approximated their fair values. These balances were unsecured and interest free.
- (ii) Amount due from an independent third party

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Amount due from an independent third party	<b>4,630</b>	4,531
Less: Loss allowance	<u>(147)</u>	<u>(174)</u>
	<b><u>4,483</u></b>	<b><u>4,357</u></b>

This principal amount of the amount due from an independent third party was HK\$5,000,000 (equivalent to approximately RMB4,630,000) (2023: HK\$5,000,000 (equivalent to approximately RMB4,531,000)). The amount due was unsecured, bearing interest of 10% per annum, and repayable before 27 October 2025 (2023: Repayable in 2 years).

- (iii) Amount due from Wanhai Jinyuan

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
Amount due from Wanhai Jinyuan	<b>7,032</b>	7,032
Less: Loss allowance	<u>(7,032)</u>	<u>(7,032)</u>
	<b><u>-</u></b>	<b><u>-</u></b>

The amount due was unsecured, interest free and repayable on demand (2023: Same).

Wanhai Jinyuan, being the wholly-owned subsidiary of the Group before the Disposal Date.

The carrying amounts of the Group's prepayments, deposits and other receivables were denominated in the following currencies:

	<b>2024</b> <b>RMB'000</b>	2023 <b>RMB'000</b>
RMB	<b>2,710</b>	3,472
HK\$	<u><b>6,190</b></u>	<u>7,027</u>
	<b><u>8,900</u></b>	<b><u>10,499</u></b>

### 13. TRADE AND BILLS RECEIVABLES AND CONTRACT ASSETS

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
Contract assets		<b>20,814</b>	36,913
Less: Loss allowances for contract assets		<b>(1,450)</b>	–
Contract assets, net	13(a)	<b>19,364</b>	36,913
Trade receivables, from third parties		<b>62,694</b>	43,269
Less: Loss allowances for trade receivables		<b>(1,640)</b>	(131)
Trade receivables, net	13(b)	<b>61,054</b>	43,138
Bills receivables	13(c)	<b>23,600</b>	12,732
Trade and bills receivables and contract assets, net		<b>104,018</b>	92,783

#### 13(a). Contract assets

The Group generally secures a 100% deposit when the order from specific customers for EMS or sales of PCBA and electronic components is accepted. The remaining payment becomes due upon the earlier of two events: either the delivery and acceptance of the finished goods by the customer, or the receipt of a cancellation notice from the customer. In the event of cancellation, the Group is entitled to immediate payment for the work performed for EMS.

Contract assets represent the Group's rights to consideration for transfer the control of services but unbilled. The contract assets are transferred to trade receivables when the rights become unconditional, which generally takes one to four months (2023: one to four months).

Movements of contract assets are as follows:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
At the beginning of the reporting period	<b>36,913</b>	39,318
Additions	<b>20,754</b>	36,913
Transferred to trade receivables	<b>(36,853)</b>	(39,318)
Less: Loss allowances for contract assets	<b>(1,450)</b>	–
At the end of the reporting period	<b>19,364</b>	36,913

At 31 December 2024 and 2023, the contract assets are expected to be recovered within 12 months.

**13(b). Trade receivables, from third parties**

The Group's business with its trade debtors is mainly on credit basis and the credit period is ranging from 30 to 120 days (2023: 30 to 120 days). At the end of the reporting period, the ageing analysis of trade receivables, net of loss allowance, by invoice date was as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Less than 1 month	33,459	18,351
1 to 2 months	22,580	12,198
2 to 3 months	3,780	9,328
3 to 4 months	663	–
Over 4 months	572	3,261
	<u>61,054</u>	<u>43,138</u>

At the end of the reporting period, the ageing analysis of trade receivables (net of loss allowance) by due date is as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Not yet past due	58,150	39,548
Less than 1 month past due	2,332	3,046
1 to 2 months past due	–	431
2 to 3 months past due	–	113
3 to 4 months past due	–	–
More than 4 months past due	572	–
	<u>61,054</u>	<u>43,138</u>

**13(c). Bills receivables**

At 31 December 2024 and 2023, all bill receivables are interest-free and guaranteed by banks in the PRC and have maturities of less than six months.

**13(d).** The carrying amounts of the Group's trade and bills receivables and contract assets were denominated in the following currencies:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
RMB	104,018	92,766
USD	–	17
	<u>104,018</u>	<u>92,783</u>

#### 14. FINANCIAL ASSETS AT AMORTISED COST

During the year ended 31 December 2023, the Group entered into a supplementary agreement with an unlisted bond from an independent third party (the “**Bond Issuer**”), pursuant to which, both parties agreed to extend the maturity date of the unlisted corporate bond for 1 year, from the original maturity date on 28 September 2023 to 28 September 2024. The principal amount remained at HK\$20,000,000 (equivalent to approximately RMB18,125,000), which was unsecured with a fixed interest rate of 8% per annum.

On 14 July 2024, the Group entered into a supplementary agreement with the Bond Issuer, pursuant to which, both parties agreed to extend the maturity date of the unlisted corporate bond for 1 year, from the original maturity date on 28 September 2024 to 27 September 2025. The principal amount remained at HK\$14,000,000 (equivalent to approximately RMB12,964,000), which was unsecured with a fixed interest rate of 8% per annum.

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Unlisted corporate bond	12,964	18,125
Less: Provision for impairment losses	(647)	(910)
Unlisted corporate bonds, net	<u>12,317</u>	<u>17,215</u>

The movements of the financial asset at amortised cost are analysed as follows:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
At the beginning of the reporting period	17,215	17,274
Redemption	(5,473)	–
Reversal of/(provision for) impairment losses	278	(309)
Exchange realignments	297	250
At the end of the reporting period	<u>12,317</u>	<u>17,215</u>

The unlisted corporate bond at amortised cost is denominated in HK\$.

## 15. TRADE PAYABLES

The trade payables are unsecured, interest-free and with normal credit terms ranging from 30–90 days.

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

	2024 RMB'000	2023 RMB'000
Within 1 month	11,046	8,886
1 to 2 months	2,823	4,676
2 to 3 months	1,077	1,166
Over 3 months	160	148
	<u>15,106</u>	<u>14,876</u>

The carrying amounts of the Group's trade payables were denominated in the following currencies:

	2024 RMB'000	2023 RMB'000
RMB	11,171	12,608
USD	<u>3,935</u>	<u>2,268</u>
	<u>15,106</u>	<u>14,876</u>

## 16. CONTRACT LIABILITIES, OTHER PAYABLES AND ACCRUALS

	Note	2024 RMB'000	2023 RMB'000
<b>Contract liabilities</b>	16(a)	<u>2,693</u>	<u>1,175</u>
<b>Other payables and accruals</b>			
Payable for operating expenses		3,433	2,649
Payable for staff salaries and manpower service expenses		12,621	9,729
VAT and other tax payables		5,497	5,666
Other payables		1,066	584
Accruals		<u>1,313</u>	<u>3,034</u>
		<u>23,930</u>	<u>21,662</u>
		<u>26,623</u>	<u>22,837</u>

**16(a). Contract liabilities**

Contract liabilities represent advance payments received from the customers for services or goods that have not been transferred to the customers. The contract liabilities fluctuated during the years ended 31 December 2024 and 2023 due to fluctuation in sales orders with advance payments.

The balance at the end of each reporting period is expected to be recognised as revenue in the next reporting period. The movements (excluding those arising from increase and decrease both occurred within the same reporting period) of contract liabilities within HKFRS 15 are as follows:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
At the beginning of the reporting period	<b>1,175</b>	4,180
Additions	<b>1,638</b>	1,175
Revenue recognised	<b>(120)</b>	(3,989)
Disposal of subsidiaries	<b>–</b>	(191)
	<hr/>	<hr/>
At the end of the reporting period	<b><u>2,693</u></b>	<b><u>1,175</u></b>

The contract liabilities at 31 December 2024 and 2023 represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price at 31 December 2024 and 2023 of approximately RMB2,693,000 and RMB1,175,000, respectively, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the obligations are performed.

**16(b).** The carrying amounts of the Group's contract liabilities, other payables and accruals were denominated in the following currencies:

	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
RMB	<b>24,100</b>	20,093
USD	<b>1,099</b>	28
HK\$	<b>1,424</b>	2,716
	<hr/>	<hr/>
	<b><u>26,623</u></b>	<b><u>22,837</u></b>



## BUSINESS REVIEW

The Group is an electronic manufacturing services (the “**EMS**”) provider offering comprehensive assembling, production services and sales of printed circuit board assembly (the “**PCBAs**”) in the PRC that integrate research and design, selection and procurement of raw materials, assembling of PCBAs, quality control, testing, logistics and aftersales services.

The Group tapped into the financial technology business with the cooperation of a third-party business partner (the “**Regan Group**”) since the second half year of 2022 by acquisition of the 60% registered capital of Shanghai Regan Financial Information Service Co., Ltd.\* (the “**Regan Financial Information**”) (the “**Acquisition**”), which is principally engaged in provision of the financial-related application platform (the “**Financial Application Platform**”) and related maintenance services (the “**Platform Maintenance Services**”). However, being a new entrant to the fintech and insurance related market, the Group is facing keen competition from large insurance groups with their own online platforms in the PRC and find it difficult to expand the customer scale, and the development of the financial technology business was slower than expected.

In the second half year of 2023, taking into account the performance of the Financial Application Platform and Platform Maintenance Services business since its commencement of operations and the negative news targeting Regan Group, the Board has made a reassessment of the development potential of Regan Financial Information and decided that the Group should cut its losses by disposing of the business of Financial Application Platform and Platform Maintenance Services at a consideration of RMB1.0 (the “**Disposal**”). After the Disposal, the Group no longer engaged in financial technology business. The financial technology business recorded a loss of RMB12.3 million for the year ended 31 December 2023.

During the Reporting Period, the economy in China is facing significant challenges, such as the decline in property investments and weak consumption growth. The insufficient domestic demand has led to increasingly fierce competition among enterprise. The Group concentrated its resources into the EMS business during the Reporting Period, and which contributed the Group’s overall sale from continuing operations increased by 9.2% from RMB264.5 million for the year ended 31 December 2023 to RMB288.8 million for the Reporting Period. At the same time, during the Reporting Period, the group strictly controlled costs at every stage of production and operating process and actively adjusted order allocation between the Chongqing and Shenzhen factories, aiming at increasing the capacity utilization of the Group. Gross profit margin thus had a significant improvement from 6.3% for the year ended 31 December 2023 to 15.5% for the Reporting Period, leading in a turnaround from a net loss to net profit for the Reporting Period. During the Reporting Period, the Group recorded a net profit of approximately RMB6.6 million as opposed to a net loss of approximately RMB31.5 million for the corresponding period in 2023.

## PROSPECTS

The economy environment in China and the world remains uncertain and challenging. The Group is taking proactive measures and making active responses in an effort to sustain the business and actively diversify or expand our customer base and product base to broaden the sources of revenue and diversify business risk. The Group will also take actions to adjust the product mix and strictly control cost to improve the profitability of the Group.

Also, the Group will continue to invest in our development of in-house capabilities and keep ourselves abreast of the development of latest technology advancement in our industries to secure more opportunities in the provision of EMS and sales of PCBAs business.

At the same time, the Group will keep more cautious on its spending and expansion to reduce finance risk. We will continue to strive a balance among the interests of shareholders, employees and customers, and pursue long-term and sustainable development for the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING RESULTS

#### Revenue by Customers' Geographical Location

The Group's revenue by customers' geographical location, which is determined by the location of customers, is as follows:

	<b>Revenue for</b>	
	<b>the year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
The PRC	<b>288,661</b>	265,415
The United States of America (the "USA")	<b>110</b>	158
Malaysia	<b>54</b>	—
	<hr/>	<hr/>
Total	<b>288,825</b>	265,573
	<hr/>	<hr/>

The Group derives its revenue from provision of EMS and sales of PCBAs during the Reporting Period. Based on the usage of the electronic products which incorporated with our PCBAs, our PCBAs can be broadly applied to electronic end products for three principal industries, namely, telecommunication devices, IoT products, and automotive related devices. The table below summarises the amount of revenue generated and as a percentage of total revenue from each product category for the Reporting Period and for the year ended 31 December 2023, respectively:

	Revenue for			% of total revenue for		
	the year ended 31 December 2024	2023	Change	the year ended 31 December 2024	2023	Change
	RMB'000	RMB'000	%			
PCBAs for						
Telecommunication devices	<b>158,461</b>	140,704	12.6	<b>54.9</b>	53.1	1.8
IoT products	<b>47,744</b>	62,489	(23.6)	<b>16.5</b>	23.5	(7.0)
Automotive related devices	<b>71,955</b>	58,794	22.4	<b>24.9</b>	22.1	2.8
Others	<b>10,665</b>	2,470	331.8	<b>3.7</b>	0.9	2.8
	<b><u>288,825</u></b>	<u>264,457</u>	9.2	<b><u>100.0</u></b>	<u>99.6</u>	0.4
Financial Application						
Platform and Platform						
Maintenance Services	<u>—</u>	<u>1,116</u>	N/A	<u>—</u>	<u>0.4</u>	N/A
Total	<b><u>288,825</u></b>	<b><u>265,573</u></b>	8.8	<b><u>100.0</u></b>	<b><u>100.0</u></b>	—

Our revenue generated from provision of EMS for telecommunication devices increased by approximately 12.6% from approximately RMB140.7 million for the year ended 31 December 2023 to approximately RMB158.5 million for the Reporting Period, primarily due to the increased orders as from the Group's major customer.

Our Group recorded a decrease in revenue derived from provision of EMS and sales of PCBAs for IoT products from approximately RMB62.5 million for the year ended 31 December 2023 to approximately RMB47.7 million for the Reporting Period, which was mainly attributable to the decline market demand for the consumer electronic devices under the downturn macroeconomic environment.

Our revenue generated from provision of EMS and sales of PCBAs for automotive related devices increased by approximately RMB13.2 million from approximately RMB58.8 million for the year ended 31 December 2023 to approximately RMB72.0 million for the Reporting Period, primarily because we achieve more orders from the customers with our satisfying technology and quality.

Other revenue mainly include (i) PCBAs for industrial use devices and other electronic devices; and (ii) the revenue generated from the sale of auxiliary and other materials. Other revenue increased from approximately RMB2.5 million for the year ended 31 December 2023 to approximately RMB10.7 million for the Reporting Period, which was mainly due to the increase in sales of materials.

No revenue derived from Financial Application Platform and Platform Maintenance Services was recorded during the Reporting Period after the Disposal (2023: RMB1.1 million).

### Gross Profit and Gross Profit Margin

Gross profit of the Group for the Reporting Period was approximately RMB44.8 million, representing an increase of approximately RMB30.6 million or approximately 214.8% as compared with approximately RMB14.2 million for the year ended 31 December 2023. Overall gross profit margin increased from approximately 5.4% for the year ended 31 December 2023 to approximately 15.5% for the Reporting Period.

	Gross profit for the year ended 31 December			Gross profit margin for the year ended 31 December		
	2024	2023	Change	2024	2023	Change
	RMB'000	RMB'000	(%)	(%)	(%)	(%)
Revenue from						
Telecommunication devices	<b>25,151</b>	3,354	649.9	<b>15.9</b>	2.4	13.5
IoT products	<b>6,323</b>	2,958	113.8	<b>13.2</b>	4.7	8.5
Automotive related devices	<b>12,631</b>	10,380	21.7	<b>17.6</b>	17.7	(0.1)
Others	<b>669</b>	52	1,186.5	<b>6.3</b>	2.1	4.2
	<b>44,774</b>	16,744	167.4	<b>15.5</b>	6.3	9.2
Financial Application Platform and Platform Maintenance Services	—	(2,523)	N/A	—	(226.1)	N/A
Total	<b>44,774</b>	14,221	214.8	<b>15.5</b>	5.4	10.1

The gross profit for telecommunication devices increased by approximately 649.9% to approximately RMB25.2 million for the Reporting Period (2023: approximately RMB3.4 million). The gross profit margin increased to approximately 15.9% for the Reporting Period (2023: approximately 2.4%), which was primarily due to the increase in the provision of EMS for telecommunication devices and that the group strictly controlled the costs at each stage of production to improve the profit margin.

The gross profit for IoT products increased by approximately 113.8% to approximately RMB6.3 million for the Reporting Period (2023: approximately RMB3.0 million). The gross profit margin increased to approximately 13.2% for the Reporting Period (2023: approximately 4.7%), which was primarily due to the cost control policy adopted by the Group as mentioned above.

The gross profit for automotive related devices increased by approximately 21.7% to approximately RMB12.6 million for the Reporting Period (2023: approximately RMB10.4 million), which was in line with the increased revenue. The gross profit margin kept stable at approximately 17.6% for the Reporting Period (2023: approximately 17.7%).

### **Other Income**

Other income of the Group for the Reporting Period of approximately RMB5.9 million (2023: approximately RMB8.5 million) mainly represented government grants and bank interest income.

### **Other Gains/(losses), Net**

Other gains/(losses), net mainly represented (i) net gain or loss on disposal of property, plant and equipment; (ii) written off of property, plant and equipment and other receivables; (iii) interest income from unlisted corporate bonds and loans; (iv) dividend income; and (v) exchange difference.

### **Selling and Distribution Expenses**

Selling and distribution expenses mainly comprised (i) relevant employee benefit expenses; (ii) transportation costs; (iii) entertainment expenses and other expenses. For the Reporting Period, selling and distribution expenses amounted to approximately RMB3.5 million (2023: approximately RMB2.4 million), representing an increase of approximately 47.4% as compared to the year ended 31 December 2023. The increase in selling and distribution expense was mainly due to the increased in transportation costs as a result of the order allocation aimed at balancing the capacity utilization between the Chongqing and Shenzhen factories.

### **Administrative and Other Expenses**

Administrative and other expenses mainly represented (i) employment benefit expenses; (ii) depreciation; (iii) professional fee; (iv) rental expenses; (v) travelling expenses; (vi) utilities; (vii) telecommunication; (viii) office expenses and other expenses. For the Reporting Period, administrative expenses amounted to approximately RMB32.8 million (2023: approximately RMB31.7 million and approximately RMB3.9 million from continuing and discontinued operation, respectively), representing a decrease of approximately 7.9% as compared to the year ended 31 December 2023. The decrease in administrative and other expense was mainly due to the disposal of financial technology business in the second half year of 2023.

## **Impairment Losses on Financial Assets and Contract Assets**

For the Reporting Period, impairment losses of approximately RMB3.1 million (2023: approximately RMB7.5 million) was made against the financial assets at amortised cost, other receivables, contract assets and the trade receivables for customers who probably have credit risk, which was unlikely to be collected.

## **Impairment losses on Intangible Assets**

An impairment loss of approximately RMB14.7 million was provided from discontinued operation for the year ended 31 December 2023 for the intangible assets for Financial Application Platform and Platform Maintenance Services segment as the development of this segment was slower than expected and the recoverable amount for the intangible assets was lower than the carrying amount. No such expense incurred in the Reporting Period.

## **Finance Costs**

Our finance costs mainly comprised interest expenses on bank borrowings and leases liabilities. For the Reporting Period, the finance costs of the Group were approximately RMB0.7 million (2023: approximately RMB0.8 million). The decrease in finance costs was in line with the decreased average balance of bank borrowings and lease liabilities.

## **Income Tax Expense**

The Group recorded income tax expense of approximately RMB3.5 million, for the Reporting Period (2023: approximately RMB0.2 million), which was primarily due to the increased profit before tax of the Group for the Reporting Period.

## **Profit/(loss) for the Year**

As a result of the facts discussed above, the Group recorded a net profit of approximately RMB6.6 million for the Reporting Period as compared to net loss of approximately RMB31.5 million for the year ended 31 December 2023.

## **Profit/(loss) for the Year Attributable to Non-controlling Interest**

Profit for the year attributable to non-controlling interest amounted approximately RMB5.0 million for the Reporting Period (2023: loss of approximately RMB7.7 million). The profit for the Reporting Period was mainly from Chongqing Xinken Technology. The change was mainly due to the Disposal in the second half year of 2023 and the increase gross margin of the continuing operations.

## **Liquidity and Capital Resources**

### ***Net Current Assets***

The Group had net current assets of approximately RMB173.9 million as at 31 December 2024 (2023: approximately RMB139.9 million). The current ratio of the Group increased from approximately 3.6 as at 31 December 2023 to 4.3 as at 31 December 2024.

### ***Borrowing and the Pledge of Assets***

The bank borrowings of the Group amounted to approximately RMB3.3 million as at 31 December 2024 (2023: approximately RMB3.8 million). As at 31 December 2024, the above bank borrowings were secured by property, plant and equipment with carrying amounts approximately RMB8.3 million (2023: RMB10.1 million).

### ***Gearing Ratio***

Our gearing ratio, which is calculated by total borrowings and lease liabilities divided by total equity, was approximately 3.6% and 4.4% as at 31 December 2024 and 31 December 2023, respectively. During the Reporting Period, our bank borrowings and lease liabilities decreased by approximately RMB2.1 million. The gearing ratio remained low due to our low level of bank borrowings and lease liabilities.

### ***Capital Structure***

The Shares were listed on the Main Board of the Stock Exchange on 18 October 2019. There has been no change in the capital structure of the Company since then. As at 31 December 2024, the number of issued shares of the Company was 250,000,000 ordinary shares of HK\$0.01 each.

## **Foreign Exchange Exposure and Exchange Rate Risk**

The Group's assets, liabilities and transactions are mainly denominated in RMB, US\$ and HK\$. There are no significant assets and liabilities denominated in other currencies. Management considers that the Group is not exposed to any significant foreign exchange risk as at 31 December 2024 as there are no significant financial assets or liabilities of the Group denominated in the currencies other than the respective functional currencies of the Group's entities.

## **Capital Expenditure**

For the Reporting Period, the Group had capital expenditure of approximately RMB19.9 million (2023: approximately RMB21.4 million). The capital expenditure was mainly related to the additions of office equipment, plant and machinery and intangible assets.



## **Dividend**

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

## **Employees, Emoluments Policy and Training**

The key components of the Group's remuneration package include basic salary, and where appropriate, other allowances, bonuses and the Group's contribution to mandatory provident funds or state-managed retirement benefits scheme. Other benefits include share options to be granted under the Share Option Schemes. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs to employees, which are identified annually by individual departments.

As at 31 December 2024, the Group had 489 employees (2023: 771 employees) with a total remuneration of approximately RMB64.8 million during the Reporting Period (2023: approximately RMB85.7 million). The salaries of the employees were determined with reference to individual performance, work experience, qualification and current industry practices.

## **PENSION SCHEME**

Pursuant to the relevant labor laws and regulations of the PRC, the employees of the Group's subsidiaries established in the PRC are required to participate in a state-managed retirement benefit scheme (the **"Defined Contribution Scheme"**) operated by the PRC government. The Group is required to contribute a certain percentage of basic payroll costs to the Defined Contribution Scheme.

The Group's contributions to the Defined Contribution Scheme vest fully and immediately with the employees. Accordingly, (i) during the Reporting Period, there was no forfeiture of contributions under the Defined Contribution Scheme; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Scheme as at 31 December 2024. The contributions are charged to profit or loss as they become payable in accordance with the rules of the Defined Contribution Scheme.

## **CAPITAL COMMITMENT**

As at 31 December 2024, the Group's capital commitment amounted to approximately RMB0.4 million (2023: approximately RMB1.3 million). The capital commitment was mainly related to the acquisition of machinery and equipment to enhance our production efficiency.



## **MATERIAL ACQUISITIONS, DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND SIGNIFICANT INVESTMENT**

Saved as disclosed in this announcement, except for the financial assets at FVOCI, financial assets at amortised cost and the financial assets at fair value through profit or loss, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures or significant investment during the Reporting Period.

## **CONTINGENT LIABILITIES**

The Group did not have any material contingent liabilities as of 31 December 2024 (2023: nil).

## **EVENT AFTER REPORTING PERIOD**

The Group does not have any important events after the Reporting Period and up to the date of this announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the trust of shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance codes to meet the legal and commercial standards by focusing on areas such as internal control, adequate disclosure and accountability to all shareholders.

The Company has adopted and complied with the code provisions set out in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) during the Reporting Period except the following deviation:

CG Code provision C.2.1 stipulates that the roles of chairman of the Board and chief executive should be separate and should not be performed by the same individual. Mr. Li is the chairman of the Board and the chief executive officer of our Group, which was deviated from the CG Code. However, having considered the nature and extent of our Group’s operations, Mr. Li’s extensive experience in the industry, familiarity with the operations of our Group since its business operation, that all major decisions are made in consultation with members of our Board and relevant Board committees, and that there are three independent non-executive Directors on our Board offering independent perspectives, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between our Board and the management of our Company and that it is in the best interest of our Group to have Mr. Li taking up both roles. As such, the roles of the chairman and chief executive officer of our Group are not being separated pursuant to the requirement under code provision C.2.1 of the CG Code. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

## **AUDIT COMMITTEE**

The Company established the Audit Committee on 20 September 2019 with terms of reference in compliance with the CG Code as set out in Appendix C1 to the Listing Rules for the purpose of to making recommendations to the Board on the appointment and removal of the external auditor, to review the financial statements and related materials and provide advice in respect of the financial reporting process, and to oversee the internal control procedures and risk management of our Group. The Audit Committee now comprises three members, all being independent non-executive Directors, namely, Mr. Chow Kit Ting (Chairman), Mr. Huang Jianfei and Ms. Mu Lingxia.

The Audit Committee had reviewed the audited annual results of the Group for the year ended 31 December 2024.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE “MODEL CODE”)**

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors’ securities transactions. All Directors of the Company have confirmed that, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code during the Reporting Period and to the date of the report.

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

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares (as defined in the Listing Rules)) during the year. As at 31 December 2024, the Company did not hold any treasury shares (as defined in the Listing Rules).

## **SCOPE OF WORK OF CONPAK CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Reporting Period as set out in this preliminary announcement have been agreed by the Group’s auditor, Conpak CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Reporting Period. The work performed by Conpak 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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Conpak CPA Limited on this preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement will be published on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.szxinken.com](http://www.szxinken.com)). The annual report of the Company for the year ended 31 December 2024 will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**Confidence Intelligence Holdings Limited**  
**Li Hao**  
*Chairman & Executive Director*

Hong Kong, 28 March 2025

*As at the date of this announcement, the executive Directors are Mr. Li Hao, Mr. Zhang Bizhong, Mr. Xu Shizhen, Ms. Li Biqiong and Mr. Hao Xiangjun, and the independent non-executive Directors are Mr. Huang Jianfei, Mr. Chow Kit Ting and Ms. Mu Lingxia.*

\* *For identification purpose only*