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## ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “Board” or the “Directors”) of Sun Hung Kai & Co. Limited (the “Company” or “SHK & Co.”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 as set out below:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		<b>Six months ended</b>	
		<b>30/6/2025</b>	<b>30/6/2024</b>
		<b>Unaudited</b>	<b>Unaudited</b>
	<i>Notes</i>	<b>HK\$ Million</b>	<b>HK\$ Million</b>
Interest income		<b>1,715.8</b>	1,817.7
Other revenue	4	<b>87.4</b>	59.8
Total revenue		<b>1,803.2</b>	1,877.5
Net investment income	5	<b>974.1</b>	50.6
Other gains	6	<b>22.6</b>	23.4
Total income		<b>2,799.9</b>	1,951.5
Brokerage and commission expenses		<b>(55.5)</b>	(52.0)
Advertising and promotion expenses		<b>(64.0)</b>	(67.9)
Direct costs and operating expenses		<b>(62.9)</b>	(47.5)
Administrative expenses		<b>(578.0)</b>	(511.6)
Net exchange losses		<b>(23.0)</b>	(13.7)
Net impairment losses on financial assets	7	<b>(497.4)</b>	(427.8)
Finance costs		<b>(355.7)</b>	(492.8)
Other losses		<b>(105.2)</b>	(55.1)
		<b>1,058.2</b>	283.1
Share of results of associates		<b>6.6</b>	(1.5)
Share of results of joint ventures		<b>22.6</b>	25.8

		<b>Six months ended</b>	
		<b>30/6/2025</b>	<b>30/6/2024</b>
		<b>Unaudited</b>	<b>Unaudited</b>
<i>Notes</i>		<b><i>HK\$ Million</i></b>	<b><i>HK\$ Million</i></b>
Profit before taxation	8	<b>1,087.4</b>	307.4
Taxation	9	<b>(94.0)</b>	(122.9)
Profit for the period		<b><u>993.4</u></b>	<b><u>184.5</u></b>
Profit attributable to:			
– Owners of the Company		<b>887.0</b>	75.4
– Non-controlling interests		<b>106.4</b>	109.1
		<b><u>993.4</u></b>	<b><u>184.5</u></b>
Earnings per share	11		
– Basic (HK cents)		<b><u>45.3</u></b>	<b><u>3.9</u></b>
– Diluted (HK cents)		<b><u>45.3</u></b>	<b><u>3.9</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<b>Six months ended</b>	
	<b>30/6/2025</b>	<b>30/6/2024</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$ Million</b>	<b>HK\$ Million</b>
<b>Profit for the period</b>	<b>993.4</b>	<b>184.5</b>
<b>Other comprehensive income (expenses):</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Fair value gain (loss) on investments in equity instruments at fair value through other comprehensive income, net of tax	<b>103.7</b>	<b>(7.0)</b>
Revaluation gains on investment properties transferred from owned properties	<b>0.9</b>	<b>2.8</b>
	<b>104.6</b>	<b>(4.2)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences arising on translating foreign operations	<b>75.5</b>	<b>(30.2)</b>
Reclassification adjustment to profit or loss on liquidation of subsidiaries	<b>47.7</b>	<b>–</b>
Share of other comprehensive income (expenses) of associates, net of tax	<b>15.1</b>	<b>(3.9)</b>
Share of other comprehensive income of joint ventures, net of tax	<b>58.6</b>	<b>–</b>
	<b>196.9</b>	<b>(34.1)</b>
Other comprehensive income (expenses) for the period, net of tax	<b>301.5</b>	<b>(38.3)</b>
Total comprehensive income for the period	<b>1,294.9</b>	<b>146.2</b>
Total comprehensive income attributable to:		
– Owners of the Company	<b>1,138.8</b>	<b>49.5</b>
– Non-controlling interests	<b>156.1</b>	<b>96.7</b>
	<b>1,294.9</b>	<b>146.2</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/6/2025	31/12/2024
		Unaudited	Audited
	Notes	HK\$ Million	HK\$ Million
<b>Non-current Assets</b>			
Investment properties		1,077.9	1,134.9
Property and equipment		295.6	332.5
Right-of-use assets		179.2	227.2
Intangible assets		908.2	908.6
Goodwill		2,384.0	2,384.0
Interest in associates		123.2	111.0
Interest in joint ventures		497.1	415.9
Financial assets at fair value through other comprehensive income		412.2	287.9
Financial assets at fair value through profit or loss		9,977.5	9,049.0
Deferred tax assets		226.7	230.9
Amounts due from associates		64.9	195.3
Loans and advances to consumer finance customers	12	3,784.3	3,712.7
Mortgage loans	13	313.8	539.2
Term loans	14	218.8	41.9
Prepayments, deposits and other receivables	15	16.7	25.9
		<u>20,480.1</u>	<u>19,596.9</u>
<b>Current Assets</b>			
Financial assets at fair value through profit or loss		3,395.8	3,507.7
Taxation recoverable		2.5	2.7
Amounts due from associates		164.3	8.5
Loans and advances to consumer finance customers	12	6,850.4	6,815.7
Mortgage loans	13	1,257.0	1,439.6
Term loans	14	188.0	184.5
Prepayments, deposits and other receivables	15	230.9	318.6
Amounts due from brokers		552.8	418.7
Bank deposits		1,029.6	679.8
Cash and cash equivalents		3,502.5	4,327.4
		<u>17,173.8</u>	<u>17,703.2</u>

		<b>30/6/2025</b>	<b>31/12/2024</b>
		<b>Unaudited</b>	<b>Audited</b>
	<i>Note</i>	<b>HK\$ Million</b>	<b>HK\$ Million</b>
<b>Current Liabilities</b>			
Financial liabilities at fair value through profit or loss		<b>243.4</b>	159.0
Bank and other borrowings		<b>5,659.2</b>	6,718.1
Creditors and accruals	16	<b>580.2</b>	450.7
Amounts due to brokers		<b>70.9</b>	88.5
Amount due to a holding company		<b>1.5</b>	1.7
Provisions		<b>59.0</b>	53.2
Taxation payable		<b>145.9</b>	96.4
Other liabilities		<b>79.3</b>	55.0
Lease liabilities		<b>86.0</b>	107.5
Notes payable		<b>53.9</b>	156.4
		<b>6,979.3</b>	7,886.5
<b>Net Current Assets</b>		<b>10,194.5</b>	9,816.7
<b>Total Assets less Current Liabilities</b>		<b>30,674.6</b>	29,413.6
<b>Capital and Reserves</b>			
Share capital		<b>8,752.3</b>	8,752.3
Reserves		<b>13,250.4</b>	12,395.2
Equity attributable to owners of the Company		<b>22,002.7</b>	21,147.5
Non-controlling interests		<b>3,060.3</b>	3,105.7
<b>Total Equity</b>		<b>25,063.0</b>	24,253.2
<b>Non-current Liabilities</b>			
Financial liabilities at fair value through profit or loss		<b>50.5</b>	139.2
Deferred tax liabilities		<b>133.2</b>	135.2
Bank and other borrowings		<b>2,477.2</b>	1,828.5
Provisions		<b>1.0</b>	1.0
Other liabilities		<b>11.9</b>	29.9
Lease liabilities		<b>92.8</b>	117.3
Notes payable		<b>2,845.0</b>	2,909.3
		<b>5,611.6</b>	5,160.4
		<b>30,674.6</b>	29,413.6

*Notes:*

## **1. DISCLOSURE IN ACCORDANCE WITH SECTION 436 OF THE HONG KONG COMPANIES ORDINANCE**

The financial information relating to the financial year ended 31 December 2024 included in this announcement of interim results as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair value.

Except as described below, other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2025 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Net profit on financial assets and liabilities at fair value through profit or loss ("FVTPL") at HK\$942.6 million (six months ended 30 June 2024: HK\$12.3 million) was previously presented below total income, and dividends income from listed and unlisted investments at HK\$31.5 million (six months ended 30 June 2024: HK\$38.3 million) was previously included in other revenue. Since 1 January 2025, the Group presented these two sources of income under net investment income as part of total income so as to align with the presentation commonly adopted by industry peers. The change in presentation also provides information that is reliable and more relevant to the users of the financial statements. The information in the prior period is also reclassified so as to conform with current year's presentation.

## **Application of amendments to HKFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to a HKFRS Accounting Standard issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning or after 1 January 2025 for the preparation of the Group's condensed consolidated financial statements.

Amendments to HKAS 21

Lack of Exchangeability

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

### 3. SEGMENT INFORMATION

The following is an analysis of the segment income and segment profit or loss:

Six months ended 30 June 2025						
(HK\$ Million)	Credit Business				Group	Total
	Consumer Finance	Mortgage Loans	Investment Management	Funds Management	Management and Support	
Segment income	1,609.9	98.6	1,034.9	17.2	49.4	2,810.0
Less: inter-segment income	—	—	—	—	(10.1)	(10.1)
Segment income from external customers	<u>1,609.9</u>	<u>98.6</u>	<u>1,034.9</u>	<u>17.2</u>	<u>39.3</u>	<u>2,799.9</u>
Segment profit or loss	374.6	9.5	756.4	(5.0)	(77.3)	1,058.2
Share of results of associates	—	—	6.6	—	—	6.6
Share of results of joint ventures	—	—	22.6	—	—	22.6
Profit (loss) before taxation	<u>374.6</u>	<u>9.5</u>	<u>785.6</u>	<u>(5.0)</u>	<u>(77.3)</u>	<u>1,087.4</u>
Included in segment profit or loss:						
Interest income	1,539.2	97.0	42.9	0.8	35.9	1,715.8
Net investment income	1.1	—	976.0	(0.6)	(2.4)	974.1
Other gains	10.3	—	2.3	—	10.0	22.6
Net exchange (loss) gain	(59.2)	0.1	22.5	0.9	12.7	(23.0)
Net (recognition) reversal of impairment losses on financial assets	(446.1)	(50.0)	(1.4)	—	0.1	(497.4)
Other losses	(13.3)	—	(91.6)	—	(0.3)	(105.2)
Amortisation and depreciation	<u>(53.0)</u>	<u>(1.5)</u>	<u>(0.4)</u>	<u>—</u>	<u>(26.9)</u>	<u>(81.8)</u>
Finance costs	(221.4)	(17.0)	(102.8)	—	(16.4)	(357.6)
Less: inter-segment finance costs	—	1.9	—	—	—	1.9
Finance costs to external suppliers	<u>(221.4)</u>	<u>(15.1)</u>	<u>(102.8)</u>	<u>—</u>	<u>(16.4)</u>	<u>(355.7)</u>



## Six months ended 30 June 2024 (Restated)

(HK\$ Million)	Credit Business					Total
	Consumer Finance	Mortgage Loans	Investment Management	Funds Management	Group Management and Support	
Segment income	1,573.0	124.2	103.8	17.0	157.2	1,975.2
Less: inter-segment income	–	–	–	–	(23.7)	(23.7)
Segment income from external customers	<u>1,573.0</u>	<u>124.2</u>	<u>103.8</u>	<u>17.0</u>	<u>133.5</u>	<u>1,951.5</u>
Segment profit or loss	400.3	25.0	(171.8)	1.3	28.3	283.1
Share of results of associates	–	–	(1.5)	–	–	(1.5)
Share of results of joint ventures	–	–	25.8	–	–	25.8
Profit (loss) before taxation	<u>400.3</u>	<u>25.0</u>	<u>(147.5)</u>	<u>1.3</u>	<u>28.3</u>	<u>307.4</u>
Included in segment profit or loss:						
Interest income	1,526.0	124.2	67.5	0.6	99.4	1,817.7
Net investment income	1.2	–	26.1	(0.7)	24.0	50.6
Other gains	4.1	–	0.3	–	19.0	23.4
Net exchange losses	(2.1)	–	(6.9)	–	(4.7)	(13.7)
Net (recognition) reversal of impairment losses on financial assets	(386.3)	(33.8)	(8.1)	–	0.4	(427.8)
Other losses	(16.0)	–	(38.7)	–	(0.4)	(55.1)
Amortisation and depreciation	<u>(56.9)</u>	<u>(2.2)</u>	<u>(0.4)</u>	<u>(0.2)</u>	<u>(26.6)</u>	<u>(86.3)</u>
Finance costs (Note)	(262.2)	(40.1)	(158.7)	–	(42.8)	(503.8)
Less: inter-segment finance costs	–	11.0	–	–	–	11.0
Finance costs to external suppliers	<u>(262.2)</u>	<u>(29.1)</u>	<u>(158.7)</u>	<u>–</u>	<u>(42.8)</u>	<u>(492.8)</u>

*Note:* In prior period, the finance costs were presented based on the actual financing charges. During the current period, the finance costs were reallocated to better reflect the utilisation of financing resources among segments. Prior period figures were restated to conform with current period's presentation.

The geographical information of revenue is disclosed as follows:

	<b>Six months ended</b>	
	<b>30/6/2025</b>	<b>30/6/2024</b>
	<b>HK\$ Million</b>	<b>HK\$ Million</b>
		<i>(Restated)</i>
Revenue from external customers by location of operations		
– Hong Kong	<b>1,637.5</b>	1,687.9
– People’s Republic of China (“PRC”)	<b>165.7</b>	189.6
	<b>1,803.2</b>	<b>1,877.5</b>

#### 4. OTHER REVENUE

	<b>Six months ended</b>	
	<b>30/6/2025</b>	<b>30/6/2024</b>
	<b>HK\$ Million</b>	<b>HK\$ Million</b>
		<i>(Restated)</i>
Service and commission income	<b>59.7</b>	40.2
Gross rental income from investment properties	<b>11.4</b>	11.0
Management fee income	<b>3.9</b>	3.1
Revenue sharing from funds	<b>7.5</b>	5.5
Distribution fee income	<b>3.8</b>	–
Performance fee income	<b>1.1</b>	–
	<b>87.4</b>	<b>59.8</b>

#### 5. NET INVESTMENT INCOME

	<b>Six months ended</b>	
	<b>30/6/2025</b>	<b>30/6/2024</b>
	<b>HK\$ Million</b>	<b>HK\$ Million</b>
		<i>(Restated)</i>
Net realised and unrealised gain (loss) on financial assets and liabilities at FVTPL		
– Held for trading	<b>173.9</b>	(15.6)
– Not held for trading	<b>714.2</b>	(126.6)
Distribution income from unlisted investments	<b>54.5</b>	154.5
Dividends from listed investments	<b>23.0</b>	30.1
Dividends from unlisted investments	<b>8.5</b>	8.2
	<b>974.1</b>	<b>50.6</b>

## 6. OTHER GAINS

	Six months ended	
	30/6/2025	30/6/2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Gain on repurchase of notes	1.7	3.2
Miscellaneous income	20.9	20.2
	<u>22.6</u>	<u>23.4</u>

## 7. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Six months ended	
	30/6/2025	30/6/2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Loans and advances to consumer finance customers		
– Net charge of impairment losses	(545.7)	(489.5)
– Recoveries of amounts previously written off	96.4	103.9
	<u>(449.3)</u>	<u>(385.6)</u>
Mortgage loans		
– Net charge of impairment losses	(50.0)	(33.8)
	<u>(50.0)</u>	<u>(33.8)</u>
Term loans		
– Net charge of impairment losses	(2.0)	(5.6)
	<u>(2.0)</u>	<u>(5.6)</u>
Amounts due from associates		
– Net reversal (charge) of impairment losses	0.6	(2.1)
	<u>0.6</u>	<u>(2.1)</u>
Deposits and other receivables		
– Net reversal (charge) of impairment losses	3.3	(0.7)
	<u>3.3</u>	<u>(0.7)</u>
	<u>(497.4)</u>	<u>(427.8)</u>

## 8. PROFIT BEFORE TAXATION

	Six months ended	
	30/6/2025	30/6/2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Profit before taxation has been arrived at after charging:		
Depreciation of property and equipment	(19.4)	(20.8)
Depreciation of right-of-use assets	(59.7)	(62.8)
Amortisation of intangible assets		
– Computer software (included in administrative expenses)	(2.7)	(2.7)
Payments for short-term leases and leases of low-value assets	(2.0)	(0.9)
Interest on bank borrowings and notes payable	(350.2)	(484.6)
Decrease in fair value of investment properties	(98.1)	(48.1)
Interest on lease liabilities	(5.5)	(8.2)
	<u>(597.6)</u>	<u>(688.1)</u>

## 9. TAXATION

	Six months ended	
	30/6/2025	30/6/2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Current tax		
– Hong Kong	76.3	78.9
– PRC	14.4	2.2
– Other jurisdiction	0.1	–
	<u>90.8</u>	<u>81.1</u>
Deferred tax	3.2	41.8
	<u>94.0</u>	<u>122.9</u>

Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong for the current and prior periods. PRC subsidiaries are subject to PRC Enterprise Income Tax at 25% (2024: 25%). Taxation arising in other jurisdictions is calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in the relevant jurisdictions.

No deferred tax is recognised in other comprehensive income during both periods.

## 10. DIVIDENDS

	Six months ended	
	30/6/2025	30/6/2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Dividends recognised as distribution during the period		
– 2024 second interim dividend of HK14 cents per share (2024: 2023 second interim dividend of HK14 cents per share)	<u>275.1</u>	<u>275.1</u>
	<u><b>275.1</b></u>	<u><b>275.1</b></u>

Subsequent to the end of the interim reporting period, the Board has declared an interim dividend of HK12 cents per share amounting to HK\$235.8 million (2024: interim dividend of HK12 cents per share amounting to HK\$235.8 million).

## 11. EARNINGS PER SHARE

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

	Six months ended	
	30/6/2025	30/6/2024
	<i>HK\$ Million</i>	<i>HK\$ Million</i>
Earnings for the purposes of basic and diluted earnings per share	<u><b>887.0</b></u>	<u><b>75.4</b></u>
<b>Number of shares (in million)</b>		
Weighted average number of ordinary shares for the purposes of basic earnings per share	<b>1,958.7</b>	1,957.2
Effect of dilutive potential ordinary shares:		
– Adjustments on SHK Employee Ownership Scheme	<u><b>1.0</b></u>	<u>0.6</u>
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<u><b>1,959.7</b></u>	<u><b>1,957.8</b></u>

## 12. LOANS AND ADVANCES TO CONSUMER FINANCE CUSTOMERS

	<b>30/6/2025</b> <b>HK\$ Million</b>	31/12/2024 <b>HK\$ Million</b>
Loans and advances to consumer finance customers		
– Hong Kong	<b>9,226.3</b>	9,199.4
– PRC	<b>2,086.2</b>	1,942.3
	<b>11,312.5</b>	11,141.7
Less: impairment allowance	<b>(677.8)</b>	(613.3)
	<b>10,634.7</b>	10,528.4
Analysed for reporting purposes as:		
– Non-current assets	<b>3,784.3</b>	3,712.7
– Current assets	<b>6,850.4</b>	6,815.7
	<b>10,634.7</b>	10,528.4

The following is an ageing analysis for the loans and advances to consumer finance customers (net of impairment allowance) that are past due at the reporting date:

	<b>30/6/2025</b> <b>HK\$ Million</b>	31/12/2024 <b>HK\$ Million</b>
Less than 31 days past due	<b>556.2</b>	654.2
31 – 60 days	<b>93.8</b>	168.7
61 – 90 days	<b>25.6</b>	36.4
91 – 180 days	<b>12.8</b>	6.7
Over 180 days	<b>109.9</b>	88.1
	<b>798.3</b>	954.1

### 13. MORTGAGE LOANS

	<b>30/6/2025</b> <b>HK\$ Million</b>	<b>31/12/2024</b> <b>HK\$ Million</b>
Mortgage loans		
– Hong Kong	<b>1,786.9</b>	2,146.2
Less: impairment allowance	<b>(216.1)</b>	(167.4)
	<b><u>1,570.8</u></b>	<b><u>1,978.8</u></b>

Analysed for reporting purposes as:

– Non-current assets	<b>313.8</b>	539.2
– Current assets	<b>1,257.0</b>	1,439.6
	<b><u>1,570.8</u></b>	<b><u>1,978.8</u></b>

The following is an ageing analysis for the mortgage loans that are past due at the reporting date:

	<b>30/6/2025</b> <b>HK\$ Million</b>	<b>31/12/2024</b> <b>HK\$ Million</b>
Less than 31 days past due	<b>61.7</b>	102.4
31 – 60 days	<b>5.2</b>	31.7
61 – 90 days	<b>147.5</b>	81.2
91 – 180 days	<b>46.3</b>	231.6
Over 180 days	<b>559.0</b>	481.8
	<b><u>819.7</u></b>	<b><u>928.7</u></b>

As of 30 June 2025, no mortgage loan receivables (2024: HK\$156.3 million) were pledged for a securitisation financing transaction.

## 14. TERM LOANS

	<b>30/6/2025</b> <b>HK\$ Million</b>	31/12/2024 <i>HK\$ Million</i>
Secured term loans	<b>835.0</b>	655.4
Unsecured term loans	<b>80.8</b>	77.7
	<b>915.8</b>	733.1
Less: impairment allowance	<b>(509.0)</b>	(506.7)
	<b>406.8</b>	226.4
Analysed for reporting purposes as:		
– Non-current assets	<b>218.8</b>	41.9
– Current assets	<b>188.0</b>	184.5
	<b>406.8</b>	226.4

No ageing analysis is disclosed for term loans financing, as, in the opinion of the management, the ageing analysis does not give additional value in the view of the nature of the term loans financing business.



## 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>30/6/2025</b> <b>HK\$ Million</b>	31/12/2024 <b>HK\$ Million</b>
Rental and other deposits	<b>54.9</b>	58.7
Other receivables	<b>87.3</b>	159.7
Less: impairment allowance	<b>(0.7)</b>	(4.0)
	<hr/>	<hr/>
Deposits and other receivables at amortised cost	<b>141.5</b>	214.4
Prepayments	<b>106.1</b>	130.1
	<hr/>	<hr/>
	<b>247.6</b>	344.5
	<hr/> <hr/>	<hr/> <hr/>
Analysed for reporting purposes as:		
– Non-current assets	<b>16.7</b>	25.9
– Current assets	<b>230.9</b>	318.6
	<hr/>	<hr/>
	<b>247.6</b>	344.5
	<hr/> <hr/>	<hr/> <hr/>

The following is an ageing analysis of the deposits and other receivables based on the date of invoice/contract note at the reporting date, net of allowance for credit losses:

	<b>30/6/2025</b> <b>HK\$ Million</b>	31/12/2024 <b>HK\$ Million</b>
Less than 31 days	<b>38.2</b>	61.4
Deposits and other receivables without ageing	<b>103.3</b>	153.0
	<hr/>	<hr/>
Deposits and other receivables at amortised cost	<b>141.5</b>	214.4
	<hr/> <hr/>	<hr/> <hr/>

## 16. CREDITORS AND ACCRUALS

The following is an ageing analysis of the creditors and accruals based on the date of invoice/contract note at the reporting date:

	<b>30/6/2025</b> <b><i>HK\$ Million</i></b>	31/12/2024 <i>HK\$ Million</i>
Less than 31 days	<b>296.5</b>	199.1
31 – 60 days	<b>9.0</b>	11.2
61 – 90 days	<b>4.8</b>	3.4
91 – 180 days	<b>0.2</b>	0.2
181 – 365 days	<b>0.2</b>	0.2
	<hr/>	<hr/>
	<b>310.7</b>	214.1
Accrued staff costs, other accrued expenses and creditors without ageing	<b>269.5</b>	236.6
	<hr/>	<hr/>
	<b>580.2</b>	450.7
	<hr/> <hr/>	<hr/> <hr/>

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL HIGHLIGHTS<sup>1</sup>

<i>(HK\$ Million)</i>	Six months ended		Change	Year ended Dec 2024
	Jun 2025	Jun 2024		
<b>Total income by segment<sup>2</sup></b>				
Fees and interest based	1,725.7	1,714.2	0.7%	3,467.2
Investment	1,034.9	103.8	897.0%	510.9
Corporate	39.3	133.5	-70.5%	284.2
	<b>2,799.9</b>	<b>1,951.5</b>	<b>43.5%</b>	<b>4,262.3</b>
<b>Pre-tax profit/(loss)</b>				
Fees and interest based	379.1	426.6	-11.1%	895.8
Investment <sup>3</sup>	785.6	(147.5)	N/A	6.4
Corporate <sup>3</sup>	(77.3)	28.3	N/A	(40.9)
	<b>1,087.4</b>	<b>307.4</b>	<b>253.7%</b>	<b>861.3</b>
<b>Profit/(loss) attributable to owners of the Company</b>				
Fees and interest based	181.0	202.9	-10.8%	433.5
Investment	785.5	(147.5)	N/A	9.5
Corporate	(79.5)	20.0	N/A	(65.3)
	<b>887.0</b>	<b>75.4</b>	<b>1,076.4%</b>	<b>377.7</b>
<b>Excluding non-recurring items<sup>4</sup> (net of non-controlling interest):</b>				
DTA Written off	(11.2)	(22.3)	-49.8%	(55.9)
Exchange loss from liquidation of subsidiaries	(29.9)	–	N/A	(29.0)
<b>Adjusted profit attributable to owners of the Company</b>	<b>928.1</b>	<b>97.7</b>	<b>849.9%</b>	<b>462.6</b>
<b>Basic earnings per share (HK cents)</b>	<b>45.3</b>	<b>3.9</b>	<b>1,061.5%</b>	<b>19.3</b>
<b>Interim dividend (HK cents)</b>	<b>12.0</b>	<b>12.0</b>	<b>–</b>	<b>14.0<sup>5</sup></b>
<b>Book value per share (HK\$)</b>	<b>11.2</b>	<b>10.7</b>	<b>4.7%</b>	<b>10.8</b>

<sup>1</sup> To better reflect each segment's revenue generating model, we grouped our business segments as follows:

- Fees and interest based: Credit and Funds Management
- Investment: Investment Management
- Corporate: Group Management and Support, or GMS

<sup>2</sup> We reclassified net gain/(loss) on financial assets and liabilities at fair value through profit and loss as well as dividends from listed and unlisted investments as net investment income starting from the reporting period beginning 1 January 2025.

<sup>3</sup> Re-presented for the first half and full year of 2024 as we discontinued the internal cost of capital charged by GMS to Investment Management since 1 January 2025, and allocated finance cost between the two segments based on their respective average asset balance. The re-presentation also included the regrouping of gains or losses on foreign exchange hedging instruments to align with the corresponding investment assets' classification.

<sup>4</sup> Items that are non-recurring are presented separately and excluded to arrive at the adjusted profit attributable to owners of the Company. We believe this allows for a clearer representation of the financial results derived from our core operations.

<sup>5</sup> Second interim dividend

As we reach the half way mark of 2025, our investment teams provided strong risk adjusted returns, notwithstanding the tariffs turmoil and geopolitical tensions which shaped global markets. In Hong Kong, DeepSeek's AI breakthrough reignited global investor confidence and prompted renewed capital inflows. Economic growth in Greater China, however, continued to face headwinds from subdued domestic demand and ongoing structural reforms. Despite this complex environment, we delivered encouraging results during the period, driven primarily by our robust investment returns, disciplined risk management, and operational agility. Maintaining a strong balance sheet and ample liquidity remained key priorities, positioning us to invest during any market turbulence and capitalise on opportunities. Having completed the strategic transformation, our diversified and complementary platforms are increasingly creating synergies, driving recurring revenue growth, and enhancing long-term shareholder value.

Profit attributable to the owners of the Company was HK\$887.0 million, an over 10 times increase year-on-year ("YoY") (first half of 2024: HK\$75.4 million). The strong recovery was primarily driven by Investment Management business, where increased exit events and a more favourable market sentiment towards China related assets contributed to robust gains. Basic earnings per share was HK45.3 cents (first half of 2024: HK3.9 cents).

The Board has declared an interim dividend of HK12 cents per share for the six months ended 30 June 2025, unchanged from the first half of 2024. During the period, the Group repurchased medium-term notes ("MTN") totalling US\$12.4 million (first half of 2024: US\$27.8 million). Including a decrease in total bank and other borrowings, net gearing ratio has further reduced to 29.6% from 31.2% at the end of 2024.

As of 30 June 2025, the Group's book value per share was HK\$11.2, an increase of 3.7% from the end of 2024 (HK\$10.8) and 4.7% from 30 June 2024 (HK\$10.7).

## **RESULTS ANALYSIS**

The Group's total income in the first half of 2025 was HK\$2,799.9 million (first half of 2024: HK\$1,951.5 million). Fees and interest-based businesses, which include Credit and Funds Management segment, collectively contributed HK\$1,725.7 million (first half of 2024: HK\$1,714.2 million). Investment business – Investment Management – recorded HK\$1,034.9 million (first half of 2024: HK\$103.8 million), and the corporate segment delivered HK\$39.3 million (first half of 2024: HK\$133.5 million).

Our Credit business contributed pre-tax profit of HK\$384.1 million (first half of 2024: HK\$425.3 million). The decrease mainly reflected the impact of local economic slowdown on customer credit profiles and a smaller mortgage loan balance, partially offset by a decrease in finance costs as the Hong Kong Interbank Offered Rate ("HIBOR") continued to fall during the period.

Investment Management recorded pre-tax profit of HK\$785.6 million, compared to loss of HK\$147.5 million (re-presented) for the same period of 2024. Enhanced performance was broadly seen across nearly all asset classes, including Private Equity, Corporate Holdings, Hedge Funds and Special Situations and Structured Credit.

Funds Management delivered robust growth in total assets under management (“AUM”) to US\$2.6 billion, primarily driven by the continued success of our seed investment, ActusRayPartners, an equity market neutral strategy. As we continued to build out the platform, including investing in the team, expanding distribution networks and augmenting client servicing infrastructure, the unit recorded a small pre-tax loss of HK\$5.0 million (first half of 2024: profit of HK\$1.3 million). Performance fees were not reflected for the period as these are normally recognised once crystalised at year-end.

Group Management Support (“GMS”), recorded a pre-tax loss of HK\$77.3 million (first half of 2024: profit of HK\$28.3 million, re-presented), primarily attributable to decrease in interest income as a result of lower interest rates and less bank deposits we made following the redemption of our 2024 MTN.

Operating costs were HK\$760.4 million (first half of 2024: HK\$679.0 million), an increase of 12.0% YoY, mainly reflecting higher performance-related expenses associated with the improved performance of the Group. The increase was partially offset by cost optimisation initiatives undertaken by Consumer Finance business particularly in Mainland China. As a result, cost-to-income ratio of the fees and interest-based businesses was 31.0% (first half of 2024: 31.6%). We have maintained disciplined expense management in response to challenging market conditions.

The breakdown of operating costs by nature of business segments is as follows:

<b>(HK\$ Million)</b>	<b>Six months ended</b>		<b>Change</b>	<b>Year ended Dec 2024</b>
	<b>Jun 2025</b>	<b>Jun 2024</b>		
Fees and interest based	<b>534.9</b>	541.2	-1.2%	1,059.5
Investment	<b>109.5</b>	56.6	93.5%	107.7
Corporate	<b>116.0</b>	81.2	42.9%	274.2
<b>Total</b>	<b><u>760.4</u></b>	<b><u>679.0</u></b>	<b>12.0%</b>	<b><u>1,441.4</u></b>

## BUSINESS REVIEW

The profit/(loss) before tax by segment, before non-controlling interests, is as follows:

<i>(HK\$ Million)</i>	Pre-tax Contribution for the six-months ended			Segment Assets as at	
	Jun 2025	Jun 2024	Change	Jun 2025	Dec 2024
<b>CREDIT BUSINESS</b>					
Consumer Finance	374.6	400.3	-6.4%	17,468.8	17,761.5
Mortgage Loans	9.5	25.0	-62.0%	1,734.6	2,155.6
<b>Sub-total</b>	<b>384.1</b>	425.3	-9.7%	<b>19,203.4</b>	19,917.1
<b>INVESTMENT MANAGEMENT<sup>1</sup></b>	<b>785.6</b>	(147.5)	N/A	<b>16,182.0</b>	14,914.2
<b>FUNDS MANAGEMENT</b>	<b>(5.0)</b>	1.3	N/A	<b>22.3</b>	59.6
<b>GMS<sup>1</sup></b>	<b>(77.3)</b>	28.3	N/A	<b>2,246.2</b>	2,409.2
<b>Total</b>	<b>1,087.4</b>	307.4	253.7%	<b>37,653.9</b>	37,300.1

<sup>1</sup> Re-represented for the first half of 2024 as we discontinued the cost of capital charging internally by GMS to Investment Management since 1 January 2025, and allocated finance cost between the two segments based on their respective average asset balance. The re-presentation also included the regrouping of gains or losses on foreign exchange hedging instruments to align with the corresponding investment assets' classification.

## CREDIT BUSINESS

The Group's Credit business principally operates in the Greater China region, where it is subject to the impact of local economic conditions, financing costs, and regulations.

## CONSUMER FINANCE

The Group's Consumer Finance business is conducted via its majority-owned subsidiary, United Asia Finance Limited ("UAF"), which operates under money lender licences in Hong Kong and holds an internet loan licence and offline money lending licences in major cities across Mainland China. Through a well-established branch network and sophisticated online and mobile platforms, UAF primarily engages in offering unsecured loans to individuals and businesses in Hong Kong and Mainland China. Since 2017, UAF has consistently remained the top-ranking unsecured loan provider among non-bank lenders and a top five ranking lender among all lenders in Hong Kong, based on outstanding unsecured lending balances.

### Segment Half Year Results

(HK\$ Million)	For the period		YoY Change	Year ended Dec 2024
	1H 2025	1H 2024		
<b>Revenue</b>	<b>1,598.5</b>	1,567.7	2.0%	3,143.0
Net investment income and other gains	<u>11.4</u>	<u>5.3</u>	115.1%	<u>12.4</u>
Total income	<b>1,609.9</b>	1,573.0	2.3%	3,155.4
Return on loan (% average gross loan balance) <sup>1</sup>	<b>28.4%</b>	28.3%		28.1%
Operating costs	<b>(489.7)</b>	(500.2)	-2.1%	(982.6)
Cost to income (% revenue)	<b>30.6%</b>	31.9%		31.3%
Finance costs	<b>(221.4)</b>	(262.2)	-15.6%	(505.1)
Net impairment losses	<b>(446.1)</b>	(386.3)	15.5%	(793.5)
Other losses	<b>(18.9)</b>	(21.9)	-13.7%	(21.0)
Exchange loss	<u><b>(59.2)</b></u>	<u>(2.1)</u>	2,719.0%	<u>(45.9)</u>
<b>Pre-tax contribution</b>	<b>374.6</b>	400.3	-6.4%	807.3
<b>Excluding non-recurring item</b>				
Exchange loss from liquidation of subsidiaries	<u>(47.7)</u>	<u>—</u>	N/A	<u>(46.2)</u>
<b>Adjusted pre-tax contribution</b>	<b>422.3</b>	400.3	5.5%	853.5
<b>Loan Book:</b>				
Net loan balance	<b>10,634.7</b>	10,346.4	2.8%	10,528.4
Gross loan balance <sup>2</sup>	<u><b>11,312.5</b></u>	<u>10,920.4</u>	3.6%	<u>11,141.7</u>

<sup>1</sup> Interest and fee income/average gross loan balance

<sup>2</sup> Before impairment allowance

We maintained a prudent approach to loan approvals while continuously optimising our cost base to enhance operational efficiency. Total loan balance at the end of the period, on a net (after impairment allowance) and gross basis, stood at HK\$10,634.7 million and HK\$11,312.5 million, reflecting growth of 2.8% and 3.6% YoY, respectively. As a result, UAF recorded revenue of HK\$1,598.5 million, representing a YoY growth of 2.0%. Return on loans remained stable at 28.4%. As the blended return is broadly representative of our loan portfolio's performance, there is no need for us to differentiate the return for Hong Kong and Mainland China respectively. Operating costs decreased 2.1% YoY to HK\$489.7 million, lowering cost-to-income ratio to 30.6% compared to 31.9% for the corresponding period last year.

Finance costs, predominantly benchmarked against HIBOR, were HK\$221.4 million for the period, down 15.6% YoY. UAF maintained a healthy liquidity position throughout the period and has secured sufficient banking facilities to finance future loan growth and refinance outstanding facilities. Net impairment losses were HK\$446.1 million, up 15.5% YoY, the combined result of provision reversals at the end of period up to 2024 offset by additional provisions for some new unsecured lending in Mainland China and a slight increase in net impairment ratio in Hong Kong from 8.6% for the same period of last year to 9.1%.

Other losses of HK\$18.9 million primarily resulted from the revaluation of office rental premises in Mainland China. The HK\$59.2 million exchange loss was largely attributable to the repatriation of capital from Mainland China following the liquidation of a local subsidiary. This is a non-cash charge arising from the significant depreciation of the RMB against the HK Dollar between the times when the capital was initially contributed and ultimately repatriated.

UAF contributed a pre-tax profit of HK\$374.6 million for the period, an annualised 10.3% pre-tax return on period-end equity compared to 10.4% for the corresponding period last year. Excluding the exchange loss of HK\$47.7 million from subsidiary liquidation, the adjusted pre-tax contribution was HK\$422.3 million, increasing 5.5% YoY.



## Net Impairment Losses on Financial Instruments

<b>(HK\$ Million)</b>	<b>1H 2025</b>	<b>1H 2024</b>	<b>Year ended Dec 2024</b>
Amounts written off <sup>1</sup>	<b>(482.3)</b>	(484.8)	(962.7)
Recoveries <sup>2</sup>	<b>96.4</b>	103.9	217.8
Charge off	<b>(385.9)</b>	(380.9)	(744.9)
<i>as an annualised % of average gross     loan balance</i>	<b>6.9%</b>	6.9%	6.7%
Charge of impairment allowance <sup>3</sup>	<b>(60.2)</b>	(5.4)	(48.6)
<b>Net impairment losses</b>	<b>(446.1)</b>	(386.3)	(793.5)
<i>as an annualised % of average gross     loan balance</i>	<b>7.9%</b>	7.0%	7.1%
Impairment allowance at period/year end	<b>677.8</b>	574.0	613.3
<i>as a % of gross loan balance at period/     year end</i>	<b>6.0%</b>	5.3%	5.5%

<sup>1</sup> The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty is in bankruptcy proceedings

<sup>2</sup> Reflect recovery/repayment of loans which have previously been impaired and derecognized

<sup>3</sup> An adjustment to reflect changes in expected credit loss in the loan portfolio balance

## Ageing analysis for net loan balance of Consumer Finance customers (HK\$ Million):

<b>No. of days past due as at:</b>	<b>30 Jun 2025</b>	<b>Note</b>	<b>31 Dec 2024</b>	<b>Note</b>
Less than 31	<b>556.2</b>	<b>5.2%</b>	654.2	6.2%
31-60	<b>93.8</b>	<b>0.9%</b>	168.7	1.6%
61-90	<b>25.6</b>	<b>0.3%</b>	36.4	0.4%
91-180	<b>12.8</b>	<b>0.1%</b>	6.7	0.1%
Over 180	<b>109.9</b>	<b>1.0%</b>	88.1	0.8%
<b>Total</b>	<b>798.3</b>	<b>7.5%</b>	954.1	9.1%

Note: amount as a percentage of net loan balance.

## Hong Kong Business

Key Operating Data	1H2025	1H2024	Full Year 2024
Number of branches ( <i>end of period/year</i> )	46	47	46
<b>Loan data:</b>			
Gross loan balance ( <i>HK\$ Million</i> ) ( <i>end of period/year</i> )	9,226.3	8,991.9	9,199.4
Loan originated for the period/year ( <i>HK\$ Million</i> )	6,745.1	6,673.8	13,212.6
Number of loans originated	147,117	132,407	220,284
Average gross balance per loan ( <i>HK\$</i> )	38,200	43,322	41,194
<b>Annualised Ratios:</b>			
Charge-off ratio <sup>1</sup>	8.2%	8.0%	8.0%
Net impairment losses ratio <sup>2</sup>	9.1%	8.6%	8.8%
Impairment allowance ratio <sup>3</sup>	6.6%	5.7%	6.1%

<sup>1</sup> Charge-off/average gross loan balance

<sup>2</sup> Net impairment losses/average gross loan balance

<sup>3</sup> Impairment allowance/gross loan balance at period/year end

Our Hong Kong business demonstrated resilience and generated growth which exceeded our expectations in both profitability and transaction volumes, despite the challenging environment as reflected in the number of individual bankruptcy petition cases reaching their highest levels since 2017, according to the Official Receiver's Office.

We effectively manage credit risks through our proprietary scoring system, which integrates data from the Credit Data Smart database. Our dynamic scoring models adjust to the rapidly evolving macroeconomic conditions, allowing us to assess risks across various scenarios. Our real-time collection system monitors the payment status of all accounts, enabling our credit underwriting and collection teams to expand lending while maintaining credit losses within acceptable parameters.

At the end of June 2025, our new SIM credit card product reached HK\$2.4 billion in cumulative transaction volume since its launch. In the first half of this year, transaction volume increased over 60% YoY. This strong performance was also reflected in other key metrics including outstanding balances, revenue, and customer acquisition. Despite being in the early stages of development, the SIM credit card product has attracted a substantial base of new customers with stronger credit profiles and distinctly different demographics from our existing customer base. We are now introducing hybrid loan products on the SIM credit card platform to drive sustainable revenue growth through effective cross-selling.

The Financial Services and the Treasury Bureau of the HKSAR Government published a consultation paper on 23 June 2025 proposing enhancements to the regulation of licensed money lenders. The proposed measures focus on several key areas including stricter oversight of unsecured personal lending, enhanced protection for loan referees, and improved borrower affordability assessments. Additionally, the proposed reforms seek to strengthen complaint resolution processes, expand financial education initiatives, and enhance the regulatory framework adopted by money lenders. As a responsible market leader, we welcome these regulatory developments, and we believe robust legal framework serves the interests of all market participants by ensuring proper credit risk management for lenders while maintaining accessible financing channels for borrowers.

In July 2025, UAF was awarded the Gold Award at the Privacy-Friendly Awards 2025, presented by the Office of the Privacy Commissioner for Personal Data. This highlights UAF's continued excellence in personal data protection and privacy governance, underscoring our commitment to being an ESG-conscious corporate citizen. Operating in an era shaped by technological advancement and rising cybersecurity threats, UAF remains proactive in refining its governance framework.

## Mainland China Business

Key Operating Data	1H2025	1H2024	Full Year 2024
Number of branches ( <i>end of period/year</i> )	14	16	15
<b>Loan data:</b>			
Gross loan balance ( <i>HK\$ Million</i> ) ( <i>end of period/year</i> )	2,086.2	1,928.5	1,942.3
Loan originated for the period/year ( <i>HK\$ Million</i> )	1,330.6	1,660.7	3,234.5
Number of loans originated	5,125	3,181	8,135
Average gross balance per loan ( <i>RMB</i> )	216,779	185,247	212,176
<b>Annualised Ratios:</b>			
Charge-off ratio <sup>1</sup>	0.8%	1.8%	0.8%
Net impairment losses (reversals) ratio <sup>2</sup>	2.6%	(0.4%)	(0.5%)
Impairment allowance ratio <sup>3</sup>	3.5%	3.1%	2.8%

<sup>1</sup> Charge-off/average gross loan balance

<sup>2</sup> Net impairment losses (reversals)/average gross loan balance

<sup>3</sup> Impairment allowance/gross loan balance at period/year end

UAF maintained its conservative approach in Mainland China throughout the period, strategically limiting exposure amid market uncertainty while awaiting clearer signs of economic recovery. Secured loans generated stable returns commensurate with its low charge-off ratio. Concurrently, operating expenses have been reduced to levels that ensure our business in this market contributes positively during the period. Through disciplined cost controls, rigorous risk management, and a focused and secured lending strategy, UAF has built a resilient platform to drive sustainable growth, despite challenging economic conditions.

## MORTGAGE LOANS

The Group's Mortgage Loans business is operated by its majority-owned subsidiary, Sun Hung Kai Credit Limited ("SHK Credit"). Since its inception in 2015, SHK Credit has built a comprehensive mortgage loan and service infrastructure, renowned for its customer-centric approach and innovative mortgage solutions.

### Segment Half Year Results

<i>(HK\$ Million)</i>	Six months ended 30 June		Change
	2025	2024	
Interest income	97.0	124.2	-21.9%
Servicing fee income	1.6	—	N/A
Total income	98.6	124.2	-20.6%
<i>Return on loans<sup>1</sup></i>	9.9%	10.2%	
Operating costs	(22.1)	(25.3)	-12.6%
<i>Cost to income (% Revenue)</i>	22.4%	20.4%	
Finance costs	(17.0)	(40.1)	-57.6%
Net charge on impairment losses	(50.0)	(33.8)	47.9%
<b>Pre-tax contribution</b>	<b>9.5</b>	<b>25.0</b>	<b>-62.0%</b>
<b>Loan Book:</b>			
Net loan balance	1,570.8	2,164.9	-27.4%
Gross loan balance <sup>2</sup>	1,786.9	2,299.3	-22.3%

<sup>1</sup> Annualised interest income and charge/average gross loan balance

<sup>2</sup> Before impairment allowance

We maintained a cautious approach to originating new loans throughout the period with the Hong Kong residential market experiencing sustained price declines. We focused on actively managing our existing portfolio and growing the new mortgage servicing platform.

Since opening our end-to-end mortgage platform to manage institutionally owned portfolios last year, SHK Credit was appointed as the servicer for a US\$100 million residential mortgage portfolio in November 2024. In June of this year, SHK Credit was appointed again as the servicer for another US\$70 million residential mortgage portfolio. Both portfolios were acquired by SHK & Co. in partnership with institutional capital, from the developers who intend to divest balance sheet-funded mortgage portfolios and outsource administration and servicing.

Gross loan balance as of 30 June 2025 was HK\$1,786.9 million (30 June 2024: HK\$2,299.3 million), a decrease of 22.3% YoY. First mortgage loans continued to dominate the portfolio accounting for over 90%. Loan-to-value (“LTV”) ratio was 78.5% at end of June 2025, reflecting the downward pressure on home prices.

Total income was HK\$98.6 million (first half of 2024: HK\$124.2 million), which included interest income of HK\$97.0 million, down 21.9% YoY, reflecting the smaller loan book. Return on loans was 9.9% (first half of 2024: 10.2%). Servicing fee income was HK\$1.6 million (first half of 2024: nil) as we continue to develop the mortgage servicing business. We maintained a centralised operating model and streamlined marketing expenditure. This disciplined approach reduced operating costs by 12.6% YoY to HK\$22.1 million, while cost-to-income ratio remained within our targeted range at 22.4%.

Finance costs continued to decrease, falling by 57.6% YoY to HK\$17.0 million, primarily due to lower borrowings and a decrease in HIBOR during the period. Net charge on impairment losses was HK\$50.0 million, an increase of 47.9% YoY, reflecting increased provisions for loan defaults associated with the economic slowdown in Greater China and higher impairment allowances due to declining valuations in collateral properties. This prudent approach aligns with our conservative risk management framework amid challenging market conditions. We are actively managing the accounts and attempting recovery. Pre-tax profit contributed by SHK Credit was HK\$9.5 million (first half of 2024 HK\$25.0 million).

## **INVESTMENT MANAGEMENT**

The Investment Management division leverages the Group’s expertise and global networks to seek attractive risk-adjusted returns.

We reorganised the analysis of pre-tax contribution for the segment based on asset classes to reduce redundancy and increase clarity. For a more detailed breakdown of gains and losses by nature, please refer to Note 3 to the condensed consolidated financial statements included in this announcement.

## Analysis of Pre-tax Contribution and Segment Assets Breakdown and Return

(HK\$ Million)	For the six months ended			First Half 2025			First Half 2024		
	Jun 2025	Jun 2024 <sup>1</sup>	Change	Period End Value	Average Value	Six-month Return <sup>2</sup>	Period End Value	Average Value	Six-month Return <sup>2</sup>
<b>Public Markets</b>									
Corporate Holdings	303.5	(22.2)	N/A	1,401.8	1,358.0	22.3%	2,017.7	2,120.2	-1.0%
Strategic Holdings <sup>3</sup>	–	–	–	360.8	315.0	–	166.4	164.7	–
<b>Sub-total</b>	<b>303.5</b>	<b>(22.2)</b>	<b>N/A</b>	<b>1,762.6</b>	<b>1,673.0</b>	<b>18.1%</b>	<b>2,184.1</b>	<b>2,284.9</b>	<b>-1.0%</b>
<b>Alternatives</b>									
<i>Private Equity</i>									
External Funds	128.0	17.6	627.3%	4,785.4	4,591.9	2.8%	4,299.6	4,264.6	0.4%
Direct/Co-investments	454.9	(116.9)	N/A	4,153.5	4,000.0	11.4%	3,797.3	3,905.5	-3.0%
	582.9	(99.3)	N/A	8,938.9	8,592.0	6.8%	8,096.9	8,170.0	-1.2%
<i>Hedge Funds<sup>4</sup></i>									
Ongoing funds	132.9	112.1	18.6%	2,007.3	1,963.0	6.8%	2,000.3	1,927.0	5.8%
Terminated funds <sup>5</sup>	–	(13.1)	N/A	–	–	–	–	232.1	-5.6%
	132.9	99.0	34.2%	2,007.3	1,963.0	6.8%	2,000.3	2,159.1	4.6%
<i>Special Situations and Structured Credit</i>									
Funds	7.5	8.5	-11.8%	266.0	262.2	2.9%	253.8	247.2	3.4%
Direct/Co-investments	28.3	1.9	1,389.5%	340.4	321.9	8.8%	246.6	256.8	0.7%
Debt investments	10.5	6.2	69.4%	598.5	446.7	2.4%	244.2	218.9	2.8%
	46.3	16.6	178.9%	1,204.9	1,030.8	4.5%	744.6	722.9	2.3%
<b>Sub-total</b>	<b>762.1</b>	<b>16.3</b>	<b>4,575.5%</b>	<b>12,151.1</b>	<b>11,585.8</b>	<b>6.6%</b>	<b>10,841.8</b>	<b>11,052.1</b>	<b>0.1%</b>
<b>Real Estate</b>									
Direct/Co-investments	(73.4)	32.0	N/A	2,008.1	2,015.1	-3.6%	1,929.3	1,826.3	1.8%
Debt investments	11.8	31.3	-62.3%	223.5	310.9	3.8%	573.1	625.9	5.0%
Funds	(6.1)	–	N/A	36.7	12.2	-49.9%	–	–	–
	(67.7)	63.3	N/A	2,268.3	2,338.2	-2.9%	2,502.4	2,452.2	2.6%
<b>Total gain<sup>6</sup></b>	<b>997.9</b>	<b>57.4</b>	<b>1,638.5%</b>	<b>16,182.0</b>	<b>15,597.0</b>	<b>6.4%</b>	<b>15,528.3</b>	<b>15,789.2</b>	<b>0.4%</b>
<b>Operating costs</b>	<b>(109.5)</b>	<b>(56.6)</b>	<b>93.5%</b>						
<b>Finance costs<sup>7</sup></b>	<b>(102.8)</b>	<b>(148.3)</b>	<b>-30.7%</b>						
<b>Total costs</b>	<b>(212.3)</b>	<b>(204.9)</b>	<b>3.6%</b>						
<b>Pre-tax contribution</b>	<b>785.6</b>	<b>(147.5)</b>	<b>N/A</b>						

<sup>1</sup> Re-presented

<sup>2</sup> Including interest/dividends/rental/fee income before operating and finance cost/average value for the period.

<sup>3</sup> At fair value through other comprehensive income (“FVTOCI”).

<sup>4</sup> Including Hedge Funds portfolio and other funds managed by Funds Management division.

<sup>5</sup> Including the fund managed by East Point. The rights for receiving seeded capital fee of the fund managed by East Point was acquired by Regal Partners in February 2023, following which the capital was redeemed in February 2024.

<sup>6</sup> Including net realised investment income of HK\$209.0 million (2024: net realised investment loss of HK\$200.9 million) and net unrealised investment income of HK\$767.0 million (2024: net unrealised investment income of HK\$227.0 million).

<sup>7</sup> Starting from the reporting period beginning 1 January 2025, we discontinued the cost of capital charging internally by GMS to Investment Management allocated finance cost between the two segments based on their respective average asset balance. The re-representation also included the regrouping of gains or losses on foreign exchange hedging instruments to align with the corresponding investment assets’ classification.

The Investment Management business recorded an investment gain of HK\$997.9 million, or 6.4% on average assets for the first half of 2025. The gain increased materially from HK\$57.4 million in the prior year period with contribution from nearly all asset classes. Private Equity accounted for the largest proportion with gains of HK\$582.9 million, primarily driven by valuation appreciation in conjunction with successful liquidity events during the period. See further details below in the Private Equity section.

Corporate Holdings generated gains of HK\$303.5 million, a rebound from a HK\$22.2 million loss in the first half of 2024 and delivering a six-month return of 22.3%. This strong performance was primarily driven by our strategic positioning of China related holdings, which benefited from improving investor sentiment. Meanwhile, our Hedge Funds portfolio maintained its defensive posture amid ongoing market uncertainty and delivered a solid 6.8% return during the period. Special Situations and Structured Credit gained 4.5% in the six months supported by the ongoing recovery of a COVID-era co-investment in the travel sector, alongside robust interest income from debt investments. The Real Estate portfolio recorded a six-month loss of 2.9%, predominately due to valuation pressures on Hong Kong office assets and a net loss on a partial sale of a European real estate platform, which were partially offset by the strong performance from other European hospitality investments.

Operating costs increased 93.5% YoY to HK\$109.5 million, mainly reflecting an increase in performance related expenses. Starting from the reporting period beginning 1 January 2025, we discontinued the internal cost of capital charged by GMS to Investment Management and allocated finance costs between these two segments based on their respective average asset balance. The adjustment makes the treatment of the use of shareholders equity consistent across all business units and has no impact on financial results at the Group level. Finance costs amounted to HK\$102.8 million, a decrease of 30.7% YoY as total finance costs of the Group decreased in line with further deleveraging. The segment delivered a pre-tax profit of HK\$785.6 million, a strong turnaround from the loss of HK\$147.5 million for the same period last year.



Operationally, we continue to strengthen our technological backbone and integrate AI tools to improve operational efficiency. We are also investing in upgrading the team and strengthening our risk management frameworks. The synergies across our Investment Management, Funds Management, and Credit businesses are increasingly driving our overall performance and reinforcing our position as a leading alternative investment platform.

## Public Markets

The Public Markets portfolio consists of Corporate Holdings, an internally managed equity strategy, and Strategic Holdings at fair value through other comprehensive income (“FVTOCI”).

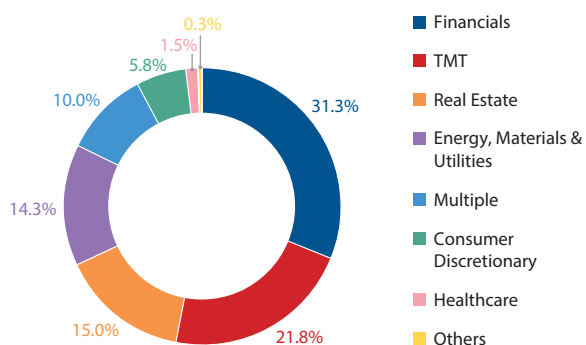
## Corporate Holdings

The Corporate Holdings segment manages a portfolio consisting of high-conviction and high-quality equity positions. The portfolio is well diversified and balanced between high growth and value stocks. During the first half of 2025, we further strengthened our portfolio and risk management capabilities, striving to achieve sustainable risk-adjusted returns.

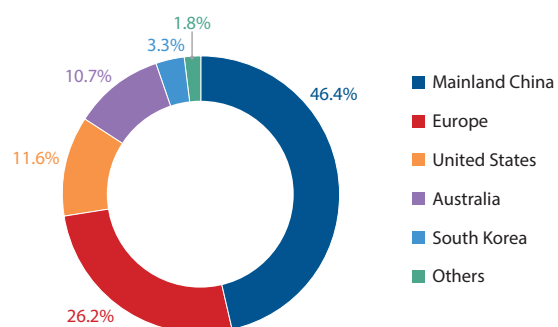
The portfolio delivered a robust gain of 22.3% for the period, with both our strategic long-term holdings and tactical short-term positions contributing materially. Our exposure to Chinese equities – particularly in fintech, large-cap internet platforms, and “new consumption” companies – recovered from previously depressed valuations. Our US positions, mainly thematic investments in AI infrastructure buildout and commodity opportunities arising from geopolitical tensions, recovered post “Liberation Day” and closed the period with positive returns. We capitalised on these favourable market movements by tactically reducing selected positions to lock in gains during the period.

While we anticipate further volatility, we remain cautiously optimistic for the remainder of the year. Our focus remains on curating a diversified high-quality portfolio and strengthening risk management to mitigate market fluctuations.

**Corporate Holdings by Sector**



**Corporate Holdings by Geography**





## **Strategic Holdings**

The Strategic Holdings portfolio at FVTOCI consists of the Group's strategic positions, which we believe will create synergies with other business units and deliver shareholder value over the long run.

## **Alternatives**

Over the past ten years, we have leveraged the Group's unique access to off-market opportunities, expertise and capital strength to build a diversified portfolio encompassing Private Equity, Hedge Funds, and Special Situations and Structured Credit. The portfolio is invested with companies and fund managers that were selected based on performance, strategic fit, and access to key markets and sectors. The continued success and our established investment capability continues to drive third party investment interest through our Family Office Solutions platform.

## **Private Equity**

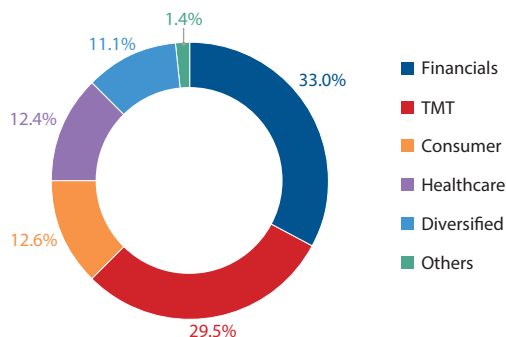
The Private Equity portfolio consists of our investments in external funds, co-investments alongside such funds, and direct investments. This asset class provides us with attractive returns over the mid to long-term by taking advantage of our access to high-quality opportunities, domain expertise and global mandate.

The first half of 2025 saw an improvement in investor sentiment compared to 2024, with market participants adopting a more risk-on approach. Investment activities were particularly active in the technology sector across both US and Chinese markets, where the development and adoption of generative AI drove investor enthusiasm. The recovery in public markets, especially in Hong Kong, also created positive spill-over effects in private markets and led to a conducive environment for liquidity events.

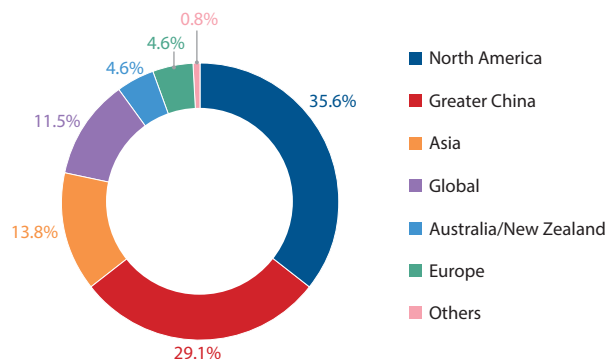
During the period, two of our direct/co-investments – Jefferson Capital (NASDAQ: JCAP) and Saint Bella (2508.HK) – successfully listed in the US and Hong Kong respectively, enabling us to capitalise on increased valuations and facilitating realisations. Additionally, we executed strategic secondary sales as part of our active portfolio management and continued to receive programmatic distributions from our fund investments as general partners ("GP") systematically returned capital. These events strengthened our liquidity position and enhanced our ability to redeploy capital into new opportunities.

While maintaining a disciplined approach to capital deployment, we selectively invested in high-potential new GPs across diverse sectors and strategies, sourced through comprehensive market mapping and a rigorous investment process. Concurrently, we re-upped commitments to top-performing existing GPs, deepening relationships with managers who consistently outperform. We continue to collaborate with Sun Hung Kai Capital Partners Limited to provide third-party investors with access to select alternative opportunities, enabling them to achieve superior risk-adjusted returns.

**Private Equity Exposure by Sector**



**Private Equity Exposure by Geography**

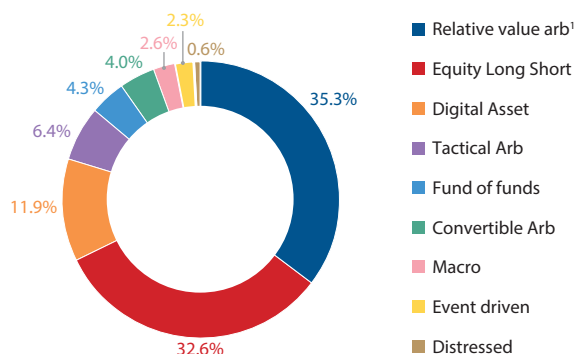


## Hedge Funds

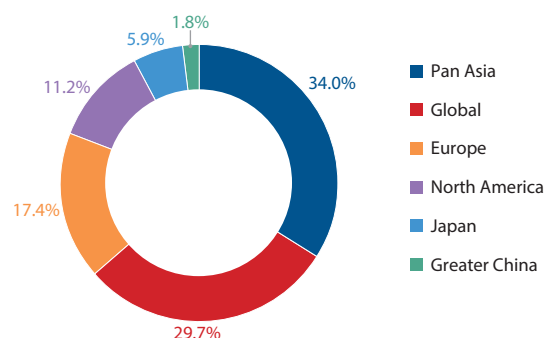
The Group's multi-manager hedge fund portfolio consists of a selected group of external hedge funds that are global in scope and diversified in terms of strategy.

The portfolio entered the year with a conservative risk profile, which enabled the program to generate steady returns despite a highly volatile environment. By steadily compounding gains nearly each month, our hedge fund portfolio returned 6.8% in the first half of 2025. Strategies that broadly contributed to this return included equity market neutral, arbitrage, equity long short and event driven. Manager selection and the size of allocation have been essential factors for the success of the hedge fund program. The largest allocations each delivered solid and steady returns during the period. Meanwhile, any managers that experienced setbacks in the tough economic environment were sized small in the overall portfolio.

## External Hedge Funds Exposure by Strategy



## External Hedge Funds Exposure by Geography



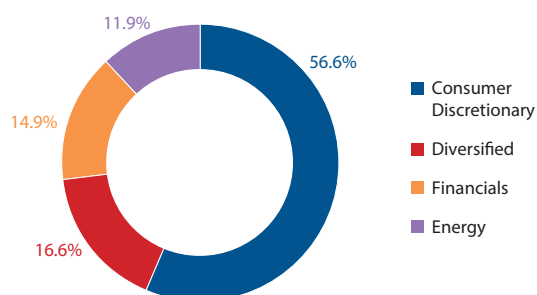
<sup>1</sup> Formerly market neutral

## Special Situations and Structured Credit

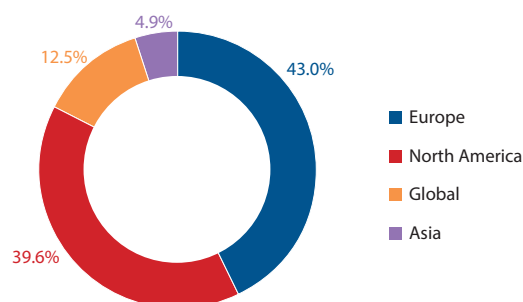
The Special Situations and Structured Credit strategy focuses on leveraging unique opportunities emerging from market dislocations or specific events. Our portfolio predominantly includes investments in distressed or mispriced assets and has further expanded our footprint in Western Europe, North America and Asia, adding geographical diversification to the Group. Additionally, the residual term loan portfolio from Private Credit has been integrated into this segment. Our approach to targeting distressed or complex opportunities is designed to yield favourable returns with robust defensive characteristics.

The segment generated a gain of HK\$46.3 million for the period, primarily driven by the strong performance of a co-investment in the travel sector which we made during COVID and continued to recover with normalisation of international travel. Interest income from debt investments also contributed to the gain. During the same timeframe, the Group maintained a rigorous underwriting approach, executing transactions only when strict downside protection requirements were met.

### Special Sits & Structured Credit Exposure by Sector<sup>1</sup>



### Special Sits & Structured Credit Exposure by Geography<sup>1</sup>



<sup>1</sup> Term loans regrouped from Private Credit are not included.

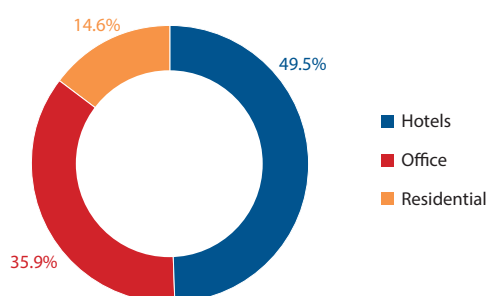
## Real Estate

The Real Estate portfolio, which consists of the Group's interests in Hong Kong commercial real estate as well as hospitality and commercial investments abroad, was valued at HK\$2,268.3 million as of 30 June 2025 (31 December 2024: HK\$2,372.1 million; 30 June 2024: HK\$2,502.4 million).

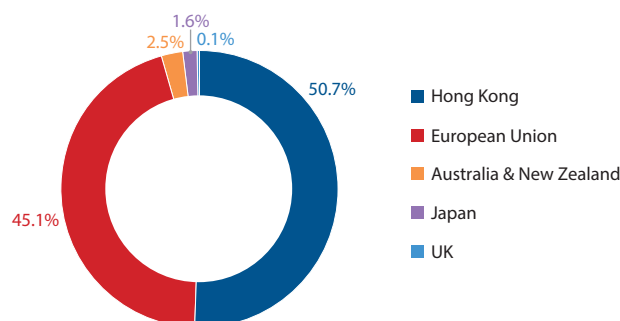
The Real Estate portfolio delivered a net loss of HK\$67.7 million for the first half of 2025. The loss is primarily driven by revaluation adjustments on our legacy real estate holdings and a net loss on a partial sale of a European real estate platform as we continued to rebalance the portfolio and recycle capital. The strong performance from our other European hospitality investments that are benefiting from robust tourism demand partially offset these losses.

In the prevailing environment, we maintained a disciplined, capital-preservative stance. During the period, we selectively added a bespoke debt investment secured by equity in an international hotel platform. Portfolio realignment away from lower-yielding, stabilised equity positions toward more opportunistic, downside-protected structures is expected to continue in the near term.

Real Estate Exposure by Asset Class



Real Estate Exposure by Geography



## FUNDS MANAGEMENT

Sun Hung Kai Capital Partners Limited (“SHKCP”) is the regulated entity within the Group that conducts the Funds Management business. Regulated by the Securities and Futures Commission (“SFC”), SHKCP holds Type 1, 4 and 9 licences.

SHKCP's growth strategy is based on the alignment of the Group's investment capabilities and capital with external investors and third-party allocators. SHK&Co. invests alongside third-party capital, hence the strong alignment of interests. This is augmented with the Group's capabilities, 20 years of experience, deep investment teams and risk/return culture. SHKCP's mission is to seek solid long-term, diversified, and risk adjusted returns. It relies on being rewarded for providing transparency in an overly complex, opaque, but increasingly sought after investment universe.

Since launching SHKCP as an alternative investment management platform in 2021, we have continued to develop the business and expand its partnership network globally, making it an unparalleled alternative platform in the region. It effectively connects and aligns our capital partners with curated alternative managers and investment solutions.

During the period, our total AUM<sup>^</sup> increased strongly to US\$2.6 billion, driven by net capital inflows and robust performance across nearly all strategies. Notably, one of our Fund Partnerships, ActusRayPartners, which employs an equity market neutral strategy across Europe, Asia and Japan, grew its AUM<sup>^</sup> to over US\$1.7 billion. SHK Latitude Alpha Fund (“Latitude Alpha”), the global Fund of Hedge Funds (“FoHF”) strategy managed by our in-house team, also recorded solid growth. Both ActusRayPartners and Latitude Alpha were shortlisted and have progressed to the final round of nominations for the HFM APAC Performance Awards 2025, in recognition of their exceptional absolute returns and Sharpe ratios. We also completed a similar growth capital investment into Wentworth Capital, to fund their new debt investment vertical and a strategic partnership with Mubadala Capital (“Mubadala”), the asset management arm of Mubadala Investment Company. This partnership combines Mubadala’s global private markets expertise with our deep-rooted Greater China presence, creating a powerful platform for client access to premium sovereign wealth fund and co-investment opportunities.

Our partnership with GAM Investments (“GAM”) is making steady progress alongside their ongoing strategic transformation and enhancement of investment capabilities. Building on the strength of GAM’s active strategies, the partnership enables the joint development of tailored wealth solutions combined with our strong expertise in alternatives. Additionally, we advanced the partnership to provide access to GAM’s established European distribution network for our fund products, opening new avenues for growth, including developing synergies with our inhouse GPs.

Family Office Solutions (“FOS”), our multi-family office platform, continued to expand its client base and AUM during the period. Leveraging the Group’s extensive networks and expertise, FOS provides unique access to alternative investments for family offices and ultra-high-net-worth individuals (“UHNWIs”) through a distinctive partnership approach. The approach is built on mutual alignment of interests with our clients, supported by investments alongside each other. FOS enables our clients to diversify their portfolios through institutional-quality investments while pursuing attractive risk-adjusted returns. The platform’s growth reflects the growing demand for sophisticated wealth management solutions in the current market environment and the success of our investment teams at picking good opportunities. Importantly, we are partners in the investment decision making, we focus on an advice and origination business model, rather than distribution economics, which can create significant conflicts of interest.

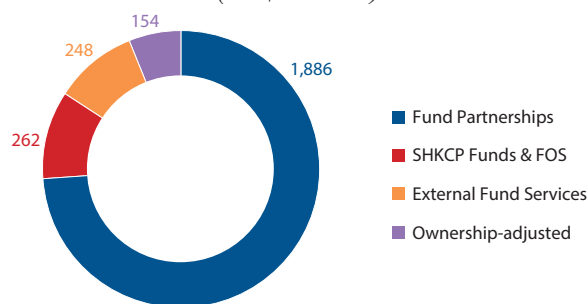
Operationally, we continue to build out the platform to further institutionalise its infrastructure and enhance scalability for wealth management through investments in our team and implementation of policies and processes.

## AUM<sup>^</sup> and Segment Half Year Results

Total AUM<sup>^</sup> as of 30 June 2025 was US\$2,550 million (31 Dec 2024: US\$2,018 million), a new record high since we launched the Funds Management business. The growth in AUM<sup>^</sup> was primarily driven by a net cash inflow of US\$434 million and market gains of US\$155 million collectively recorded by our Fund Partnerships and FOS & SHKCP Funds.

### SHK & Co. Group's initiatives on asset management and wealth management activities – AUM<sup>^</sup> Breakdown

(US\$ million)

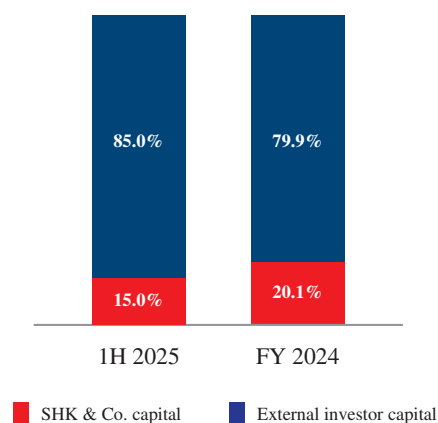


- 1 Fund Partnerships includes assets managed by ActusRayPartners, E15VC, Kernel and Scalar.
- 2 FOS & SHKCP Funds includes assets managed by FOS, SHK Latitude Alpha, and MCIP.
- 3 External Fund Services (formerly Distribution of external funds) includes assets under services by SHKCP, such as GAM and other external funds.
- 4 Ownership-adjusted AUM includes assets managed by Wentworth and Point King Capital, adjusted by SHK & Co.'s ownership.

### AUM<sup>^</sup> Movement in 1H 2025 (US\$ million)

Category	Beginning AUM	Net Cashflow	Market	Ending AUM
Fund Partnerships	1,310	430	146	1,886
FOS & SHKCP Funds	249	4	9	262
External Fund Services	341			248
Ownership-Adjusted AUM	118			154
<b>Total AUM</b>	<b>2,018</b>	<b>434</b>	<b>155</b>	<b>2,550</b>

### AUM<sup>^</sup> Composition: SHK & Co. Capital vs. External Investor Capital – Fund Partnerships and FOS & SHKCP Funds



The composition of AUM<sup>^</sup> from Funds Partnerships and FOS & SHKCP Funds continued to shift, as our balance sheet capital decreased to 15.0% from 20.1% as of the end of 2024, while external investor capital increased to 85.0% from 79.9% over the same period. This change reflects market's recognition of our strategy and ability to build a robust, Hong Kong-based, alternative investment management platform.

## Segment Half Year Results

As we were in the process of winding down MCIP and redeploying the capital in real estate private credit through partnering with Wentworth Capital, fee income for the period was HK\$17.0 million, a slight decrease of 0.6% from HK\$17.1 million during the same period last year. Performance fees were not reflected for the period as these are normally recognised once crystallised at year-end. Operating expenses were HK\$23.1 million, increasing 47.1% YoY, mainly due to the expansion of our team as we continue to build out the platform.

(HK\$ Million)	Six months ended 30 June		Change
	2025	2024	
Fee income	17.0	17.1	-0.6%
Interest income	0.8	0.6	33.3%
Net investment income <sup>1</sup>	(0.6)	(0.7)	-14.3%
<b>Total income</b>	<b>17.2</b>	<b>17.0</b>	<b>1.2%</b>
Operating expenses	(23.1)	(15.7)	47.1%
Net exchange gain	0.9	—	N/A
<b>Pre-tax contribution</b>	<b>(5.0)</b>	<b>1.3</b>	<b>N/A</b>

<sup>1</sup> Mainly mark-to-market of carried interest distribution in kind received.

<sup>^</sup> “AUM” refers to the total value of assets managed, advised, distributed or otherwise serviced, including:

1. Assets under management by SHKCP’s Fund Partnerships, which are mainly established with early-stage alternative managers in flexible collaboration models depending on their go-to-market readiness;
2. Assets under management by SHKCP, including funds managed by SHKCP and Family Office Solutions, and assets under advisory and/or dealing arrangement by SHKCP;
3. Ownership-adjusted Assets under management by our strategic alliances, in which SHK & Co. has equity stakes; and
4. Assets under services by SHKCP for third party managers.

Our methodology for determining AUM reflects our different business lines and is based on our economic interests in the assets and/or the significance of our control. This differs from the methodology for calculating our AUM for regulatory filings.

## OUTLOOK

The second half of 2025 is expected to remain challenging amid global uncertainties, particularly from the ongoing trade negotiations and heightened geopolitical tensions. Persistently higher interest rates will continue to weigh on asset values and constrain liquidity and borrowing, as well as exacerbating pressure on Hong Kong's property market and SME financing. The slow retail recovery in Hong Kong as a result of the changing spending patterns of both local citizens and visitors, could further dampen the city's economy, which is already grappling with the spillover of Mainland China's slowdown.

Despite these uncertainties, we remain cautiously optimistic, prioritising capital efficiency and prudent risk management. Our Consumer Finance platform will continue to develop the SIM credit card, closely monitor local economic environment and swiftly adjust its loan underwriting appetite to navigate the challenges. SHK Credit will actively manage its existing portfolio, while developing the mortgage servicing business in collaboration with our Investment Management team. The Investment Management segment will continue to increase liquidity and cautiously redeploy capital into new investments that will further diversify our portfolio and strengthen relations with existing partners who have consistently demonstrated outperformance. SHKCP will deepen its collaboration with Investment Management to diversify its offerings, to enhance its relevance to a growing client base and increase its share of clients' alternative investments.



## FINANCIAL REVIEW

### Financial Resources, Liquidity, Capital Structure and Key Performance Indicators

<i>(HK\$ Million)</i>	30 Jun 2025	31 Dec 2024	Change
<b>Capital Structure</b>			
Equity attributable to owners of the Company	22,002.7	21,147.5	4.0%
Total cash	4,532.1	5,007.2	-9.5%
Total borrowings <sup>1</sup>	11,035.3	11,612.3	-5.0%
Net debt <sup>2</sup>	6,503.2	6,605.1	-1.5%
Net debt to equity ratio	29.6%	31.2%	
<b>Liquidity</b>			
Interest cover <sup>3</sup>	4.06	1.94	109.3%
<b>Return Ratios</b>			
Return on assets <sup>4</sup>	5.3%	1.5%	
Return on equity <sup>5</sup>	8.2%	1.8%	
<b>Key Performance Indicator</b>			
Book value per share (HK\$)	11.2	10.8	3.7%
Dividend per share (HK cents)	12	26	N/A

<sup>1</sup> Bank and other borrowings and notes payable

<sup>2</sup> Total borrowing minus total cash

<sup>3</sup> Earnings before interest and tax/interest expense

<sup>4</sup> Annualised profit including non-controlling interests/average assets

<sup>5</sup> Annualised profit attributable to owners of the Company/average equity attributable to owners of the Company

The Group's net gearing ratio decreased to 29.6% at the end of the period and has remained healthy. Interest cover for the period increased to 4.06, compared with 1.94 for 2024, mainly due to improved profitability.

As at 30 June 2025, total borrowings of the Group amounted to HK\$11,035.3 million (31 December 2024: HK\$11,612.3 million). Of this amount, 51.8% was repayable within one year (31 December 2024: 59.2%). The Group maintained a balanced mix of funding from various sources. Bank and other borrowings accounted for 73.7% of total debt (31 December 2024: 73.6%) and were mainly at floating interest rates, primarily denominated in Hong Kong dollars and US dollars. There were no known seasonal factors in the Group's borrowing profile.

Return on assets improved by 3.8 percentage points to 5.3% as at 30 June 2025 (31 December 2024: 1.5%). Return on equity improved by 6.4 percentage points to 8.2% as at 30 June 2025 (31 December 2024: 1.8%), mainly due to the higher returns on investment assets. The Group's total cash as at 30 June 2025 decreased to HK\$4,532.1 million compared to HK\$5,007.2 million as at 31 December 2024, mainly due to the net cash outflow from investing activities and financing activities with repayment of bank and other borrowings as well as repurchase of MTNs. The strong cash position has provided us with comfortable liquidity during the volatile market conditions. The Company is well equipped to take advantage of available opportunities to optimise our capital efficiency in the long term.

As at 30 June 2025, the following notes were outstanding:

<b>Note</b>	<b>Maturity Date</b>	<b>HK\$ Equivalent (In Million)</b>	<b>% Total</b>
5.00% US\$ notes <sup>^</sup>	9/2026	2,898.9	100.0%
<b>Total</b>		<u>2,898.9</u>	<u>100.0%</u>

<sup>^</sup> Listed on The Stock Exchange of Hong Kong Limited

During the first half of 2025, the Group repurchased an aggregate principal amount of US\$12.4 million of 5.00% Notes matured in September 2026. The repurchased Notes were cancelled.

The Group continues to maintain a stable capital structure and is well positioned to avoid a liquidity crunch. The Group maintained foreign currency positions to manage its present and potential operating and investment activities. Part of the non-US or non-HK dollar investment assets were hedged against currency fluctuations. Exchange risks were closely monitored by the Group and held within monitored ratios.

## **Significant Investments**

The Group did not have any significant investment which accounted for more than 5% of the Group's total assets as at 30 June 2025.

## **Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures**

During the first half of 2025, the Group had no material acquisitions and disposal of subsidiaries, associates and joint ventures.

## **Important Events After the End of the Financial Period**

There are no important events affecting the Group which have occurred after the end of the financial period ended 30 June 2025 and up to the date of this announcement that require adjustment or disclosure.

## **Charges on Group Assets**

Properties of the Group with a total book value of HK\$671.0 million and investments funds invested by the Group with a total book value of HK\$1,496.9 million were pledged by subsidiaries to banks for facilities granted to them as at 30 June 2025. No secured loan was drawn down as at 30 June 2025.

As at 30 June 2025, no mortgage loans receivable was pledged for a securitisation financing transaction (31 December 2024: HK\$156.3 million).

## **Contingent liabilities**

The Group did not have any material contingent liabilities as at 30 June 2025.

## **PEOPLE & CULTURE**

As of 30 June 2025, the Group's total staff numbered 942 (31 December 2024: 978). Out of this, 80 staff (31 December 2024: 71) were corporate and Investment Management staff and the remainder were within the main subsidiaries UAF and SHK Credit. The net decrease in staff numbers was mainly a result of the scaling down of UAF's unsecured loan business in Mainland China while focusing on secured lending in the market. Total staff costs amounted to HK\$360.3 million (first half of 2024: HK\$277.2 million), reflecting an increase in conjunction with the improved performance of the Group.

The Group adopts various compensation structures as relevant to different job roles and functions within the organisation. For most staff, compensation comprises base salary with bonus or performance-based incentives, as appropriate. The remuneration packages of employees in a sales function consist of base pay and commission, bonus or performance-based incentives, as appropriate. In addition to monetary reward, the Group also provides competitive fringe benefits to attract and retain the best talent, e.g. Medical and Dental Benefit Enhancement and our pioneering Unlimited Annual Leave policy.

Under the Employee Ownership Scheme (“EOS”), selected employees or directors of the Group (the “Selected Grantees”) were awarded shares of the Company. Following management’s recommendation, a total of 4,011,000 shares were granted to the Selected Grantees during the period subject to various terms. A total of 1,282,000 shares were vested in the first half of 2025. As of 30 June 2025, the outstanding shares awarded under the EOS amounted to 4,926,000 shares.

The Group values its people as our greatest asset. We believe that a competent and motivated workforce, able to work in safe conditions, is integral to the sustainable growth of our business. In line with our business strategies and continued development and retention of a high-performance team, the Group has implemented several key initiatives to strengthen our employee value proposition:

#### **Employee Wellbeing and Work-Life Balance:**

- Comprehensive health, wellness, and insurance benefits to support the physical and mental wellbeing of our employees
- Flexible work arrangements, including remote and hybrid work options, to promote work-life harmony

#### **Competitive Compensation and Career Growth:**

- Offering market-competitive salaries, bonuses, and equity opportunities to attract and retain top talent
- Providing career development paths and training programs to empower employees to grow within the organisation

**Inclusive and Engaging Work Culture:**

- Fostering a collaborative, diverse, and inclusive work environment that celebrates employee differences and promotes a strong sense of belonging
- Regularly seeking employee feedback through engagement surveys and acting on insights to continuously improve the work experience

**Learning and Development:**

- Investing in in-person training and online learning platforms to upskill employees and support their professional development
- We have allocated a dedicated budget for teams and individuals to create their own personalized learning journeys. This initiative aims to support their professional development and enhance their skills tailored to their specific career aspirations
- Identifying key talents and sponsoring them for specialised development courses

Through these comprehensive initiatives, the Group aims to position ourselves as an employer of choice, where talented individuals can thrive, grow, and contribute to the sustainable success of our business.

**INTERIM DIVIDEND**

The Board has declared an interim dividend of HK12 cents per share for the six months ended 30 June 2025 (2024: HK12 cents per share) payable to the shareholders whose names appear on the register of members of the Company on 10 September 2025. Dividend warrants for the interim dividend are expected to be dispatched on 19 September 2025.

## CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed on the following time period during which no transfer of shares of the Company will be registered:

<b><u>Event</u></b>	<b><u>Book close period</u></b>
For entitlement to the interim dividend:	8 September 2025 to 10 September 2025 (both days inclusive) (Ex-dividend date being 4 September 2025) (Record date being 10 September 2025)

In order to qualify for entitlement to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 5 September 2025.

## CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2025, the Company has applied the principles of, and complied with, the applicable code provisions of 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 of Hong Kong Limited (the "Stock Exchange"), except for certain deviations which are summarised below:

### (a) Code Provision C.2.1

Code Provision C.2.1 of the CG Code stipulates that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Under the current organisational structure of the Company, the functions of a chief executive are performed by the Group Executive Chairman, Mr. Lee Seng Huang, in conjunction with the Deputy Chief Executive Officer, Mr. Antony James Edwards ("Mr. Antony Edwards"), and the Group Chief Financial Officer, Mr. Brendan James McGraw ("Mr. Brendan McGraw"). The Group Executive Chairman oversees the Group's Investment Management business with support from the management team of the division, as well as its interest in UAF whose day-to-day management lies with its designated Chief Executive Officer. Mr. Antony Edwards assists the Group Executive Chairman on the strategic development of the Group and providing management oversight support to Funds Management business, whilst Mr. Brendan McGraw assists the Group Executive Chairman to oversee the Group's financial, operational, treasury and risk management functions.

The Board believes that this structure spreads the workload that would otherwise be borne by an individual chief executive, allowing the growing businesses of the Group to be overseen by appropriately qualified and experienced senior executives in those fields. Furthermore, it enhances communications and speeds up the decision-making process across the Company. The Board also considers that this structure will not impair the balance of power and authority between the Board and management of the Company. An appropriate balance can be maintained by the operation of the Board, which holds at least four regular meetings a year to discuss business and operational issues of the Group.

**(b) Code Provisions E.1.2 and D.3.3**

Code provisions E.1.2 and D.3.3 of the CG Code stipulate that the terms of reference of the remuneration committee and audit committee should include, as a minimum, those specific duties as set out in the respective code provisions.

The terms of reference of the Remuneration Committee adopted by the Company are in compliance with the code provision E.1.2 of the CG Code, except that the Remuneration Committee shall make recommendations to the Board on the remuneration packages of the Executive Directors only and not senior management (as opposed to executive directors and senior management under the code provision).

The terms of reference of the Audit Committee adopted by the Company are in compliance with the code provision D.3.3 of the CG Code, except that the Audit Committee shall (i) recommend (as opposed to implement under the code provision) the policy on the engagement of the external auditor to supply non-audit services; (ii) only possesses the effective ability to scrutinise (as opposed to ensure under the code provision) whether management has performed its duty to have effective risk management and internal control systems; (iii) can promote (as opposed to ensure under the code provision) co-ordination between the internal and external auditors; and (iv) can check (as opposed to ensure under the code provision) whether the internal audit function is adequately resourced and has appropriate standing within the Company.

The reasons for the above deviations had been set out in the Corporate Governance Report contained in the Company's annual report for the financial year ended 31 December 2024. The Board considers that the Remuneration Committee and the Audit Committee should continue to operate according to their respective terms of reference as adopted by the Company. The Board will review the terms of reference at least annually and would make appropriate changes if considered necessary.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

### **Repurchase of Notes of a subsidiary, Sun Hung Kai & Co. (BVI) Limited (“SHK BVI”)**

During the six months ended 30 June 2025, the Group has repurchased an aggregate principal amount of US\$12,352,000 of the US\$450,000,000 5.00% guaranteed notes due September 2026 (the “2026 Notes”) issued by SHK BVI under the US\$3,000,000,000 Guaranteed Medium Term Note Programme and listed on the Stock Exchange (stock code: 40831). Among which, US\$11,952,000 of the repurchased 2026 Notes were cancelled during the period and the remaining US\$400,000 of the repurchased 2026 Notes were cancelled subsequent to the period end date.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s or its subsidiaries’ listed securities during the six months ended 30 June 2025.

## **AUDIT COMMITTEE REVIEW**

The Audit Committee of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the unaudited condensed consolidated financial report for the six months ended 30 June 2025. In carrying out this review, the Audit Committee has relied on a review conducted by the Group’s external auditors in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants as well as reports obtained from management.

On behalf of the Board  
**Sun Hung Kai & Co. Limited**  
**Lee Seng Huang**  
*Group Executive Chairman*

Hong Kong, 20 August 2025



As at the date of this announcement, the Board comprises:

*Executive Directors:*

Messrs. Lee Seng Huang (*Group Executive Chairman*), Antony James Edwards and Brendan James McGraw

*Non-Executive Directors:*

Messrs. Simon Chow Wing Charn and Peter Anthony Curry

*Independent Non-Executive Directors:*

Mr. Evan Au Yang Chi Chun, Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Vivian Alexa Kao, Ms. Jacqueline Alee Leung, Mr. Wayne Robert Porritt and Mr. William Thomas Royan