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Hong Kong Finance Group Limited
香港信貸集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1273)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

The board of directors (the “**Board**” or “**Directors**”) of Hong Kong Finance Group Limited (the “**Company**” or “**our Company**”) is pleased to announce the interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2025, together with the comparative figures for the corresponding period of the previous year, are as follows:

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

For the six months ended 30 September 2025

		Six months ended	
		30 September	
		2025	2024
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Interest income	4, 5	76,854	82,959
Interest expenses	8	(4,400)	(9,157)
Net interest income		72,454	73,802
Other income and gain	5	990	717
Fair value losses on revaluation of investment properties		(300)	(900)
Impairment losses on loans and interest receivables, net	6	(8,630)	(9,017)
Impairment losses on repossessed assets, net		(784)	(1,560)
Other operating expenses	7	(30,787)	(33,408)
Operating profit		32,943	29,634
Share of results of a joint venture		(80)	89
Profit before income tax		32,863	29,723
Income tax expense	9	(5,564)	(5,364)
Profit and total comprehensive income for the period attributed to owner of the Company		27,299	24,359
Earnings per share for period			
– Basic and Diluted (<i>HK cents</i>)	10(a)	6.58	5.87
Dividends	11	6,640	5,395

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		As at 30 September 2025 <i>NOTES</i> HK\$'000 (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
ASSETS			
Cash and cash equivalents		14,671	33,486
Loans and interest receivables	12	870,235	781,486
Prepayments, deposits and other receivables		1,353	1,138
Tax recoverable		—	2,253
Reposessed assets		20,501	23,367
Deferred income tax assets		6,098	4,629
Investment in a joint venture		10,666	10,746
Financial assets at fair value through profit or loss		800	800
Investment properties		42,900	43,200
Property, plant and equipment		117,972	119,837
Total assets		1,085,196	1,020,942
EQUITY			
Equity attributable to the owners of the Company			
Share capital		4,150	4,150
Reserves		869,755	847,851
Total equity		873,905	852,001
LIABILITIES			
Amount due to a fellow subsidiary	14(b)	81,695	50,300
Amount due to a joint venture	14(c)	750	—
Dividend payable	11	5,395	—
Other payables and accruals		7,599	8,301
Income tax payable		5,663	1,266
Bank and other borrowings	13	106,126	105,004
Deferred income tax liabilities		4,063	4,070
Total liabilities		211,291	168,941
Total equity and liabilities		1,085,196	1,020,942

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Hong Kong Finance Group Limited (the “**Company**”) was incorporated in the Cayman Islands on 6 February 2013 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries (the “**Group**”) are principally engaged in the money lending business of providing secured property mortgage loans and unsecured property owner loans in Hong Kong.

The ultimate holding company of the Company is Tin Ching Holdings Limited, a company incorporated in the British Virgin Islands.

The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

This condensed consolidated financial statements of the Group is presented in thousands of Hong Kong dollars (the “**HK\$’000**”), unless otherwise stated. This condensed consolidated financial statements was reviewed by the Company’s Audit Committee and approved by the board of directors of the Company on 26 November 2025.

2 BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 September 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on Stock Exchange and with the Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

The condensed consolidated financial statements does not include all of the notes normally included in annual consolidated financial statements. Accordingly, this report should be read in conjunction with annual consolidated financial statements for the year ended 31 March 2025.

3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards

In the current period, the Group has applied the following amendments to Hong Kong Financial Reporting Standards (“**HKFRS**”) Accounting Standards issued by HKICPA for the first time, which are mandatorily effective for the annual periods beginning on 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 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.

4 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the management committee of the Company (the “**Management Committee**”) which comprises the executive directors and the chief executive officer of the Group. The Management Committee reviews the Group’s internal reporting in order to assess performance and allocate resources. The Management Committee has determined the operating segments based on these reports.

The Management Committee has determined that the Group is organised into two main operating segments: (i) secured property mortgage loans and (ii) unsecured property owner loans. The Management Committee measures the performance of the segments based on their respective segment results. The segment results derived from profit/loss before taxation, excluding unallocated income/(expenses). Unallocated income/(expenses) mainly comprise of corporate income net off with corporate expenses including salary and other operating expenses which are not attributable to particular reportable segment.

Segment assets exclude cash and cash equivalent and other unallocated head office and corporate assets which are managed on a group basis. Segment liabilities exclude income tax liabilities and other unallocated head office and corporate liabilities which are managed on a group basis.

There were no sales revenue or other income between the operating segments during the six months ended 30 September 2025 and 2024.

All of the Group’s revenue from external customers and assets were generated from and located in Hong Kong during the six months ended 30 September 2025 and 2024.

The Group’s operating segments operate solely in Hong Kong, and accordingly geographical segment information is not presented.

For the six months ended 30 September 2025

	Secured property mortgage loans HK\$'000 (Unaudited)	Unsecured property owner loans HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Interest income	52,104	24,750	—	76,854
Interest expenses	(4,023)	(90)	(287)	(4,400)
Net interest income/(expenses)	48,081	24,660	(287)	72,454
Other income and gain	337	57	596	990
Fair value losses on revaluation of investment properties	(300)	—	—	(300)
Impairment losses on loans and interest receivables, net	(2,850)	(5,780)	—	(8,630)
Impairment losses on repossessed assets, net	(784)	—	—	(784)
Other operating expenses	(16,655)	(11,165)	(2,967)	(30,787)
Operating profit/(loss)	27,829	7,772	(2,658)	32,943
Share of results of a joint venture	—	—	(80)	(80)
Profit/(loss) before income tax	27,829	7,772	(2,738)	32,863
Income tax (expense)/credit	(4,641)	(1,282)	359	(5,564)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company	<u>23,188</u>	<u>6,490</u>	<u>(2,379)</u>	<u>27,299</u>
Other information:				
Depreciation expense	(547)	(335)	(1,728)	(2,610)
(Impairment losses on)/reversal of loans and interest receivables, net:				
– Stage 1	585	569	—	1,154
– Stage 2	709	(534)	—	175
– Stage 3	(4,144)	(5,815)	—	(9,959)
Impairment losses on repossessed assets, net	<u>(784)</u>	<u>—</u>	<u>—</u>	<u>(784)</u>

As at 30 September 2025

	Secured property mortgage loans HK\$'000 (Unaudited)	Unsecured property owner loans HK\$'000 (Unaudited)	Unallocated HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Segment assets	<u>708,845</u>	<u>208,112</u>	<u>168,239</u>	<u>1,085,196</u>
Segment liabilities	<u>(165,844)</u>	<u>(8,518)</u>	<u>(36,929)</u>	<u>(211,291)</u>

For the six months ended 30 September 2024

	Secured property mortgage loans <i>HK\$'000</i> (Unaudited)	Unsecured property owner loans <i>HK\$'000</i> (Unaudited)	Unallocated <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Interest income	56,108	26,851	—	82,959
Interest expenses	(6,928)	(1,106)	(1,123)	(9,157)
Net interest income/(expenses)	49,180	25,745	(1,123)	73,802
Other income and gain	31	26	660	717
Fair value losses on revaluation of investment properties	(500)	—	(400)	(900)
Impairment losses on loans and interest receivables, net	(5,884)	(3,133)	—	(9,017)
Impairment losses on repossessed assets, net	(1,560)	—	—	(1,560)
Other operating expenses	(17,206)	(13,541)	(2,661)	(33,408)
Operating profit/(loss)	24,061	9,097	(3,524)	29,634
Share of results of a joint venture	—	—	89	89
Profit/(loss) before income tax	24,061	9,097	(3,435)	29,723
Income tax (expense)/credit	(4,073)	(1,500)	209	(5,364)
Profit/(loss) and total comprehensive income/(loss) for the period attributable to owners of the Company	<u>19,988</u>	<u>7,597</u>	<u>(3,226)</u>	<u>24,359</u>
Other information:				
Depreciation expense	(613)	(280)	(1,725)	(2,618)
Impairment losses on loans and interest receivables, net:				
– Stage 1	(256)	(762)	—	(1,018)
– Stage 2	(1,761)	(447)	—	(2,208)
– Stage 3	(3,867)	(1,924)	—	(5,791)
Impairment losses on repossessed assets, net	<u>(1,560)</u>	<u>—</u>	<u>—</u>	<u>(1,560)</u>

As at 31 March 2025

	Secured property mortgage loans <i>HK\$'000</i> (Audited)	Unsecured property owner loans <i>HK\$'000</i> (Audited)	Unallocated <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
Segment assets	<u>648,610</u>	<u>203,320</u>	<u>169,012</u>	<u>1,020,942</u>
Segment liabilities	<u>(149,746)</u>	<u>(8,428)</u>	<u>(10,767)</u>	<u>(168,941)</u>

5 INTEREST INCOME AND OTHER INCOME AND GAIN

Revenue represents the interest income earned from the money lending business of providing secured property mortgage loans and unsecured property owner loans in Hong Kong. Revenue and other income and gain recognised during the period are as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income		
– secured property mortgage loans	52,104	56,108
– unsecured property owner loans	24,750	26,851
	76,854	82,959
Other income and gain		
– Rental income	680	689
– Gain on disposal of plant and equipment	307	—
– Sundry income	3	28
	990	717

6 IMPAIRMENT LOSSES ON LOANS AND INTEREST RECEIVABLES, NET

	12 months expected credit loss (Stage 1) HK\$'000 (Unaudited)	Lifetime expected credit loss not credit impaired (Stage 2) HK\$'000 (Unaudited)	Lifetime expected credit loss credit impaired (Stage 3) HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Six months ended 30 September 2025				
Impairment losses/(reversals of impairment losses) on loans and interest receivables, net	(1,154)	(175)	9,959	8,630
Six months ended 30 September 2024				
Impairment losses on loans and interest receivables, net	1,018	2,208	5,791	9,017

7 OTHER OPERATING EXPENSES

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefit expenses (including directors' emoluments)	13,853	14,448
Advertising and marketing expenses	6,471	7,073
Legal and professional fees	1,615	2,285
Referral fees	821	987
Valuation and search fee	1,151	784
Depreciation of property, plant and equipment	2,610	2,618
Banking facilities charges	357	726
Other expenses (<i>Note</i>)	3,909	4,487
	<u>30,787</u>	<u>33,408</u>

Note: Other expenses consist of miscellaneous operating expenses incurred in the ordinary course of business. These primarily include business travel expenses, maintenance and repair costs, and transportation fees.

8 INTEREST EXPENSES

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on secured bank loans and overdrafts	1,264	6,106
Interest on an amount due to a fellow subsidiary (<i>Note 14(a)</i>)	2,148	2,111
Interest on unsecured other borrowings	988	940
	<u>4,400</u>	<u>9,157</u>

9 INCOME TAX EXPENSE

Hong Kong profits tax for the six months ended 30 September 2025 have been provided for the rate of 8.25% for the first HK\$2,000,000 estimated assessable profits and 16.5% for estimated assessable profits above HK\$2,000,000 for an entity of the Group qualified for the two-tiered profits tax rates regime introduced pursuant to the Inland Revenue (Amendment) (No.7) Bill 2018. For group entities not qualifying for the two-tiered profits tax rates regime, Hong Kong profits tax has been provided for at a flat rate of 16.5% (30 September 2024: rate of 8.25% for the first HK\$2,000,000 estimated assessable profits and 16.5% for estimated assessable profits above HK\$2,000,000 for an entity of the Group qualified for the two-tiered profits tax rates regime introduced pursuant to the Inland Revenue (Amendment) (No.7) Bill 2018. For group entities not qualifying for the two-tiered profits tax rates regime, Hong Kong profits tax has been provided for at a flat rate of 16.5%).

The amount of income tax charged to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong profits tax		
– Current period	7,040	6,430
Deferred income tax credit	(1,476)	(1,066)
	<u>5,564</u>	<u>5,364</u>

10 EARNINGS PER SHARE

(a) Basic earnings per share

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (<i>HK\$'000</i>)	27,299	24,359
Weighted average number of ordinary shares in issue for basic earnings per share (<i>thousand shares</i>)	415,000	415,000
Basic earnings per share (<i>HK cents</i>)	6.58	5.87

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the six months ended 30 September 2025.

(b) Diluted earnings per share

For the six months ended 30 September 2025 and 2024, diluted earnings per share was the same as the basic earnings per share as there was no potentially diluted ordinary share outstanding during the period.

11 DIVIDENDS

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends	5,395	5,395

A final dividend of HK1.3 cents per ordinary share relating to the year ended 31 March 2025, amounting to HK\$5,395,000, was declared and approved in September 2025. As at 30 September 2025, the final dividend was not yet paid.

Dividends not recognised at the end of the half-year

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Dividends	6,640	5,395

At the date of this announcement, the Board resolved to declare an interim dividend of HK1.6 cents (30 September 2024: HK1.3 cents) per ordinary share totalling HK\$6,640,000. Such interim dividend has not been recognised as a dividend payable as at 30 September 2025.

12 LOANS AND INTEREST RECEIVABLES

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Loans and interest receivables		
– secured property mortgage loans	694,985	606,052
Loans and interest receivables		
– unsecured property owner loans	206,210	198,450
Total gross loans and interest receivables	901,195	804,502
Less: Provision for impairment	(30,960)	(23,016)
Loans and interest receivables, net of provision	<u>870,235</u>	<u>781,486</u>

The Group's loans and interest receivables, which arise from the money lending business of providing secured property mortgage loans and unsecured property owner loans in Hong Kong, are denominated in Hong Kong dollars and the carrying amounts approximate their fair values.

Except for gross unsecured property owner loans and the relevant interest receivables of HK\$206,210,000 (31 March 2025: HK\$198,450,000) which are unsecured, the remaining balances of loans and interest receivables are secured by collaterals provided by customers, bear interest and are repayable with fixed terms agreed with the customers as at 30 September 2025. The maximum exposure to credit risk at the end of the period is the carrying value of the loans and interest receivables mentioned above (31 March 2025: Same).

During the six months ended 30 September 2025, impairment losses on loans and interest receivables of HK\$8,630,000 (30 September 2024: HK\$9,017,000) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

The aging of the gross balance of loans and interest receivables analysed by loan contracts based on their due date is as follows:

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Not overdue	636,441	560,007
1–30 days past due	91,776	64,958
31–60 days past due	18,908	32,636
61–90 days past due	10,893	12,319
Over 90 days past due	143,177	134,582
	<u>901,195</u>	<u>804,502</u>

As at 30 September 2025, no bank and other borrowings from an independent third party were secured by gross loans and interest receivables (31 March 2025: HK\$387,657,000) (Note 13).

13 BANK AND OTHER BORROWINGS

Bank and other borrowings are analysed as follows:

	As at 30 September 2025 <i>HK\$'000</i> (Unaudited)	As at 31 March 2025 <i>HK\$'000</i> (Audited)
Bank loans	58,640	13,939
Bank overdraft	12,861	18,190
Other borrowings	34,625	72,875
Total bank and other borrowings	<u>106,126</u>	<u>105,004</u>

The weighted average effective interest rate on bank loans and overdraft during the six months ended 30 September 2025 was 4.9% (31 March 2025: 6.3%) per annum.

Other borrowings of HK\$34,625,000 (31 March 2025: HK\$72,875,000) are unsecured and repayable within one to two years (31 March 2025: within one to two years). The weighted average effective interest rate on other borrowings during the six months ended 30 September 2025 was 3.7% (31 March 2025: 5.7%) per annum.

As at 30 September 2025, all bank and other borrowings are denominated in Hong Kong dollars and the carrying amounts approximate their fair values (31 March 2025: Same).

As at 30 September 2025, the bank loans and overdraft utilised by the Group amounted to HK\$71,501,000 (31 March 2025: HK\$32,129,000). The Group's unutilised banking facilities as at the same date amounted to HK\$120,139,000 (31 March 2025: HK\$209,809,000). These banking facilities were secured by the following:

- (i) Investment properties held by the Group with net book value of HK\$42,900,000 (31 March 2025: HK\$43,200,000);
- (ii) Land and buildings held by the Group with net book value of HK\$113,298,000 (31 March 2025: HK\$115,016,000);
- (iii) Certain gross loans and interest receivable of HK\$Nil (31 March 2025: HK\$387,657,000); and
- (iv) Corporate guarantee provided by the Company.

14 RELATED PARTY TRANSACTIONS

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Members of key management of the Group and their close family members are also considered as related parties.

As at 30 September 2025, the Company is controlled by Tin Ching Holdings Limited, a company incorporated in the British Virgin Islands which is the immediate holding company and the ultimate holding company of the Company.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the six months ended 30 September 2025 and 2024, and balances arising from related party transactions as at 30 September 2025.

(a) Significant related party transactions

Save as disclosed elsewhere in this announcement, the following significant transactions were undertaken by the Group with related parties.

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expenses paid to a fellow subsidiary		
– Tin Ching Industrial Company Limited (<i>Note 8</i>)	<u>2,148</u>	<u>2,111</u>
Advertising and marketing expenses paid to a joint venture		
– Shine Joyful Limited	<u>1,550</u>	<u>1,800</u>

Interest expenses on an amount due to a fellow subsidiary was charged at an effective interest rate of 6.5% (2024: 7.0%) per annum.

(b) Amount due to a fellow subsidiary

Tin Ching Industrial Company Limited, a fellow subsidiary, provided the Group with a loan facility with a limit of HK\$200,000,000 (31 March 2025: HK\$200,000,000), of which the Group utilised an amount of HK\$81,695,000 (31 March 2025: HK\$50,300,000) as at 30 September 2025. As at 30 September 2025, the amount of HK\$81,695,000 (31 March 2025: HK\$50,300,000) carried an effective interest of 6.5% (31 March 2025: 6.8%) per annum on the outstanding amount, unsecured and repayable on demand.

The carrying amount of the amount due to a fellow subsidiary is denominated in Hong Kong dollars.

(c) Amount due to a joint venture

As at 30 September 2025, the balance with amount due to a joint venture was unsecured, interest free, repayable on demand and is denominated in Hong Kong dollars.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Industry Overview

Our Group primarily operates in the money lending sector, specialising in providing loans to property owners in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) (“**MLO**”). Our core business revolves in secured property mortgage loans. We also diversify our services by providing unsecured property owner loans products to property owners, aiming to expand our presence in various money lending market segments and enhance our overall interest margin. We offer our loan products under our widely recognised brand name “**Hong Kong Finance**”.

During the current period, the economic recovery in Hong Kong proceeded at an uneven and gradual pace. Despite adjustments in interest rates by the Hong Kong Monetary Authority and local banks in response to rate cuts by the U.S. Federal Reserve, residential property prices remained subdued, and the sector encountered persistent challenges. As of mid-2025, there was only a modest increase observed in property prices and transaction volumes, with the Centra-City Leading Index showing a slight rise from 136.8 in late March to 139.9 in late September. Conversely, both the Hong Kong and U.S. stock markets demonstrated promise and resilience, with the latter consistently reaching new peaks. While there were positive signs in consumer sentiment, overall domestic confidence continued to exhibit a cautious outlook.

In response to these macroeconomic challenges, the Group remained committed to a prudent and disciplined operating strategy. We continued to enforce stringent credit policies, maintain tight control over loan-to-value ratios, and implement robust risk management measures to preserve the quality of our loan portfolio and ensure stable interest income. Proactive monitoring of customer credit profiles and repayment capabilities remained a priority, with timely actions taken to recall loans from borrowers identified as having elevated default risk.

As a result, our Group’s overall financial performance was steady during the current period, achieving our Group’s interest income of HK\$76.9 million (2024: HK\$83.0 million), and incurring provision for impairment of loans and interest receivables and repossessed assets of HK\$9.4 million (2024: HK\$10.6 million). Our profit attributable to our shareholders reached to HK\$27.3 million (2024: HK\$24.4 million), representing a growth of 11.9%.

Secured property mortgage loans remained the primary revenue source for our Group, contributing approximately 67.8% (2024: 67.6%) to our total revenue for the current period. Interest income generated from secured property mortgage loans decreased by 7.1% to HK\$52.1 million (2024: HK\$56.1 million). As of 30 September 2025, our gross secured property mortgage loan and interest receivables amounted to HK\$695.0 million (31 March 2025: HK\$606.1 million). For our unsecured property owner loans business, interest income dipped by 7.8% to HK\$24.8 million (2024: HK\$26.9 million), accounting for approximately 32.2% (2024: 32.4%) of our Group’s revenue for the current period. As of 30 September 2025, our gross unsecured property owner loans and interest receivables stood at HK\$206.2 million (31 March 2025: HK\$198.5 million).

Financial review

Interest income

Our Group's interest income from money lending business decreased by HK\$6.1 million or 7.3% from HK\$83.0 million for the last period to HK\$76.9 million for the current period. Interest income from our secured property mortgage loan business decreased by HK\$4.0 million or 7.1% from HK\$56.1 million for the last period to HK\$52.1 million for the current period, whereas the interest income from our unsecured property owner loans business also decreased by HK\$2.1 million or 7.8% from HK\$26.9 million for the last period to HK\$24.8 million for the current period.

Interest expenses

We have incurred interest expenses of HK\$4.4 million for the current period (2024: HK\$9.2 million), which mainly comprised of interest on interest bearing bank and other borrowings and amount due to a fellow subsidiary. During the current period, amidst elevated interest rates and the volatility of the global market, we persisted in our efforts to deleverage, thereby reducing our borrowings and overall interest expenses. Our gearing ratio has been maintained at 0.2 for the current period.

Other income and gain

We have recorded other income and gain of HK\$1.0 million (2024: HK\$0.7 million) for the current period which mainly comprised of rental income from our investment properties, and a gain on disposal of plant and equipment.

Fair value losses on revaluation of investment properties

During the current period, our Group recorded a loss of HK\$0.3 million (2024: HK\$0.9 million) on the revaluation of our investment properties, as a result of the decline of market values of our Group's investment properties.

Impairment losses on loans and interest receivables and repossessed assets, net

We have recorded an impairment losses on loans and interest receivables, and repossessed assets of HK\$9.4 million for the current period (2024: HK\$10.6 million).

Below is the breakdown of impairment losses on loans and interest receivables and repossessed assets from secured property mortgage loans and unsecured property owner loans for the six months ended 30 September 2025 and 2024:

	Secured property mortgage loans		Unsecured property owner loans	
	Six months ended		Six months ended	
	30 September		30 September	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Impairment losses on loans and interest receivables	2,850	5,884	5,780	3,133
Impairment losses on repossessed assets	784	1,560	—	—
	<u>3,634</u>	<u>7,444</u>	<u>5,780</u>	<u>3,133</u>

The impairment losses on loans and interest receivables and repossessed assets recognised during the period were assessed in accordance with the requirements outlined in HKFRS 9.

Due to the deteriorating conditions in the property market during the current period and an increase in default loans and interest receivables, we have recorded an impairment losses of HK\$8.6 million (2024: HK\$9.0 million) on loans and interest receivables, and of HK\$0.8 million (2024: HK\$1.6 million) on repossessed assets, totalling HK\$9.4 million (2024: HK\$10.6 million) during the current period.

Given the risk of delinquent payments, the Group has implemented proactive measures to regularly review customer repayment records and conducted comprehensive assessments on the related collaterals. We have also reduced the average loan sizes and shortened the loan tenors during the current period. These measures have been put in place to effectively manage credit risk. Additionally, prompt legal action has been taken to recover loans in default, aiming to minimise potential credit losses, thereby resulting in reduction of provision for impairments during the current period.

Other operating expenses

We have incurred other operating expenses of HK\$30.8 million for the current period (2024: HK\$33.4 million), which mainly comprised of employee benefit expenses, advertising and marketing expenses, legal and professional fees, depreciation of property, plant and equipment and other miscellaneous expenses. The decrease was mainly attributable to the cost controls on employee benefit expenses, advertising and marketing expenses, and legal and professional fees.

Net interest margin

The net interest margin of our money lending business was achieved at 17.8% for the current period (2024: 16.3%). The improvement was mainly resulted from the significant decrease in interest expenses during the current period.

Profit and total comprehensive income

As a result of the foregoing, our profit and total comprehensive income attributable to owners of our Company improved to HK\$27.3 million for the current period as compared to HK\$24.4 million for the last period, representing a growth of 11.9%.

LIQUIDITY AND SOURCES OF FINANCIAL RESOURCES

During the six months ended 30 September 2025, our Group's operations and capital requirements were financed principally through retained earnings, advances from a fellow subsidiary, Tin Ching Industrial Company Limited, as well as banks and other borrowings. Based on our current and anticipated levels of operations, barring unforeseeable market conditions, our future operations and capital requirements will be financed through loans from banks or other financial institutions that are independent third parties, retained earnings and our share capital. We had no significant commitments for capital expenditure as at 30 September 2025.

Our Group recorded net assets, representing the equity of the Group, amounting to HK\$873.9 million as at 30 September 2025 (31 March 2025: HK\$852.0 million).

As at 30 September 2025, cash and cash equivalents amounted to HK\$14.7 million (31 March 2025: HK\$33.5 million); amount due to a fellow subsidiary amounted to HK\$81.7 million (31 March 2025: HK\$50.3 million); interest bearing bank and other borrowings amounted to HK\$106.1 million (31 March 2025: HK\$105.0 million).

During the current period, all interest bearing bank borrowings were repayable on demand and were secured by our Group's investment properties, land and buildings and a corporate guarantee of our Company. The amount due to a fellow subsidiary was unsecured, interest bearing at a weighted average effective interest rate of 6.5% per annum and repayable on demand.

During the current period, none of our banking facilities were subject to any covenants restricting our Group to undertake additional debt or equity financing. As at 30 September 2025, our unutilised banking facilities and other unutilised facility available to our Group for drawdown amounted to HK\$120.1 million and HK\$118.3 million, respectively.

KEY FINANCIAL RATIOS

The following table sets forth the key financial ratios of our Group for the six months ended 30 September 2025 and 2024, and as at 30 September 2025 and 31 March 2025 respectively:

	As at 30 September 2025	As at 31 March 2025
Gearing ratio ⁽¹⁾	0.20	0.14
	For the six months ended 30 September 2025	2024
Net interest margin ratio ⁽²⁾	17.8%	16.3%
Return on equity ratio ⁽³⁾	6.2%	5.8%
Interest coverage ratio ⁽⁴⁾	8.5 times	4.3 times

Notes:

- (1) Gearing ratio was calculated by dividing net debts (being the total interest bearing bank and other borrowings, and amount due to a fellow subsidiary, less cash and cash equivalents) by total equity as at the respective period-end/ year-end date.
- (2) Net interest margin ratio was calculated by dividing annualised net interest income (being the annualised interest income net of annualised interest expenses) by the monthly average balance of secured property mortgage loan receivable at the respective period-end date.
- (3) Return on equity ratio was calculated by dividing annualised profit and total comprehensive income for the period attributable to owners of the Company by the total equity as at the respective period-end date.
- (4) Interest coverage ratio was calculated by dividing profit before interest expenses and income tax expenses (excluding fair value losses on revaluation of investment properties) by the interest expenses for the corresponding period.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

Our Group did not have any significant investments held, material acquisitions and disposals of subsidiaries and associated companies during the current period.

IMPORTANT EVENTS OCCURRED AFTER THE SIX MONTHS ENDED 30 SEPTEMBER 2025

Our Group did not have any important events affecting our Company and our subsidiaries during the six months ended 30 September 2025 and up to the date of this announcement.

COMPLIANCE WITH ORDINANCES AND REGULATIONS

Our Group is required to and has, at all times, strictly complied with all relevant laws and regulations. In the opinion of our Directors, in addition to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the MLO and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) (the “**AMLO**”) constituted a significant influence on our Group’s money lending business during the current period.

The MLO is the principal ordinance governing the money lending business in Hong Kong and the AMLO governs the matters in relation to the money laundering and terrorist financing our Group may encounter in our money lending business. Our money lending business has been conducted through the subsidiaries of our Company. During the current period, we did not receive any objection from the Registrar of Money Lenders (“**Registrar**”) nor the Commissioner of Police regarding the renewal of the money lenders licence. We have also established policies and procedures to strictly follow the Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Licensed Money Lenders issued by the Registrar for our money lending business operations so as to mitigate the risks of money laundering and terrorist financing.

To the best of our knowledge, our Group has complied with the MLO and AMLO in all material aspects, and that our Directors are not aware of any matters that might come to their attention that our money lenders licence would be suspended, terminated or would not be renewed in foreseeable future.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2025, our Group employed 52 (31 March 2025: 55) full time employees. The total staff costs of our Group for the current period were HK\$13.9 million (2024: HK\$14.4 million).

Our Group adopts a remuneration policy covering the position, duties and performance of our employees. The remuneration of our employees include salary, overtime allowance, bonus and various subsidies. We conduct performance appraisal on an annual basis.

CHARGES ON GROUP ASSETS

As at 30 September 2025, our land and buildings of HK\$113.3 million (31 March 2025: HK\$115.0 million) and our investment properties of HK\$42.9 million (31 March 2025: HK\$43.2 million) were secured for the Group’s bank borrowings. As at 31 March 2025, certain gross loans and interest receivables of HK\$387.7 million in aggregate were also secured for the Group’s bank borrowings and there were no gross loans and interest receivables secured for the Group’s bank borrowings as at 30 September 2025.

FOREIGN EXCHANGE EXPOSURE

During the current period, the business activities of our Group were denominated in Hong Kong dollars. Our Directors did not consider our Group was exposed to any significant foreign exchange risks. Our Group did not use derivative financial instruments to hedge against the volatility associated with foreign currency transactions and other financial assets and liabilities arising in the ordinary course of business.

CONTINGENT LIABILITIES

As at 30 September 2025, our Group had no material contingent liabilities (31 March 2025: Nil).

CAPITAL COMMITMENTS

The Group did not have significant capital commitments as at 30 September 2025 (31 March 2025: Nil).

OUTLOOK

Looking forward, in the context of a global economy that is on the path towards a gradual recovery, persistent uncertainties are evident due to the evolving macroeconomic policies and entrenched geopolitical tensions. While there is a belief that residential property prices in Hong Kong are approaching a bottom and are likely to experience a gradual improving trend in the coming periods, this trajectory is contingent upon the stability of the underlying economic conditions.

Our stance on the property market and the broader local economy is cautiously optimistic, with a keen awareness of potential risks stemming from external shocks and Hong Kong market challenges. This outlook is set against a backdrop characterised by relatively low interest rates and a transition towards a more stable property market following a significant correction since September 2021, which is anticipated to stimulate the demand for our loan products.

We continue to expect the money lending industry to consolidate and professionalise, with stronger capital bases and rigorous risk controls becoming key competitive advantages. We are dedicated to maintaining a vigilant approach, rigorously adhering to our robust risk management protocols and credit assessment procedures. Our strategy involves proactively adjusting by diversifying our loan portfolio, adapting loan terms, promptly reviewing and strengthening our credit policies, intensifying our focus on high net-worth clients, and fine-tuning our product mix. Leveraging our professionalism, the reputable brand “**Hong Kong Finance**” and our extensive experience in the money lending sector, we are well-positioned to preserve the quality of our Group’s loan portfolio while capitalising on growth opportunities to expand our portfolio in alignment with the anticipated economic resurgence.

PURCHASE, SALE, OR REDEMPTION OF OUR COMPANY’S LISTED SECURITIES

Neither our Company nor any of its subsidiaries purchased, sold or redeemed any of our Company’s listed securities during the current period and up to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

Our Company has adopted and complied with the code provisions as set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the period under review.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules to monitor the code of conduct regarding securities transactions by our Directors. Having made enquiry to all Directors, they all have confirmed that they have complied with the required standards as set out in the Model Code during the period under review.

CHANGE OF AUDITOR

On 24 October 2025, PricewaterhouseCoopers (“**PwC**”) resigned as the auditor of the Company with effect from 24 October 2025. The Company appointed Deloitte Touche Tohmatsu (“**Deloitte**”) as the new auditor of the Company to fill the casual vacancy following the resignation of PwC with effect from 24 October 2025 and to hold office until the conclusion of the next annual general meeting of the Company. Further details of the change of auditor have been set out in the Company’s announcement dated 24 October 2025.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, namely, Mr. Chu Yat Pang Terry (Chairman of Audit Committee), Mr. Cheung Kok Cheong and Mr. Wong Kai Man.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements and the interim report of the Company for the current period in conjunction with the management of the Group. In addition, the condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of financial position set out above in this announcement represents an extract from the condensed consolidated financial statements, which are unaudited but have been reviewed by the Group’s external auditor, Deloitte, in accordance with Hong Kong Standard on Review Engagements 2410. Deloitte’s unmodified review report is included in the interim report of the Company to be published in due course.

INTERIM DIVIDEND

The Board declared the payment of an interim dividend of HK1.6 cents per share for the current period (2024: HK1.3 cents) and will be payable to the shareholders of our Company whose names appear on the register of members of our Company on Tuesday, 6 January 2026. The interim dividend will be paid on Wednesday, 14 January 2026.

CLOSURES OF REGISTER OF MEMBERS

The register of members of our Company will be closed from Friday, 2 January 2026 to Tuesday, 6 January 2026, both days inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend will be Tuesday, 6 January 2026. In order to qualify for the interim dividend, all transfers of ordinary shares of the Company, duly accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 31 December 2025.

PUBLICATION

This announcement is published on the websites of our Company (www.hkfinance.hk) and of the Stock Exchange (www.hkexnews.hk) respectively. The 2025 interim report for the six months ended 30 September 2025 of the Company will be published on the above websites in due course.

By Order of the Board
Hong Kong Finance Group Limited
Chan Kwong Yin William
Chairman

Hong Kong, 26 November 2025

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

Executive Directors:

Mr. Chan Kwong Yin William (*Chairman*)
Mr. Chan Koung Nam
Mr. Tse Pui To (*Chief Executive Officer*)
Ms. Chan Siu Ching

Independent Non-executive Directors:

Mr. Chu Yat Pang Terry
Mr. Cheung Kok Cheong
Mr. Wong Kai Man