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中金投集团

China Financial Services Holdings Ltd

China Financial Services Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 605)

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

	For the year ended		Percentage change
	31 December 2025	2024	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>%</i>
Interest and financing consultancy services income	93,585	101,595	(7.9%)
Profit for the year attributable to owners of the Company	71,452	41,232	73.3%
	<i>HK\$</i>	<i>HK\$</i>	
Basic earnings per share	0.35	0.20	75.0%

The board of directors (the “Board”) of China Financial Services Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries collectively (the “Group”) for the year ended 31 December 2025 (the “Financial Year” or “Reporting Period”), together with the comparative audited consolidated figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest and financing consultancy services income	<i>3</i>	93,585	101,595
Interest and handling expenses	<i>3</i>	<u>(33,259)</u>	<u>(29,434)</u>
Net interest income and service income	<i>3</i>	60,326	72,161
Education service income	<i>3</i>	10,208	–
Other income and other gains and losses	<i>4</i>	(6,167)	6,189
Impairment losses on financial instruments, net of reversal	<i>5</i>	(21,755)	(44,206)
Impairment loss on goodwill		–	(28,149)
Reversal of loan and interest payables	<i>15(c)</i>	86,967	169,224
Reversal of liabilities arising from loan guarantee contracts	<i>15(d)</i>	1,601	1,087
General and administrative expenses		(111,213)	(122,933)
Impairment loss on interest in an associate		(3,179)	–
Share of results of associates		<u>(2,191)</u>	<u>(1,633)</u>
Profit before taxation	<i>6</i>	14,597	51,740
Income tax	<i>7</i>	56,573	(9,443)
Profit for the year		<u>71,170</u>	<u>42,297</u>
Attributable to:			
Owners of the Company		71,452	41,232
Non-controlling interests		<u>(282)</u>	<u>1,065</u>
Profit for the year		<u>71,170</u>	<u>42,297</u>
		<i>HK\$</i>	<i>HK\$</i>
Earnings per share			
– Basic	<i>9</i>	<u>0.35</u>	<u>0.20</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the year	<u>71,170</u>	<u>42,297</u>
Other comprehensive income/(expense) for the year, net of income tax		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	<u>22,062</u>	<u>(13,754)</u>
Total comprehensive income for the year	<u><u>93,232</u></u>	<u><u>28,543</u></u>
Attributable to:		
Owners of the Company	91,579	29,160
Non-controlling interests	<u>1,653</u>	<u>(617)</u>
Total comprehensive income for the year	<u><u>93,232</u></u>	<u><u>28,543</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		31 December	
	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment		68,658	11,349
Investment properties	10	33,228	1,348
Goodwill		272,616	265,961
Intangible assets		5,089	12,339
Interests in associates		12,446	34,160
Other financial assets		–	5,287
Loan receivables	11	89,005	111,388
Deferred tax assets		4,601	2,256
		<u>485,643</u>	<u>444,088</u>
Current assets			
Loan receivables	11	826,073	886,683
Interest receivables	12	2,230	5,570
Accounts receivables	13	554	–
Repossessed assets	14	45,900	38,325
Other receivables, deposits and prepayments		72,964	68,484
Amounts due from associates		205	6,229
Other financial assets		2,578	16,198
Cash and cash equivalents		276,871	273,019
		<u>1,227,375</u>	<u>1,294,508</u>
Current liabilities			
Borrowings and loan payables	15	569,292	661,739
Other payables, accruals and deposit received		138,355	96,647
Liabilities arising from loan guarantee contracts	15(d)	35,487	57,942
Amounts due to associates		3,560	2,764
Unsecured bonds		10,000	10,226
Derivative financial instruments		217	–
Lease liabilities		3,638	3,809
Tax payables		96,383	152,558
		<u>856,932</u>	<u>985,685</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	31 December	
	2025	2024
	HK\$'000	HK\$'000
Net current assets	<u>370,443</u>	<u>308,823</u>
Total assets less current liabilities	<u>856,086</u>	<u>752,911</u>
Non-current liabilities		
Lease liabilities	503	3,470
Deferred tax liabilities	<u>21,033</u>	<u>15,781</u>
	<u>21,536</u>	<u>19,251</u>
Net assets	<u><u>834,550</u></u>	<u><u>733,660</u></u>
Equity		
Share capital	745,284	2,080,113
Reserves	<u>3,533</u>	<u>(1,422,875)</u>
Total equity attributable to owners of the Company	748,817	657,238
Non-controlling interests	<u>85,733</u>	<u>76,422</u>
Total equity	<u><u>834,550</u></u>	<u><u>733,660</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and by the Hong Kong Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (the “Companies Ordinance”).

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments and investment properties that are measured at fair values at the end of each reporting period.

The financial information relating to the years ended 31 December 2025 and 2024 included in this preliminary announcement does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2025 in due course.

The Company’s auditor has reported on the financial statements of the Group for both years. The auditor’s reports were 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 Companies Ordinance.

For the year ended 31 December 2025, the total amount of interest income on financial assets that is not at fair value through profit or loss (“FVTPL”), including bank interest income (Note 4(a)), was HK\$96,352,000 (2024: HK\$105,608,000).

The Group applies the practical expedient that information regarding the transaction prices allocation to the performance obligation for contracts with customers for education service is not disclosed as the original expected duration of the contracts with customers is less than one year.

b) Segmental Information

(i) Operating segment information

Information reported to the executive directors of the Company, being the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of segment performance focused on the business units of the Group. During the year ended 31 December 2025, the Group is engaged in education service upon obtaining control of KGH Holdings Limited (“KGH”) (as detailed in Note 16) and it is considered as a new operating and reportable segment by the CODM.

Specifically, the Group’s reportable segments under HKFRS 8 “Operating Segments” are (i) financing services and (ii) education service.

During the year ended 31 December 2024, the directors of the Company determined that the Group has only one reportable segment as the Group was principally engaged in providing financing services which was the basis to allocate resources and assess performance of the Group.

Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable segments:

	For the year ended 31 December 2025		
	Financing services HK\$’000	Education service HK\$’000	Total HK\$’000
Segment revenue (from external customers)	<u>93,585</u>	<u>10,208</u>	<u>103,793</u>
Segment results	<u>64,796</u>	<u>(8,490)</u>	<u>56,306</u>
Other income and other gains and losses			(6,167)
Unallocated general and administrative expenses			(30,172)
Impairment loss on interest in an associate			(3,179)
Share of results of associates			<u>(2,191)</u>
Profit before taxation			<u><u>14,597</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the profit earned/(loss from) by each segment without allocation of other income and other gains and losses, certain general and administrative expenses, impairment loss on interest in associate and share of results of associates. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

(ii) Geographical information

Revenue from external customers

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	22,221	30,609
The People's Republic of China (the "PRC")	71,364	70,986
United Kingdom ("UK")	10,208	–
	<u>103,793</u>	<u>101,595</u>

The geographic location of revenue from external customers is based on the location at which the services were rendered.

Non-current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	11,168	20,566
The PRC	313,283	275,260
UK	<u>67,586</u>	<u>29,331</u>
	<u>392,037</u>	<u>325,157</u>

The above table sets out the information about the geographical location of the Group's property, plant and equipment, investment properties, goodwill, intangible assets and interests in associates based on the physical location of these assets.

(iii) Information about major customers

There was no customer who individually contributed over 10% of the Group's revenue for the years ended 31 December 2025 and 2024.

4. OTHER INCOME AND OTHER GAINS AND LOSSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
a) Other Income		
Bank interest income	2,767	4,013
Income from government subsidies	1,152	19
Other consultancy services income	–	84
Dividend income from financial assets at FVTPL	104	173
Others	1,454	778
	<u>5,477</u>	<u>5,067</u>
b) Other Gains and Losses		
Loss from changes in fair value of investment properties (<i>Note 10</i>)	(4,931)	(343)
Gain from changes in fair value of financial assets at FVTPL, net	3,755	1,081
Loss from changes in fair value of derivative financial instruments	(217)	–
Loss on disposal of property, plant and equipment	(6)	(10)
Impairment losses on repossessed assets (<i>Note 14</i>)	(3,665)	–
Impairment losses on intangible assets	(250)	(539)
Recovery of loan receivables previously written off	–	2,702
Gain on early termination of lease contracts	–	72
Loss on disposal of repossessed assets (<i>Note 14</i>)	(3,838)	–
Gain on disposal of a subsidiary	2,460	–
Loss on step acquisition of subsidiaries	(686)	–
Exchange loss, net	(4,266)	(1,841)
	<u>(11,644)</u>	<u>1,122</u>
Total	<u><u>(6,167)</u></u>	<u><u>6,189</u></u>

5. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS, NET OF REVERSAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Impairment losses recognised/(reversed) on:		
Loan receivables	19,356	27,814
Accounts receivables	268	–
Interest receivables	(767)	(242)
Other receivables	2,898	16,634
	<u>21,755</u>	<u>44,206</u>

6. PROFIT BEFORE TAXATION

The Group's profit before taxation is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(a) Staff costs (including directors' emoluments):		
Salaries, allowances and other benefits	40,976	45,010
Contributions to defined contribution retirement plans	6,202	4,414
	<u>47,178</u>	<u>49,424</u>
(b) Other items:		
Auditor's remuneration		
– audit service	2,300	2,300
– non-audit service	465	545
	<u>2,765</u>	<u>2,845</u>
Depreciation of property, plant and equipment		
– self-owned assets	1,816	1,533
– right-of-use assets	4,523	4,696
	<u>6,339</u>	<u>6,229</u>

7. INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Over-provision in respect of prior years	(659)	–
Current tax – PRC Enterprise Income Tax		
Provision for the year	3,716	6,507
Under/(over)-provision in respect of prior years	66	(1,303)
Over-provision in respect of the Incidents (<i>note</i>)	(57,762)	–
Withholding tax on dividends		
Provision for the year	770	1,500
Deferred tax		
Origination and reversal of temporary differences	<u>(2,704)</u>	<u>2,739</u>
	<u>(56,573)</u>	<u>9,443</u>

Note:

During the year ended 31 December 2025, following the final judgment of the PRC court regarding the recovery of certain loan receivables, management concluded that the likelihood of recovery was minimal. Accordingly, the relevant portion of the loan receivables from the Incidents and the corresponding impairment loss, amounted to HK\$193,471,000 and HK\$193,471,000 respectively, was written off. Taking into account the advice of an independent legal advisor, interest income accrued on those receivables is not subject to income tax. Consequently, the previously recognised tax payable of HK\$57,762,000 was reversed during the year.

8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during both years, nor has any dividend been proposed since the end of each reporting period.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$71,452,000 (2024: HK\$41,232,000) and the weighted average number of ordinary shares in issue of less shares held under the Company's share award scheme during the year of 203,529,367 (2024: 202,601,810).

The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both years. Accordingly, the diluted earnings per share is the same as the basic earnings per share.

10. INVESTMENT PROPERTIES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value		
At 1 January	1,348	1,723
Additions (<i>note</i>)	36,271	–
Loss from changes in fair value recognised in profit and loss	(4,931)	(343)
Exchange adjustment	540	(32)
	<u>33,228</u>	<u>1,348</u>
At 31 December	<u>33,228</u>	<u>1,348</u>

Note:

During the year, the Group obtained formal legal title to certain properties in the PRC with an aggregate fair value of approximately HK\$35,078,000 through the repossession of collateral in settlement of certain loan and interest receivables. These properties are currently held for an undetermined future use. The Group's strategy is to hold these assets until a favourable market opportunity arises to recover the value of the original debt through disposal.

The fair value of the Group's investment properties as at 31 December 2025 has been arrived at on the basis of a valuation carried out by Guoce Real Estate Land Assets Appraisal Co., Ltd (2024: Peak Vision Appraisals Limited), an independent qualified professional valuer.

11. LOAN RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Pawn loan receivables	207,163	207,917
Loan receivables arising from:		
– Micro-lending	643,858	626,076
– Money-lending	139,099	149,455
Loan receivables from the Incidents	779,324	948,822
Other loan receivables	124,449	208,605
	<u>1,893,893</u>	<u>2,140,875</u>
Less: Impairment	<u>(978,815)</u>	<u>(1,142,804)</u>
	<u>915,078</u>	<u>998,071</u>
Amounts due within one year	826,073	886,683
Amounts due after one year	89,005	111,388
	<u>915,078</u>	<u>998,071</u>

12. INTEREST RECEIVABLES

As at the end of the reporting period, the ageing analysis of interest receivables, based on the revenue recognition date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	1,295	2,368
1 to 3 months	59	578
3 to 6 months	183	288
Over 6 months	693	2,336
	<u>2,230</u>	<u>5,570</u>

13. ACCOUNTS RECEIVABLES

As at the end of the reporting period, the ageing analysis of accounts receivables, based on the revenue recognition date, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	83	–
1 to 3 months	278	–
3 to 6 months	6	–
Over 6 months	187	–
	<u>554</u>	<u>–</u>

14. REPOSSESSED ASSETS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Repossessed assets – land and buildings	<u>45,900</u>	<u>38,325</u>

Repossessed assets are property rights obtained by the Group from debtors following the enforcement of its creditor's right.

During the year ended 31 December 2025, certain repossessed assets with carrying amounts of HK\$19,133,000 (2024: Nil) were sold at net proceeds of HK\$15,295,000 (2024: Nil) after deducting the relevant expenses incurred for the disposals. Loss on disposal of repossessed assets of HK\$3,838,000 (2024: Nil) was recognised in profit or loss for the year ended 31 December 2025.

The estimated market value of the repossessed assets as at 31 December 2025 was HK\$45,900,000 (31 December 2024: HK\$42,200,000). Impairment loss of HK\$3,665,000 was recognised during the year ended 31 December 2025 (2024: Nil).

15. BORROWINGS AND LOAN PAYABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Borrowings from independent third parties	<i>(a)</i>	38,201	52,469
Borrowings from shareholders		88,673	79,672
Borrowings from related parties	<i>(b)</i>	141,819	24,447
Loan payables arising from the Incidents	<i>(c)</i>	300,599	505,151
		569,292	661,739
Amounts due within one year		569,292	661,739

Notes:

- a) The borrowings from independent third parties of HK\$32,701,000 (2024: HK\$33,319,000) bore a finance cost measured at a range of annualised rates of 7.5% to 9.5% (2024: 7% to 9.5%), and were repayable within one year and not secured by any assets or guarantees of the Group.

The borrowings from independent third parties of HK\$5,500,000 (2024: HK\$19,150,000) bore finance costs measured at an annualised rate of 9.25% (2024: 10%), and were repayable within one year and secured by loan receivables of the Group of HK\$6,500,000 (2024: HK\$13,702,000) and repossessed asset of Nil (2024: HK\$14,800,000) respectively.

- b) The borrowings from Mr. Zhang Min of HK\$24,447,000 (2024: HK\$24,447,000), bore a finance cost measured at an annualised rate of 7.6% (2024: 7.6%) and were repayable within one year and not secured by any assets or guarantees of the Group.

The borrowings from 北京嘉林國際諮詢管理有限公司 (“嘉林國際”), a company that is indirectly controlled by Madam Lo Wan (“Madam Lo”), a substantial shareholder of the Company, of HK\$117,372,000 (2024: Nil), bore a finance cost measured at an annualised rate of 7.0% (2024: Nil) were repayable within one year and not secured by any assets or guarantees of the Group.

- c) As fully explained in Note 4 to the consolidated financial statements of the Group for the year ended 31 December 2020, the Unauthorised Guarantees, Unauthorised Loans, and Unauthorised Loan Receivables including the interest income, interest expenses and related handling charges had not been fully recorded in the books and records of those relevant subsidiaries accordingly under the instructions of the two former executive directors of the Company. These fraudulent activities are referred as the “Incidents” and those misstatements resulted from the Incidents were corrected and presented in the Group’s consolidated financial statements for the year ended 31 December 2020.

The Group, with the assistance of Zhongjin Jiasheng Investment Fund Management (Beijing) Co., Ltd.* (中金佳晟投資基金管理(北京)有限公司) (“Zhongjin Jiasheng”), had successfully finalised and settled with certain investors/lenders in respect of the Unauthorised Loans, and hence, the respective loan and interest payables of HK\$86,860,000 (2024: HK\$160,039,000) was reversed to profit or loss during the year. Service fee of HK\$17,934,000 (2024: HK\$24,906,000) was charged by Zhongjin Jiasheng and was set off against the loan receivables due from Zhongjin Jiasheng. Apart from those finalised and settled through Zhongjin Jiasheng, certain Unauthorised Loans were concluded through court decision and the respective loan and interest payables of HK\$107,000 (2024: HK\$9,185,000) were also reversed to profit or loss during the year.

As at 31 December 2025, unsettled Unauthorised Loans and related interest payables amounted to HK\$92,737,000 (2024: HK\$113,274,000) and HK\$35,926,000 (2024: HK\$38,088,000) respectively. Interest expenses of HK\$15,115,000 (2024: HK\$18,838,000) in relation to those unsettled Unauthorised Loans were recognised in the profit or loss during the year.

- d) As at 31 December 2025, the liabilities arising from loan guarantee contracts represent the outstanding balance of the Unauthorised Guarantees of HK\$35,487,000 (2024: HK\$57,942,000) if the guarantees were called upon in their entirety.

The Group, with the assistance of Zhongjin Jiasheng, had successfully settled with certain investors/lenders in respect of the Unauthorised Guarantees, and hence, the respective liabilities arising from loan guarantee contracts of HK\$1,601,000 (2024: HK\$1,087,000) was reversed to profit or loss during the year.

* *The English translation of Zhongjin Jiasheng’s name is for reference only. The official name of Zhongjin Jiasheng is in Chinese.*

16. ACQUISITION OF SUBSIDIARIES

On 31 July 2025, Noble Lion Education Company Limited, a wholly-owned subsidiary of the Company, acquired 15% equity interest in KGH for a consideration of GBP853,000 (equivalent to HK\$8,316,000), which was settled by offsetting the contingent consideration receivable arising from the Group's initial acquisition of 40% equity interest in KGH in 2018. The fair value of 15% equity interest in KGH at the acquisition date amounted to HK\$5,643,000 (the "Acquisition").

On the same day, K.P.I. Development Limited, an indirect wholly-owned subsidiary of the Company, obtained control of the collateral, representing 20% equity interest in KGH held by the debtor, following the enforcement of its creditors' rights against the debtor for a loan receivable with a carrying amount of HK\$7,523,000 (the "Repossession").

Following the Acquisition and the Repossession, together with the 40% equity interest held by the Group since 2018, the Group's total equity interest in KGH Group increased from 40% to 75%, thereby obtaining control over the entity. As a result, KGH and its subsidiaries (collectively referred to as "KGH Group") are accounted for as subsidiaries of the Company.

The relative fair value of the identifiable assets acquired and liabilities assumed at the acquisition date is analysed as follows:

	<i>HK\$'000</i>
Consideration:	
Cost of the Acquisition	5,643
Carrying amount of collateral obtained from the Repossession	7,523
Fair value of 40% equity interest in KGH Group	<u>15,047</u>
Total consideration	<u><u>28,213</u></u>

HK\$'000

Asset acquired and liabilities recognised at the date of acquisition:

Property, plant and equipment	58,788
Accounts receivables	3,942
Prepayments and other receivables	4,083
Cash and cash equivalent	926
Accrued expenses and other payables	(24,815)
Deferred tax liabilities	(5,308)
	<u>37,616</u>

HK\$'000

Goodwill arising on acquisition:

Consideration transferred	28,213
Less: recognised amount of net assets acquired	(37,616)
Less: non-controlling interests	9,403
	<u>9,403</u>

Goodwill arising on acquisition

–

HK\$'000

Net cash inflow on acquisition of KGH Group:

Cash and cash equivalents balances acquired	926
	<u>926</u>

HK\$'000

Loss on step acquisition of KGH Group:

40% of equity interest in KGH Group	
Fair value	15,047
Less: carrying amount	(15,733)
	<u>(686)</u>

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In 2025, the China real estate market entered its fifth year of adjustment. While the sharp declines of previous years began to moderate, overall investment and sales volumes remained under pressure. Notably, the market saw a continued rise in non-performing assets and court auctions, a trend that underscored the heightened credit risks within the broader economy. However, first-tier cities displayed remarkable resilience; for instance, residential prices in core areas of Beijing and Shanghai showed signs of stabilization by the second half of the year, supported by targeted easing of purchase restrictions.

On the global stage, the 2025-2026 period marked a significant shift in monetary dynamics. Following the aggressive tightening cycle of previous years, the US Federal Reserve maintained a “higher for longer” stance before signaling a cautious easing toward the end of 2025. This environment kept global US dollar liquidity tight for much of the year. For Hong Kong, the passive appreciation of the Hong Kong dollar (pegged to the US dollar) placed continued pressure on local borrowing costs. Despite these headwinds, the Hong Kong property market began to bottom out in late 2025, driven by the government’s talent attraction schemes and a gradual recovery in capital market activity.

BUSINESS REVIEW

In the challenging macro-economic and industry environment of the past year, the Group’s credit businesses in Mainland China and Hong Kong encountered heightened market competition. For the full year of 2025, the Group’s loan amount totalled approximately HK\$915,078,000, reflecting a year-on-year decrease of about 8.3% compared to the previous year. Undoubtedly, the Group faced significant challenges in expanding its business in the past year. In response to the overall economic downside risk, the Group conducted its loan business with more stringent credit control. The property market in Beijing has shown signs of recovery. The government’s policies aimed at stabilizing the market are beginning to take effect, but challenges remain. In Hong Kong, the government has introduced measures to support the market, but the overall sentiment remains cautious. Since the market value of properties pledged under secured loans has been stabilizing, the impairment loss for the Group’s loan receivables throughout the year totalled approximately HK\$19,356,000, representing a decrease of 30.4% when compared with the previous year.

The Group has consistently strived to maintain the level of non-performing loans within reasonable limits, avoiding any significant or widespread defaults and asset auctions that have occurred in other similar institutions. Despite the fierce market competition and complex industry environment, the Group has always prioritized risk management, ensuring the long-term stability and development of its business operations.

FUTURE PROSPECTS

As we look toward 2026, we anticipate a global economy characterized by “fragile recovery.” While the drag from the domestic property sector is expected to narrow, we remain vigilant regarding macro-economic uncertainties and potential shifts in international trade policies.

The Board remains optimistic about the Group’s future growth and is committed to maintaining a sustainable dividend policy. Our core focus for 2026 will be the integration of Generative AI and advanced data analytics into our credit assessment process to further reduce operational costs and enhance risk prevention.

BUSINESS OBJECTIVES

Institutional Trust: Deepen relationships with institutional partners to diversify funding sources.

Ethical Governance: Maintain the highest standards of transparency and accountability in all decision-making processes.

Product Innovation: Introduce more flexible mortgage products tailored to the “New Citizen” and SME sectors in first-tier cities.

Operational Excellence: Achieve a further reduction in the cost-to-income ratio through digital transformation.

Social Impact: Support the national “Inclusive Finance” agenda by providing essential liquidity to under-served micro-enterprises.

BUSINESS MODEL

The Group is engaged in the provision of financing services in four operating regions, namely Hong Kong, Shenzhen, Chengdu and Beijing. The clients are individual customers and corporate customers located in Hong Kong and the PRC. The Group identifies potential customers through in-house sales teams, referrals and networks with commercial banks, property developers and small-to-medium sized enterprises. The Group has credit policies, guidelines, standard operating procedures and regional credit committee and the Group's loan approval committee and Business Risks Committee in place. The standard workflow of the loan origination includes (i) "know-your-client" background check, (ii) credit assessment, (iii) loan approval, (iv) execution of documents, (v) after-loan services and (vi) recovery and collection of loan.

The following is a summary of the key internal controls of the Group's loan financing operation:

Background check

Various identification documents shall be provided by the loan applicant, which shall be reviewed and assessed. Information such as personal identification documents, corporate constitutional documents, business registrations, address proof, payroll or financial records, nature of business, type and value of collateral (for secured loan applications), and credit rating reports shall be collected. Each loan applicant shall complete a loan application form with his/her intended loan amount, term, purpose of the loan, repayment plan and proposed collateral/security to be offered.

Credit assessments and loan approval

The client's background and information such as their financial capabilities, creditworthiness, repayment capacity, availability of guarantor(s), quality, validity and title deed and liquidity of collaterals, will then be assessed by the credit committee of the respective operating region. We collect and verify relevant documentation, analyze credit scores, employment history, and financial information to ensure responsible lending practices. Furthermore, we verify the ownership of the properties owned and provided by the clients as collaterals and review the incumbrances of those properties by checking public records. If the loan amount applied exceeds the approval limit of the regional credit committee but is not more than RMB30 million, then the loan application will be assessed by the Group's loan approval committee. For any loan principal exceeding RMB30 million, the approval from the Business Risks Committee is required. The management team shall consider whether the loan applications are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders as a whole. Whenever the loan transaction constitutes a discloseable transaction or above by assessment of size tests under Chapter 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or involves connected person(s) as defined under Chapter 14A of the Listing Rules, the loan transaction will be reported to the Board for their review and approval.

Execution of documents Compliance procedures are in place to ensure adherence to all relevant laws and regulations such as anti-money laundering (AML), know your customer (KYC) requirements and any applicable lending regulations. All loan applications must be approved by the relevant approval committees. The proper execution of the loan documentations, contracts and agreement is under the supervision of the responsible officer, who communicates the loan terms clearly to the borrower. The finance department will be responsible for arranging for outflows of funds.

After-loan services There will be continuous monitoring on the repayments from the borrower throughout the loan repayment period, regular communication with the borrower of its updated financial position, and regular review of the market value of the collateral(s) pledged.

Collection and recovery Formal reminder and legal demand letter will be issued to the borrower whose payment is overdue. Legal action may be taken against the borrower for recovery of the amount due and taking possession of the collateral(s) pledged.

The Group offers secured and unsecured loans to individual and corporate clients. Most of the collaterals of secured loans are in the form of mortgages over residential and/or commercial properties owned by these clients. The total carrying amount (net of expected credit loss) of property mortgage loans accounted for approximately 82.2% of the entire loan portfolio of the Group as at 31 December 2025. For mortgage loans, the Group would consider the value of the collaterals and grants loans with a loan-to-value ratio (the “LTV Ratio”) of no more than 75%. The Group may require the borrower to deposit additional collateral or partially pay down/repay the loan principal if the LTV Ratio is over 75% under regular after-loan services. Unsecured loans accounted for approximately 12.1% of the entire loan portfolio of the Group. For the year ended 31 December 2025, the Group had 1,071 active customers, of which 1,031 of them were individual customers and the remaining 40 were corporate customers; and of which 532 of them were secured customers and 539 of them were unsecured customers. The interest and service fees charged at a range of monthly effective rates of 0.68% to 2.50% for PRC loans and the interest charged at a range of monthly effective rates of 0.35% to 3.82% for HK loans. A typical loan generally has a term of 90 days to 30 years. The Group conducts periodic reviews and evaluations of our lending procedures to assess their effectiveness and adapt them to the evolving risk landscape. This includes keeping up-to-date with industry best practices, regulatory changes, and employing advanced risk management tools and technologies.

The top five customers accounted for 21.78% of the total outstanding balances of the Group’s loan portfolio as of 31 December 2025.

FINANCIAL REVIEW

Interest and financing consultancy services income

During the Financial Year, the Group's revenue principally derived from the interest and services income from loan financing services.

Under the challenging operating environment, the Group conducted its loan business cautiously with strategic focus on long-term business growth. Interest and financing consultancy services income for the Financial Year was approximately HK\$93,585,000, representing a decrease of about 7.9% compared to that of approximately HK\$101,595,000 last year. The decrease was mainly due to (i) the decline in revenue resulted from the uncertain economic environment; (ii) the Group conducting its loan business with more stringent credit control; and (iii) more cash being used to repay borrowings and loan payables instead of making new loans in Mainland China and Hong Kong.

The percentage of interest and financing consultancy services income contribution from different operating regions of the Group for both years is shown below:

	For the year ended	
	31 December	
	2025	2024
Beijing	34.9%	27.9%
Chengdu & Chongqing	29.7%	29.1%
Shenzhen	11.6%	12.9%
Hong Kong	23.8%	30.1%

Interest and handling expenses

Interest and handling expenses represent finance costs incurred for the Financial Year. The amount increased from approximately HK\$29,434,000 for last year, to approximately HK\$33,259,000 for the Financial Year, representing an increase of about 13.0%.

Other income and other gains and losses

Other income mainly includes bank interest income of approximately HK\$2,767,000, income from government subsidies of approximately HK\$1,152,000, dividend income from financial assets at fair value through profit or loss (“FVTPL”) of HK\$104,000 and others of approximately HK\$1,454,000. Other gains and losses mainly include loss from changes in fair value of investment properties of approximately HK\$4,931,000, gain from changes in fair value of financial assets at FVTPL of approximately HK\$3,755,000, impairment losses on repossessed assets of approximately HK\$3,665,000, loss on disposal of repossessed assets of approximately HK\$3,838,000, gain on disposal of a subsidiary of approximately HK\$2,460,000, loss on step acquisition of subsidiaries of approximately HK\$686,000, and a net exchange loss of approximately HK\$4,266,000 was recognised in the Financial Year.

Reversal of loan and interest payables and reversal of liabilities arising from loan guarantee contracts

There was a one-off other income from reversal of loan and interest payables, and reversal of liabilities arising from loan guarantee contracts in the amounts of approximately HK\$86,967,000 and HK\$1,601,000 respectively during the Financial Year. The reversal of loan and interest payables and liabilities arises from loan guarantee contracts related to the Group, with the assistance of Zhongjin Jiasheng Investment Fund Management (Beijing) Co., Ltd* (中金佳晟投資基金管理(北京)有限公司) (“Zhongjin Jiasheng”), successfully finalised and settled with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees, and hence, the respective interest payables was reversed to profit or loss during the Financial Year. Apart from those settled through Zhongjin Jiasheng, certain Unauthorised Loans and Unauthorised Guarantees were concluded through court decision and the respective loan and interest payables and liabilities arising from loan guarantee contracts were reversed to profit or loss during the Financial Year.

* *The English translation of Zhongjin Jiasheng’s name is for reference only. The official name of Zhongjin Jiasheng is in Chinese.*

General and administrative expenses

General and administrative expenses for the Financial Year decreased by 9.5% to approximately HK\$111,213,000, in which a service fee of about HK\$17,934,000 (2024: HK\$24,906,000) was charged by Zhongjin Jiasheng in relation to the settlement with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees. The general and administrative expenses primarily comprise of staff costs and related expenses, legal and professional fee, consultancy fee, depreciation of property, plant and equipment and general office expenses. The management will continue to monitor and ensure the proper implementation of its stringent measures on costs control to maintain general and administrative expenses at a reasonable level.

Profit for the year

Profit for the year attributable to owners of the Company was approximately HK\$71,452,000, as compared to profit of approximately HK\$41,232,000 for the last year. The increase in profit for the Financial Year was mainly due to (i) a reversal of loan and interest payables, liabilities from loan guarantee contracts amounting to approximately HK\$86,967,000 and HK\$1,601,000 respectively resulted from the successful finalisation and settlement with certain investors/lenders in respect of the Unauthorised Loans and Unauthorised Guarantees; (ii) write-back of over-provision of PRC enterprise income tax in respect of the Incidents of approximately HK\$57,762,000; and (iii) decrease in impairment loss on loan receivables as there was sight of gradual recovery in China's property market in 2025.

Liquidity and Financial Resources

The Group adopts a prudent cash and financial management policy. Funds are maintained at a sound and healthy financial resource level. The Group's net current assets and equity attributable to owners of the Company as at the end of the Financial Year were approximately HK\$370,443,000 and approximately HK\$748,817,000 respectively. The Group's outstanding borrowings and loan payables and unsecured bonds as at the end of the Financial Year amounted to approximately HK\$579,292,000, showing a decrease of approximately 13.8% as compared with that of last year, which are all due within one year. There is no funding requirements for capital expenditure commitments for the Financial Year.

Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. All the borrowings and loan payables are at fixed interest rates. The Group actively and regularly reviews and manages its capital structure and makes adjustments to the capital structure in light of changes in economic conditions.

Based on the Group's current and anticipated level of operation, the Group's future operations and capital requirements will be mainly financed through borrowings and share capital. There were no significant commitments for capital expenditure as at 31 December 2025.

Ratio

As at the end of the Reporting Period, the current ratio⁽ⁱ⁾ and the gearing ratio⁽ⁱⁱ⁾ of the Group are 1.43 and 0.36 respectively.

Notes:

- (i) Current ratio was calculated by dividing current assets by current liabilities as at the end of the Reporting Period.
- (ii) Gearing ratio was calculated by dividing interest bearing net debts (borrowings and loan payables plus unsecured bonds less cash and cash equivalents) by total equity as at the end of the Reporting Period.

Employee and Remuneration Policies

As of 31 December 2025, the Group had approximately 117 employees in the PRC and Hong Kong, of which 66 were female employees. Competitive remuneration packages and performance-based bonuses are structured to commensurate with individual responsibilities, qualifications, experience, and performance. Total staff costs for the Financial Year were approximately HK\$47,178,000, showing a decrease of approximately 4.5% as compared to the figure of the previous year.

Charge on assets

As of 31 December 2025, certain properties mortgaged to a subsidiary of the Company by its respective customers were pledged to secure loan facilities granted to the Group with a carrying value of approximately HK\$5,500,000. As of 31 December 2025, the Group had pledged its mortgage loan receivables with net book value of approximately HK\$6,500,000 to secure loan facilities granted to the Group.

Fair Value Estimation

The carrying amounts less impairment provision of the financial assets and the carrying amounts of the financial liabilities are assumed to approximate their fair values.

Capital Commitments and Contingent Liabilities

The Group had no material capital commitments or contingent liabilities as at the end of the Financial Year.

Foreign Exchange Exposure

The Group's monetary assets, liabilities and transactions are principally denominated in Renminbi ("RMB") and Hong Kong Dollars ("HKD"). The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against RMB. The Group has a net exchange exposure to RMB as the Group's assets are principally located in the PRC. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented in a timely and effective manner. As at the end of the Financial Year, loan payables arising from the Incidents involving the Unauthorised Loans (as referred to in Note 15(c) to the consolidated financial statements) amounted to approximately HK\$300,599,000 are denominated in RMB and cash and cash equivalents amounted to approximately HK\$257,999,000 are denominated in RMB. The Group did not engage in any derivative activities and did not commit to any financial instruments to hedge its statement of financial position exposure to fluctuations in exchange rates as of 31 December 2025.

Significant Investments Held, Material Acquisitions and Disposals

The Group did not hold any significant investments representing 5% or more of the Group's total assets as at the end of the Reporting Period. The Group does not have any detailed plans for material investments in the near future.

On 31 July 2025, Noble Lion Education Company Limited, a wholly owned subsidiary of the Company, accepted the transfer of 15% equity interest in KGH Holdings Limited ("KGH"), a company incorporated in the Republic of Seychelles, in full settlement of the outstanding profit guarantee due to the Group in the amount of GBP853,000 (equivalent to HK\$8,316,000). Furthermore, on the same date, K.P.I. Development Limited, an indirect wholly-owned subsidiary of the Company, obtained control of the collateral, which represents 20% equity interest in KGH held by the debtors, following the enforcement of its creditor's right against the debtor with loan receivables at carrying amount of HK\$7,523,000. Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.

APPROVAL OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The 2025 audited consolidated financial statements were approved and authorised for issue by the Board on 27 March 2026.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of its securities (including the sale of treasury shares) during the Reporting Period. As at 31 December 2025, there were no treasury shares held by the Company.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the end of the Reporting Period and up to the date of this announcement.

FINAL DIVIDEND

The Board does not recommend payment of a final dividend for the Financial Year (2024: Nil), to the shareholders of the Company.

CORPORATE GOVERNANCE

The Board is of the view that throughout the Reporting Period, the Company has complied with the code provisions as set out in the CG Code, except for code provisions C.2.1, C.5.1 and C.1.6, and the details of which are set out below.

Code Provision C.2.1

Code provision C.2.1 of CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Zhang Min, the Chief Executive Officer, has assumed the duties of Chairman of the Board during the Reporting Period. The Board is taking active steps to select a suitable Chairman to fulfill this code provision.

The Board considers that the Chairman's responsibilities are to manage the Board whereas the Chief Executive Officer's responsibilities are to manage the Company's businesses. The responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence written terms thereof are not necessary.

Code Provision C.5.1

Code provision C.5.1 of CG Code stipulates that the board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals.

The Board held five board meetings during the Financial Year, with only two regular board meetings approving the final results of the Group for the year ended 31 December 2024 and interim results of the Group for the period ended 30 June 2025. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary. However, apart from the regular board meetings of the Reporting Period, the Board also met on three other occasions when a Board-level decision on a particular matter was required. During the Reporting Period, the management provided all members of the Board with updates from time to time as necessary to give a balanced and understandable assessment of the Company's performance, position and prospects.

Code Provision C.1.6

Code provision C.1.6 of CG Code stipulates that independent non-executive directors and other non-executive directors generally should attend general meetings.

Mr. Zhang Kun, the then independent non-executive director of the Company, was unable to attend the annual general meeting and extraordinary general meeting held on 3 June 2025 due to his other work commitment.

The Board will continue to review the corporate governance status of the Company from time to time and make any necessary changes to comply with the relevant code provisions in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Company Code throughout the Reporting Period.

The Company has also established written guidelines (the "Employees Written Guidelines") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company for the Reporting Period.

No non-compliance of the Employees Written Guidelines by the employees was noted by the Company during the Reporting Period.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”), which comprises of five independent non-executive directors, has reviewed the final results for the Reporting Period. The Audit Committee considered that the annual financial report for the Reporting Period is in compliance with the relevant financial reporting standards, requirement on the Listing Rules and laws of Hong Kong, and the Company has made appropriate disclosures thereof.

The primary duties of the Audit Committee include providing an independent view of the effectiveness of the Group’s financial reporting process, internal control and risk management system.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Group’s auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year as approved by the Board. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

PUBLICATION OF INFORMATION ON THE STOCK EXCHANGE’S WEBSITE

This announcement is published on the websites of the Company at www.cfsh.com.hk and the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. The 2025 annual report containing the information required by the Listing Rules will be published on the above websites and despatched to the shareholders of the Company in due course.

ACKNOWLEDGEMENT

The Board would like to take this opportunity to express our sincere thanks to all stakeholders for their support during the Financial Year.

On behalf of the Board
China Financial Services Holdings Limited
Chung Chin Keung
Company Secretary

Hong Kong, 27 March 2026

As at the date of this announcement, the directors of the Company are:

Executive Director:

Mr. Zhang Min (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Chan Chun Keung

Mr. Cheung Pak To

Mr. Lee Ka Wai

Madam Zhan Lili

Mr. Zhang Kun