香港信貸
Hong Kong Finance

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 FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The board of directors (the "**Board**" or "**Directors**") of Hong Kong Finance Group Limited (the "**Company**" or "**our Company**") is pleased to announce the audited consolidated final results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2026, together with the comparative figures for the corresponding period of the previous year, are as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

		Year ended 31 March	
	Note	**2026** ***HK$'000***	2025 *HK$'000*
Interest income	5	**162,853**	156,280
Interest expenses	8	**(10,412)**	(15,710)
Net interest income		**152,441**	140,570
Other income and gain	5	**1,690**	1,435
Fair value losses on revaluation of investment properties		**(1,101)**	(4,900)
Impairment losses on loans and interest receivables, net	6	**(7,251)**	(10,245)
Reversal of impairment losses/(impairment losses) on repossessed assets, net		**686**	(2,243)
Other operating expenses	7	**(63,001)**	(67,577)
Operating profit		**83,464**	57,040
Share of profit of a joint venture		**1,131**	109
Profit before income tax		**84,595**	57,149
Income tax expense	9	**(14,466)**	(10,976)
Profit and total comprehensive income for the year attributable to owners of the Company		**70,129**	46,173
Earnings per share for profit attributable to owners of the Company			
– Basic and diluted *(HK cents)*	10(a)	**16.9**	11.1
Dividends	11(b)	**19,920**	10,790

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

		As at 31 March	
		2026	2025
	Note	***HK$'000***	*HK$'000*
ASSETS			
Cash and cash equivalents		**22,983**	33,486
Loans and interest receivables	*12*	**957,882**	781,486
Prepayments, deposits and other receivables		**1,371**	1,138
Tax recoverable		**—**	2,253
Repossessed assets		**4,535**	23,367
Deferred income tax assets		**5,109**	4,629
Investment in a joint venture		**2,627**	10,746
Financial asset at fair value through profit or loss		**800**	800
Investment properties		**42,099**	43,200
Property, plant and equipment		**115,405**	119,837
Total assets		**1,152,811**	1,020,942
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**4,150**	4,150
Reserves		**905,945**	847,851
Total equity		**910,095**	852,001
LIABILITIES			
Amount due to a fellow subsidiary	*14(b)*	**75,877**	50,300
Amount due to a joint venture	*14(c)*	**750**	—
Other payables and accruals		**8,326**	8,301
Income tax payable		**4,727**	1,266
Bank and other borrowings	*13*	**148,823**	105,004
Deferred income tax liabilities		**4,213**	4,070
Total liabilities		**242,716**	168,941
Total equity and liabilities		**1,152,811**	1,020,942

NOTES TO THE 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. The 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**").

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Unless otherwise stated, all values are rounded to the nearest thousand ("**HK$'000**").

2 BASIC OF PREPARATION

The consolidated financial statements have been prepared in accordance with 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 Governing the Listing of Securities on The Stock Exchange and by the Hong Kong Companies Ordinance. These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss and investment properties, which are carried at fair value.

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

3 CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards - Volume 11[2]
HKFRS 18	Presentation and Disclosures in Financial Statements[3]

1 Effective for annual periods beginning on or after a date to be determined.

2 Effective for annual periods beginning on or after 1 January 2026.

3 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Directors anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term "non-recourse" is enhanced and the characteristics of "contractually linked instruments" are clarified in the amendments.

The disclosure requirements in HKFRS 7 *Financial Instruments: Disclosures* in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are required to be applied retrospectively, with specific exceptions. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 "Presentation and Disclosure in Financial Statements" ("HKFRS 18")

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Financial Instruments: Disclosures*. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statement of profit or loss.

4 SEGMENT INFORMATION

The chief operating decision-maker has been identified as 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 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 between the operating segments in the year ended 31 March 2026 and 2025.

All of the Group's revenue from external customers and assets were generated from and located in Hong Kong during the years ended 31 March 2026 and 2025.

All of the Group's operating segments operate solely in Hong Kong, and accordingly geographical segment information is not presented.

For the year ended 31 March 2026

	Secured property mortgage loans *HK$'000*	Unsecured property owner loans *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Interest income	114,035	48,818	—	162,853
Interest expenses	(9,351)	(139)	(922)	(10,412)
Net interest income/(expenses)	104,684	48,679	(922)	152,441
Other income and gain	372	11	1,307	1,690
Fair value losses on revaluation of investment properties	(401)	—	(700)	(1,101)
Reversal of impairment losses/(impairment losses) on loans and interest receivables, net	608	(7,859)	—	(7,251)
Reversal of impairment losses on repossessed assets, net	686	—	—	686
Other operating expenses	(34,006)	(23,077)	(5,918)	(63,001)
Operating profit/(loss)	71,943	17,754	(6,233)	83,464
Share of profit of a joint venture	—	—	1,131	1,131
Profit/(loss) before income tax	71,943	17,754	(5,102)	84,595
Income tax (expense)/credit	(11,526)	(3,340)	400	(14,466)
Profit/(loss) and total comprehensive income/(loss) for the year attributable to owners of the Company	60,417	14,414	(4,702)	70,129

As at 31 March 2026

	Secured property mortgage loans *HK$'000*	Unsecured property owner loans *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Segment assets	791,109	205,309	156,393	1,152,811
Segment liabilities	(203,104)	(9,706)	(29,906)	(242,716)
Other information:				
Depreciation expense	(1,097)	(663)	(3,457)	(5,217)
Reversal of impairment losses/(impairment losses) on loans and interest receivables, net:				
– Stage 1	2,091	(275)	—	1,816
– Stage 2	(545)	(794)	—	(1,339)
– Stage 3	(938)	(6,790)	—	(7,728)
Reversal of impairment losses on repossessed assets, net	686	—	—	686

For the year ended 31 March 2025

	Secured property mortgage loans *HK$'000*	Unsecured property owner loans *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Interest income	105,178	51,102	—	156,280
Interest expenses	(11,740)	(1,909)	(2,061)	(15,710)
Net interest income/(expenses)	93,438	49,193	(2,061)	140,570
Other income and gain	67	57	1,311	1,435
Fair value losses on revaluation of investment properties	(500)	—	(4,400)	(4,900)
Impairment losses on loans and interest receivables, net	(4,643)	(5,602)	—	(10,245)
Impairment losses on repossessed assets, net	(2,243)	—	—	(2,243)
Other operating expenses	(35,084)	(26,851)	(5,642)	(67,577)
Operating profit/(loss)	51,035	16,797	(10,792)	57,040
Share of profit of a joint venture	—	—	109	109
Profit/(loss) before income tax	51,035	16,797	(10,683)	57,149
Income tax (expense)/credit	(8,503)	(2,772)	299	(10,976)
Profit/(loss) and total comprehensive income/(loss) for the year attributable to owners of the Company	42,532	14,025	(10,384)	46,173

As at 31 March 2025

	Secured property mortgage loans *HK$'000*	Unsecured property owner loans *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Segment assets	648,610	203,320	169,012	1,020,942
Segment liabilities	(149,746)	(8,428)	(10,767)	(168,941)
Other information:				
Depreciation expense	(1,173)	(612)	(3,456)	(5,241)
Impairment losses on loans and interest receivables, net:				
– Stage 1	(50)	(112)	—	(162)
– Stage 2	(2,256)	(291)	—	(2,547)
– Stage 3	(2,337)	(5,199)	—	(7,536)
Impairment losses on repossessed assets, net	(2,243)	—	—	(2,243)

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 year are as follows:

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Revenue		
Interest income – secured property mortgage loans	**114,035**	105,178
Interest income – unsecured property owner loans	**48,818**	51,102
	162,853	156,280
Other income		
Rental income	**1,371**	1,375
Sundry income	**12**	60
	1,383	1,435
Other gain		
Gain on disposal of a motor vehicle	**307**	—
Total other income and gain	**1,690**	1,435

6 IMPAIRMENT LOSSES ON LOANS AND INTEREST RECEIVABLES, NET

	12 months expected credit loss (Stage 1)	**Lifetime expected credit loss not credit impaired (Stage 2)**	**Lifetime expected credit loss credit impaired (Stage 3)**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Year ended 31 March 2026				
(Reversal of impairment losses)/ impairment losses on loans and interest receivables, net	**(1,816)**	**1,339**	**7,728**	**7,251**
Year ended 31 March 2025				
Impairment losses on loans and interest receivables, net	162	2,547	7,536	10,245

7 OTHER OPERATING EXPENSES

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Auditor's remuneration		
– audit services	**650**	640
– non-audit services	**350**	360
Advertising and marketing expenses	**11,975**	13,822
Bank charges	**581**	1,155
Depreciation of property, plant and equipment	**5,217**	5,241
Directors' emoluments	**7,256**	7,993
Donations	**98**	136
Employee benefit expenses (excluding directors' emoluments)	**23,561**	23,583
Legal and professional fees	**3,301**	4,666
Referral fees	**1,890**	2,108
Transportation expenses	**1,668**	1,673
Valuation and search fee	**2,359**	1,785
Short-term lease expenses	**620**	615
Other expenses	**3,475**	3,800
	63,001	67,577

8 INTEREST EXPENSES

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Interest on amount due to a fellow subsidiary *(Note 14(a))*	**4,297**	3,963
Interest on bank overdrafts	**767**	595
Interest on bank borrowings	**3,822**	8,666
Interest on other borrowings	**1,526**	2,486
Total interest expenses	**10,412**	15,710

9 INCOME TAX EXPENSE

Hong Kong profits tax for the year ended 31 March 2026 have been provided for at a 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 2017 (2025: Same). 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 expense charged to the consolidated statement of comprehensive income represents:

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Hong Kong profits tax		
– Current year	**14,811**	10,797
– Over-provision in prior years	**(8)**	(16)
Deferred income tax (credit)/expense	**(337)**	195
	14,466	10,976

10 EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of HK$70,129,000 (2025: HK$46,173,000) by the weighted average number of 415,000,000 (2025: 415,000,000) ordinary shares in issue during the year ended 31 March 2026.

	Year ended 31 March	
	2026	2025
Profit attributable to owners of the Company *(HK$'000)*	**70,129**	46,173
Weighted average number of ordinary shares in issue for basic earnings per share *('000)*	**415,000**	415,000
Basic earnings per share *(HK cents)*	**16.9**	11.1

(b) Diluted earnings per share

For the year ended 31 March 2026, diluted earnings per share presented is the same as the basic earnings per share as there was no potentially diluted ordinary share outstanding (2025: Same).

11 DIVIDENDS

(a) Dividends declared and paid during the year

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend paid of HK1.6 cents (2025: HK1.3 cents) per share	**6,640**	5,395
Final dividend paid of HK1.3 cents (2025: HK1.3 cents) per share	**5,395**	5,395
	12,035	10,790

(b) Dividends of the year

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Interim dividend paid of HK1.6 cents (2025: HK1.3 cents) per share	**6,640**	5,395
Proposed final dividend of HK3.2 cents (2025: HK1.3 cents) per share*	**13,280**	5,395
	19,920	10,790

* The proposed final dividend has been proposed by the directors after the report date. The proposed final dividend, subject to the shareholders' approval at the forthcoming annual general meeting, is not reflected as dividend payable as at 31 March 2026.

12 LOANS AND INTEREST RECEIVABLES

	As at 31 March	
	2026	2025
	HK$'000	*HK$'000*
Gross loans and interest receivables – secured property mortgage loans	**778,039**	606,052
Gross loans and interest receivables – unsecured property owner loans	**205,246**	198,450
Total gross loans and interest receivables	**983,285**	804,502
Less: Provision for impairment on secured property mortgage loans	**(11,932)**	(12,540)
Less: Provision for impairment on unsecured property mortgage loans	**(13,471)**	(10,476)
Loans and interest receivables, net of provision	**957,882**	781,486

As at 31 March 2026, the carrying amounts of 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 (2025: Same).

As at 31 March 2026, the loans and interest receivables are secured by collaterals provided by customers, except for gross unsecured property owner loans and relevant interest receivables of HK$205,246,000 (2025: HK$198,450,000) which are unsecured. As at 31 March 2026, the loans and interest receivables are interest bearing, repayable with fixed terms agreed with the customers (2025: Same).

Borrowers are required to repay the outstanding loan receivable balances by monthly installments over the term of the corresponding loan receivables.

For loans that are not credit–impaired without significant increase in credit risk since initial recognition ("Stage 1"), ECL is measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. If a significant increase in credit risk since initial recognition is identified ("Stage 2") but not yet deemed to be credit impaired, ECL is measured based on lifetime ECL.

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 31 March	
	2026	2025
	HK$'000	*HK$'000*
Not overdue	**732,371**	560,007
1–30 days past due	**69,543**	64,958
31–60 days past due	**39,024**	32,636
61–90 days past due	**11,740**	12,319
Over 90 days past due	**130,607**	134,582
	983,285	804,502

As at 31 March 2026, no bank and other borrowings from an independent third party were secured by gross loans and interest receivables (2025: HK$387,657,000) (Note 13(iii)).

13 BANK AND OTHER BORROWINGS

	As at 31 March	
	2026	2025
	HK$'000	*HK$'000*
Bank loans	**91,088**	13,939
Bank overdrafts	**12,860**	18,190
Other borrowings	**44,875**	72,875
	148,823	105,004

The weighted average effective interest rate on bank borrowings and bank overdrafts during the year ended 31 March 2026 was 5.2% (2025: 6.3%) per annum.

Other borrowings of HK$44,875,000 (2025: HK$72,875,000) are unsecured and repayable within one year (2025: one to two years). The weighted average effective interest rate on other borrowings during the year ended 31 March 2026 was 4.4% (2025: 5.7%) per annum.

At 31 March 2026, all bank and other borrowings are denominated in Hong Kong dollars and the carrying amounts approximate their fair values (2025: Same).

As at 31 March 2026, the bank loans and overdrafts utilised by the Group amounted to HK$103,948,000 (2025: HK$32,129,000). The Group's unutilised banking facilities as at the same date amounted to HK$112,165,000 (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$42,099,000 (2025: HK$43,200,000);

(ii) land and buildings held by the Group with a net book value of HK$111,580,000 (2025: HK$115,016,000);

(iii) certain gross loans and interest receivables of HK$Nil (2025: HK$387,657,000); and

(iv) corporate guarantee of 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.

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 year ended 31 March 2026, and balances arising from related party transactions as at 31 March 2026 and 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.

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
Interest expenses paid to a fellow subsidiary		
– Tin Ching Industrial Company Limited ("**Tin Ching Industrial**")	**4,297**	3,963
Short-term lease expenses paid to a fellow subsidiary		
– Forever Elite Investment Limited ("**Forever Elite**")	**522**	522
Advertising and marketing expenses paid to a joint venture – Shine Joyful Limited	**2,300**	3,300

Interest expenses on an amount due to a fellow subsidiary was charged at an effective interest rate of 6.4% (2025: 6.8%) per annum.

During the year ended 31 March 2026, the short-term lease expenses is charged at a monthly rate of HK$44,000 (2025: HK$44,000).

Advertising and marketing expenses is charged at a monthly rate of HK$250,000 for 11 months and HK$300,000 for 1 month (2025: monthly rate of HK$300,000 for 12 months).

(b) Amount due to a fellow subsidiary

Tin Ching Industrial, a fellow subsidiary, provided the Group with a loan facility with a limit of HK$200,000,000 (2025: HK$200,000,000), of which the Group utilised a principal amount of HK$75,100,000 (2025: HK$50,000,000) as at 31 March 2026. As at 31 March 2026, the outstanding balance, including accrued interest of HK$777,000 (2025: HK$300,000), amounted to HK$75,877,000 (2025: HK$50,300,000). The loan carried an effective interest rate of 6.4% (2025: 6.8%) per annum, was unsecured and repayable on demand.

The amount due to Forever Elite, a fellow subsidiary, as at 31 March 2025 (included in other payables and accruals) amounted to HK$47,000 is non-interest bearing, unsecured and repayable on demand. There is no amount due to Forever Elite as at 31 March 2026.

As at 31 March 2026, the carrying amount of the amounts due to fellow subsidiaries are denominated in Hong Kong dollars (2025: Same).

(c) Amount due to a joint venture

The amount of HK$750,000 (2025: Nil) due to Shine Joyful Limited, a joint venture, as at 31 March 2026 is non-interest bearing, unsecured and repayable on demand.

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***".

Macroeconomic and Market Overview

During the year ended 31 March 2026, Hong Kong's macroeconomic environment demonstrated encouraging signs of recovery. Following the interest rate adjustments implemented by the Hong Kong Monetary Authority and local commercial banks in alignment with the monetary easing stance of the U.S. Federal Reserve, the domestic residential property market experienced a noticeable revival in both capital values and transaction volumes. Notably, the Centa-City Leading Index (CCL) staged an 11.3% rebound, ascending from 136.8 in late March 2025 to 152.3 by the end of the reporting period. Concurrently, global and local equity markets exhibited remarkable resilience and upward momentum, with major U.S. indices repeatedly reaching historic highs. While domestic consumer sentiment remained cautious, overall market confidence maintained a progressive, recovery-oriented trajectory.

Operational Review and Risk Management

In navigating this evolving macroeconomic landscape, the Group adhered to a prudent yet agile operational strategy, balancing stringent risk management with tactical growth. To proactively capitalize on the emerging opportunities arising from the market recovery, the Group strategically expanded its money lending business while maintaining its commitment to asset quality. We reinforced our rigorous credit underwriting standards, maintained conservative loan-to-value (LTV) ratios, and enhanced our overarching risk management framework to ensure the sustainability of our portfolio's yield. Throughout the year, the Group prioritized the proactive monitoring of our borrowers' credit profiles and debt-servicing capabilities. Pre-emptive credit actions, including the strategic recall of facilities from borrowers exhibiting elevated default risks, were decisively executed. This two-pronged approach, to selective portfolio expansion coupled with robust risk-mitigation measures, successfully optimized our credit exposure and fortified our financial position.

Financial Performance Summary

Benefiting from our successful execution of growth strategies and the stabilizing macroeconomic environment, the Group's overall financial performance recorded a significant improvement during the year. Driven by our strategic initiatives to capture market demand, the Group's gross loans and interest receivables registered a robust growth of approximately 22.2% compared to the same in the past year and this portfolio expansion successfully catalyzed a surge in our interest income, which rose to HK$162.9 million (2025: HK$156.3 million). Reflecting the improved credit quality of our underlying assets and enhanced collateral valuations driven by the property market recovery, the provision for impairment of loans and interest receivables, alongside repossessed assets, decreased to HK$6.6 million (2025: HK$12.5 million). Consequently, profit attributable to shareholders of the Company reached HK$70.1 million (2025: HK$46.2 million), representing a solid year-on-year growth of 51.7%.

Secured property mortgage loans remained the primary revenue source for our Group, contributing approximately 70.0% (2025: 67.3%) to our total revenue for the current year. Interest income generated from secured property mortgage loans increased by 8.4% to HK$114.0 million (2025: HK$105.2 million). As of 31 March 2026, our gross secured property mortgage loans and interest receivables amounted to HK$778.0 million (2025: HK$606.1 million). For our unsecured property owner loans business, interest income decreased by 4.5% to HK$48.8 million (2025: HK$51.1 million), accounting for approximately 30.0% (2025: 32.7%) of our Group's revenue for the current year. As of 31 March 2026, our gross unsecured property owner loans and interest receivables stood at HK$205.2 million (2025: HK$198.5 million).

Financial review

Interest Income

Our Group's interest income from our money lending business increased by HK$6.6 million or 4.2% from HK$156.3 million for the last year to HK$162.9 million for the current year, and such increase was mainly derived from the expansion of our loan portfolio during the year.

Interest income from our secured property mortgage loan business increased by HK$8.8 million or 8.4% from HK$105.2 million for the last year to HK$114.0 million for the current year, whereas the interest income from our unsecured property owner loans business decreased by HK$2.3 million or 4.5% from HK$51.1 million for the last year to HK$48.8 million for the current year.

Interest expenses

We have incurred interest expenses of HK$10.4 million for the current year (2025: HK$15.7 million), which mainly comprised of interest on interest bearing bank and other borrowings and amount due to a fellow subsidiary. During the current year, following the interest rate cut and reducing our average utilisation on borrowings, less interest expenses are incurred as compared for last year.

Other income

We have recorded other income and gain of HK$1.7 million (2025: HK$1.4 million) during the current year which mainly comprised of rental income from our investment properties and a gain on disposal of a motor vehicle.

Fair value losses on revaluation of investment properties

During the current year, our Group recorded a losses of HK$1.1 million (2025: HK$4.9 million) on the revaluation of our investment properties. A reduction on losses on revaluation of investment properties reflected the recovery of property market in Hong Kong during the year.

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$6.6 million for the current year (2025: HK$12.5 million).

Below is the breakdown of impairment losses on loans and interest receivables and repossessed assets incurred on secured property mortgage loans and unsecured property owner loans during the current year and the prior year:

	Secured property mortgage loans Year ended 31 March		**Unsecured property owner loans Year ended 31 March**	
	2026	2025	**2026**	2025
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*
(Reversal of impairment losses)/ impairment losses on loans and interest receivables, net	**(0.6)**	4.6	**7.9**	5.6
(Reversal of impairment losses)/ impairment losses on repossessed assets, net	**(0.7)**	2.3	**—**	—
	(1.3)	6.9	**7.9**	5.6

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

Reflecting the improved credit quality of our underlying assets and enhanced collateral valuations driven by the property market recovery, the provision for impairment of loans and interest receivables, alongside repossessed assets, decreased and we have recorded an impairment losses of HK$7.3 million (2025:HK$10.2 million) on loans and interest receivables, and a reversal of impairment losses of HK$0.7 million on repossessed assets (2025: an impairment losses of HK$2.3 million), totalling HK$6.6 million (2025: HK$12.5 million) during the current year. This represented a 47.2% decrease as compared to the same in the last year.

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 year. 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 year.

Other operating expenses

We have incurred other operating expenses of HK$63.0 million for the current year (2025: HK$67.6 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 advertising and marketing expenses and legal and professional fees.

Net interest margin

The net interest margin of our money lending business was achieved at 17.5% for the current year (2025: 16.1%). The improvement was mainly resulted from the decrease in interest expenses during the current year.

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$70.1 million for the current year as compared to HK$46.2 million for the last year, representing a solid growth of 51.7%.

LIQUIDITY AND SOURCES OF FINANCIAL RESOURCES

During the current year, 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 31 March 2026.

Our Group recorded net assets, representing the equity of the Group, amounting to HK$910.1 million as at 31 March 2026 (2025: HK$852.0 million), representing a growth of 6.8%.

As at 31 March 2026, cash and cash equivalents amounted to HK$23.0 million (2025: HK$33.5 million); amount due to a fellow subsidiary amounted to HK$75.9 million (2025: HK$50.3 million); interest bearing bank and other borrowings amounted to HK$148.8 million (2025: HK$105.0 million).

During the current year, all interest bearing bank borrowings were repayable on demand and were secured by our Group's investment properties, land and buildings, certain loans and interest receivables, and a corporate guarantee of our Company. The amount due to a fellow subsidiary was unsecured, interest bearing at an effective interest rate of 6.4% per annum and repayable on demand.

During the current year, none of our banking facilities were subject to any covenants relating to restricting our Group to undertake additional debt or equity financing. As at 31 March 2026, our unutilised banking facilities and other unutilised facility available to our Group for drawdown amounted to HK$112.2 million and HK$124.1 million, respectively.

KEY FINANCIAL RATIOS

The following table sets forth the key financial ratios of our Group during the years ended 31 March 2026 and 2025 respectively:

	As at 31 March	
	2026	2025
Gearing ratio [(1)]	**0.22**	0.14
	For the year ended 31 March	
	2026	2025
Net interest margin ratio [(2)]	**17.5%**	16.1%
Return on equity ratio [(3)]	**7.7%**	5.4%
Interest coverage ratio [(4)]	**9.1 times**	4.9 times

Notes:

(1) Gearing ratio was calculated by dividing net debts (being the total interest bearing bank and other borrowings, amount due to a fellow subsidiary, less cash and cash equivalents) by total equity as at the respective year-end date.

(2) Net interest margin ratio was calculated by dividing net interest income (being the interest income net of interest expenses) by the monthly average balance of loan receivables at the respective year-end date.

(3) Return on equity ratio was calculated by dividing profit and total comprehensive income for year attributable to owners of the Company by the total equity as at the respective year-end date.

(4) Interest coverage ratio was calculated by dividing operating profit before interest expenses, income tax expenses and fair value losses on revaluation of investment properties by the interest expenses for the corresponding year.

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 year.

IMPORTANT EVENTS OCCURRED AFTER THE END OF THE FINANCIAL YEAR

Our Group did not have any important events affecting our Company and our subsidiaries since the end of the financial year ended 31 March 2026 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 year.

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 year, 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.

CUSTOMERS

During the current year, our customers comprised individuals and corporations in Hong Kong and were all independent third parties (as defined in the Listing Rules), and were not connected persons or senior management of our Group.

During the current year, our top five customers (as determined by interest income generated) accounted for approximately 8.0% (2025: 8.0%) of our total revenue, and our single largest customer accounted for approximately 2.2% (2025: 2.5%) of our total revenue.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2026, our Group employed 52 (2025: 55) full time employees. The total staff costs of our Group for the current year were HK$30.8 million (2025: HK$31.6 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 31 March 2026, our investment properties of HK$42.1 million (2025: HK$43.2 million) and our land and buildings of HK$111.6 million (2025: HK$115.0 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 31 March 2026.

FOREIGN EXCHANGE EXPOSURE

During the current year, 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 31 March 2026, our Group had no material contingent liabilities (2025: Nil).

CAPITAL COMMITMENTS

The Group did not have significant capital commitments as at 31 March 2026 (2025: Nil).

OUTLOOK

Looking ahead, while the global and local economies remain on a progressive path toward recovery, the macroeconomic landscape is increasingly characterized by complexity and rapid structural shifts. The Group notes with vigilance that persistent external uncertainties remain elevated. In particular, the recent escalation of geopolitical tensions in the Middle East and ongoing military frictions between major powers continue to inject volatility into global energy markets, supply chains, and capital flows. In parallel, the Group must remain resilient against the potential emergence of other unforeseen "black swan" events that could abruptly disrupt international financial stability and domestic economic sentiment.

On a regional level, as Mainland China embarks on its 15th Five-Year Plan (2026–2030), Hong Kong is entering a pivotal phase of economic adaptation and integration. The strategic realignments under the national blueprint will reshape regional trade, corporate financing demands, and local economic policies. The Group will closely monitor these policy directions to identify new growth corridors within the changing economic tapestry of Hong Kong and the Greater Bay Area, ensuring our lending strategies remain aligned with the city's evolving economic role.

Concurrently, the rapid proliferation of Artificial Intelligence (AI) and digital transformation represents a dual force of challenge and opportunity across all industries. While technological disruptions may alter the competitive landscapes and credit risk profiles of certain corporate sectors, they also offer immense potential for the financial services industry. The Group views AI as a strategic catalyst to refine our credit assessment capabilities through advanced data analytics, optimize operational workflows, and bolster our fraud detection mechanisms.

Against this backdrop, the Group's stance on the Hong Kong property market and the broader local credit environment remains prudently optimistic. Supported by a stabilized property market and a relatively conducive interest rate environment, the underlying demand for high-quality loan products is expected to expand.

To thrive amidst these macro-dynamics, the money lending industry will inevitably accelerate its trajectory toward consolidation and professionalization, where robust capital bases and institutional-grade risk management will serve as the ultimate competitive advantages. Leveraging our professionalism, the reputable brand "***Hong Kong Finance***" and our seasoned expertise, the Group is fully dedicated to maintaining a defensive yet agile operational posture. We will continuously fine-tune our product mix, diversify our loan portfolio, and selectively target high-net-worth clients. By balancing rigorous risk protocols with tactical market responsiveness, we are well-positioned to safeguard our asset quality while capturing sustainable growth opportunities in the unfolding economic cycle.

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

Neither our Company nor any of our subsidiaries purchased, sold or redeemed any of our Company's listed securities during the year 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 year.

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 year.

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 Messrs. Deloitte Touche Tohmatsu 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 FINAL 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 discussed with the management of our Company the internal controls and financial reporting matters including the accounting principles and practices related to the preparation of the Group's consolidated financial statements for the year ended 31 March 2026. The Audit Committee has also reviewed the Group's consolidated financial statements for the said year with the management and the auditor of our Company and recommended them to the Board for approval.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's independent auditor, Messrs. Deloitte Touche Tohmatsu to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 24 June 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

ANNUAL GENERAL MEETING

The annual general meeting of our Company will be held on Wednesday, 2 September 2026 (the "**AGM**"). The notice of AGM, which constitutes part of the circular to the shareholders, will be published on the websites of our Company (www.hkfinance.hk) and the Stock Exchange (www.hkexnews.hk) respectively in due course.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK3.2 cents per share for the year ended 31 March 2026, subject to shareholders' approval at the AGM. The proposed final dividend, if approved at the AGM, will be paid on Friday, 9 October 2026.

CLOSURES OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods, and no transfers of shares of the Company will be effected during such periods:

(i) from Friday, 28 August 2026 to Wednesday, 2 September 2026, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. The record date for the AGM will be Wednesday, 2 September 2026. In order to be entitled to attend and vote at the AGM, 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 (the "**Branch Share Registrar**"), 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 Thursday, 27 August 2026; and

(ii) from Wednesday, 9 September 2026 to Friday, 11 September 2026, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend for the year ended 31 March 2026. The record date for the final dividend will be Friday, 11 September 2026. In order to determine entitlements to the proposed final dividend, all transfers of ordinary shares of the Company, duly accompanied by the relevant share certificates, must be lodged with the Branch Share Registrar at the address set out above for registration no later than 4:00 p.m. on Tuesday, 8 September 2026.

PUBLICATION

This announcement is published on the aforesaid websites. The 2026 annual report for the year ended 31 March 2026 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, 24 June 2026

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