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Fu Shek Financial Holdings Limited

富石金融控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2263)

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

The board (the “**Board**”) of directors (the “**Director(s)**”) of Fu Shek Financial Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2025 together with the comparative figures for the six months ended 30 September 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

		Six months ended 30 September	
		2025	2024
	Notes	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue			
Fee and commission income	3	5,933	2,588
Interest income under effective interest method		11,067	8,476
		17,000	11,064
Other gains and losses		48	(194)
Other income		2,590	5,119
Staff costs	5	(5,630)	(5,510)
Finance costs	6	(111)	(43)
Impairment loss recognised	7	(3,240)	(4,545)
Commission expenses		(874)	(176)
Depreciation of property and equipment		(421)	(414)
Other operating expenses		(3,262)	(3,837)
Profit before taxation		6,100	1,464
Taxation	8	67	–
Profit and total comprehensive income for the period		6,167	1,464
Earnings per share			
Basic (HK cents per share)	9	0.62	0.15

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		As at 30 September 2025 <i>HK\$'000</i> (unaudited)	As at 31 March 2025 <i>HK\$'000</i> (audited)
	<i>Notes</i>		
Non-current assets			
Property and equipment		257	587
Intangible asset		2,735	2,735
Other assets		809	413
Deposits		—	230
		<u>3,801</u>	<u>3,965</u>
Current assets			
Accounts receivable	11	217,676	171,357
Deposits, other receivable and prepayments		455	247
Tax recoverable		—	1,903
Bank balances – trust and segregated accounts		164,351	148,119
Bank balances – general accounts and cash		145,061	218,896
		<u>527,543</u>	<u>540,522</u>
Current liabilities			
Accounts payable	12	165,364	184,014
Other payables and accrued charges		1,278	1,587
Lease liabilities		119	470
		<u>166,761</u>	<u>186,071</u>
Net current assets		<u>360,782</u>	<u>354,451</u>
Net assets		<u><u>364,583</u></u>	<u><u>358,416</u></u>
Capital and reserves			
Share capital		10,000	10,000
Reserves		354,583	348,416
Total capital and reserves		<u><u>364,583</u></u>	<u><u>358,416</u></u>

NOTES

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

2. PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

Other than change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 31 March 2025.

Application of amendments to HKFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards 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 Group’s unaudited condensed consolidated financial statements:

Amendments to HKAS 21 Lack of Exchangeability

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

3. FEE AND COMMISSION INCOME

	Six months ended 30 September	
	2025	2024
	HK\$’000	HK\$’000
	(unaudited)	(unaudited)
Commission and brokerage income on securities dealing	3,477	1,005
Placing and underwriting services income	230	1,080
Handling and other fee income	2,223	501
Asset management fee	3	2
	<u>5,933</u>	<u>2,588</u>

Disaggregation of fee and commission income from contracts with customers

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Timing of revenue recognition		
A point in time	5,912	2,564
Over time	21	24
	<u>5,933</u>	<u>2,588</u>

4. SEGMENT INFORMATION

The Group's operating segment is determined based on information reported to the executive directors, being the chief operating decision makers ("CODM"), for the purpose of resource allocation and assessment of segment performance.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- (a) the brokerage services segment comprising the provision of brokerage services in securities traded in Hong Kong and overseas markets;
- (b) the margin financing services segment comprising the provision of financing services to margin and cash clients;
- (c) the placing and underwriting services segment comprising the provision of underwriting, sub-underwriting and placing services; and
- (d) the asset management services segment comprising the provision of investment management services.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3 to the Group's annual financial statements for the year ended 31 March 2025. Segment profit/(loss) represents the profit or loss earned by each segment without allocation of other income, other gains and losses, unallocated staff costs, unallocated finance costs, depreciation and unallocated other operating expenses. No inter-segment revenues are charged among segments.

Period ended 30 September 2025

	Brokerage services HK\$'000	Margin financing services HK\$'000	Placing and underwriting services HK\$'000	Asset management services HK\$'000	Total HK\$'000
Segment revenue	<u>5,700</u>	<u>11,067</u>	<u>230</u>	<u>3</u>	<u>17,000</u>
Segment profit/(loss)	<u>3,693</u>	<u>7,726</u>	<u>(460)</u>	<u>(87)</u>	<u>10,872</u>
Other income and gains					2,638
Unallocated staff costs					(4,114)
Unallocated finance costs					(10)
Depreciation					(421)
Unallocated other operating expenses					<u>(2,865)</u>
Profit before taxation					<u>6,100</u>
Other segment information:					
Interest income from clients	<u>-</u>	<u>11,067</u>	<u>-</u>	<u>-</u>	<u>11,067</u>
Interest on bank borrowings	<u>-</u>	<u>(101)</u>	<u>-</u>	<u>-</u>	<u>(101)</u>
Commission expenses	<u>(874)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(874)</u>
Impairment loss recognised	<u>-</u>	<u>(3,240)</u>	<u>-</u>	<u>-</u>	<u>(3,240)</u>

Period ended 30 September 2024

	Brokerage services <i>HK\$'000</i>	Margin financing services <i>HK\$'000</i>	Placing and underwriting services <i>HK\$'000</i>	Asset management services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	<u>1,506</u>	<u>8,476</u>	<u>1,080</u>	<u>2</u>	<u>11,064</u>
Segment profit/(loss)	<u>740</u>	<u>3,917</u>	<u>(666)</u>	<u>(88)</u>	<u>3,903</u>
Other income and losses					4,925
Unallocated staff costs					(3,250)
Unallocated finance costs					(29)
Depreciation					(414)
Unallocated other operating expenses					<u>(3,671)</u>
Profit before taxation					<u>1,464</u>
Other segment information:					
Interest income from clients	<u>–</u>	<u>8,476</u>	<u>–</u>	<u>–</u>	<u>8,476</u>
Interest on bank borrowings	<u>–</u>	<u>(14)</u>	<u>–</u>	<u>–</u>	<u>(14)</u>
Commission expenses	<u>(120)</u>	<u>–</u>	<u>(56)</u>	<u>–</u>	<u>(176)</u>
Impairment loss recognised	<u>–</u>	<u>(4,545)</u>	<u>–</u>	<u>–</u>	<u>(4,545)</u>

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment.

Geographical information

The Group's operations are principally located in Hong Kong and all of the Group's revenue and non-current assets are derived from and located in Hong Kong.

5. STAFF COSTS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Directors' remuneration		
– fees	360	360
– salaries, discretionary bonus and other benefits	2,149	1,978
– contributions to the retirement benefit scheme	9	9
Salaries and other benefits	3,022	3,069
Contributions to the retirement benefit scheme	90	94
	<u>5,630</u>	<u>5,510</u>

6. FINANCE COSTS

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on bank borrowings	101	14
Interest on lease liabilities	10	29
	<u>111</u>	<u>43</u>

7. IMPAIRMENT LOSS RECOGNISED

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Impairment loss recognised on:		
Accounts receivable arising from the business of dealing		
in securities	3,240	4,545
	<u>3,240</u>	<u>4,545</u>

The basis of determining the inputs and assumptions and the estimation techniques used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the Group's audited consolidated financial statements for the year ended 31 March 2025.

8. TAXATION

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
Hong Kong Profits Tax	–	–
Overprovision in prior year	67	–
	<u>67</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the prior period. No provision for Hong Kong Profits Tax has been made as there is no assessable profits for the current and prior periods.

9. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	6,167	1,464
	<u>6,167</u>	<u>1,464</u>
Number of shares:		
Weighted average number of ordinary shares in issue during the period, used in the basic earnings per share calculation ('000)	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

No diluted earnings per share is presented for the six-month periods ended 30 September 2025 and 2024 as there were no potential dilutive shares.

10. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the period ended 30 September 2025, nor has any dividend been proposed since the end of the reporting period (period ended 30 September 2024: Nil).

11. ACCOUNTS RECEIVABLE

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Accounts receivable arising from the business of dealing in securities (<i>note a</i>)		
– Hong Kong Securities Clearing Company Limited (“HKSCC”)	502	29,342
– Cash clients	1,394	2,199
– Margin clients	246,741	168,245
– Broker	16	–
Accounts receivable arising from placing and underwriting services (<i>note b</i>)	1,410	1,180
	250,063	200,966
Less: allowance for impairment loss		
– accounts receivable arising from the business of dealing in securities	(31,207)	(28,429)
– accounts receivable arising from placing and underwriting services	(1,180)	(1,180)
	217,676	171,357

Notes:

- (a) The normal settlement terms of accounts receivable from cash clients, broker and HKSCC are two days after trade date. In respect of accounts receivable from cash clients which are past due at the end of the reporting period, the ageing analysis (from settlement date) is as follows:

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
0–30 days	704	123
31–60 days	235	–
61–90 days	–	1
Over 90 days	4	1
	943	125

Accounts receivable from HKSCC and broker are related to unsettled trades and not yet past due.

No ageing analysis is disclosed, in respect of accounts receivable from margin clients, as in the opinion of the directors of the Company, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

Management assessed the fair value of the securities held by the Group of each individual client who had shortfall and provision for impairment loss of HK\$31,207,000 was made as at 30 September 2025 (31 March 2025: HK\$28,429,000). Allowance for impairment loss amounted to HK\$462,000 (30 September 2024: HK\$545,000) was written-off during the current period.

- (b) No credit period is granted for accounts receivable arising from placing and underwriting services. The ageing analysis (based on the revenue recognition date) is as follows:

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
31–60 days	230	–
Over 365 days	1,180	1,180
	<u>1,410</u>	<u>1,180</u>

Impairment allowance of HK\$1,180,000 (31 March 2025: HK\$1,180,000) has been made for accounts receivable from placing and underwriting services.

12. ACCOUNTS PAYABLE

	As at 30 September 2025 HK\$'000 (unaudited)	As at 31 March 2025 HK\$'000 (audited)
Cash clients	118,478	144,969
Margin clients	45,763	36,107
HKSCC	1,123	2,938
	<u>165,364</u>	<u>184,014</u>

The normal settlement terms of accounts payable to clients and HKSCC are two days after trade date.

Accounts payable to cash clients, margin clients and HKSCC are repayable on demand after settlement date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

The accounts payable amounting to HK\$164,351,000 (31 March 2025: HK\$148,119,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

During the first half of the financial year ending 31 March 2026, the global economy sustained a modest recovery with continued uncertainties. The Russo-Ukrainian conflict which intensified in early 2022 was yet to be resolved and the new tariffs introduced by the United States during the current financial year continued to pose a negative impact on the global supply chains.

The US Federal Reserve re-commenced the lowering of the interest rate in September 2025 since December 2024, which has further enhanced the investor's confidence in the financial market, albeit the extent of the lowering of the interest rate falls below the market's expectations.

Following the announcement of a series of support measures by the Chinese government since September 2024, market sentiment improved significantly since. The recent rapid developments of technology sector including AI and semiconductor industries have further attracted significant capital inflows into the market from investors.

According to the monthly market highlights provided by the Stock Exchange, average daily turnover for the securities market for the first three quarters of 2025 was HK\$256.4 billion, representing an increase of approximately 126% as compared to corresponding period in 2024. The total funds raised in the securities market in Hong Kong for the first three quarters of 2025 was HK\$444.0 billion, representing an increase of approximately 252.0% as compared to corresponding period in 2024.

BUSINESS REVIEW

Since over two decades, the Group has been providing comprehensive financial services in Hong Kong, including (i) securities trading services including brokerage services and margin financing services; (ii) placing and underwriting services; and (iii) asset management services. During the six months ended 30 September 2025 (the “**Reporting Period**”), the Group's revenue was approximately HK\$17.0 million, representing an increase of approximately 53.7% in total revenue for the corresponding period in 2024.

Securities Trading Services

Brokerage Services

The Group provides securities dealing and brokerage services and ancillary service to clients who maintain a trading account. Commission income from the Group's securities brokerage business and handling and other fee income for the Reporting Period increased by approximately 278.5% to approximately HK\$5.7 million as compared with that of the six months ended 30 September 2024 (the six months ended 30 September 2024: approximately HK\$1.5 million) and accounted for approximately 33.5% (the six months ended 30 September 2024: 13.6%) of the total revenue. The increase in revenue from brokerage services was attributable to the increased commission income received from the Group's clients and the increase in their trading turnover during the Reporting Period which is in line with the market trends. Also, the Group recorded a significant increase in handling and other fee income attributable to the increase in IPO subscriptions from the Group's clients due to the continuous improvement in the IPO market sentiment during the Reporting Period. The segment profit from brokerage services increased by approximately 399.1% to approximately HK\$3.7 million as compared with the corresponding period of 2024 (the six months ended 30 September 2024: approximately HK\$0.7 million) which is in line with the increase in trading turnover and volume of IPO subscriptions during the Reporting Period.

Margin Financing Services

The Group provides financing services to facilitate its clients' purchase of securities on a margin basis in the secondary market and subscription to IPOs. Interest income from margin financing provided by the Group for the Reporting Period increased by approximately 30.6% to approximately HK\$11.1 million as compared with that of the six months ended 30 September 2024 (the six months ended 30 September 2024: approximately HK\$8.5 million) and accounted for approximately 65.1% (the six months ended 30 September 2024: 76.6%) of the total revenue. The increase in interest income from margin financing was mainly due to an increase in the demand for margin financing services during the Reporting Period. The segment profit from margin financing services increased by approximately 97.2% to approximately HK\$7.7 million as compared with the corresponding period of 2024 (the six months ended 30 September 2024: approximately HK\$3.9 million) as the Group recorded a continued rebound in demand for the Group's margin financing services and the allowance for impairment loss recognised under the expected credit loss model for accounts receivable arising from the business of dealing in securities decreased by approximately 28.7% to approximately HK\$3.2 million (the six months ended 30 September 2024: approximately HK\$4.5 million) during the Reporting Period. To recover accounts receivable arising from the business of dealing in securities with impairment loss, the Group has taken various actions, including restructuring arrangements, issuing demand letters and commencing legal proceedings action against the borrowers.

As at 30 September 2025, the Group had 630 (30 September 2024: 607) active securities accounts as reported pursuant to Securities and Futures Ordinance.

Placing and Underwriting Services

The Group provides placing and underwriting services by acting as (i) bookrunner, lead manager or underwriter of listing applicants in IPOs; (ii) placing agent of listed companies in connection with their issuance or sale of equity or debt securities; and (iii) manager for issue of bonds by listed or unlisted corporations, in return for placing and/or underwriting commission income. The commissions from placing and underwriting engagements vary on a case-by-case basis, as they are charged either based on pre-determined fixed fee or a fee calculated as a percentage of the total price of securities underwritten. Commission income from the Group's placing and underwriting services for the Reporting Period decreased by approximately 78.7% to approximately HK\$0.2 million as compared with that of the six months ended 30 September 2024 (the six months ended 30 September 2024: approximately HK\$1.1 million) and accounted for approximately 1.4% (the six months ended 30 September 2024: 9.8%) of the total revenue.

The Group engaged in different placing and underwriting exercises and successfully completed 1 project during the Reporting Period (the six months ended 30 September 2024: 2 projects). The lack of fund raising exercises from small and mid-sized issuers in the market, especially in the absence of new listing on GEM of the Stock Exchange during the Reporting Period, led to the decrease in number of transactions completed. The segment result from placing and underwriting services recorded a loss of approximately HK\$0.5 million (the six months ended 30 September 2024: loss of approximately HK\$0.7 million), which was mainly due to decreased staff costs during the Reporting Period.

Asset Management Services

During the Reporting Period, the revenue of asset management services was approximately HK\$3,000 (the six months ended 30 September 2024: HK\$2,000) and the segment loss was approximately HK\$87,000 (the six months ended 30 September 2024: HK\$88,000). The expansion of asset management services segment has met with difficulties under the current high level of interest rate and prolonged uncertain economic outlook.

OUTLOOK AND PROSPECTS

The Group believes that the Hong Kong financial services industry with its strong history and foundation, sound reputation, supportive policies from the government and outstanding industry professionals, would remain in a top position worldwide. In view of the GEM listing regime reform, the Group considers there will be more business opportunities in placing and underwriting services in the current financial year ending 31 March 2026 since the Group has a strong history to provide services to the clients in this market. Also, as stated in the announcement dated 25 July 2025, Sinomax Securities Limited (“**Sinomax**”), an indirect wholly owned operating subsidiary of the Company, has submitted an application to the Securities and Futures Commission of Hong Kong on 25 July 2025 to provide virtual assets dealing and/or advisory services as an intermediary under its license for Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In view of the rapid development of virtual assets globally and the supportive stance of the Government of Hong Kong in recent years, the Group is of the view that, subject to obtaining the necessary regulatory approvals, the expansion of Sinomax's business into the virtual assets-related services is in line with the Company's strategy to provide more diversified products scope and range of services to the Group's clients.

Following the long awaited commencement of lowering of interest rate by the US Federal Reserve in the current financial year, the Group expects that the clients will shift more assets into the securities market. Indeed, the demand for the Group's margin financing services reached its bottom and recorded a rebound in the level of amount of the Group's margin financing services to clients during the Reporting Period compared to that as at 31 March 2025.

The Group will leverage the knowledge and experience of its management team to seize opportunities as they arise by widening its products scope, range of services, co-operation with other brokers and expanding its clients' base. In response to the opportunities in the market, the Group will remain prudent towards external factors arising from the global and local economic situation and enhance its strengths to consolidate the Group's position in the industry.

The Group will continue to control its operating costs over the prolonged uncertain economic outlook to improve the cost effectiveness and profitability of the Group by utilising financial resources effectively.

FINANCIAL REVIEW

Revenue

During the Reporting Period, the Group recorded a revenue of approximately HK\$17.0 million (the six months ended 30 September 2024: approximately HK\$11.1 million), representing an increase of approximately 53.7% compared with that of the six months ended 30 September 2024. The overall increase was mainly due to increase in commission and brokerage income on securities dealing, increase in handling and other fee income and increase in interest income from margin financing business during the Reporting Period.

Other Operating Expenses

For the Reporting Period, the other operating expenses decreased by approximately 15.0% to approximately HK\$3.3 million as compared with the six months ended 30 September 2024 (the six months ended 30 September 2024: approximately HK\$3.8 million). The decrease was mainly due to less legal and professional fee incurred for pursuing legal actions for recovery of accounts receivable arising from the business of dealing in securities with impairment loss during the Reporting Period.

Net Profit

For the Reporting Period, the Group's net profit was approximately HK\$6.2 million, representing an increase of approximately 321.2% compared with approximately HK\$1.5 million from the six months ended 30 September 2024. Such increase was mainly due to increase in commission and brokerage income on securities dealing, increase in handling and other fee income and increase in interest income from margin financing services as the demand for the Group's margin financing services continuously rebound as compared with the six months ended 30 September 2024.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintained a strong liquidity position with bank deposits, and financed its operations by cash mainly generated from operations. As at 30 September 2025, the Group had total bank balances for general accounts and cash of approximately HK\$145.1 million (as at 31 March 2025: approximately HK\$218.9 million). The decrease in balances was mainly to support the continued rebound in demand for the Group's margin financing services. As at 30 September 2025, the Group had net current assets of approximately HK\$360.8 million, representing an increase of approximately HK\$6.3 million as compared with that of approximately HK\$354.5 million as at 31 March 2025. The financial position of the Group remained stable during the Reporting Period.

The Group's gearing ratio was nil as at 30 September 2025 (as at 31 March 2025: Nil).

Gearing ratio is calculated based on total debts which represent bank borrowings only, divided by net assets as at the end of the Reporting Period.

Borrowings

As at 30 September 2025, the Group had nil bank borrowings (as at 31 March 2025: Nil).

Pledge of Assets

As at 30 September 2025, the Group did not have any pledged assets (as at 31 March 2025: Nil).

Foreign Currency Exposure

As the Group only operates in Hong Kong and the majority of the revenue and transactions arising from its operations were settled in Hong Kong dollar, the Directors are of the view that the Group's foreign exchange rate risks are insignificant. Thus, the Group has not entered into any derivative contracts to hedge against the foreign exchange rate risk for the Reporting Period.

Capital Commitments and Contingent Liabilities

As at 30 September 2025, the Group did not have any significant capital commitment and contingent liabilities (as at 31 March 2025: Nil).

Employees and Remuneration Policies

As at 30 September 2025, the Group employed 15 staff (as at 31 March 2025: 15). The employees' remuneration was determined based on factors such as qualification, duty, contributions and years of experience. Staff costs primarily consist of fees, salaries, discretionary bonus and other benefits as well as contributions to the mandatory provident fund for the Directors and employees of the Group. Staff costs are approximately HK\$5.6 million during the Reporting Period (the six months ended 30 September 2024: HK\$5.5 million).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

Significant Investments Held by the Group

As at 30 September 2025, the Group did not make any significant investments (as at 31 March 2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 31 January 2020 (the "**Prospectus**"), the Group did not have other future plans for material investments or capital assets as at the date of this interim results announcement.

USE OF PROCEEDS

The net proceeds from the listing of the Company's shares on the main board of the Stock Exchange received by the Group, after deducting related expenses, were approximately HK\$90.6 million. These net proceeds are intended to be applied in accordance with the proposed application set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Such uses include: (i) expansion of placing and underwriting business; (ii) funding for margin financing business; (iii) establishment and renovation of a new office; (iv) expansion of workforce; (v) enhancement of IT systems; (vi) promotion and marketing; and (vii) working capital.

Business strategies	Net proceeds as allocated in accordance with the Prospectus <i>HK\$ Million</i>	Actual use of net proceeds up to 30 September 2025 <i>HK\$ Million</i>	Unutilised use of net proceeds up to 30 September 2025 <i>HK\$ Million</i>	Expected timeline of full utilisation of the balance
Expansion of placing and underwriting business	27.0	27.0	–	–
Funding for margin financing business	10.2	10.2	–	–
Establishment and renovation of a new office	15.7	–	15.7	End of 2026
Expansion of workforce	12.9	1.1	11.8	End of 2026
Enhancement of IT systems	9.0	–	9.0	End of 2026
Promotion and marketing	7.2	–	7.2	End of 2026
Working capital	8.6	8.6	–	–
Total	90.6	46.9	43.7	

As at 30 September 2025, the unutilised net proceeds were placed with a licensed bank in Hong Kong.

In consideration of the prolonged uncertain economic outlook, the Group has adopted a conservative but flexible approach for utilising the net proceeds effectively and efficiently for the long-term development of the Group. The Group has kept the expansion and development plans on hold during the Reporting Period, and planned to resume when the global economic environment is stabilised.

The Directors regularly evaluate the Group's business objective and may change or modify plans against the changing market condition to ascertain the business growth of the Group. During the Reporting Period, the Directors considered that no modification of the use of net proceeds described in the Prospectus was required.

INTERIM DIVIDENDS

The board of the Directors does not recommend the declaration of interim dividend for the Reporting Period (the six months ended 30 September 2024: Nil).

EVENTS AFTER THE REPORTING PERIOD

The Group had no material subsequent events after the Reporting Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules for the Reporting Period.

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

Throughout the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiry by the Company of all Directors that they have fully complied with the required standard as set out in the Model Code throughout the Reporting Period.

AUDIT COMMITTEE

The Company established its Audit Committee which consists of three members, namely Mr. Lai Man Sing (chairman), Dr. Yu Sun Say and Ms. Tsang Ngo Yin. The Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations for ensuring compliance with the relevant regulatory requirements.

The Audit Committee has reviewed with management of the Company the Group's unaudited condensed consolidated interim financial statements for the six months ended 30 September 2025 including the accounting principles and practices adopted by the Group.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited condensed consolidated financial statements of the Group as set out in this interim results announcement had been reviewed by the Audit Committee and the Company's auditor, Baker Tilly Hong Kong Limited.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement of the Company is published on the website of the Stock Exchange (www.hkex.com.hk) and on the website of the Company (www.hkfsfinance.com). The interim report of the Company for the six months ended 30 September 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Fu Shek Financial Holdings Limited
Keng Stephen Lee
Chairman

Hong Kong, 27 November 2025

As at the date of this announcement, the Board comprises Mr. Keng Stephen Lee as chairman and non-executive Director, Mr. Sy Man Chiu and Mr. Ng Sik Chiu as executive Directors, and Dr. Yu Sun Say, Mr. Lai Man Sing and Ms. Tsang Ngo Yin as independent non-executive Directors.