新鴻基有限公司
SUN HUNG KAI & CO. LIMITED

Stock Code: 0086

2025
INTERIM REPORT

About Us

Sun Hung Kai & Co. Limited (SEHK: 86) ("SHK & Co." or the "Company", together with its subsidiaries, the "Group") is a leading Hong Kong-based financial institution recognised for its expertise in alternative investments and wealth management. Since 1969, the Company has built a diversified investment portfolio across public markets, credit and alternatives strategies including real estate and private equity, delivering long-term risk-adjusted returns. Leveraging its deep-rooted Asian heritage, SHK & Co. supports and nurtures specialist emerging asset managers in the region, empowering them to excel. SHK & Co. also utilises its long-standing investment expertise and resources in providing tailored investment solutions to like-minded partners and ultra-high-net-worth investors through its Family Office Solutions. As of 30 June 2025, the Group held about HK$37.7 billion in total assets.

Contents

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS[1]

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

1 To better reflect each segment's revenue generating model, we grouped our business segments as follows:
- Fees and interest based: Credit and Funds Management
- Investment: Investment Management
- Corporate: Group Management and Support, or GMS

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

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

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

5 Second interim dividend

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

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

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

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

RESULTS ANALYSIS

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

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

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

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

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

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

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

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

BUSINESS REVIEW

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

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

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

CREDIT BUSINESS

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

Consumer Finance

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

Segment Half Year Results

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

1 Interest and fee income/average gross loan balance
2 Before impairment allowance

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

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

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

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

Net Impairment Losses on Financial Instruments

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

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

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

3 An adjustment to reflect changes in expected credit loss in the loan portfolio balance

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

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

Note: amount as a percentage of net loan balance.

Hong Kong Business

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

1 Charge-off/average gross loan balance

2 Net impairment losses/average gross loan balance

3 Impairment allowance/gross loan balance at period/year end

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

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

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

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

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

Mainland China Business

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

1 Charge-off/average gross loan balance
2 Net impairment losses (reversals)/average gross loan balance
3 Impairment allowance/gross loan balance at period/year end

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

Mortgage Loans

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

Segment Half Year Results

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

1 Annualised interest income and charge/average gross loan balance

2 Before impairment allowance

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

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

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

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

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

INVESTMENT MANAGEMENT

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

We reorganised the analysis of pre-tax contribution for the segment based on asset classes to reduce redundancy and increase clarity. For a more detailed breakdown of gains and losses by nature, please refer to Note 4 to the condensed consolidated financial statements included in this report.

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

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

1 Re-presented

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

3 At fair value through other comprehensive income ("FVTOCI").

4 Including Hedge Funds portfolio and other funds managed by Funds Management division.

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

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

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

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

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

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

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

Public Markets

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

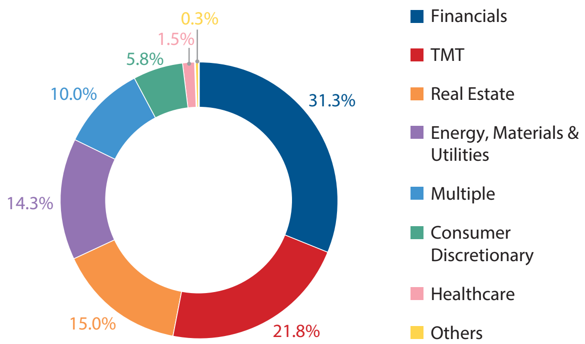
Corporate Holdings

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

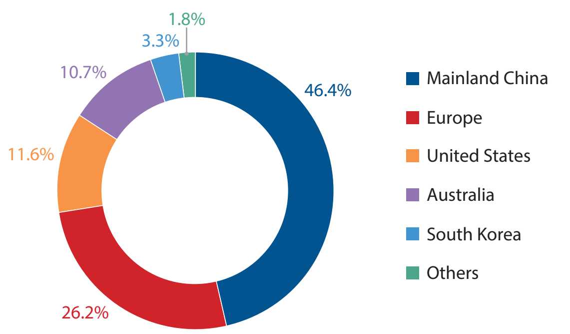
The portfolio delivered a robust gain of 22.3% for the period, with both our strategic long-term holdings and tactical short-term positions contributing materially. Our exposure to Chinese equities – particularly in fintech, large-cap internet platforms, and "new consumption" companies – recovered from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

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

Corporate Holdings by Sector



Corporate Holdings by Geography



Strategic Holdings

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

Alternatives

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

Private Equity

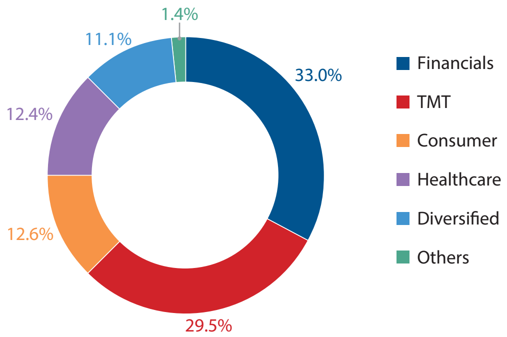
The Private Equity portfolio consists of our investments in external funds, co-investments alongside such funds, and direct investments. This asset class provides us with attractive returns over the mid to long-term by taking advantage of our access to high-quality opportunities, domain expertise and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

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

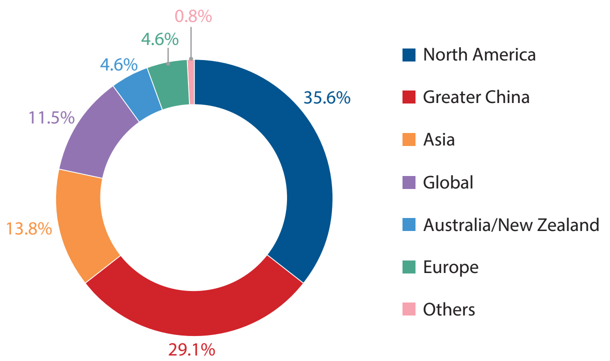
During the period, two of our direct/co-investments – Jefferson Capital (NASDAQ: JCAP) and Saint Bella (2508.HK) – successfully listed in the US and Hong Kong respectively, enabling us to capitalise on increased valuations and facilitating realisations. Additionally, we executed strategic secondary sales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

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

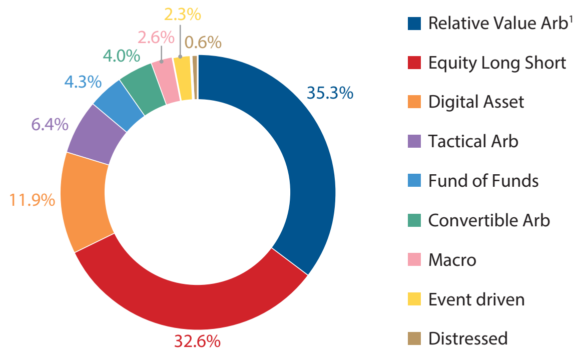
Private Equity Exposure by Sector



Private Equity Exposure by Geography

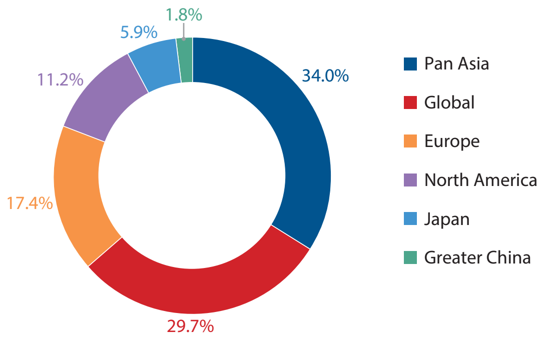


External Hedge Funds Exposure by Strategy



[1] Formerly market neutral

External Hedge Funds Exposure by Geography



Hedge Funds

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

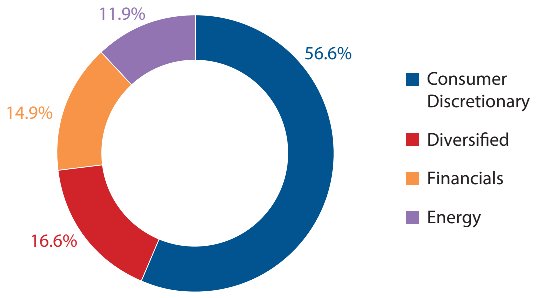
The portfolio entered the year with a conservative risk profile, which enabled the program to generate steady returns despite a highly volatile environment. By steadily compounding gains nearly each month, our hedge fund portfolio returned 6.8% in the first half of 2025. Strategies that broadly contributed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

Special Situations and Structured Credit

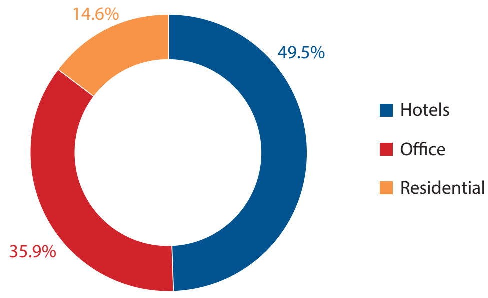
The Special Situations and Structured Credit strategy focuses on leveraging unique opportunities emerging from market dislocations or specific events. Our portfolio predominantly includes investments in distressed or mispriced assets and has further expanded our footprint in Western Europe, North America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

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

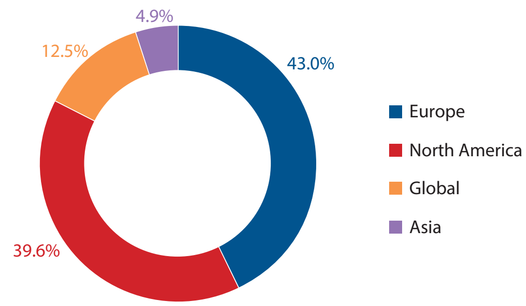
Special Sits & Structured Credit Exposure by Sector[1]



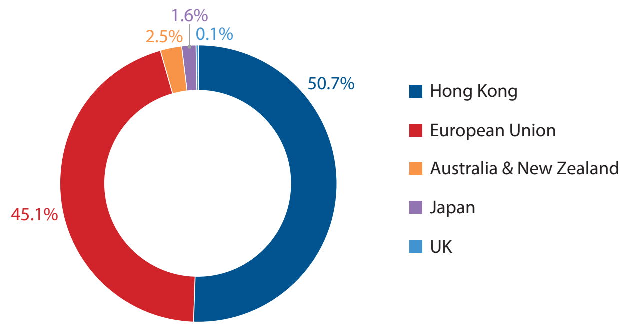
Real Estate Exposure by Asset Class



Special Sits & Structured Credit Exposure by Geography[1]



Real Estate Exposure by Geography



[1] Term loans regrouped from Private Credit are not included.

Real Estate

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

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

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

FUNDS MANAGEMENT

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

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

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

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

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

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

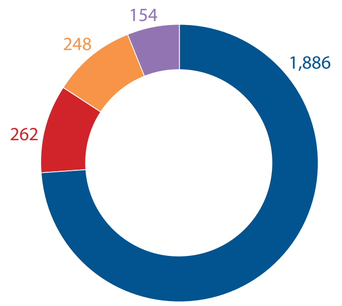
Operationally, we continue to build out the platform to further institutionalise its infrastructure and enhance scalability for wealth management through investments in our team and implementation of policies and processes.

AUM^ and Segment Half Year Results

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

SHK & Co. Group's initiatives on asset management and wealth management activities – AUM^ Breakdown

(US$ million)

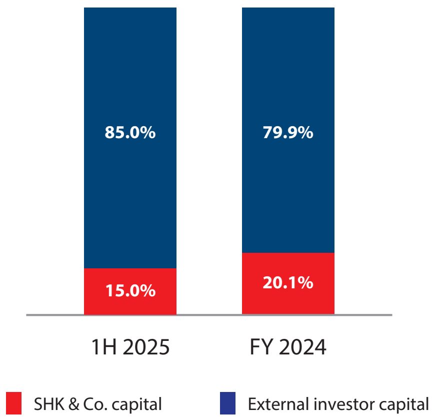


1 Fund Partnerships includes assets managed by ActusRayPartners, E15VC, Kernel and Scalar.
2 FOS & SHKCP Funds includes assets managed by FOS, Latitude Alpha, and Multiple Capital Investment Partners ("MCIP").
3 External Fund Services (formerly Distribution of external funds) includes assets under services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

AUM^ Movement in 1H 2025 *(US$ million)*

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

AUM^ Composition: SHK & Co. Capital vs. External Investor Capital – Fund Partnerships and FOS & SHKCP Funds



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

^ "AUM" refers to the total value of assets managed, advised, distributed or otherwise serviced, including:

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

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

Segment Half Year Results

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

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

1 Mainly mark-to-market of carried interest distribution in kind received.

OUTLOOK

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

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

FINANCIAL REVIEW

Financial Resources, Liquidity, Capital Structure and Key Performance Indicators

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

1 Bank and other borrowings and notes payable
2 Total borrowing minus total cash
3 Earnings before interest and tax/interest expense
4 Annualised profit including non-controlling interests/average assets
5 Annualised profit attributable to owners of the Company/average equity attributable to owners of the Company

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

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

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

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

Note	Maturity Date	HK$ Equivalent *(In Million)*	% Total
5.00% US$ notes^	9/2026	2,898.9	100.0%
Total		2,898.9	100.0%

^ Listed on The Stock Exchange of Hong Kong Limited

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

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

Significant Investments

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

Material Acquisitions and Disposal of Subsidiaries, Associates and Joint Ventures

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

Important Events After the End of the Financial Period

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

Charges on Group Assets

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

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

Contingent liabilities

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

PEOPLE & CULTURE

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

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

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

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

Employee Wellbeing and Work-Life Balance:

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

Competitive Compensation and Career Growth:

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

Inclusive and Engaging Work Culture:

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

Learning and Development:

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

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

DIRECTORS' INTERESTS

As at 30 June 2025, the interests of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under Section 352 of the SFO (the "Section 352 Register") were as follows:

(A)Interests in the shares of the Company (the "Shares")

Name of Director	Capacity	Number of Shares	Approximate % of the total number of issued Shares
Lee Seng Huang ("Mr. Lee")	Interests of controlled corporation *(Note 1)*	1,444,479,575 *(Note 2)*	73.51%
Antony James Edwards ("Mr. Edwards")	Beneficial owner	500,000	0.05%
	Beneficiary of trust	573,000 *(Note 3)*	
Brendan James McGraw ("Mr. McGraw")	Beneficial owner	876,000	0.10%
	Beneficiary of trust	1,116,000 *(Note 4)*	
Simon Chow Wing Charn	Beneficial owner	1,681,000	0.08%
Peter Anthony Curry	Beneficial owner	1,241,141	0.06%

Notes:

1. Mr. Lee, a Director, together with Mr. Lee Seng Hui and Ms. Lee Su Hwei are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.99% of the total number of issued shares of Allied Group Limited ("AGL") (inclusive of Mr. Lee Seng Hui's personal interests) and was therefore deemed to have interests in the Shares in which AGL was interested.

2. This referred to the deemed interests in 1,444,479,575 Shares held by AP Emerald Limited ("AP Emerald"), a wholly-owned subsidiary of AP Jade Limited ("AP Jade") which in turn was a wholly-owned subsidiary of Allied Properties (H.K.) Limited ("APL"). AGL directly and indirectly (through Capscore Limited, Citiwealth Investment Limited and Sunhill Investments Limited, all being direct wholly-owned subsidiaries of AGL) owned 100% of the total number of issued shares of APL. AGL was therefore deemed to have interests in the Shares in which AP Emerald was interested.

3. These included the deemed interests in 573,000 unvested Shares granted to Mr. Edwards on 20 April 2025 under the SHK Employee Ownership Scheme ("EOS") and were subsequently accepted by Mr. Edwards. Such awarded Shares are subject to a vesting scale in tranches whereby one-third thereof (i.e. 191,000 Shares) will vest and become unrestricted from 20 April 2026, another one-third thereof will vest and become unrestricted from 20 April 2027; and the remaining one-third thereof will vest and become unrestricted from 20 April 2028.

4. These included the deemed interests in:

   (a) 170,000 unvested Shares out of the total of 510,000 Shares granted to Mr. McGraw on 20 April 2023 under the EOS and were subsequently accepted by Mr. McGraw. Such awarded Shares are subject to a vesting scale in tranches whereby one-third thereof (i.e. 170,000 Shares) vested and became unrestricted from 20 April 2024, another one-third thereof vested and became unrestricted from 20 April 2025; and the remaining one-third thereof will vest and become unrestricted from 20 April 2026;

   (b) 418,000 unvested Shares out of the total of 627,000 Shares granted to Mr. McGraw on 20 April 2024 under the EOS and were subsequently accepted by Mr. McGraw. Such awarded Shares are subject to a vesting scale in tranches whereby one-third thereof (i.e. 209,000 Shares) vested and became unrestricted from 20 April 2025, another one-third thereof will vest and become unrestricted from 20 April 2026; and the remaining one-third thereof will vest and become unrestricted from 20 April 2027; and

   (c) 528,000 unvested Shares granted to Mr. McGraw on 20 April 2025 under the EOS and were subsequently accepted by Mr. McGraw. Such awarded Shares are subject to a vesting scale in tranches whereby one-third thereof (i.e. 176,000 Shares) will vest and become unrestricted from 20 April 2026, another one-third thereof will vest and become unrestricted from 20 April 2027; and the remaining one-third thereof will vest and become unrestricted from 20 April 2028.

(B) Interests in the shares and debentures of associated corporations

Name of Director	Associated corporation	Capacity	Number of shares/amount of debentures	Approximate % of the total number of issued shares in class
Lee Seng Huang ("Mr. Lee") *(Note 1)*	AGL	Trustee *(Note 2)*	2,634,646,760	74.98%
	Tian An China Investments Company Limited("TACI")	Interests of controlled corporation *(Note 3)*	834,809,096	56.94%
	Tian An Australia Limited ("TIA")	Interests of controlled corporation *(Note 4)*	67,300,196	77.70%
	Asiasec Properties Limited ("Asiasec")	Interests of controlled corporation *(Note 5)*	930,376,898	74.98%
	Tian An Medicare Limited ("TAMC")	Interests of controlled corporation *(Note 6)*	556,097,010	51.35%
	MCIP CI I Limited ("MCIP CI") *(Note 7)*	Beneficial owner	5 *(Note 8)*	33.33%
	Sun Hung Kai & Co. (BVI) Limited ("SHK BVI") *(Note 9)*	Beneficial owner	US$200,000 *(Note 10)*	N/A
Brendan James McGraw	SHK Latitude Alpha Fund *(Note 11)*	Beneficial owner	101.71 *(Note 12)*	0.10%
Vivian Alexa Kao	SHK Latitude Alpha Fund *(Note 11)*	Interests of controlled corporation *(Note 13)*	966.27 *(Note 12)*	0.97%

Notes:

1. Mr. Lee, by virtue of his interests in AGL, was deemed to be interested in the shares of the subsidiaries of AGL, which are associated corporations of the Company as defined under the SFO.

   A waiver application was submitted to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for exemption from disclosure in this report Mr. Lee's deemed interests in the shares of such associated corporations of the Company as recorded in the Section 352 Register, and the waiver was granted by the Stock Exchange on 21 July 2025.

2. Mr. Lee is one of the trustees of Lee and Lee Trust, being a discretionary trust which indirectly controlled 2,634,646,760 shares of AGL.

3. This referred to the same interest held indirectly by AGL in TACI.

4. This referred to the same interest held indirectly by AGL in TIA through TACI.

5. This referred to the same interest held indirectly by AGL in Asiasec through TACI.

6. This referred to the same interest held indirectly by AGL in TAMC through TACI.

7. MCIP CI was a non wholly-owned subsidiary of the Company and therefore was an associated corporation of the Company as defined under the SFO.

8. This referred to non-voting participating class C shares in the issued share capital of MCIP CI.

9. SHK BVI was a wholly-owned subsidiary of the Company and therefore was an associated corporation of the Company as defined under the SFO.

10. These represented the interests held by Mr. Lee in the 5.00% Guaranteed Notes due September 2026 issued by SHK BVI.

11. SHK Latitude Alpha Fund was a non wholly-owned subsidiary of the Company and therefore was an associated corporation of the Company as defined under the SFO.

12. This referred to non-voting participating redeemable Class A1 shares in the issued share capital of SHK Latitude Alpha Fund.

13. The interests were held by Tamarind Limited, which in turn was wholly-owned by Shou Zi Chew 2019 Trust. Ms. Vivian Alexa Kao together with Mr. Shou Zi Chew are the co-trustees of Shou Zi Chew 2019 Trust and was therefore deemed to have interest in the shares held by Tamarind Limited.

All interests stated above represented long positions. As at 30 June 2025, none of the Directors held any short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations.

Save as disclosed above, as at 30 June 2025, neither the Directors nor the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the Section 352 Register or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2025, the following shareholders had interests in the Shares as recorded in the register required to be kept under Section 336 of the SFO (the "SFO Register"):

Name of Shareholder	Capacity	Number of Shares	Approximate % of the total number of issued Shares
AGL	Interests of controlled corporation *(Note 1)*	1,444,479,575	73.51%
Lee and Lee Trust	Interests of controlled corporation *(Note 2)*	1,444,479,575	73.51%
Lee Su Hwei	Interests of controlled corporation and interests of spouse *(Note 3)*	1,465,684,265	74.59%

Notes:

1. The interests were held by AP Emerald, a wholly-owned subsidiary of AP Jade which in turn was a wholly-owned subsidiary of APL. AGL directly and indirectly (through Capscore Limited, Citiwealth Investment Limited and Sunhill Investments Limited, all being direct wholly-owned subsidiaries of AGL) owned 100% of the total number of issued shares of APL. AGL was therefore deemed to have interests in the Shares in which AP Emerald was interested.

2. Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang (a Director) are the trustees of Lee and Lee Trust, being a discretionary trust. The Lee and Lee Trust controlled approximately 74.99% of the total number of issued shares of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and was therefore deemed to have an interest in the Shares in which AGL was interested through AP Emerald.

3. This represented interests in (i) same parcel of Shares in which the Lee and Lee Trust was deemed to have an interest; and (ii) 21,204,690 Shares held by Mr. Chen Yue Jia James, the spouse of Ms. Lee Su Hwei.

All interests stated above represented long positions. As at 30 June 2025, no short positions were recorded in the SFO Register of the Company.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other persons who had interests or short positions in the Shares or underlying Shares which would require to be disclosed to the Company pursuant to Part XV of the SFO.

CORPORATE GOVERNANCE

Corporate Governance Code

During the six months ended 30 June 2025, the Company has applied the principles of, and complied with, the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules, except for certain deviations which are summarised below:

(a) Code Provision C.2.1

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

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

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

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

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

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

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

Code of Conduct Regarding Securities Transactions by Directors

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries being made by the Company, that they have complied with the required standard as set out in the Model Code throughout the period under review.

OTHER INFORMATION

Interim Dividend

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

Closure of Register of Members

The register of members of the Company will be closed from 8 September 2025 to 10 September 2025 (both days inclusive), during which period no transfer of shares will be registered. The ex-dividend date will be 4 September 2025. In order to qualify for entitlement to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's registrar, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 5 September 2025.

Changes in Directors' Information

The changes in Directors' information since the publication of the 2024 annual report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

Positions held with the Company

Mr. Wayne Robert Porritt, an Independent Non-executive Director, was appointed as the chairman of the Environmental, Social and Governance Committee ("ESG Committee") of the Board of Directors of the Company with effect from 21 March 2025.

Ms. Vivian Alexa Kao, an Independent Non-executive Director, has stepped down as the chairperson of the ESG Committee but remains as a member, with effect from 21 March 2025.

Experience in other directorships and major appointments

– Mr. Wayne Robert Porritt (i) was appointed as a non-executive director and a member of Audit and Risk Management Committee of Tasmanian Ports Corporation Pty Ltd ("TasPorts"), a state-owned company in Tasmania responsible for ten Tasmanian ports and the Devonport Airport, as well as the chairman of the board of Bass Island Line Pty Ltd, a subsidiary of TasPorts, all with effect from 20 May 2025; (ii) was appointed as advisor of Our Hong Kong Foundation with effect from 27 June 2025; (iii) resigned as a director of CMIG International Holding Pte. Ltd effective from 24 July 2025; (iv) resigned as a director of Lily Bermuda Holding Limited with effect from 29 July 2025; and (v) ceased to be the vice chair of Fundraising and Communications Committee of Oxfam Hong Kong with effect from 14 May 2025.

– Mr. William Thomas Royan was appointed as an independent director of Cannae Holdings, Inc., a U.S. company listed on the New York Stock Exchange with effect from 1 June 2025.

– Mr. Evan Au Yang Chi Chun was appointed as a member of Subcommittee on Ecosystem and Infrastructure of the Task Force on Promoting Web3 Development with effect from 1 July 2025.

Change in Directors' emoluments

– Change in the emoluments of Mr. Lee Seng Huang and Mr. Brendan James McGraw (both being Executive Directors) during the period as disclosed in the Corporate Governance Report of the 2024 Annual Report of the Company.

Purchase, Sale or Redemption of Securities

Repurchase of Notes of a subsidiary, Sun Hung Kai & Co. (BVI) Limited ("SHK BVI")

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

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

Audit Committee Review

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

On behalf of the Board
Lee Seng Huang
Group Executive Chairman
Hong Kong, 20 August 2025

Deloitte. 德勤

TO THE BOARD OF DIRECTORS OF SUN HUNG KAI & CO. LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Sun Hung Kai & Co. Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 26 to 50, which comprise the condensed consolidated statement of financial position as of 30 June 2025 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as issued by the HKICPA. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
20 August 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(HK$ Million)	Notes	Six months ended 30/6/2025 Unaudited	30/6/2024 Unaudited
Interest income		**1,715.8**	1,817.7
Other revenue	5	**87.4**	59.8
Total revenue		**1,803.2**	1,877.5
Net investment income	6	**974.1**	50.6
Other gains	7	**22.6**	23.4
Total income		**2,799.9**	1,951.5
Brokerage and commission expenses		**(55.5)**	(52.0)
Advertising and promotion expenses		**(64.0)**	(67.9)
Direct costs and operating expenses		**(62.9)**	(47.5)
Administrative expenses		**(578.0)**	(511.6)
Net exchange losses		**(23.0)**	(13.7)
Net impairment losses on financial assets	8	**(497.4)**	(427.8)
Finance costs		**(355.7)**	(492.8)
Other losses	9	**(105.2)**	(55.1)
		1,058.2	283.1
Share of results of associates		**6.6**	(1.5)
Share of results of joint ventures		**22.6**	25.8
Profit before taxation	10	**1,087.4**	307.4
Taxation	11	**(94.0)**	(122.9)
Profit for the period		**993.4**	184.5
Profit attributable to:			
– Owners of the Company		**887.0**	75.4
– Non-controlling interests		**106.4**	109.1
		993.4	184.5
Earnings per share	13		
– Basic (HK cents)		**45.3**	3.9
– Diluted (HK cents)		**45.3**	3.9

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(HK$ Million)	Notes	30/6/2025 Unaudited	31/12/2024 Audited
Non-current Assets			
Investment properties		**1,077.9**	1,134.9
Property and equipment		**295.6**	332.5
Right-of-use assets	14	**179.2**	227.2
Intangible assets		**908.2**	908.6
Goodwill		**2,384.0**	2,384.0
Interest in associates		**123.2**	111.0
Interest in joint ventures		**497.1**	415.9
Financial assets at fair value through other comprehensive income	15	**412.2**	287.9
Financial assets at fair value through profit or loss	15	**9,977.5**	9,049.0
Deferred tax assets		**226.7**	230.9
Amounts due from associates		**64.9**	195.3
Loans and advances to consumer finance customers	16	**3,784.3**	3,712.7
Mortgage loans	17	**313.8**	539.2
Term loans	18	**218.8**	41.9
Prepayments, deposits and other receivables	19	**16.7**	25.9
		20,480.1	19,596.9
Current Assets			
Financial assets at fair value through profit or loss	15	**3,395.8**	3,507.7
Taxation recoverable		**2.5**	2.7
Amounts due from associates		**164.3**	8.5
Loans and advances to consumer finance customers	16	**6,850.4**	6,815.7
Mortgage loans	17	**1,257.0**	1,439.6
Term loans	18	**188.0**	184.5
Prepayments, deposits and other receivables	19	**230.9**	318.6
Amounts due from brokers		**552.8**	418.7
Bank deposits	20	**1,029.6**	679.8
Cash and cash equivalents	20	**3,502.5**	4,327.4
		17,173.8	17,703.2

(HK$ Million)	Notes	30/6/2025 Unaudited	31/12/2024 Audited
Current Liabilities			
Financial liabilities at fair value through profit or loss	15	**243.4**	159.0
Bank and other borrowings	21	**5,659.2**	6,718.1
Creditors and accruals	22	**580.2**	450.7
Amounts due to brokers		**70.9**	88.5
Amount due to a holding company		**1.5**	1.7
Provisions		**59.0**	53.2
Taxation payable		**145.9**	96.4
Other liabilities	23	**79.3**	55.0
Lease liabilities	24	**86.0**	107.5
Notes payable	26	**53.9**	156.4
		6,979.3	7,886.5
Net Current Assets		**10,194.5**	9,816.7
Total Assets less Current Liabilities		**30,674.6**	29,413.6
Capital and Reserves			
Share capital	25	**8,752.3**	8,752.3
Reserves		**13,250.4**	12,395.2
Equity attributable to owners of the Company		**22,002.7**	21,147.5
Non-controlling interests		**3,060.3**	3,105.7
Total Equity		**25,063.0**	24,253.2
Non-current Liabilities			
Financial liabilities at fair value through profit or loss	15	**50.5**	139.2
Deferred tax liabilities		**133.2**	135.2
Bank and other borrowings	21	**2,477.2**	1,828.5
Provisions		**1.0**	1.0
Other liabilities	23	**11.9**	29.9
Lease liabilities	24	**92.8**	117.3
Notes payable	26	**2,845.0**	2,909.3
		5,611.6	5,160.4
		30,674.6	29,413.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company									
(HK$ Million)	Share capital	Shares held for Employee Ownership Scheme	Employee share-based compensation reserve	Exchange reserve	Revaluation reserve	Capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2025	8,752.3	(25.6)	5.1	(445.1)	54.0	113.5	12,693.3	21,147.5	3,105.7	24,253.2
Profit for the period	–	–	–	–	–	–	887.0	887.0	106.4	993.4
Other comprehensive income for the period	–	–	–	151.2	100.6	–	–	251.8	49.7	301.5
Total comprehensive income for the period	–	–	–	151.2	100.6	–	887.0	1,138.8	156.1	1,294.9
Recognition of equity-settled share-based payments	–	–	2.7	–	–	–	–	2.7	–	2.7
Purchase of shares for the SHK Employee Ownership Scheme	–	(11.2)	–	–	–	–	–	(11.2)	–	(11.2)
Vesting of shares of the SHK Employee Ownership Scheme	–	4.1	(4.1)	–	–	–	–	–	–	–
Interim dividend paid (Note 12)	–	–	–	–	–	–	(275.1)	(275.1)	–	(275.1)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(201.5)	(201.5)
Transfer from capital reserve to retained earnings	–	–	–	–	–	(1.1)	1.1	–	–	–
At 30 June 2025	8,752.3	(32.7)	3.7	(293.9)	154.6	112.4	13,306.3	22,002.7	3,060.3	25,063.0

	Attributable to owners of the Company									
(HK$ Million)	Share capital	Shares held for Employee Ownership Scheme	Employee share-based compensation reserve	Exchange reserve	Revaluation reserve	Capital reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2024	8,752.3	(30.2)	9.3	(383.6)	(20.3)	109.4	12,831.1	21,268.0	3,127.6	24,395.6
Profit for the period	–	–	–	–	–	–	75.4	75.4	109.1	184.5
Other comprehensive expenses for the period	–	–	–	(20.2)	(5.7)	–	–	(25.9)	(12.4)	(38.3)
Total comprehensive (expenses) income for the period	–	–	–	(20.2)	(5.7)	–	75.4	49.5	96.7	146.2
Recognition of equity-settled share-based payments	–	–	(0.7)	–	–	–	–	(0.7)	–	(0.7)
Vesting of shares of the SHK Employee Ownership Scheme	–	4.6	(4.6)	–	–	–	–	–	–	–
Interim dividend paid (Note 12)	–	–	–	–	–	–	(275.1)	(275.1)	–	(275.1)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	(1.3)	(1.3)
Transfer from capital reserve to retained earnings	–	–	–	–	–	(1.9)	1.9	–	–	–
At 30 June 2024	8,752.3	(25.6)	4.0	(403.8)	(26.0)	107.5	12,633.3	21,041.7	3,223.0	24,264.7

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(HK$ Million)	Six months ended 30/6/2025 Unaudited	30/6/2024 Unaudited
Operating activities		
Cash (used in) from operations		
– Change in loans and advances to consumer finance customers	**(612.9)**	(219.9)
– Change in mortgage loans	**393.4**	303.4
– Change in term loans	**(182.4)**	1.0
– Change in financial assets at fair value through profit or loss	**105.1**	803.0
– Change in amounts due from brokers	**(134.1)**	(270.8)
– Change in creditors and accruals	**128.2**	(115.3)
– Other operating cash flows	**(431.1)**	(316.5)
	(733.8)	184.9
Dividends received from equity investments	**31.5**	38.3
Interest received	**1,670.9**	1,781.4
Interest paid	**(308.1)**	(447.7)
Taxation paid	**(41.0)**	(62.3)
Net cash from operating activities	**619.5**	1,494.6
Investing activities		
Purchase of an investment property	**–**	(31.3)
Purchase of property and equipment	**(5.5)**	(1.0)
Purchase of intangible assets	**(0.4)**	(2.4)
Refund of deposits of right-of-use assets	**0.8**	0.2
Payment of deposits of property and equipment	**(0.5)**	(3.5)
Proceeds on disposal of intangible assets	**–**	2.1
Capital contribution to joint ventures	**–**	(180.9)
Dividends received from an associate	**9.4**	–
Purchase of financial assets at fair value through other comprehensive income	**(20.6)**	–
Purchase of long-term financial assets at fair value through profit or loss	**(195.7)**	(191.8)
Proceeds from disposal of long-term financial assets as at fair value through profit or loss	**216.5**	476.7
Placement of fixed deposits with banks	**(1,017.9)**	(1,290.3)
Withdrawal of fixed deposits with banks	**676.8**	263.3
Net cash used in investing activities	**(337.1)**	(958.9)

(HK$ Million)	Six months ended 30/6/2025 Unaudited	30/6/2024 Unaudited
Financing activities		
Bank and other borrowings repaid	**(5,437.6)**	(4,106.1)
Bank and other borrowings raised	**5,037.9**	3,151.0
Payment of loan arrangement fees	**(1.2)**	–
Repurchase of notes	**(94.3)**	(213.4)
Repayment of notes	**(100.0)**	(50.0)
Lease payments	**(57.2)**	(58.8)
Purchase of shares for the SHK Employee Ownership Scheme	**(11.2)**	–
Dividends paid	**(275.1)**	(275.1)
Dividends to non-controlling interests	**(201.5)**	(1.3)
Distribution to third-party interests in consolidated structured entities	**(18.1)**	(2.9)
Contribution from third-party interests in consolidated structured entities	**19.6**	3.3
Net cash used in financing activities	**(1,138.7)**	(1,553.3)
Net decrease in cash and cash equivalents	**(856.3)**	(1,017.6)
Cash and cash equivalents at 1 January	**4,327.4**	6,462.1
Effect of foreign exchange rate changes	**31.4**	(16.5)
Cash and cash equivalents at 30 June	**3,502.5**	5,428.0

1. Disclosure in Accordance With Section 436 of The Hong Kong Companies Ordinance

The financial information relating to the financial year ended 31 December 2024 included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

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

2. Basis of Preparation

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

3. Summary of Significant Accounting Policies

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

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

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

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21	Lack of Exchangeability

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

4. Segment Information

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

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

	Six months ended 30 June 2024 (Restated)					
	Credit Business					
(HK$ Million)	Consumer Finance	Mortgage Loans	Investment Management	Funds Management	Group Management and Support	Total
Segment income	1,573.0	124.2	103.8	17.0	157.2	1,975.2
Less: inter-segment income	–	–	–	–	(23.7)	(23.7)
Segment income from external customers	1,573.0	124.2	103.8	17.0	133.5	1,951.5
Segment profit or loss	400.3	25.0	(171.8)	1.3	28.3	283.1
Share of results of associates	–	–	(1.5)	–	–	(1.5)
Share of results of joint ventures	–	–	25.8	–	–	25.8
Profit (loss) before taxation	400.3	25.0	(147.5)	1.3	28.3	307.4
Included in segment profit or loss:						
Interest income	1,526.0	124.2	67.5	0.6	99.4	1,817.7
Net investment income	1.2	–	26.1	(0.7)	24.0	50.6
Other gains	4.1	–	0.3	–	19.0	23.4
Net exchange losses	(2.1)	–	(6.9)	–	(4.7)	(13.7)
Net (recognition) reversal of impairment losses on financial assets	(386.3)	(33.8)	(8.1)	–	0.4	(427.8)
Other losses	(16.0)	–	(38.7)	–	(0.4)	(55.1)
Amortisation and depreciation	(56.9)	(2.2)	(0.4)	(0.2)	(26.6)	(86.3)
Finance costs (Note)	(262.2)	(40.1)	(158.7)	–	(42.8)	(503.8)
Less: inter-segment finance costs	–	11.0	–	–	–	11.0
Finance costs to external suppliers	(262.2)	(29.1)	(158.7)	–	(42.8)	(492.8)

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

4. Segment Information *(Continued)*

The geographical information of revenue is disclosed as follows:

(HK$ Million)	Six months ended 30/6/2025	Six months ended 30/6/2024 (Restated)
Revenue from external customers by location of operations		
– Hong Kong	**1,637.5**	1,687.9
– People's Republic of China ("PRC")	**165.7**	189.6
	1,803.2	1,877.5

5. Other Revenue

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

6. Net Investment Income

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

7. Other Gains

(HK$ Million)	Six months ended 30/6/2025	Six months ended 30/6/2024
Gain on repurchase of notes	**1.7**	3.2
Miscellaneous income	**20.9**	20.2
	22.6	23.4

8. Net Impairment Losses on Financial Assets

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

9. Other Losses

(HK$ Million)	Six months ended 30/6/2025	Six months ended 30/6/2024
Decrease in fair value of investment properties	**98.1**	48.1
Change in net assets attributable to other holders of consolidated structured entities	**4.0**	3.2
Loss on disposal of property and equipment	**3.1**	3.2
Others	**–**	0.6
	105.2	55.1

10. Profit Before Taxation

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

11. Taxation

(HK$ Million)	Six months ended 30/6/2025	30/6/2024
Current tax		
– Hong Kong	**76.3**	78.9
– PRC	**14.4**	2.2
– Other jurisdiction	**0.1**	–
	90.8	81.1
Deferred tax	**3.2**	41.8
	94.0	122.9

Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong for the current and prior periods. Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% (2024: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The Group is subject to the global minimum top-up tax Pillar Two Rules. Pillar Two Rules have become effective in certain jurisdictions in which certain subsidiaries of the Group are incorporated. The Group has assessed the current tax expense related to the Pillar Two Rules for the six months ended 30 June 2025 to be immaterial. The Group has applied the temporary mandatory exception from recognising and disclosing deferred tax assets and liabilities for the impacts of the Pillar Two Rules and accounts for it as a current tax when it is incurred.

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

12. Dividends

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

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

13. Earnings Per Share

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

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

14. Right-of-Use Assets

The Group leases several assets including leasehold land, office and retail shops and equipment. The average lease term of right-of-use assets are as follows:

	30/6/2025	31/12/2024
Leasehold land	**44.5 years**	44.5 years
Office and retail shops	**5.1 years**	4.9 years
Equipment	**4.2 years**	4.5 years

The analysis of the carrying amount of right-of-use assets by class of underlying asset is as follows:

(HK$ Million)	30/6/2025	31/12/2024
Net carrying amount		
– Leasehold land	**3.2**	3.2
– Office and retail shops	**175.2**	223.7
– Equipment	**0.8**	0.3
	179.2	227.2

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

(HK$ Million)	Six months ended 30/6/2025	30/6/2024
Amount recognised in profit or loss		
– Depreciation of right-of-use assets	**59.7**	62.8
– Interest expenses of lease liabilities	**5.5**	8.2
– Expenses relating to short-term leases and leases of low-value assets	**2.0**	0.9

Additions to right-of-use assets amount to HK$11.6 million in the interim reporting period (six months ended 30 June 2024: HK$86.5 million).

The total cash outflow for leases amount to HK$64.7 million in the interim reporting period (six months ended 30 June 2024: HK$67.9 million).

15. Financial Assets and Liabilities

The following tables provide analyses of financial assets and liabilities of the Group that are measured at fair value subsequent to initial recognition.

	At 30 June 2025			
	Fair value			
(HK$ Million)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
– Listed equity securities in Hong Kong*	42.9	–	–	42.9
– Listed equity securities outside Hong Kong*	360.8	–	–	360.8
– Unlisted overseas equity securities*	–	–	8.5	8.5
	403.7	–	8.5	412.2
Financial assets at fair value through profit or loss				
– Listed equity securities in Hong Kong	167.3	–	–	167.3
– Listed equity securities outside Hong Kong	739.2	–	–	739.2
– Unlisted equity securities in Hong Kong	–	1.0	–	1.0
– Unlisted equity securities outside Hong Kong	–	–	393.0	393.0
– Over-the-counter derivatives	–	32.7	–	32.7
– Quoted options and futures	4.6	9.7	–	14.3
– Listed warrants	0.3	–	–	0.3
– Bonds and notes	–	66.3	198.1	264.4
– Loans receivable	–	–	182.5	182.5
– Unlisted preferred and ordinary shares issued by unlisted companies	–	2.0	567.8	569.8
– Unlisted convertible bonds issued by unlisted companies	–	21.3	151.6	172.9
– Unlisted overseas equity securities with a put right	–	–	388.5	388.5
– Unlisted overseas investment funds	–	2,444.1	8,003.3	10,447.4
	911.4	2,577.1	9,884.8	13,373.3
Analysed for reporting purposes as:				
– Non-current assets				9,977.5
– Current assets				3,395.8
				13,373.3
Financial liabilities at fair value through profit or loss				
– Quoted futures and options	24.8	18.2	–	43.0
– Foreign currency contracts	–	46.4	–	46.4
– Over-the-counter derivatives	–	23.6	–	23.6
– Short position in listed equity securities	76.7	–	–	76.7
– Listed equity securities outside Hong Kong under total return swap	0.1	–	–	0.1
– Unlisted equity securities outside Hong Kong under total return swap	–	–	36.5	36.5
– Unlisted preferred and ordinary shares issued by unlisted companies under total return swap	–	–	17.1	17.1
– Unlisted overseas investment funds under total return swap	–	–	50.5	50.5
	101.6	88.2	104.1	293.9
Analysed for reporting purposes as:				
– Non-current liabilities				50.5
– Current liabilities				243.4
				293.9

15. Financial Assets and Liabilities *(Continued)*

	At 31 December 2024			
	Fair value			
(HK$ Million)	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
– Listed equity securities in Hong Kong*	33.0	–	–	33.0
– Listed equity securities outside Hong Kong*	246.4	–	–	246.4
– Unlisted overseas equity securities*	–	–	8.5	8.5
	279.4	–	8.5	287.9
Financial assets at fair value through profit or loss				
– Listed equity securities in Hong Kong	133.6	–	–	133.6
– Listed equity securities outside Hong Kong	654.8	–	–	654.8
– Unlisted equity securities in Hong Kong	–	1.0	–	1.0
– Unlisted equity securities outside Hong Kong	–	–	369.8	369.8
– Over-the-counter derivatives	–	43.3	–	43.3
– Quoted options and futures	25.9	4.0	–	29.9
– Listed warrants	0.4	–	–	0.4
– Bonds and notes	–	50.1	195.9	246.0
– Loans receivable	–	–	321.5	321.5
– Unlisted preferred and ordinary shares issued by unlisted companies	–	172.6	603.0	775.6
– Unlisted convertible bonds issued by unlisted companies	–	20.1	8.3	28.4
– Unlisted overseas equity securities with a put right	–	–	404.6	404.6
– Unlisted overseas investment funds	–	2,322.0	7,225.8	9,547.8
	814.7	2,613.1	9,128.9	12,556.7
Analysed for reporting purposes as:				
– Non-current assets				9,049.0
– Current assets				3,507.7
				12,556.7
Financial liabilities at fair value through profit or loss				
– Quoted futures and options	37.2	3.8	–	41.0
– Foreign currency contracts	–	0.1	–	0.1
– Over-the-counter derivatives	–	46.3	–	46.3
– Short position in listed equity securities	17.8	–	–	17.8
– Listed equity securities outside Hong Kong under total return swap	0.1	–	–	0.1
– Unlisted equity securities outside Hong Kong under total return swap	–	–	34.4	34.4
– Unlisted preferred and ordinary shares issued by unlisted companies under total return swap	–	–	115.6	115.6
– Unlisted overseas investment funds under total return swap	–	–	42.9	42.9
	55.1	50.2	192.9	298.2
Analysed for reporting purposes as:				
– Non-current liabilities				139.2
– Current liabilities				159.0
				298.2

* The above listed equity securities represent ordinary shares of entities listed in Hong Kong or overseas. The above unlisted equity securities represent the Group's equity interest in private entities established overseas. These investments are not held for trading, instead, they are held for long-term strategic purposes. The management has elected to designate these investments in equity instruments as at fair value through other comprehensive income as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

15. Financial Assets and Liabilities *(Continued)*

On the basis of its analysis of the nature, characteristics and risks of the equity securities, the Group has determined that presenting them by nature and type of issuers is appropriate.

Fair values are grouped from Level 1 to 3 based on the degree to which the fair values are observable.

– Level 1 fair value measurements are those based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

– Level 2 fair value measurements are those derived from input other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– Level 3 fair value measurements are those derived from valuation techniques that include the lowest level inputs which are significant to the fair value measurement for the asset or liability that are not based on observable market data (significant unobservable inputs).

The fair values of bonds and notes and over-the-counter derivative contracts under Level 2 at the reporting date were derived from quoted prices from pricing services. Other Level 2 financial assets were derived from observable market inputs with insignificant adjustments.

Where Level 1 and Level 2 inputs are not available in estimating the fair values, the Group engages external valuers or establishes appropriate valuation techniques internally to perform the valuations which are reviewed by management. The fair values of Level 3 financial assets and liabilities are derived from valuation techniques using an unobservable range of data as a significant input to the fair value.

The following tables provide further information regarding the valuation of material financial assets and liabilities under Level 3.

	At 30 June 2025				
	Valuation technique	Significant unobservable inputs (Note 2)	Input values	Fair value HK$ Million	Sensitivity analysis – relationship of increase in unobservable input to fair value
Financial assets at fair value through profit or loss					
Unlisted equity securities outside Hong Kong	Market approach	Recent transaction prices	N/A	393.0	N/A
		Discount for lack of marketability ("DLOM")	15%		Decrease in the fair value.
Loans receivable	Discounted cash flow	Discount rate	7.98% – 10.32%	182.5	Decrease in the fair value.
Unlisted preferred and ordinary shares issued by unlisted companies	Discounted cash flow	Discount rate	6.41%	52.1	Decrease in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	68.44%	5.6	Decrease in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	86.23%	111.8	Decrease in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	35.18%	70.0	Decrease in the fair value.
	Market approach	Price to book ratio	1.5		Increase in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	75.75%	182.1	Decrease in the fair value.

15. Financial Assets and Liabilities *(Continued)*

	At 30 June 2025				
	Valuation technique	Significant unobservable inputs (Note 2)	Input values	Fair value HK$ Million	Sensitivity analysis – relationship of increase in unobservable input to fair value
Financial assets at fair value through profit or loss (Continued)					
Unlisted preferred shares issued by an unlisted company	Equity allocation method	Expected volatility	90.57%	2.0	Decrease in the fair value.
	Market approach	Price to sales ratio	2.7		Increase in the fair value.
Unlisted preferred shares issued by an unlisted company	Equity allocation method	Expected volatility	79.34%	66.8	Decrease in the fair value.
	Market approach	Price to sales ratio	6.5		Increase in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	41.08%	0.3	Decrease in the fair value.
	Market approach	Enterprise value to sales ratio	2.8		Increase in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	68.41%	3.4	Decrease in the fair value.
Unlisted ordinary shares issued by unlisted companies	Equity allocation method	Expected volatility	40.51%	8.1	Decrease in the fair value.
Unlisted ordinary shares issued by unlisted companies	Equity allocation method	Expected volatility	70.31%	7.7	Decrease in the fair value.
Unlisted convertible bonds issued by an unlisted company	Binomial tree method	Discount rate	19.41%	143.1	Decrease in the fair value.
		Volatility	115.49%		Increase in the fair value.
Unlisted convertible bonds issued by an unlisted company	Discounted cash flows	Discount rate	3.89%	8.5	Decrease in the fair value.
		Expected volatility	30.50%		Decrease in the fair value.
Unlisted overseas equity securities with a put right (Note 3)	Market approach	Price to book ratio	1.2	388.5	Increase in the fair value.
Unlisted overseas investment funds	Net asset value	Note 1	Note 1	6,928.3	Note 1
Unlisted overseas investment funds	Equity allocation method	Expected volatility	108.63%	0.2	Decrease in the fair value.

15. Financial Assets and Liabilities *(Continued)*

	At 30 June 2025				
	Valuation technique	Significant unobservable inputs (Note 2)	Input values	Fair value HK$ Million	Sensitivity analysis – relationship of increase in unobservable input to fair value
Financial assets at fair value through profit or loss (Continued)					
Unlisted overseas investment funds	Market approach	Enterprise value to sales ratio	10.9	20.5	Increase in the fair value.
Unlisted overseas investment funds	Market approach	Price to sales ratio	4.7-6.7	44.5	Increase in the fair value.
Unlisted overseas investment funds	Market approach	Price to sales ratio	6.7	5.6	Increase in the fair value.
Unlisted overseas investment funds	Market approach	DLOM	11.51%	1,004.2	Decrease in the fair value.
Financial liabilities at fair value through profit or loss					
Unlisted equity securities outside Hong Kong under total return swap	Market approach	Recent transaction prices	N/A	36.5	N/A
		DLOM	15%		Decrease in the fair value.
Unlisted overseas investment funds under total return swap	Net asset value	Note 1	Note 1	50.5	Note 1

15. Financial Assets and Liabilities *(Continued)*

	At 31 December 2024				
	Valuation technique	Significant unobservable inputs (Note 2)	Input values	Fair value HK$ Million	Sensitivity analysis – relationship of increase in unobservable input to fair value
Financial assets at fair value through profit or loss					
Unlisted equity securities outside Hong Kong	Market approach	Recent transaction prices	N/A	369.8	N/A
		DLOM	15%		Decrease in the fair value.
Loans receivable	Discounted cash flow	Discount rate	7.98% – 10.32%	321.5	Decrease in the fair value.
Unlisted preferred and ordinary shares issued by unlisted companies	Discounted cash flow	Discount rate	6.29%	51.5	Decrease in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	71.33%	46.0	Decrease in the fair value.
	Market approach	Enterprise value to sales ratio	13.3		Increase in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	69.89%	193.4	Decrease in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	35.31%	72.2	Decrease in the fair value.
	Market approach	Price to book ratio	1.5		Increase in the fair value.
Unlisted preferred shares issued by an unlisted company	Equity allocation method	Expected volatility	90.57%	1.9	Decrease in the fair value.
	Market approach	Price to sales ratio	2.7		
Unlisted preferred shares issued by an unlisted company	Equity allocation method	Expected volatility	78.71%	65.5	Decrease in the fair value.
	Market approach	Price to sales ratio	5.2		Increase in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	38.54%	0.8	Decrease in the fair value.
	Market approach	Enterprise value to sales ratio	2.8		Increase in the fair value.
Unlisted preferred shares issued by unlisted companies	Equity allocation method	Expected volatility	69.75%	3.3	Decrease in the fair value.
Unlisted ordinary shares issued by unlisted companies	Equity allocation method	Expected volatility	38.72%	8.0	Decrease in the fair value.

15. Financial Assets and Liabilities *(Continued)*

	At 31 December 2024				
	Valuation technique	Significant unobservable inputs (Note 2)	Input values	Fair value HK$ Million	Sensitivity analysis – relationship of increase in unobservable input to fair value
Financial assets at fair value through profit or loss (Continued)					
Unlisted ordinary shares issued by unlisted companies	Equity allocation method	Expected volatility	59.07%	88.8	Decrease in the fair value.
	Market approach	Enterprise value to sales ratio	2.4-3.3		Increase in the fair value.
Unlisted ordinary shares issued by unlisted companies	Equity allocation method	Expected volatility	70.48%	7.9	Decrease in the fair value.
Unlisted convertible bonds issued by an unlisted company	Binomial model	Expected volatility	27.85%	8.3	Decrease in the fair value.
		Discount rate	3.89%		Decrease in the fair value.
Unlisted overseas equity securities with a put right (Note 3)	Market approach	Price to book ratio	1.6	404.6	Increase in the fair value.
		Price to tangible book ratio	2.3		Increase in the fair value.
		Price to sales ratio	0.7		Increase in the fair value.
Unlisted overseas investment funds	Net asset value	Note 1	Note 1	7,158.6	Note 1
Unlisted overseas investment funds	Market approach	Enterprise value to sales ratio	11.3	21.1	Increase in the fair value.
Unlisted overseas investment funds	Market approach	Price to sales ratio	4.7-5.6	41.3	Increase in the fair value.
Unlisted overseas investment funds	Market approach	Price to sales ratio	6.2	4.8	Increase in the fair value.
Financial liabilities at fair value through profit or loss					
Unlisted equity securities outside Hong Kong under total return swap	Market approach	Recent transaction prices	N/A	34.4	N/A
		DLOM	15%		Decrease in the fair value.
Unlisted preferred and ordinary shares issued by unlisted companies under total return swap	Equity allocation method	Expected volatility	69.89%	96.3	Decrease in the fair value.
Unlisted overseas investment funds under total return swap	Net asset value	Note 1	Note 1	42.9	Note 1

Note 1: The significant unobservable inputs of the investments of the Group are the net asset value of the underlying investments made by the funds/companies. The higher the net asset value of the underlying investments, the higher the fair value of the financial assets at fair value through profit or loss will be. The Group has determined that the reported net asset values provided by the external counterparties represent the fair values of the investments.

Note 2: There is no indication that any changes in the unobservable inputs to reflect reasonably possible alternative assumptions for the investments would result in significantly higher or lower fair value measurements.

Note 3: An investment held by a wholly owned subsidiary of the Group remains to be in level 3 during the period ended 30 June 2025 due to unobservability of significant valuation inputs. Significant assumptions involved in this valuation of fair value of the investment (which is an unlisted oversea equity security) include the success probability of legal proceedings in relation to the underlying agreements and share registration, the selection of market multiple and comparable companies, and the estimation of discount for lack of marketability.

15. Financial Assets and Liabilities *(Continued)*

The reconciliation of financial assets and liabilities under Level 3 fair value measurements is as follows:

	2025							
			Recognised gains or losses					
(HK$ Million)	Balance at 1/1/2025	Transfer^	Profit or loss	Other comprehensive income	Purchase	Disposal	Balance at 30/6/2025	Unrealised gain or loss for the period
Financial assets at fair value through other comprehensive income								
Unlisted overseas equity securities	8.5	–	–	–	–	–	8.5	–
Financial assets at fair value through profit or loss								
Unlisted equity securities outside Hong Kong	369.8	–	23.2	–	–	–	393.0	23.2
Bonds and notes	195.9	–	2.2	–	–	–	198.1	2.2
Loans receivable	321.5	–	(9.8)	–	16.6	(145.8)	182.5	(9.8)
Unlisted preferred and ordinary shares issued by unlisted companies	603.0	81.1	(11.8)	–	–	(104.5)	567.8	(31.6)
Unlisted convertible bonds issued by companies	8.3	–	(24.6)	–	167.9	–	151.6	(24.6)
Unlisted overseas equity securities with a put right	404.6	–	(16.1)	–	–	–	388.5	(16.1)
Unlisted overseas investment funds	7,225.8	79.0	614.6	–	195.8	(111.9)	8,003.3	584.8
	9,128.9	160.1	577.7	–	380.3	(362.2)	9,884.8	528.1
Financial liabilities at fair value through profit or loss								
Unlisted equity securities outside Hong Kong under total return swap	(34.4)	–	(2.1)	–	–	–	(36.5)	(2.1)
Unlisted preferred and ordinary shares issued by unlisted companies under total return swap	(115.6)	–	(6.0)	–	–	104.5	(17.1)	13.9
Unlisted overseas investment funds under total return swap	(42.9)	–	(7.6)	–	–	–	(50.5)	(7.6)
	(192.9)		(15.7)	–	–	104.5	(104.1)	4.2

^ The investments were transferred between Level 2 and Level 3 categories and the transfers are primarily attributable to changes in observability of valuation inputs (e.g. availability of recent transaction price) in valuing these investments. Transfers between levels of the fair value hierarchy are deemed to occur at the end of each reporting period.

15. Financial Assets and Liabilities *(Continued)*

(HK$ Million)	Balance at 1/1/2024	Transfer^	Recognised gains or losses: Profit or loss	Recognised gains or losses: Other comprehensive income	Purchase	Disposal	Balance at 31/12/2024	Unrealised gain or loss for the year
	2024							
Financial assets at fair value through other comprehensive income								
Unlisted overseas equity securities	8.5	–	–	–	–	–	8.5	–
Financial assets at fair value through profit or loss								
Unlisted equity securities outside Hong Kong	–	369.8	–	–	–	–	369.8	–
Bonds and notes	192.5	–	3.4	–	–	–	195.9	3.4
Loans receivable	723.0	–	(23.3)	–	85.7	(463.9)	321.5	(23.3)
Unlisted preferred and ordinary shares issued by unlisted companies	794.0	(162.9)	(30.4)	–	2.5	(0.2)	603.0	(30.6)
Unlisted convertible bonds issued by companies	8.0	–	0.3	–	–	–	8.3	0.3
Unlisted overseas equity securities with a put right	398.3	–	6.3	–	–	–	404.6	6.3
Unlisted overseas investment funds	7,198.6	(0.6)	298.9	–	519.1	(790.2)	7,225.8	54.3
	9,314.4	206.3	255.2	–	607.3	(1,254.3)	9,128.9	10.4
Financial liabilities at fair value through profit or loss								
Unlisted equity securities outside Hong Kong under total return swap	–	(34.4)	–	–	–	–	(34.4)	–
Unlisted preferred and ordinary shares issued by unlisted companies under total return swap	(115.8)	–	0.2	–	–	–	(115.6)	0.2
Unlisted overseas investment funds under total return swap	(16.3)	–	(0.7)	–	(25.9)	–	(42.9)	(0.7)
	(132.1)	(34.4)	(0.5)	–	(25.9)	–	(192.9)	(0.5)

^ The investments were transferred between Level 2 and Level 3 categories and the transfers are primarily attributable to changes in observability of valuation inputs (e.g. availability of recent transaction price) in valuing these investments. Transfers between levels of the fair value hierarchy are deemed to occur at the end of each reporting period.

The net gain (loss) recognised in profit or loss for the period included an unrealised gain of HK$528.1 million relating to level 3 financial assets at FVTPL as at 30 June 2025 (six months ended 30 June 2024: unrealised loss of HK$94.1 million) and unrealised gain of HK$4.2 million relating to level 3 financial liabilities at FVTPL as at 30 June 2025 (six months ended 30 June 2024: unrealised loss of HK$2.2 million). Fair value gains or losses on financial assets and liabilities measured at FVTPL are included in "net investment income" in profit or loss.

Save as disclosed elsewhere, the directors of the Company consider that the carrying amounts of financial assets and liabilities measured at amortised cost recognised in the condensed consolidated financial statements approximate their fair values.

16. Loans and Advances to Consumer Finance Customers

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

The loans and advances to consumer finance customers bear interest rate are as follows:

(Per annum)	30/6/2025	31/12/2024
Fixed rate loans receivable	**6.0% to 48.0%**	6.0% to 48.0%
Variable rate loans receivable	**P+4.0%**	P+4.0%

"P" refers to Hong Kong dollars prime rate offered by The Hongkong and Shanghai Banking Corporation Limited from time to time to its prime customers, which is 5.25% per annum at 30 June 2025 (2024: 5.25% per annum).

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

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

17. Mortgage Loans

(HK$ Million)	30/6/2025	31/12/2024
Mortgage loans		
– Hong Kong	**1,786.9**	2,146.2
Less: impairment allowance	**(216.1)**	(167.4)
	1,570.8	1,978.8
Analysed for reporting purposes as:		
– Non-current assets	**313.8**	539.2
– Current assets	**1,257.0**	1,439.6
	1,570.8	1,978.8

The mortgage loans bear interest rate are as follows:

(Per annum)	30/6/2025	31/12/2024
Fixed rate loans receivable	**9.0% to 21.0%**	8.0% to 21.0%
Variable rate loans receivable	**P+0.5% to P+11.875%**	P+0.5% to P+11.875%

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

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

As of 30 June 2025, no mortgage loan receivables (2024: HK$156.3 million) were pledged for a securitisation financing transaction. Details of the transaction are disclosed in Note 26.

18. Term Loans

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

The term loans bear interest rate are as follows:

(Per annum)	30/6/2025	31/12/2024
Fixed rate loans receivable	**8.2% to 19.8%**	8.2% t o 19.8%
Variable rate loans receivable	**N/A**	P+1.0%

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

19. Prepayments, Deposits and Other Receivables

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

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

(HK$ Million)	30/6/2025	31/12/2024
Less than 31 days	**38.2**	61.4
Deposits and other receivables without ageing	**103.3**	153.0
Deposits and other receivables at amortised cost	**141.5**	214.4

20. Bank Deposits, Cash and Cash Equivalents

(HK$ Million)	30/6/2025	31/12/2024
Bank balances and cash	**1,869.8**	2,584.8
Fixed deposits with banks with an original maturity within 3 months	**1,632.7**	1,742.6
Cash and cash equivalents	**3,502.5**	4,327.4
Fixed deposits with banks with an original maturity between 4 to 12 months	**1,029.6**	679.8
	4,532.1	5,007.2

21. Bank and Other Borrowings

(HK$ Million)	30/6/2025	31/12/2024
Bank loans		
– Unsecured term loans	**8,074.3**	8,484.5
Other borrowings	**62.1**	62.1
	8,136.4	8,546.6
Analysed for reporting purposes as:		
– Current liabilities	**5,659.2**	6,718.1
– Non-current liabilities	**2,477.2**	1,828.5
	8,136.4	8,546.6

At the reporting date, bank and other borrowings were repayable as follows:

(HK$ Million)	30/6/2025	31/12/2024
Bank borrowings		
– Within one year	**5,648.3**	6,664.0
– In the second year	**1,129.1**	1,283.2
– Over two years and within five years	**1,286.0**	483.2
Bank borrowings with a repayment on demand clause		
– Within one year	**10.9**	54.1
	8,074.3	8,484.5
Other borrowings		
– Over five years	**62.1**	62.1
	8,136.4	8,546.6

22. Creditors and Accruals

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

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

23. Other Liabilities

(HK$ Million)	30/6/2025	31/12/2024
Non-current		
– Third-party interests in consolidated structured entities	**11.9**	29.9
Current		
– Third-party interests in consolidated structured entities	**79.3**	55.0
	91.2	84.9

Third-party interests in consolidated structured entities consist of third-party unit holders' interests in these consolidated structured entities which are reflected as liabilities since there is a contractual obligation for the Group to repurchase or redeem the unit for cash. The third-party interests in consolidated structured entities are categorised at level 2 under fair value hierarchy.

The realisation of third-party interests in consolidated funds cannot be predicted with accuracy since these interests represent the interests of third-party unit holders in consolidated funds held to back investment contract liabilities and are subject to market risk and the actions of third-party investors.

24. Lease Liabilities

(HK$ Million)	30/6/2025	31/12/2024
Current liabilities	**86.0**	107.5
Non-current liabilities	**92.8**	117.3
	178.8	224.8

(HK$ Million)	30/6/2025	31/12/2024
Maturity analysis:		
Not later than 1 year	**86.0**	107.5
Later than 1 year and not later than 5 years	**60.8**	81.1
Later than 5 years	**32.0**	36.2
	178.8	224.8

25. Share Capital

	Number of shares		Share capital	
	Six months ended 30/6/2025 Million Shares	Year ended 31/12/2024 Million Shares	**Six months ended 30/6/2025 HK$ Million**	Year ended 31/12/2024 HK$ Million
Issued and fully paid				
Balance brought forward	**1,965.0**	1,965.2	**8,752.3**	8,752.3
Shares repurchased and cancelled	**–**	(0.2)	**–**	–
Balance carried forward	**1,965.0**	1,965.0	**8,752.3**	8,752.3

During the period, the trustee of the SHK Employee Ownership Scheme (the "EOS") acquired 3.8 million shares (six months ended 30 June 2024: nil) of the Company through purchases on the Stock Exchange for the awarded shares of the EOS. The total amount paid to acquire the shares during the period was HK$11.2 million (six months ended 30 June 2024: HK$nil), which has been deducted from the owners' equity.

During the period, the Company repurchased and cancelled its own shares through purchases on the Stock Exchange for HK$nil (six months ended 30 June 2024: HK$0.02 million).

26. Notes Payable

(HK$ Million)	**30/6/2025**	31/12/2024
US dollar denominated notes (the "US$ Notes")		
– 5.00% US$ Notes maturing in September 2026 (the "2026 Notes")	**2,898.9**	2,965.4
HK dollar denominated notes (the "HK$ Notes")		
– Asset backed notes matured in June 2025	**–**	100.3
	2,898.9	3,065.7
Analysed for reporting purposes as:		
– Current liabilities	**53.9**	156.4
– Non-current liabilities	**2,845.0**	2,909.3
	2,898.9	3,065.7

The US$ Notes were issued by a subsidiary, Sun Hung Kai & Co. (BVI) Limited, under a US$3 billion guaranteed medium term note programme.

The 2026 Notes are listed on The Stock Exchange of Hong Kong Limited. The nominal value of the 2026 Notes was US$363.9 million or equivalent to HK$2,856.5 million (31/12/2024: US$376.2 million or equivalent to HK$2,921.1 million) at the reporting date. The fair value of the 2026 Notes based on the price quoted from pricing service at the reporting date was HK$2,849.1 million (31/12/2024: HK$2,864.5 million) which was categorised as Level 2.

During the period ended 30 June 2025, the Group has repurchased an aggregate principal amount of US$12.4 million or equivalent to approximately HK$97.3 million of the 2026 Notes. Among which, US$12.0 million or equivalent to approximately HK$94.2 million of the repurchased 2026 Notes were cancelled during the period and the remaining US$0.4 million or equivalent to approximately HK$3.1 million of the repurchased 2026 Notes were cancelled subsequent to the period end date.

During the year ended 31 December 2024, the Group has repurchased an aggregate principal amount of US$28.0 million or equivalent to approximately HK$218.7 million of the 2024 Notes and an aggregate principal amount of US$9.9 million or equivalent to approximately HK$77.3 million of the 2026 Notes. All notes were cancelled during that year. The 2024 Notes matured in November 2024 and the outstanding balance was fully repaid.

26. Notes Payable *(Continued)*

In 2021, the Group entered into a HK$1,066.7 million securitisation financing transaction (the "Transaction"). Pursuant to the Transaction, the Group transferred mortgage loans receivable to a special purpose vehicle ("the SPV") established and operated in Hong Kong. The Transaction consists of two classes – Class A and Class B. In 2024, the Group renewed the Transaction into a HK$1,611.4 million securitisation financing transaction. Class B notes of HK$411.4 million was subscribed by a subsidiary of the Group. This securitisation financing transaction was ended in June 2025.

The Group holds undivided interest in the mortgage loans receivable transferred. In accordance with HKFRS 10 Consolidated Financial Statements, the SPV is controlled by the Group and the results thereof are consolidated by the Group in its condensed consolidated financial statements. According to HKFRS 9 Financial Instruments, assets transferred under the Transaction have not been derecognised and remained in the Group's condensed consolidated financial statements. The debt issued is backed by the mortgage loans receivable transferred and is recognised in the Group's condensed consolidated financial statements with the carrying amount denominated in HKD. As at 30 June 2025, there are no carrying amount of transferred assets and associated liabilities (2024/12/31: Carrying amount of transferred assets HK$156.3 million; Carrying amount of associated liabilities HK$100.3 million and Net position HK$56.0 million).

27. Related Party Transactions

During the period, the Group entered into the following material transactions with related parties:

	Six months ended	
(HK$ Million)	**30/6/2025**	30/6/2024
Associates and joint ventures of ultimate holding company		
Executive international business travel charge received/receivable from an associate of ultimate holding company	**3.0**	2.0
Building management fees to a joint venture of ultimate holding company	**(2.6)**	(2.6)
Interest expense to a joint venture of ultimate holding company on lease liabilities *	**(0.6)**	(1.5)
Holding company and its subsidiaries		
Executive international business travel charge received/receivable from fellow subsidiaries	**3.0**	2.0
Finance costs to fellow subsidiaries	**(0.7)**	(2.9)
Licence fee paid/payable to a fellow subsidiary	**(2.0)**	(1.3)
Interest expenses to a fellow subsidiary on lease liabilities	**(0.1)**	(0.2)
Management fees paid/payable to a holding company	**(3.0)**	(3.1)
Rental and building management fees to fellow subsidiaries	**(0.2)**	(0.6)
Interest expense to a holding company on lease liabilities #	**(0.6)**	(1.3)
Other related parties		
Executive international business travel charge received/receivable from related companies	**–**	4.0
Staff and administrative service fee paid/payable to a related company	**(0.2)**	(0.5)
Management fee received/receivable from a director of the Company under the Discretionary Investment Management Agreement	**0.4**	0.3
Advisory service fee paid/payable to Vice Chairman and Non-Executive Director of a holding company	**(1.5)**	(1.5)

* As at 30 June 2025, the Group has lease liabilities of HK$14.0 million (31/12/2024: HK$27.6 million) to the joint venture of ultimate holding company. During the six months ended 30 June 2025, the Group recognised additions to right-of-use assets of HK$nil (six months ended 30 June 2024: HK$54.4 million) and additions to lease liabilities of HK$nil (six months ended 30 June 2024: HK$53.4 million) for properties with joint venture of the ultimate holding company.

As at 30 June 2025, the Group has lease liabilities of HK$21.1 million (31/12/2024: HK$29.3 million) to a holding company and its subsidiaries. During the six months ended 30 June 2025 and 2024, the Group does not recognise any additions to right-of-use assets and lease liabilities for properties with a holding company.

27. Related Party Transactions *(Continued)*

The remuneration of Directors and other members of key management during the period were as follows:

	Six months ended	
(HK$ Million)	**30/6/2025**	30/6/2024
Short-term benefits	**12.1**	13.5
Post-employment benefits	**0.6**	0.7
	12.7	14.2

During the period, 1,101,000 shares (six months ended 30 June 2024: 627,000 shares) were granted under the EOS to Directors and other members of key management. In addition, 488,000 shares (six months ended 30 June 2024: 279,000 shares) with a total amount of HK$1.4 million (six months ended 30 June 2024: HK$0.6 million) were vested for Directors and other members of key management during the period. The total dividend payments paid to the Directors and other members of key management during the period is HK$0.2 million (six months ended 30 June 2024: HK$0.1 million). Further details of the EOS are disclosed in the Management Discussion and Analysis section of this interim report.

Loans and credit facilities to key management personnel

During the period, the Group provided credit facilities and loans to key management personnel and their close family member of the Group. The credit facilities and loans were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of a similar standing or, where applicable, with other employees.

(HK$ Million)	**30/6/2025**	31/12/2024
Aggregate amount of relevant loans made by the Group outstanding at	**–**	–
Maximum aggregate amount of relevant loans made by the Group outstanding during the period	**–**	0.1
Credit facilities to key management personnel of the Group and their close family member	**1.3**	1.3

28. Commitments

(a) Other commitments

(HK$ Million)	**30/6/2025**	31/12/2024
Capital commitments for investments	**2,473.8**	1,507.3
Other capital commitments	**0.6**	6.0
	2,474.4	1,513.3

(b) Lease commitments

The Group as lessee:

At 30 June 2025, the Group is committed to HK$3.0 million (31/12/2024: HK$0.4 million) for short-term leases.

The maturity profile of the lease liabilities are disclosed in note 24.

The Group as lessor:

At 30 June 2025, all of the properties held for rental purpose have committed operating leases for the next 3 years (31/12/2024: 4 years) respectively. Undiscounted lease payments receivables on leases are as follows:

(HK$ Million)	**30/6/2025**	31/12/2024
Within one year	**15.6**	16.3
In the second year	**14.1**	14.7
In the third year	**4.3**	9.8
In the fourth year	**–**	1.4
	34.0	42.2

(c) Loan commitments

At the end of reporting period, the Group had undrawn loan commitments to consumer finance customers and mortgage customers granted by the Group under revolving credit facility arrangement which fall due as follows:

(HK$ Million)	**30/6/2025**	31/12/2024
Within one year	**3,403.6**	2,699.7
	3,403.6	2,699.7

29. Financial Risk Management

Risk is inherent in the financial service business and sound risk management is a cornerstone of prudent and successful financial practice. That said, the Group acknowledges that a balance must be achieved between risk control and business growth. The principal financial risks inherent in the Group's business are market risk (includes price risk, interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's risk management objective is to enhance shareholders' value while retaining exposure within acceptable thresholds.

The Group's risk management governance structure is designed to cover all business activities and to ensure all relevant risk classes are properly managed and controlled. The Group has adopted a sound risk management and organisational structure and procedures which are reviewed regularly and enhanced when necessary in response to changes in markets, the Group's operating environment and business strategies. The Group's independent control functions including Internal Audit, play an important role in the provision of assurance to the Board and senior management that a sound internal risk management mechanism is implemented, maintained and adhered to.

(a) Market Risk

(i) Price Risk

There are many asset classes available for investment in the marketplace. One of the Group's key business undertakings is investing in equity. Market risk arising from any equity investment is driven by the daily fluctuations in market prices or fair values. The ability to mitigate such risk depends on the availability of any hedging instruments and the diversification level of the investment portfolios undertaken by the Group. More importantly, the knowledge and experience of the trading staff managing the risk are also vital to ensure exposure is being properly hedged and rebalanced in the most timely manner. Proprietary trading across the Group is subject to limits approved by senior management. Valuation of these instruments is measured on a "mark-to-market" and "mark-to-fair-value" basis depending on whether they are listed or unlisted.

The Group's market-making and proprietary trading positions and their financial performance are reported daily to senior management for review.

(ii) Interest Rate Risk

Interest rate risk is the risk of loss due to changes in interest rates. The Group's interest rate risk exposure arises predominantly from private credit, mortgage loans as well as loans and advances to consumer finance customers. Interest spreads are managed with the objective of maximising spreads to ensure consistency with liquidity and funding obligations.

(iii) Foreign Exchange Risk

Foreign exchange risk is the risk to earnings or capital arising from movements in foreign exchange rates.

The Group's foreign exchange risk primarily arises from currency exposures originating from cash and cash equivalents, proprietary trading positions, private equity investments, real estate investments, loans and advances and bank and other borrowings denominated in foreign currencies, mainly in Australian dollars, British pounds, Euro, Renminbi and Japanese Yen. Foreign exchange risk is managed and monitored by senior management. The risk arises from open currency positions are subject to ratios that are monitored and reported weekly.

(b) Credit Risk

Credit risk arises from the failure of a customer or counterparty to meet settlement obligations. As long as the Group lends, trades and deals with third parties, there will be credit risk exposure.

The Group's credit procedures, governed by the Executive Committee, sets out the credit approval processes and monitoring procedures, which are established in accordance with sound business practices.

The Group takes into consideration forward-looking information that is available without undue cost or effort in its assessment of significant increase in credit risk as well as in its measurement of ECL. The Group employs experts who use external and internal information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information includes economic data and forecasts published by governmental bodies and monetary authorities.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome and consists of information used by the Group for strategic planning and budgeting. The Group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The Group has not changed the estimation techniques or significant assumptions during the reporting period.

(c) Liquidity Risk

The goal of liquidity management is to mitigate risk that a given security or asset cannot be traded quickly enough in the market to prevent a loss or make the required profit. Another goal is to enable the Group, even under adverse market conditions, to actively manage and match funds inflow against all maturing repayment obligations to achieve maximum harmony on cash flow management.

The Group manages its liquidity position to ensure a prudent and adequate liquidity ratio. This is achieved by a transparent and collective monitoring approach across the Group involving Executive Directors (including the Group CFO).

30. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the management of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those that applied to the audited consolidated financial statements for the year ended 31 December 2024.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Lee Seng Huang *(Group Executive Chairman)*
Antony James Edwards *(appointed on 21 March 2025)*
Brendan James McGraw

Non-Executive Directors

Simon Chow Wing Charn
Peter Anthony Curry

Independent Non-Executive Directors

Evan Au Yang Chi Chun
David Craig Bartlett
Alan Stephen Jones
Vivian Alexa Kao
Jacqueline Alee Leung
Wayne Robert Porritt
William Thomas Royan *(appointed on 21 March 2025)*

EXECUTIVE COMMITTEE

Lee Seng Huang *(Chairman)*
Brendan James McGraw

NOMINATION COMMITTEE

Lee Seng Huang *(Chairman)*
Evan Au Yang Chi Chun
David Craig Bartlett
Alan Stephen Jones
Jacqueline Alee Leung

REMUNERATION COMMITTEE

Evan Au Yang Chi Chun *(Chairman)*
David Craig Bartlett
Alan Stephen Jones
Jacqueline Alee Leung

AUDIT COMMITTEE

Alan Stephen Jones *(Chairman)*
Evan Au Yang Chi Chun
David Craig Bartlett
Peter Anthony Curry
Jacqueline Alee Leung

RISK MANAGEMENT COMMITTEE

Wayne Robert Porritt *(Chairman)*
Evan Au Yang Chi Chun
Antony James Edwards
Vivian Alexa Kao
Brendan James McGraw
Wong Kin Wing
Phoebe Yuen Oi Ying

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Wayne Robert Porritt *(Chairman)*
(appointed as Chairman on 21 March 2025)
David Craig Bartlett
Antony James Edwards
Vivian Alexa Kao
Brendan James McGraw
Gary Chan Ming Tak
Samantha Che Chi Wing
Yeung Mei
Phoebe Yuen Oi Ying

COMPANY SECRETARY

Lee Sze Wai

INVESTOR RELATIONS

investor.relations@shkco.com

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors
35/F, One Pacific Place
88 Queensway
Hong Kong

BANKERS

Standard Chartered Bank (Hong Kong) Limited
The Bank of East Asia, Limited
Mizuho Bank, Ltd., Hong Kong Branch
Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
China CITIC Bank International Limited
OCBC Bank (Hong Kong) Limited
China Construction Bank (Asia) Corporation Limited
Chong Hing Bank Limited
Dah Sing Bank, Limited
Fubon Bank (Hong Kong) Limited
Public Bank (Hong Kong) Limited
Taipei Fubon Commercial Bank Co., Ltd.
CMB Wing Lung Bank Limited
Taishin International Bank Co., Ltd.
Cathay United Bank Company, Limited, Hong Kong Branch
China Minsheng Banking Corp. Ltd., Hong Kong Branch
Shanghai Pudong Development Bank Co., Ltd.
 Hong Kong Branch
Chiyu Banking Corporation Limited
Tai Fung Bank Limited
Mega International Commercial Bank Co., Ltd.,
 Offshore Banking Branch
Ping An Bank Co., Ltd., Hong Kong Branch
Bank SinoPac
China Everbright Bank Co., Ltd, Hong Kong Branch
East West Bank Hong Kong Branch
EnTie Commercial Bank
KGI Bank Co., Limited
Nanyang Commercial Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

40/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

WEBSITES

www.shkco.com
www.shkcredit.com.hk
www.uaf.com.hk
www.uaf.com.cn