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**大眾金融控股有限公司\***

**PUBLIC FINANCIAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 626; Website: [www.publicfinancial.com.hk](http://www.publicfinancial.com.hk))

## **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

The Board of Directors (the “Board”) of Public Financial Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 with comparative figures as follows:

### **CONDENSED CONSOLIDATED INCOME STATEMENT**

		<b>For the six months ended</b>	
		<b>30 June</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest income	6	<b>978,411</b>	1,013,752
Interest expense	6	<b>(447,898)</b>	(543,042)
<b>NET INTEREST INCOME</b>		<b>530,513</b>	470,710
Fees and commission income	7	<b>139,903</b>	106,788
Fees and commission expenses	7	<b>(1,101)</b>	(916)
Net fees and commission income		<b>138,802</b>	105,872
Other operating income	8	<b>15,846</b>	17,327
<b>OPERATING INCOME</b>		<b>685,161</b>	593,909
Operating expenses	9	<b>(465,183)</b>	(432,844)
Changes in fair value of investment properties		<b>(46,152)</b>	(24,367)

\* For identification purpose only

		For the six months ended 30 June	
		2025	2024
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
	Notes		
<b>OPERATING PROFIT BEFORE CREDIT LOSS EXPENSES</b>		<b>173,826</b>	136,698
Credit loss expenses	10	<u>(155,870)</u>	<u>(164,303)</u>
<b>PROFIT/(LOSS) BEFORE TAX</b>		<b>17,956</b>	(27,605)
Tax	11	<u>(15,389)</u>	<u>(6,888)</u>
<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b><u>2,567</u></b>	<b><u>(34,493)</u></b>
<b>PROFIT/(LOSS) ATTRIBUTABLE TO:</b>			
Owners of the Company		<b><u>2,567</u></b>	<b><u>(34,493)</u></b>
<b>EARNINGS/(LOSS) PER SHARE (HK\$)</b>	13		
Basic		<b><u>0.002</u></b>	<b><u>(0.031)</u></b>
Diluted		<b><u>0.002</u></b>	<b><u>(0.031)</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>2,567</b>	<b>(34,493)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Net income/(loss) on debt securities investment measured at fair value through other comprehensive income ("FVOCI"), net of tax	<b>19,230</b>	<b>(217)</b>
Exchange differences on translating foreign operations, net of tax	<b>37,997</b>	<b>(26,351)</b>
	<b>57,227</b>	<b>(26,568)</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>57,227</b>	<b>(26,568)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	<b>59,794</b>	<b>(61,061)</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO:</b>		
Owners of the Company	<b>59,794</b>	<b>(61,061)</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
<b>ASSETS</b>			
Cash and short term placements		4,053,012	5,951,644
Placements with banks and financial institutions maturing after one month but not more than twelve months		2,676,630	1,905,999
Derivative financial instruments		2,363	4,561
Loans and advances and receivables	14	24,615,452	24,192,793
Equity investments at fair value through other comprehensive income		6,804	6,804
Debt securities investment	15	8,389,808	6,624,576
Investment properties		566,189	612,341
Property and equipment		229,962	231,454
Land held under finance leases		646,374	651,795
Right-of-use assets		83,885	87,169
Deferred tax assets		85,470	89,103
Tax recoverable		18,873	16,209
Goodwill		1,964,403	1,964,403
Intangible assets		232	232
Other assets		250,315	504,913
<b>TOTAL ASSETS</b>		<b>43,589,772</b>	<b>42,843,996</b>
<b>EQUITY AND LIABILITIES</b>			
<b>LIABILITIES</b>			
Deposits and balances of banks and other financial institutions at amortised cost		527,555	521,314
Derivative financial instruments		299	14,589
Customer deposits at amortised cost		33,229,927	32,173,517
Dividends payable		21,958	–
Unsecured bank loans at amortised cost		1,524,000	1,620,326
Lease liabilities		91,750	96,177
Current tax payable		2,620	2,654
Deferred tax liabilities		61,567	58,445
Other liabilities		391,543	656,257
<b>TOTAL LIABILITIES</b>		<b>35,851,219</b>	<b>35,143,279</b>

	30 June 2025 (Unaudited) <i>HK\$'000</i>	31 December 2024 (Audited) <i>HK\$'000</i>
<hr/>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		
Issued capital	109,792	109,792
Reserves	<u>7,628,761</u>	<u>7,590,925</u>
<b>TOTAL EQUITY</b>	<u>7,738,553</u>	<u>7,700,717</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>43,589,772</b></u>	<u><b>42,843,996</b></u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Property revaluation reserve HK\$'000	Debt securities revaluation reserve HK\$'000	Regulatory reserve <sup>#</sup> HK\$'000	Retained profits HK\$'000	Translation reserve HK\$'000	Total HK\$'000
As at 1 January 2025	109,792	4,013,296	829	96,116	135,956	(1,206)	–	3,400,050	(54,116)	7,700,717
Profit for the period	–	–	–	–	–	–	–	2,567	–	2,567
Other comprehensive income	–	–	–	–	–	19,230	–	–	37,997	57,227
Transfer from regulatory reserve to retained profits	–	–	–	–	–	–	–	–	–	–
Dividends declared	–	–	–	–	–	–	–	(21,958)	–	(21,958)
As at 30 June 2025 (Unaudited)	<u>109,792</u>	<u>4,013,296</u>	<u>829</u>	<u>96,116</u>	<u>135,956</u>	<u>18,024</u>	<u>–</u>	<u>3,380,659</u>	<u>(16,119)</u>	<u>7,738,553</u>

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Contributed surplus HK\$'000	Property revaluation reserve HK\$'000	Debt securities revaluation reserve HK\$'000	Regulatory reserve <sup>#</sup> HK\$'000	Retained profits HK\$'000	Translation reserve HK\$'000	Total HK\$'000
As at 1 January 2024	109,792	4,013,296	829	96,116	78,563	–	34,316	4,365,121	(19,609)	8,678,424
Loss for the period	–	–	–	–	–	–	–	(34,493)	–	(34,493)
Other comprehensive loss	–	–	–	–	–	(217)	–	–	(26,351)	(26,568)
Transfer from regulatory reserve to retained profits	–	–	–	–	–	–	(14,053)	14,053	–	–
Dividends declared	–	–	–	–	–	–	–	–	–	–
As at 30 June 2024 (Unaudited)	109,792	4,013,296	829	96,116	78,563	(217)	20,263	4,344,681	(45,960)	8,617,363
Loss for the period	–	–	–	–	–	–	–	(964,894)	–	(964,894)
Other comprehensive income/(loss)	–	–	–	–	57,393	(989)	–	–	(8,156)	48,248
Transfer from regulatory reserve to retained profits	–	–	–	–	–	–	(20,263)	20,263	–	–
Dividends declared	–	–	–	–	–	–	–	–	–	–
As at 31 December 2024 (Audited)	<u>109,792</u>	<u>4,013,296</u>	<u>829</u>	<u>96,116</u>	<u>135,956</u>	<u>(1,206)</u>	<u>–</u>	<u>3,400,050</u>	<u>(54,116)</u>	<u>7,700,717</u>

<sup>#</sup> The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purpose. It is held as a buffer of capital to absorb potential financial losses, in case the expected credit loss (“ECL”) provisions under accounting standards’ requirements is below a target level set by the Hong Kong Monetary Authority (“HKMA”).

## NOTES TO INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”), and in compliance with the Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* and Interpretations as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They also contain certain disclosure information required under the Banking (Disclosure) Rules issued by the HKMA.

The interim financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Group’s 2024 Annual Report.

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group’s 2024 Annual Report, except for the changes in accounting policies as set out in Note 4 below.

### 2. BASIS OF CONSOLIDATION

The unaudited interim condensed consolidated financial statements include the interim financial statements of the Company and its subsidiaries for the period ended 30 June 2025.

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The interim financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income (“OCI”) are attributed to the owners of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and translation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The subsidiaries consolidated for accounting purposes are Public Bank (Hong Kong) Limited ("Public Bank (Hong Kong)"), Public Finance Limited ("Public Finance"), Winton (B.V.I.) Limited and their subsidiaries.

### **3. BASIS OF CAPITAL DISCLOSURES**

The Group has complied with the capital requirements during the interim reporting period related to the capital base and capital adequacy ratios as stipulated by the HKMA, and has referred to the Banking (Disclosure) Rules.

Should the Group have not complied with the externally imposed capital requirements of the HKMA, capital management plans should be submitted to the HKMA for restoration of capital to the minimum required level as soon as possible.

The computation of the consolidated total capital ratio and other regulatory capital ratios is based on the consolidation of Public Bank (Hong Kong) and Public Finance for regulatory reporting purposes.

There are no major restrictions or impediments on the transfer of capital or funds among the members of the Company's consolidation group except that liquidity, capital and other performance indicators of Public Financial Securities Limited should satisfy the minimum requirements of the Securities and Futures (Financial Resources) Rules issued by the Securities and Futures Commission.

Regulatory reserve, if any, set aside pursuant to the HKMA's capital requirements is non-distributable.

The Group has adopted the provisions of the Banking Ordinance relating to the Basel III capital standards and the Banking (Capital) Rules (the "Capital Rules"). The Capital Rules outline the general requirements on regulatory capital ratios, the components of eligible regulatory capital as well as the levels of those ratios at which banking institutions are required to operate. The Capital Rules have been developed based on internationally-agreed standards on capital adequacy promulgated by the Basel Committee on Banking Supervision. Under the Capital Rules, the required capital conservation buffer ratio for 2024 and 2025 is 2.5%, whilst the required countercyclical capital buffer ratio for 2024 and 2025 is 0.5%.



## 4. ACCOUNTING POLICIES

### Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's interim financial information.

- Amendments to HKAS 21 *Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard to the Group are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information of the Group.

### Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that are expected to be relevant to the Group and have been issued but are not yet effective, in these interim financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

- HKFRS 18 *Presentation and Disclosure in Financial Statements<sup>2</sup>*
- HKFRS 19 *Subsidiaries without Public Accountability: Disclosures<sup>2</sup>*
- Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments<sup>1</sup>*
- Amendments to HKFRS 10 and HKAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>3</sup>*
- *Annual Improvements to HKFRS Accounting Standards – Volume 11* *Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7<sup>1</sup>*

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual/reporting periods beginning on or after 1 January 2027

<sup>3</sup> No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings Per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use in compliance with HKFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. However, some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosure requirements for investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now. The amendments are not expected to have any significant impact on the Group's financial statements.

*Annual Improvements to HKFRS Accounting Standards – Volume 11* set out amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7.

Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wordings in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the Guidance on implementing HKFRS 7 for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the Guidance on implementing HKFRS 7 does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wordings in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

## 5. SEGMENT INFORMATION

### Operating segment information

In accordance with the Group's internal financial reporting, the Group has identified operating segments based on similar economic characteristics, products and services and delivery methods. The operating segments are identified by Senior Management who is designated as the "Chief Operating Decision Maker" to make decisions about resources allocation to the segments and assess their performance that is measured net of associated direct expenses. A summary of the operating segments is as follows:

- retail and commercial banking businesses segment mainly comprises the provision of deposit account services, the extension of mortgages and consumer lending, hire purchase and leasing, provision of financing to purchasers of licensed public vehicles such as taxis and public light buses, provision of services and financing activities for customers in trading, manufacturing and various business sectors, foreign exchange activities, centralised cash management for deposit-taking and lending, interest rate risk management and the overall funding management of the Group;
- wealth management services, stockbroking and securities management segment comprises management of investments in debt securities and equities, securities dealing and receipt of commission income and the provision of authorised wealth management products and services; and
- other businesses segment comprises taxi trading, leasing of taxis and letting of investment properties.

The following table discloses the revenue and profit information for operating segments for the six months ended 30 June 2025 and 30 June 2024.

	For the six months ended 30 June 2025		For the six months ended 30 June 2024		For the six months ended 30 June 2025		For the six months ended 30 June 2024		For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	Retail and commercial banking businesses		Wealth management services, stockbroking and securities management		Other businesses		Total					
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue</b>												
External:												
Net interest income	530,450	470,632	63	78	–	–	530,513	470,710				
Net fees and commission income	67,855	59,307	70,947	46,565	–	–	138,802	105,872				
Other operating income	2,714	6,868	2,015	–	11,117	10,459	15,846	17,327				
Operating income	601,019	536,807	73,025	46,643	11,117	10,459	685,161	593,909				
Operating profit/(loss) after credit loss expenses before tax	26,432	(30,611)	33,849	22,326	(42,325)	(19,320)	17,956	(27,605)				
Tax							(15,389)	(6,888)				
<b>Profit/(loss) for the period</b>							<b>2,567</b>	<b>(34,493)</b>				
<b>Other segment information</b>												
Depreciation of property and equipment and land held under finance leases	(25,733)	(24,305)	–	–	–	–	(25,733)	(24,305)				
Depreciation of right-of-use assets	(24,861)	(28,382)	–	–	–	–	(24,861)	(28,382)				
Changes in fair value of investment properties	–	–	–	–	(46,152)	(24,367)	(46,152)	(24,367)				
Credit loss expenses	(155,870)	(164,303)	–	–	–	–	(155,870)	(164,303)				
Net losses on disposal of property and equipment	(116)	(18)	–	–	–	–	(116)	(18)				

The following table discloses certain assets and liabilities information regarding operating segments as at 30 June 2025 and 31 December 2024.

	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)	30 June 2025 (Unaudited)	31 December 2024 (Audited)
	Retail and commercial banking businesses		Wealth management services, stockbroking and securities management		Other businesses		Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets other than intangible assets and goodwill	40,720,174	39,681,040	234,400	480,627	566,220	612,382	41,520,794	40,774,049
Intangible assets	–	–	232	232	–	–	232	232
Goodwill	1,964,403	1,964,403	–	–	–	–	1,964,403	1,964,403
Segment assets	42,684,577	41,645,443	234,632	480,859	566,220	612,382	43,485,429	42,738,684
Unallocated assets: Deferred tax assets and tax recoverable							104,343	105,312
<b>Total assets</b>							<b>43,589,772</b>	<b>42,843,996</b>
Segment liabilities	35,702,282	34,766,557	55,451	308,827	7,341	6,796	35,765,074	35,082,180
Unallocated liabilities: Deferred tax liabilities and tax payable							64,187	61,099
Dividend payable							21,958	–
<b>Total liabilities</b>							<b>35,851,219</b>	<b>35,143,279</b>
<b>Other segment information</b>								
Additions to non-current assets – capital expenditure	18,959	134,282	–	–	–	–	18,959	134,282

## Geographical information

Geographical information is analysed by the Group based on the locations of the principal operations of the branches and subsidiaries which are responsible for reporting the results or booking the assets.

The following table discloses the segment revenue information for geographical segments for the six months ended 30 June 2025 and 30 June 2024.

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<hr/>		
Segment revenue from external customers:		
Hong Kong	<b>648,924</b>	542,586
Mainland China	<b>36,237</b>	51,323
	<hr/>	<hr/>
	<b>685,161</b>	593,909
	<hr/> <hr/>	<hr/> <hr/>

Segment revenue is allocated to the reportable segments with reference to interest, fees and commission income generated by these segments.

The following table discloses the non-current assets information for geographical segments as at 30 June 2025 and 31 December 2024.

	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<hr/>		
Non-current assets:		
Hong Kong	<b>3,468,957</b>	3,529,737
Mainland China	<b>22,088</b>	17,657
	<hr/>	<hr/>
	<b>3,491,045</b>	3,547,394
	<hr/> <hr/>	<hr/> <hr/>

Non-current assets consist of investment properties, property and equipment, land held under finance leases, goodwill, right-of-use assets and intangible assets.

## Operating income or revenue from major customers

Operating income or revenue from transactions with each external customer for the period amounted to less than 10% (2024: less than 10%) of the Group's total operating income or revenue.

## 6. INTEREST INCOME AND EXPENSE

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest income from:		
Loans and advances and receivables	711,291	754,281
Short term placements and placements with banks	106,468	85,413
Debt securities investment	160,652	174,058
	<u>978,411</u>	<u>1,013,752</u>
Interest expense on:		
Deposits from banks and financial institutions	14,176	12,042
Deposits from customers	398,923	485,255
Bank loans	32,452	43,275
Others	2,347	2,470
	<u>447,898</u>	<u>543,042</u>

Interest income and interest expense for the six months ended 30 June 2025, calculated using the effective interest method for financial assets and financial liabilities which are not designated at fair value through profit or loss ("FVPL"), amounted to HK\$978,411,000 and HK\$447,898,000 (2024: HK\$1,013,752,000 and HK\$543,042,000) respectively.

## 7. NET FEES AND COMMISSION INCOME

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Fees and commission income:		
Retail and commercial banking	68,956	60,223
Wealth management services, stockbroking and securities management	70,947	46,565
	139,903	106,788
Less: Fees and commission expenses	(1,101)	(916)
	<u>138,802</u>	<u>105,872</u>

All fees and commission income and expenses are related to financial assets or financial liabilities which are not designated at FVPL. No fees and commission income and expenses are related to trust and other fiduciary activities.



## 8. OTHER OPERATING INCOME

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Gross rental income	11,151	10,495
Less: Direct operating expenses	(34)	(36)
Net rental income	11,117	10,459
Gains less losses arising from dealing in foreign currencies	1,956	8,515
Net gains/(losses) on derivative financial instruments	2,064	(2,173)
	4,020	6,342
Net losses on disposal of property and equipment	(116)	(18)
Gain on termination of leases	67	–
Gain on disposal of debt securities investment	12	–
Dividend income from listed investments	156	118
Dividend income from unlisted investments	150	150
Others	440	276
	15,846	17,327

Direct operating expenses included repairs and maintenance expenses arising from investment properties.

There were no net gains or losses arising from the derecognition of equity/debt securities investments at FVOCI, loans and advances and receivables, financial assets and financial liabilities measured at amortised cost and financial assets and financial liabilities designated at FVPL for the six months ended 30 June 2025 and 30 June 2024.

## 9. OPERATING EXPENSES

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Staff costs:		
Salaries and other staff costs	279,082	263,517
Pension contributions	13,876	13,331
Less: Forfeited contributions	(50)	(76)
Net contribution to retirement benefit schemes	13,826	13,255
	292,908	276,772
Other operating expenses:		
Depreciation of right-of-use assets	24,861	28,382
Depreciation of property and equipment and land held under finance leases	25,733	24,305
Administrative and general expenses	44,186	37,521
Others	77,495	65,864
Operating expenses before changes in fair value of investment properties	465,183	432,844

As at 30 June 2025 and 30 June 2024, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years. The credits for the periods ended 30 June 2025 and 30 June 2024 arose in respect of staff who left the schemes during the periods.

## 10. CREDIT LOSS EXPENSES

The following tables show the changes in ECL on financial instruments for the periods recorded in the consolidated income statement.

For the six months ended 30 June 2025 (Unaudited)				
	12-month expected credit loss (Stage 1) <i>HK\$'000</i>	Lifetime expected credit loss not credit impaired (Stage 2) <i>HK\$'000</i>	Lifetime expected credit loss credit impaired (Stage 3) <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net charge for/(write-back of) credit loss expenses:				
– loans and advances	(15,708)	7,248	164,018	155,558
– trade bills, accrued interest and other receivables	10	(52)	264	222
– cash and short term placements	(181)	–	–	(181)
– placements with banks and financial institutions	76	–	–	76
– debt securities investment	177	–	–	177
– loan commitments	19	–	–	19
– financial guarantees and letters of credit	(1)	–	–	(1)
	<u>(15,608)</u>	<u>7,196</u>	<u>164,282</u>	<u>155,870</u>

For the six months ended 30 June 2024  
(Unaudited)

	12-month expected credit loss (Stage 1) <i>HK\$'000</i>	Lifetime expected credit loss not credit impaired (Stage 2) <i>HK\$'000</i>	Lifetime expected credit loss credit impaired (Stage 3) <i>HK\$'000</i>	Total <i>HK\$'000</i>
Net charge for/(write-back of) credit loss expenses:				
– loans and advances	9,721	6,474	123,640	139,835
– trade bills, accrued interest and other receivables	(41)	89	24,257	24,305
– cash and short term placements	25	–	–	25
– placements with banks and financial institutions	105	–	–	105
– debt securities investment	34	–	–	34
– loan commitments	(1)	–	–	(1)
– financial guarantees and letters of credit	–	–	–	–
	<u>9,843</u>	<u>6,563</u>	<u>147,897</u>	<u>164,303</u>

## 11. TAX

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax charge/(credit):		
Hong Kong	5,159	(14,292)
Overseas	5,854	1,315
Deferred tax charge, net	4,376	19,865
	<u>15,389</u>	<u>6,888</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable overseas have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred.

The Group has assessed its potential exposure to Pillar Two income taxes based on the information available regarding the financial performance of the Group for the six months ended 30 June 2025, and financial years 2024 and 2023. Based on the assessment, the Group's effective tax rates in all jurisdictions under which it operates are above 15% and the Group is not aware of any circumstances under which they might change in the current year. Therefore, the Group does not expect potential exposure to Pillar Two "top-up" tax in the current year.

As the assessment conducted may not be entirely representative of future circumstances, it is possible that the Group's effective tax rates in some jurisdictions will be above 15% in the future. Nevertheless, the Group does not expect a material exposure to Pillar Two income taxes in a foreseeable period.

A reconciliation of the tax charge/(credit) applicable to profit/(loss) before tax using the statutory tax rates for the jurisdictions in which the Company and its subsidiaries are domiciled and/or operate to the tax charge/(credit) at the effective tax rates, and a reconciliation of the applicable rates (i.e. statutory tax rates) to the effective tax rates, are as follows:

<b>For the six months ended 30 June 2025</b>						
<b>(Unaudited)</b>						
	<b>Hong Kong</b>		<b>Mainland China</b>		<b>Total</b>	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
Profit/(loss) before tax	<u>(500)</u>		<u>18,456</u>		<u>17,956</u>	
Tax at the applicable tax rate	(82)	16.5	4,614	25.0	4,532	25.2
Estimated tax effect of net expenses that are not deductible	<u>10,857</u>	<u>(2,171.5)</u>	<u>–</u>	<u>–</u>	<u>10,857</u>	<u>60.5</u>
Tax charge/(credit) at the Group's effective rate	<u>10,775</u>	<u>(2,155.0)</u>	<u>4,614</u>	<u>25.0</u>	<u>15,389</u>	<u>85.7</u>
<b>For the six months ended 30 June 2024</b>						
<b>(Unaudited)</b>						
	<b>Hong Kong</b>		<b>Mainland China</b>		<b>Total</b>	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
(Loss)/profit before tax	<u>(56,840)</u>		<u>29,235</u>		<u>(27,605)</u>	
Tax at the applicable tax rate	(9,379)	16.5	7,309	25.0	(2,070)	7.5
Estimated tax effect of net expenses that are not deductible	<u>8,948</u>	<u>(15.7)</u>	<u>10</u>	<u>–</u>	<u>8,958</u>	<u>(32.5)</u>
Tax charge/(credit) at the Group's effective rate	<u>(431)</u>	<u>0.8</u>	<u>7,319</u>	<u>25.0</u>	<u>6,888</u>	<u>(25.0)</u>

## 12. DIVIDENDS

### Dividends declared during the interim period

<b>For the six months ended 30 June</b>			
<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<i>HK\$ per</i>	<i>HK\$ per</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>ordinary share</i>	<i>ordinary share</i>		
Interim dividend	<u>0.02</u>	<u>–</u>	<u>21,958</u>

### 13. EARNINGS/(LOSS) PER SHARE

#### (a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share is based on the profit for the period ended 30 June 2025 of HK\$2,567,000 (loss for the period ended 30 June 2024 of HK\$34,493,000) and on the weighted average number of ordinary shares in issue of 1,097,917,618 shares (2024: 1,097,917,618 shares) during the period.

#### (b) Diluted earnings/(loss) per share

The Group had no potentially dilutive ordinary shares in issue during the periods ended 30 June 2025 and 30 June 2024.

### 14. LOANS AND ADVANCES AND RECEIVABLES

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Loans and advances to customers	24,932,183	24,458,426
Trade bills	134	–
Loans and advances, and trade bills	24,932,317	24,458,426
Accrued interest	75,973	77,820
Other receivables	25,008,290 5,808	24,536,246 5,790
Gross loans and advances and receivables	25,014,098	24,542,036
Less: Impairment allowances		
– specifically assessed	(233,373)	(175,468)
– collectively assessed	(165,273)	(173,775)
	(398,646)	(349,243)
Loans and advances and receivables	24,615,452	24,192,793

Over 90% (31 December 2024: over 90%) of the loans and advances and receivables were unrated exposures. Over 90% (31 December 2024: over 90%) of the collateral for the secured loans and advances and receivables were customer deposits, properties, listed shares, taxi licences, public light bus licences and vehicles.

Loans and advances and receivables are summarised as follows:

	<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
Neither past due nor impaired loans and advances and receivables	<b>23,565,407</b>	23,356,203
Past due but not impaired loans and advances and receivables	<b>659,257</b>	622,579
Credit impaired loans and advances	<b>772,214</b>	545,880
Credit impaired receivables	<b>17,220</b>	17,374
	<u><b>25,014,098</b></u>	<u>24,542,036</u>

About 74% (31 December 2024: about 70%) of “Neither past due nor impaired loans and advances and receivables” were property mortgage loans and hire purchase loans secured by properties, taxi licences, public light bus licences and vehicles.

**(a) (i) Ageing analysis of overdue and impaired loans and advances**

	<b>30 June 2025 (Unaudited)</b>		<b>31 December 2024 (Audited)</b>	
	<b>Gross amount HK\$'000</b>	<b>Percentage of total loans and advances %</b>	<b>Gross amount HK\$'000</b>	<b>Percentage of total loans and advances %</b>
Loans and advances overdue for:				
Six months or less				
but over three months	<b>115,208</b>	<b>0.46</b>	148,077	0.61
One year or less but				
over six months	<b>123,413</b>	<b>0.50</b>	157,194	0.64
Over one year	<b>242,850</b>	<b>0.97</b>	159,324	0.65
	<u>481,471</u>	<u>1.93</u>	<u>464,595</u>	<u>1.90</u>
Loans and advances overdue for more than three months	<b>481,471</b>	<b>1.93</b>	464,595	1.90
Rescheduled loans and advances				
overdue for three months or less	<b>60,993</b>	<b>0.25</b>	25,938	0.10
Impaired loans and advances				
overdue for three months or less	<b>229,750</b>	<b>0.92</b>	55,347	0.23
	<u>229,750</u>	<u>0.92</u>	<u>55,347</u>	<u>0.23</u>
Total overdue and impaired loans and advances	<b>772,214</b>	<b>3.10</b>	545,880	2.23
	<u><b>772,214</b></u>	<u><b>3.10</b></u>	<u>545,880</u>	<u>2.23</u>



(a) (ii) Ageing analysis of overdue and impaired trade bills, accrued interest and other receivables

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade bills, accrued interest and other receivables overdue for:		
Six months or less but over three months	890	1,308
One year or less but over six months	3,345	3,567
Over one year	<u>12,611</u>	<u>12,257</u>
Trade bills, accrued interest and other receivables overdue for more than three months	16,846	17,132
Impaired trade bills, accrued interest and other receivables overdue for three months or less	<u>374</u>	<u>242</u>
Total overdue and impaired trade bills, accrued interest and other receivables	<u><u>17,220</u></u>	<u><u>17,374</u></u>

Impaired loans and advances and receivables are individually determined to be impaired after considering the overdue ageing analysis and other qualitative factors such as bankruptcy proceedings and individual voluntary arrangements.

**(b) Geographical analysis of overdue and impaired loans and advances and receivables, and impairment allowances**

	30 June 2025 (Unaudited)			31 December 2024 (Audited)		
	Hong Kong	Mainland	Total	Hong Kong	Mainland	Total
	HK\$'000	China	HK\$'000	HK\$'000	China	HK\$'000
		HK\$'000	HK\$'000		HK\$'000	HK\$'000
<b>(i) Analysis of overdue loans and advances and receivables</b>						
Loans and advances and receivables overdue for more than three months	<u>459,118</u>	<u>39,199</u>	<u>498,317</u>	<u>443,238</u>	<u>38,489</u>	<u>481,727</u>
Impairment allowances specifically assessed	<u>166,533</u>	<u>8,219</u>	<u>174,752</u>	<u>131,085</u>	<u>8,331</u>	<u>139,416</u>
Current market value and fair value of collateral			<u>389,653</u>			<u>428,283</u>
<b>(ii) Analysis of impaired loans and advances and receivables</b>						
Impaired loans and advances and receivables	<u>744,910</u>	<u>44,524</u>	<u>789,434</u>	<u>518,323</u>	<u>44,931</u>	<u>563,254</u>
Impairment allowances specifically assessed	<u>225,154</u>	<u>8,219</u>	<u>233,373</u>	<u>167,137</u>	<u>8,331</u>	<u>175,468</u>
Current market value and fair value of collateral			<u>673,469</u>			<u>481,897</u>

Over 90% (31 December 2024: over 90%) of the Group's gross loans and advances and receivables were derived from operations carried out in Hong Kong. Accordingly, no geographical segment information of gross loans and advances and receivables is presented herein.

- (c) The value of collateral held in respect of the overdue loans and advances and the split between the portion of the overdue loans and advances covered by credit protection (covered portion) and the remaining portion (uncovered portion) are as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Current market value and fair value of collateral held against the covered portion of overdue loans and advances	<u>389,653</u>	<u>428,283</u>
Covered portion of overdue loans and advances	<u>316,931</u>	<u>328,273</u>
Uncovered portion of overdue loans and advances	<u>164,540</u>	<u>136,322</u>

The assets taken as collateral should satisfy the following criteria:

- The market value of the asset is readily determinable or can be reasonably established and verified.
- The asset is marketable and there exists a readily available secondary market for disposal of the asset.
- The Group's right to repossess the asset is legally enforceable without impediment.
- The Group is able to secure control over the asset if necessary.

The main types of guarantors for credit risk mitigation are as follows:

- Central governments with a grading of Aa3 or above
- Unrated public sector enterprises
- Banks with a grading of Baa2 or above
- Unrated corporations
- Individual shareholders and directors of corporate customers

**(d) Repossessed assets**

As at 30 June 2025, the total value of repossessed assets of the Group amounted to HK\$179,572,000 (31 December 2024: HK\$144,770,000).

**(e) Past due but not impaired loans and advances and receivables**

	<b>30 June 2025</b> <b>(Unaudited)</b>		<b>31 December 2024</b> <b>(Audited)</b>	
	<b>Gross</b>	<b>Percentage</b>	<b>Gross</b>	<b>Percentage</b>
	<b>amount</b>	<b>of total</b>	<b>amount</b>	<b>of total</b>
	<b>HK\$'000</b>	<b>loans and</b>	<b>HK\$'000</b>	<b>loans and</b>
		<b>advances</b>		<b>advances</b>
		<b>%</b>		<b>%</b>
Loans and advances overdue for three months or less	<u><b>655,583</b></u>	<u><b>2.63</b></u>	<u><b>618,615</b></u>	<u><b>2.53</b></u>
Trade bills, accrued interest and other receivables overdue for three months or less	<u><b>3,674</b></u>		<u><b>3,964</b></u>	

**(f) Impairment allowances on loans and advances and receivables**

An analysis of changes in the gross amount of loans and advances and receivables is as follows:

	<b>30 June 2025</b> <b>(Unaudited)</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Gross loans and advances and receivables as at 1 January 2025	<b>23,546,563</b>	<b>432,219</b>	<b>563,254</b>	<b>24,542,036</b>
New loans/financing originated	<b>4,475,836</b>	<b>704</b>	<b>4,910</b>	<b>4,481,450</b>
Loans/financing derecognised or repaid during the period (other than write-offs)	<b>(3,716,795)</b>	<b>(47,165)</b>	<b>(96,356)</b>	<b>(3,860,316)</b>
Transfer to 12-month expected credit loss (Stage 1)	<b>50,706</b>	<b>(38,573)</b>	<b>(12,133)</b>	<b>–</b>
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	<b>(344,731)</b>	<b>358,219</b>	<b>(13,488)</b>	<b>–</b>
Transfer to lifetime expected credit loss credit impaired (Stage 3)	<b>(232,412)</b>	<b>(259,907)</b>	<b>492,319</b>	<b>–</b>
Total transfer between stages	<b>(526,437)</b>	<b>59,739</b>	<b>466,698</b>	<b>–</b>
Write-offs	<b>–</b>	<b>–</b>	<b>(149,072)</b>	<b>(149,072)</b>
As at 30 June 2025	<b><u>23,779,167</u></b>	<b><u>445,497</u></b>	<b><u>789,434</u></b>	<b><u>25,014,098</u></b>
Arising from:				
Loans and advances	<b>23,716,434</b>	<b>443,535</b>	<b>772,214</b>	<b>24,932,183</b>
Trade bills, accrued interest and other receivables	<b>62,733</b>	<b>1,962</b>	<b>17,220</b>	<b>81,915</b>
	<b><u>23,779,167</u></b>	<b><u>445,497</u></b>	<b><u>789,434</u></b>	<b><u>25,014,098</u></b>

	31 December 2024 (Audited)			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
Gross loans and advances and receivables as at 1 January 2024	22,985,925	370,562	931,237	24,287,724
New loans/financing originated	6,694,712	1,763	3,357	6,699,832
Loans/financing derecognised or repaid during the year (other than write-offs)	(5,332,213)	(85,678)	(451,317)	(5,869,208)
Transfer to 12-month expected credit loss (Stage 1)	82,506	(76,296)	(6,210)	–
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	(353,306)	354,971	(1,665)	–
Transfer to lifetime expected credit loss credit impaired (Stage 3)	(531,061)	(133,103)	664,164	–
Total transfer between stages	(801,861)	145,572	656,289	–
Write-offs	–	–	(576,312)	(576,312)
As at 31 December 2024	<u>23,546,563</u>	<u>432,219</u>	<u>563,254</u>	<u>24,542,036</u>
Arising from:				
Loans and advances	23,482,852	429,694	545,880	24,458,426
Trade bills, accrued interest and other receivables	<u>63,711</u>	<u>2,525</u>	<u>17,374</u>	<u>83,610</u>
	<u>23,546,563</u>	<u>432,219</u>	<u>563,254</u>	<u>24,542,036</u>

The amount outstanding on financial assets that were written off during the period/year and are still subject to enforcement action amounted to HK\$108,215,000 (31 December 2024: HK\$508,451,000).

An analysis of credit risk exposure by the Group's internal credit rating system is as follows:

<b>30 June 2025</b>				
<b>(Unaudited)</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<hr/>				
Internal rating grades:				
Performing				
Pass	<b>23,668,536</b>	–	–	<b>23,668,536</b>
Special Mention	<b>110,631</b>	<b>445,497</b>	–	<b>556,128</b>
Non-performing				
Substandard	–	–	<b>281,998</b>	<b>281,998</b>
Doubtful	–	–	<b>376,402</b>	<b>376,402</b>
Loss	–	–	<b>131,034</b>	<b>131,034</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b><u>23,779,167</u></b>	<b><u>445,497</u></b>	<b><u>789,434</u></b>	<b><u>25,014,098</u></b>
<hr/>				
<b>31 December 2024</b>				
<b>(Audited)</b>				
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<hr/>				
Internal rating grades:				
Performing				
Pass	23,220,891	–	–	23,220,891
Special Mention	325,672	432,219	–	757,891
Non-performing				
Substandard	–	–	157,312	157,312
Doubtful	–	–	333,036	333,036
Loss	–	–	72,906	72,906
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b><u>23,546,563</u></b>	<b><u>432,219</u></b>	<b><u>563,254</u></b>	<b><u>24,542,036</u></b>
<hr/>				

An analysis of changes in the corresponding ECL allowances is as follows:

	<b>30 June 2025</b> <b>(Unaudited)</b>			
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
As at 1 January 2025	<b>136,403</b>	<b>37,372</b>	<b>175,468</b>	<b>349,243</b>
New loans/financing originated	<b>52,331</b>	<b>4</b>	<b>259</b>	<b>52,594</b>
Loans/financing derecognised or repaid during the period (other than write-offs)	<b>(34,949)</b>	<b>(5,910)</b>	<b>(60,077)</b>	<b>(100,936)</b>
Transfer to 12-month expected credit loss (Stage 1)	<b>6,930</b>	<b>(4,851)</b>	<b>(2,079)</b>	<b>–</b>
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	<b>(1,864)</b>	<b>1,995</b>	<b>(131)</b>	<b>–</b>
Transfer to lifetime expected credit loss credit impaired (Stage 3)	<b>(18,907)</b>	<b>(22,121)</b>	<b>41,028</b>	<b>–</b>
Total transfer between stages	<b>(13,841)</b>	<b>(24,977)</b>	<b>38,818</b>	<b>–</b>
Impact on period end expected credit loss of exposures transferred between stages during the period	<b>(5,143)</b>	<b>37,438</b>	<b>158,243</b>	<b>190,538</b>
Movements due to changes in credit risk	<b>(14,096)</b>	<b>641</b>	<b>27,039</b>	<b>13,584</b>
Recoveries	<b>–</b>	<b>–</b>	<b>42,695</b>	<b>42,695</b>
Write-offs	<b>–</b>	<b>–</b>	<b>(149,072)</b>	<b>(149,072)</b>
As at 30 June 2025	<b><u>120,705</u></b>	<b><u>44,568</u></b>	<b><u>233,373</u></b>	<b><u>398,646</u></b>
Arising from:				
Loans and advances	<b>119,581</b>	<b>44,500</b>	<b>229,974</b>	<b>394,055</b>
Trade bills, accrued interest and other receivables	<b>1,124</b>	<b>68</b>	<b>3,399</b>	<b>4,591</b>
	<b><u>120,705</u></b>	<b><u>44,568</u></b>	<b><u>233,373</u></b>	<b><u>398,646</u></b>



	31 December 2024 (Audited)			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Total HK\$'000
As at 1 January 2024	87,528	38,912	214,102	340,542
New loans/financing originated	52,961	–	382	53,343
Loans/financing derecognised or repaid during the year (other than write-offs)	(47,738)	(3,488)	(173,062)	(224,288)
Transfer to 12-month expected credit loss (Stage 1)	3,036	(1,492)	(1,544)	–
Transfer to lifetime expected credit loss not credit impaired (Stage 2)	(1,683)	1,768	(85)	–
Transfer to lifetime expected credit loss credit impaired (Stage 3)	(7,437)	(30,582)	38,019	–
Total transfer between stages	(6,084)	(30,306)	36,390	–
Impact on year end expected credit loss of exposures transferred between stages during the year	(1,839)	31,061	280,840	310,062
Movements due to changes in credit risk	51,575	1,193	306,972	359,740
Recoveries	–	–	86,156	86,156
Write-offs	–	–	(576,312)	(576,312)
As at 31 December 2024	<u>136,403</u>	<u>37,372</u>	<u>175,468</u>	<u>349,243</u>
Arising from:				
Loans and advances	135,289	37,252	172,299	344,840
Trade bills, accrued interest and other receivables	<u>1,114</u>	<u>120</u>	<u>3,169</u>	<u>4,403</u>
	<u>136,403</u>	<u>37,372</u>	<u>175,468</u>	<u>349,243</u>

**(g) Finance lease receivables**

Included in loans and advances and receivables were receivables in respect of assets leased under finance leases as set out below:

	<b>30 June 2025 (Unaudited) Undiscounted lease payments HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>	<b>30 June 2025 (Unaudited) Net investment in finance leases HK\$'000</b>	<b>31 December 2024 (Audited) HK\$'000</b>
Amounts receivable under finance leases:				
Within one year	<b>482,043</b>	478,266	<b>324,157</b>	319,718
Over one year but within two years	<b>428,223</b>	425,967	<b>297,504</b>	294,928
Over two years but within three years	<b>366,073</b>	367,925	<b>247,544</b>	248,742
Over three years but within four years	<b>325,011</b>	326,679	<b>215,307</b>	216,085
Over four years but within five years	<b>297,318</b>	299,075	<b>194,192</b>	195,105
Over five years	<b>4,509,021</b>	4,525,643	<b>3,570,734</b>	3,596,895
	<b>6,407,689</b>	6,423,555	<b>4,849,438</b>	4,871,473
Less: Unearned finance income	<b>(1,558,251)</b>	(1,552,082)		
Net investment in finance leases	<b>4,849,438</b>	4,871,473		

The Group has entered into finance lease arrangements with customers in respect of motor vehicles and equipment. The terms of the finance leases entered into range from 1 to 30 years.

## 15. DEBT SECURITIES INVESTMENT

	30 June 2025 (Unaudited)		
	Financial assets at amortised cost HK\$'000	Financial assets at FVOCI HK\$'000	Total HK\$'000
Certificates of deposit held	2,979,435	499,986	3,479,421
Treasury bills and government bonds (including Exchange Fund Bills)	69,918	3,163,856	3,233,774
Other debt securities	719,210	957,782	1,676,992
Gross debt securities investment	3,768,563	4,621,624	8,390,187
Less: Impairment allowances collectively assessed			
As at 1 January 2025	(352)		(352)
Credit loss expenses charged to the consolidated income statement during the period	(27)		(27)
	(379)		(379)
	<u>3,768,184</u>	<u>4,621,624</u>	<u>8,389,808</u>
Listed or unlisted:			
– Listed in Hong Kong	–	1,202,567	1,202,567
– Listed outside Hong Kong	384,448	343,923	728,371
– Unlisted	3,384,115	3,075,134	6,459,249
	<u>3,768,563</u>	<u>4,621,624</u>	<u>8,390,187</u>
Analysed by types of issuers:			
– Central governments	69,918	3,163,856	3,233,774
– Public sector entities	–	488,197	488,197
– Corporates	–	–	–
– Banks and other financial institutions	3,698,645	969,571	4,668,216
	<u>3,768,563</u>	<u>4,621,624</u>	<u>8,390,187</u>

31 December 2024 (Audited)			
	Financial assets at amortised cost <i>HK\$'000</i>	Financial assets at FVOCI <i>HK\$'000</i>	Total <i>HK\$'000</i>
Certificates of deposit held	2,367,887	129,975	2,497,862
Treasury bills and government bonds (including Exchange Fund Bills)	191,416	2,578,974	2,770,390
Other debt securities	926,540	430,136	1,356,676
Gross debt securities investment	3,485,843	3,139,085	6,624,928
Less: Impairment allowances collectively assessed			
As at 1 January 2024	(770)		(770)
Credit loss expenses released to the consolidated income statement during the year	418		418
	(352)		(352)
	<u>3,485,491</u>	<u>3,139,085</u>	<u>6,624,576</u>
Listed or unlisted:			
– Listed in Hong Kong	68,771	188,812	257,583
– Listed outside Hong Kong	280,203	194,101	474,304
– Unlisted	3,136,869	2,756,172	5,893,041
	<u>3,485,843</u>	<u>3,139,085</u>	<u>6,624,928</u>
Analysed by types of issuers:			
– Central governments	191,416	2,578,974	2,770,390
– Public sector entities	65,720	171,292	237,012
– Corporates	100,000	–	100,000
– Banks and other financial institutions	3,128,707	388,819	3,517,526
	<u>3,485,843</u>	<u>3,139,085</u>	<u>6,624,928</u>

There were no impairment allowances specifically assessed made against debt securities investment as at 30 June 2025 and 31 December 2024.

There were neither impaired nor overdue debt securities investment as at 30 June 2025 and 31 December 2024.

Over 90% (31 December 2024: over 90%) of debt securities investment were rated with a grading of A3 or above based on the credit rating of Moody's Investors Service, an external credit agency.

## 16. LEASES

### (a) As lessor

The Group leases its investment properties under operating lease arrangements, and the terms of the leases range from 1 to 3 years.

As at 30 June 2025 and 31 December 2024, the Group had total future minimum lease rental receivables under non-cancellable operating leases falling due as follows:

	<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
Within one year	<b>11,312</b>	13,740
Over one year but within two years	<b>5,300</b>	4,570
Over two years but within three years	<b>946</b>	1,817
	<b>17,558</b>	20,127

### (b) As lessee

The Group has entered into certain future lease arrangements with landlords, and the terms of the leases range from 2 to 3 years. As at 30 June 2025 and 31 December 2024, the Group had total future lease payments for leases committed but not yet commenced falling due as follows:

	<b>30 June 2025 (Unaudited) HK\$'000</b>	31 December 2024 (Audited) HK\$'000
Within one year	<b>2,902</b>	–
In the second to fifth years, inclusive	<b>6,877</b>	–
	<b>9,779</b>	–

## 17. OFF-BALANCE SHEET EXPOSURE

### Contingent liabilities, commitments and derivatives

The following is a summary of the contractual amount of each significant class of contingent liabilities, commitments and derivatives of the Group outstanding at the end of the period:

	30 June 2025 (Unaudited)				
	Contractual amount HK\$'000	Credit equivalent amount HK\$'000	Credit risk- weighted amount HK\$'000	Positive fair value- assets HK\$'000	Negative fair value- liabilities HK\$'000
Direct credit substitutes	28,338	28,338	24,712	–	–
Transaction-related contingencies	3,997	1,999	748	–	–
Trade-related contingencies	2,875	575	558	–	–
Forward forward deposits placed	–	–	–	–	–
Forward asset purchases	–	–	–	–	–
	<u>35,210</u>	<u>30,912</u>	<u>26,018</u>	<u>–</u>	<u>–</u>
Derivatives held for trading:					
Foreign exchange contracts	547,292	10,021	2,004	2,363	299
Other commitments with an original maturity of:					
Not more than one year	15,600	6,240	6,240	–	–
More than one year	93,049	37,220	37,220	–	–
Other commitments which are unconditionally cancellable or which provide for automatic cancellation due to deterioration of creditworthiness of the counterparties	<u>2,605,688</u>	<u>260,569</u>	<u>243,789</u>	<u>–</u>	<u>–</u>
	<u><u>3,296,839</u></u>	<u><u>344,962</u></u>	<u><u>315,271</u></u>	<u><u>2,363</u></u>	<u><u>299</u></u>
					30 June 2025 (Unaudited) Contractual amount HK\$'000
Capital commitments contracted for, but not provided in the consolidated statement of financial position					<u><u>24,168</u></u>

	31 December 2024 (Audited)				
	Contractual amount <i>HK\$'000</i>	Credit equivalent amount <i>HK\$'000</i>	Credit risk- weighted amount <i>HK\$'000</i>	Positive fair value- assets <i>HK\$'000</i>	Negative fair value- liabilities <i>HK\$'000</i>
Direct credit substitutes	28,238	28,238	23,919	–	–
Transaction-related contingencies	18,780	9,390	1,354	–	–
Trade-related contingencies	4,301	860	777	–	–
Forward forward deposits placed	80,871	80,871	16,174	–	–
Forward asset purchases	–	–	–	–	–
	132,190	119,359	42,224	–	–
Derivatives held for trading:					
Foreign exchange contracts	744,108	13,615	2,723	4,561	14,589
Other commitments with an original maturity of:					
Not more than one year	37,840	7,568	7,568	–	–
More than one year	93,048	46,524	46,524	–	–
Other commitments which are unconditionally cancellable or which provide for automatic cancellation due to deterioration of creditworthiness of the counterparties	2,291,507	–	–	–	–
	<u>3,298,693</u>	<u>187,066</u>	<u>99,039</u>	<u>4,561</u>	<u>14,589</u>

31 December 2024  
(Audited)  
Contractual  
amount  
*HK\$'000*

Capital commitments contracted for, but not provided in the consolidated statement of financial position	<u>23,914</u>
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As at 30 June 2025 and 31 December 2024, the corresponding ECLs for the outstanding off-balance sheet exposures, including loan commitments and financial guarantees and letters of credit under stage 1, amounted to HK\$49,000 and HK\$31,000 respectively.

## 18. MATURITY ANALYSIS OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The tables below show an analysis of financial assets and financial liabilities (including key off-balance sheet items) analysed by principal according to the periods that they are expected to be recovered or settled.

	30 June 2025 (Unaudited)							
	Repayable on demand HK\$'000	Up to 1 month HK\$'000	Over 1 month but not more than 3 months HK\$'000	Over 3 months but not more than 12 months HK\$'000	Over 1 year but not more than 5 years HK\$'000	Over 5 years HK\$'000	Repayable within an indefinite period HK\$'000	Total HK\$'000
<b>Financial assets:</b>								
Gross cash and short term placements	697,940	3,355,466	-	-	-	-	-	4,053,406
Gross placements with banks and financial institutions maturing after one month but not more than twelve months	-	-	2,377,717	299,180	-	-	-	2,676,897
Gross loans and advances and receivables	401,131	1,207,915	969,791	2,320,371	6,446,805	12,844,395	823,690	25,014,098
Equity investments at fair value through other comprehensive income	-	-	-	-	-	-	6,804	6,804
Gross debt securities investment	-	918,098	1,516,782	4,386,618	1,568,689	-	-	8,390,187
Other assets	535	16,141	15,192	26,917	13,914	-	177,616	250,315
Derivative financial instruments	-	2,363	-	-	-	-	-	2,363
<b>Total financial assets</b>	<b>1,099,606</b>	<b>5,499,983</b>	<b>4,879,482</b>	<b>7,033,086</b>	<b>8,029,408</b>	<b>12,844,395</b>	<b>1,008,110</b>	<b>40,394,070</b>
<b>Financial liabilities:</b>								
Deposits and balances of banks and other financial institutions at amortised cost	146,904	230,651	150,000	-	-	-	-	527,555
Customer deposits at amortised cost	9,810,919	7,390,317	9,580,267	6,447,635	789	-	-	33,229,927
Unsecured bank loans at amortised cost	-	1,524,000	-	-	-	-	-	1,524,000
Lease liabilities	-	4,113	8,183	33,982	45,265	207	-	91,750
Other liabilities	4,897	64,592	58,659	46,528	1	-	216,866	391,543
Derivative financial instruments	-	299	-	-	-	-	-	299
<b>Total financial liabilities</b>	<b>9,962,720</b>	<b>9,213,972</b>	<b>9,797,109</b>	<b>6,528,145</b>	<b>46,055</b>	<b>207</b>	<b>216,866</b>	<b>35,765,074</b>
<b>Net liquidity gap</b>	<b>(8,863,114)</b>	<b>(3,713,989)</b>	<b>(4,917,627)</b>	<b>504,941</b>	<b>7,983,353</b>	<b>12,844,188</b>	<b>791,244</b>	<b>4,628,996</b>



	31 December 2024 (Audited)							
	Repayable on demand HK\$'000	Up to 1 month HK\$'000	Over 1 month but not more than 3 months HK\$'000	Over 3 months but not more than 12 months HK\$'000	Over 1 year but not more than 5 years HK\$'000	Over 5 years HK\$'000	Repayable within an indefinite period HK\$'000	Total HK\$'000
<b>Financial assets:</b>								
Gross cash and short term placements	672,592	5,279,627	–	–	–	–	–	5,952,219
Gross placements with banks and financial institutions maturing after one month but not more than twelve months	–	–	1,837,374	68,816	–	–	–	1,906,190
Gross loans and advances and receivables	906,757	1,204,193	590,603	2,906,642	6,291,851	12,045,766	596,224	24,542,036
Equity investments at fair value through other comprehensive income	–	–	–	–	–	–	6,804	6,804
Gross debt securities investment	–	1,047,461	3,483,499	1,407,399	686,569	–	–	6,624,928
Other assets	838	40,111	17,571	11,346	6,539	–	428,508	504,913
Derivative financial instruments	–	4,561	–	–	–	–	–	4,561
<b>Total financial assets</b>	<b>1,580,187</b>	<b>7,575,953</b>	<b>5,929,047</b>	<b>4,394,203</b>	<b>6,984,959</b>	<b>12,045,766</b>	<b>1,031,536</b>	<b>39,541,651</b>
<b>Financial liabilities:</b>								
Deposits and balances of banks and other financial institutions at amortised cost	133,163	238,151	50,000	100,000	–	–	–	521,314
Customer deposits at amortised cost	7,956,262	7,101,097	12,677,206	4,438,428	524	–	–	32,173,517
Unsecured bank loans at amortised cost	–	1,620,326	–	–	–	–	–	1,620,326
Lease liabilities	–	4,355	8,550	33,562	49,710	–	–	96,177
Other liabilities	5,685	74,673	92,066	67,323	12	–	416,498	656,257
Derivative financial instruments	–	14,589	–	–	–	–	–	14,589
<b>Total financial liabilities</b>	<b>8,095,110</b>	<b>9,053,191</b>	<b>12,827,822</b>	<b>4,639,313</b>	<b>50,246</b>	<b>–</b>	<b>416,498</b>	<b>35,082,180</b>
<b>Net liquidity gap</b>	<b>(6,514,923)</b>	<b>(1,477,238)</b>	<b>(6,898,775)</b>	<b>(245,110)</b>	<b>6,934,713</b>	<b>12,045,766</b>	<b>615,038</b>	<b>4,459,471</b>

## **INTERIM DIVIDEND**

The Board has on 30 June 2025 declared an interim dividend of HK\$0.02 per ordinary share (2024: Nil) for the year ending 31 December 2025, payable on 1 August 2025 to shareholders whose names appear on the register of members of the Company on 22 July 2025, being the record date for determining shareholders' entitlement to the interim dividend.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

During the period under review, the economy of Hong Kong faced a slow recovery and the general operating environment remained challenging with growing close down/bankruptcy cases particularly from small- and medium-sized entities and traditional businesses. The overall economic outlook was also uncertain affected by escalated geopolitical risk, developments in international trade and tariff issues, as well as changes in consumption habit and competition landscape in Hong Kong.

The US Federal Reserve has maintained its benchmark rate throughout the first half of 2025 despite the ease of monetary policies by other major economies. The Hong Kong dollars ("HKD") interest rates declined significantly following the sale of HKD by the HKMA in May 2025 under the Linked Exchange Rate System.

Property prices continued to fall in the period under review. Affected by the high vacancy rate of commercial real estate and the disposal decisions by some investors, there was an imbalance between supply and demand, leading to a relatively large decline in commercial real estate prices. On the other hand, residential real estate prices were relatively stable with increased turnover in the period under review.

Taxi licence price slumped further in the period under review mainly due to the increasing competition from the popular usage of ride-hailing platforms and the uncertainty of government policy over the regulation of such platforms.

During the period under review, the Hang Seng Index outperformed major stock markets and recorded high turnover. Nevertheless, investment in the real economy was weak, and corporations were also conservative in business expansion, thus dampening the corporate loan demand.

Under the aforesaid challenging operating environment, the Group conducted its loan business prudently with a strategic focus on secured lending segments at reasonable interest yields while managing funding costs and the net interest margin cautiously. The Group continued diversifying revenue sources towards fee-based businesses amidst weak consumer sentiment and subdued corporate loan demands whilst pursuing long-term business growth prudently with sustainable profit growth.

## **FINANCIAL REVIEW**

### **Revenue and earnings**

For the six months ended 30 June 2025, the Group recorded a profit after tax of HK\$2.6 million, representing a rebound of HK\$37.1 million compared with a loss after tax of HK\$34.5 million in the corresponding period last year.

The Group's basic earnings per share for the six months ended 30 June 2025 was HK\$0.002. The Board has declared an interim dividend of HK\$0.02 per share on 30 June 2025, payable on 1 August 2025.

During the period under review, total interest income of the Group decreased by HK\$35.3 million or 3.5% to HK\$978.4 million mainly due to the lower interest yield from loans and advances driven by the declining interest rate since the second half of 2024. Total interest expenses decreased by HK\$95.1 million or 17.5% to HK\$447.9 million mainly due to the lower interest cost of fixed deposits coupled with the increased contribution from low-cost savings and demand deposits in the customer deposit mix. As a result, the Group's net interest income increased by HK\$59.8 million or 12.7% to HK\$530.5 million. Non-interest income of the Group increased by HK\$31.4 million or 25.5% to HK\$154.6 million mainly due to the higher fees and commission income from wealth management services, stockbroking and securities management which benefited from a bullish Hong Kong stock market in the period under review.

Operating expenses of the Group increased by HK\$32.4 million or 7.5% to HK\$465.2 million mainly due to higher marketing expenses for business promotions and increased staff costs as part of the talent development and retention strategy in the period under review.

Revaluation loss arising from investment properties increased by HK\$21.8 million to HK\$46.2 million during the period under review compared with the corresponding period of last year.

Credit loss expenses decreased by HK\$8.4 million or 5.1% to HK\$155.9 million mainly due to a higher base for comparison in the previous period with the inclusive of an impairment provision on a large corporate borrower.

### **Loans and advances, customer deposits and total assets**

The Group's gross loans and advances (including trade bills) recorded a growth of HK\$473.9 million or 1.9% to HK\$24.93 billion as at 30 June 2025 from HK\$24.46 billion as at 31 December 2024. Customer deposits of the Group increased by HK\$1.06 billion or 3.3% to HK\$33.23 billion as at 30 June 2025 from HK\$32.17 billion as at 31 December 2024.

As at 30 June 2025, total assets of the Group stood at HK\$43.59 billion.

## **Business performance of key subsidiaries**

### ***Public Bank (Hong Kong)***

During the period under review, gross loans and advances (including trade bills) of Public Bank (Hong Kong), a licensed bank and a direct subsidiary of the Company, recorded a growth of HK\$540.5 million or 2.9% to HK\$19.35 billion as at 30 June 2025 from HK\$18.81 billion as at 31 December 2024. Customer deposits (excluding deposits from a subsidiary) increased by HK\$1.14 billion or 4.1% to HK\$29.08 billion as at 30 June 2025 from HK\$27.94 billion as at 31 December 2024. Impaired loans to total loans ratio of Public Bank (Hong Kong) increased by 1.07% to 3.02% as at 30 June 2025 from 1.95% as at 31 December 2024, mainly due to the impairment of a corporate borrower in the commercial real estate segment. Excluding intra-group dividend income, Public Bank (Hong Kong) recorded a profit of HK\$38.4 million for the six months ended 30 June 2025 compared with a loss of HK\$4.1 million in the corresponding period in 2024, mainly due to higher commission income from stockbroking business and lower credit loss expenses.

Public Bank (Hong Kong) will continue developing and expanding its retail and commercial banking businesses as well as its core customer base, and accelerate the pace of its digital transformation. Additionally, it will develop its banking and financial services as well as its stockbroking businesses.

### ***Public Finance***

Gross loans and advances of Public Finance, a deposit-taking company and a direct subsidiary of Public Bank (Hong Kong), recorded a decline of HK\$75.4 million or 1.5% to HK\$5.11 billion as at 30 June 2025 from HK\$5.19 billion as at 31 December 2024. Customer deposits decreased by HK\$95.9 million or 2.2% to HK\$4.18 billion as at 30 June 2025 from HK\$4.28 billion as at 31 December 2024. Impaired loans to total loans ratio of Public Finance increased slightly to 2.01% as at 30 June 2025 compared with 1.91% as at 31 December 2024. Excluding intra-group dividend income, the profit of Public Finance for the six months ended 30 June 2025 decreased by HK\$4.5 million or 69.1% to HK\$2.0 million, mainly due to the increase in credit loss expenses on unsecured personal lending affected by escalated bankruptcy cases.

Public Finance will continue focusing on its consumer financing and deposit-taking businesses, and also embark on its digital transformation.

## **Segmental information**

The Group's businesses comprise three main segments: (i) retail and commercial banking businesses, (ii) wealth management services, stockbroking and securities management, and (iii) other businesses. For the period under review, the contribution of the aforesaid segments to the Group's operating income was 87.7%, 10.7% and 1.6%, respectively.

For the first half of 2025, the Group's operating income from retail and commercial banking businesses increased by HK\$64.2 million or 12.0% to HK\$601.0 million mainly due to the decrease in funding cost of the Group and the increase of loan portfolio by 1.9%. A profit before tax of HK\$26.4 million was reported for the segment, representing an increase of HK\$57.0 million compared with the first half of 2024, mainly attributed to the aforesaid reduction in funding costs and lower credit loss expenses for the segment.

The Group's operating income from wealth management services, stockbroking and securities management increased by HK\$26.4 million or 56.6% to HK\$73.0 million mainly due to the increased turnover in the Hong Kong stock market. Profit before tax from this segment increased by HK\$11.5 million or 51.6% to HK\$33.8 million during the period under review.

### **Group's branch network**

Public Bank (Hong Kong) has a network of 29 branches in Hong Kong and 5 branches in Shenzhen in the People's Republic of China. Public Finance has a network of 40 branches in Hong Kong. Winton Financial Limited ("Winton Financial"), another operating subsidiary of the Company which operates under a money lenders licence, has a network of 3 branches in Hong Kong. In total, the Group has a combined branch network of 77 branches to serve its customers.

### **Significant investments**

The Company has a significant investment, with a value of 5% or more of the Company's total assets, in Public Bank (Hong Kong). The principal businesses of Public Bank (Hong Kong) are the provision of retail and commercial banking services. The investment cost in the subsidiary amounted to HK\$6.59 billion or 76.9% of the total assets of the Company, and this cost reflected the fair value of the Company's investment. Public Bank (Hong Kong) strategically focuses on loan business development, deposit-taking, stockbroking and bancassurance business operations. It continues to strike a balance between pursuing business growth and maintaining sound liquidity and asset quality. Public Bank (Hong Kong) and its subsidiaries recorded a profit of HK\$41.5 million on a consolidated basis, which represented an annualised return of 1.3% from the Company's investment. There was no dividend income received from Public Bank (Hong Kong) during the period under review. Further details of such investment (including the number and percentage of shares held) in Public Bank (Hong Kong) will be disclosed in the 2025 Interim Report.

### **Contingent liabilities and commitments**

The Group had no material contingent liabilities (other than those in the normal course of its banking and finance businesses relating to treasury and trade finance activities and loan commitments as disclosed in the Notes to the interim financial statements) as at the end of the period under review. The Group did not incur any material capital expenditure or enter into any material commitments in respect of capital expenditure during the period under review. There was no material funding required for capital expenditure and its commitments. The Group did not have plans for material investments or purchases of capital assets in the near term. As at 30 June 2025, there was no charges or encumbrances over the assets of the Group. There was also no significant event affecting the Group subsequent to 30 June 2025.

## **OPERATIONAL REVIEW**

### **Funding and capital management**

The main objective of the Group's funding activities is to ensure the availability of funds at reasonable cost to meet all contractual financial commitments, to fund growth in loans and advances and to generate reasonable returns from available funds. The Group also encourages its subsidiaries to be self-sufficient in funding their business growth. The Group did not have material acquisitions or disposals of subsidiaries or associates during the period under review.

The Group relies principally on its internally generated capital, customer deposits and deposits from financial institutions to fund its retail and commercial banking businesses and its consumer financing business. The Group's cash and cash equivalents are mainly denominated in HKD or United States dollars. Its bank borrowings are in the form of term loans denominated in HKD at floating interest rates and stood at approximately HK\$1.52 billion as at 30 June 2025. Based on the level of bank borrowings compared with the equity of the Group, the Group's gearing ratio remained at a healthy level of 0.20 times as at 30 June 2025, which was slightly lower compared with the position at 31 December 2024. The bank borrowings as at 30 June 2025 had remaining maturity periods of less than one year. In the normal course of its commercial banking business, Public Bank (Hong Kong) had entered into foreign exchange swaps and forward contracts to reduce the foreign exchange rate risk exposures of the Group. Exposures to fluctuations in foreign exchange rates were minimal. There were no foreign currency investments hedged by foreign currency borrowings and other hedging instruments during the period under review.

The consolidated CET1 capital ratio and total capital ratio of Public Bank (Hong Kong) Group (inclusive of Public Bank (Hong Kong) and Public Finance) stood at 26.8% and 27.6% respectively as at 30 June 2025.

The Group continues to safeguard its capital adequacy position and manage key risks cautiously.

### **Asset quality and credit management**

The Group's impaired loans to total loans ratio increased by 0.9% to 3.1% as at 30 June 2025 from 2.2% as at 31 December 2024 amidst the challenging operating environment and soft asset prices. The Group will continue managing credit risk prudently and undertaking conservative yet flexible business development strategies to strike a balance between business and income growth and prudent risk management.

## **Human resources management**

The Group is committed to promoting a sound corporate culture by setting out cultural values including (but not limited to) caring attitude, discipline, ethics and integrity, excellence, trust, and prudence. The cultural values are articulated in policies, procedures, and processes relevant to the day-to-day operations, including supporting operations, training, and performance appraisal of the Group's staff. Dedicated heads of key departments are responsible to assist the Board in setting out the culture related behavioural expectations of staff in carrying out their day-to-day responsibilities; build up an effective, continual and regular communication channel to share examples of misconduct, improper behaviour and disciplines with the staff for their alerts; promote an open exchange of views in relation to culture and behavioural standards; and put in place a clear ownership structure for core risks and culture reform initiatives.

The objective of the Group's human resources management is to recognise and reward performing staff by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives taking into account both business performance and the adherence to the Group's culture and behavioural standards, and to promote career development and progression within the Group. Staff are enrolled in external training courses, seminars, and professional and technical courses to update their technical knowledge and skills, increase their awareness of market and regulatory developments, and enhance their management and business skills. Staff also participated in environmental, social, or charitable activities organised by the Group or by various non-profit making organisations to promote team spirit and social responsibility to the community.

As at 30 June 2025, the Group's staff force stood at 1,274 employees. For the six months ended 30 June 2025, the Group's total staff related costs amounted to HK\$292.9 million.

## **PROSPECTS**

The economies of Hong Kong and Mainland China are anticipated to continue on a slow recovery path in the second half of 2025, but the prospects remain highly uncertain driven by the development of geopolitical factors and international trade/tariff issues. The risk appetites for corporate investments/business expansion and private consumption are expected to remain conservative in the near term until a clearer economic outlook is ascertained. Accordingly, loan growth momentum in Hong Kong and Mainland China will continue to be constrained. Nevertheless, market interest rates are likely to go down slightly in the second half of 2025 and the pressure on the Group's funding cost can be further alleviated.

Despite the foregoing challenges, the Group will continue pursuing long-term business and profitability growth to be in line with its corporate mission and goals. The Group will continue adopting prudent capital management and liquidity risk management to preserve an adequate buffer to meet the challenges ahead. The Group will continue seeking loan growth at reasonable yields and managing its funding cost to grow net interest income.



The Group will continue adopting sound and flexible marketing strategies to expand customer base and channels of services, launching attractive marketing promotions at reasonable costs, and optimising the utilisation of system resources to enhance service quality and the efficiency of banking operations. The Group will also strive for diversification of income streams by development of fee-based businesses in stockbroking and insurance.

The Group will continue focusing on expanding its retail and commercial banking businesses and its consumer financing business through its extensive branch network of Public Bank (Hong Kong), Public Finance and Winton Financial, supporting its growth in loan business developments, deposit-takings and fee-based businesses, and implementing appropriate marketing strategies at reasonable costs. The Group will continue optimising resources and refining the existing products and services to grow its retail and commercial lending businesses and consumer financing business; whilst restructuring its operating processes to achieve higher operational efficiency and cost synergy amongst group companies. Recently, the Group has rolled-out enhanced mobile banking apps to facilitate on-line customer onboarding and implemented electronic customer due diligence process to reduce operational errors, shorten operating process time, and allow frontline staff to concentrate on new business initiation. Moving forward, the Group will also drive digitalisation process of its financial services for its business growth from electronic channels for long term productivity and cost efficiency. The Group targets to achieve a Carbon Neutral position for Scope 1 and Scope 2 emission by 2030 and Net Zero Carbon by 2050; and will integrate sustainability development into its business initiatives and expand green financing business to achieve the target set.

The Group will stay vigilant of the uncertainties and challenges ahead and strive to expand its banking and financing businesses with disciplined cost control and prudent risk management in the second half of 2025. The Group is also committed to fostering a healthy and strong corporate culture to enhance the Group's cohesiveness with shared vision and values by every staff in the Group.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares (including sale of treasury shares) during the six months ended 30 June 2025. As at 30 June 2025, there were no treasury shares held by the Company (whether held or deposited in the Central Clearing and Settlement System, or otherwise).

## **CORPORATE GOVERNANCE**

None of the Directors of the Company is aware of information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by the 2025 Interim Report, in compliance with the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.



## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee of the Company comprises three Independent Non-Executive Directors, namely Ms. Phe Kheng Peng, Mr. Lee Chin Guan and Mr. Lim Chao Li, and two Non-Executive Directors, namely Mr. Lai Wan and Mr. Quah Poh Keat. The unaudited interim results for the six months ended 30 June 2025 as set out in this announcement have been reviewed by the Audit Committee.

## **PUBLICATION OF 2025 INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement of the Group for the six months ended 30 June 2025 is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.publicfinancial.com.hk](http://www.publicfinancial.com.hk). The 2025 Interim Report containing all applicable information required by the Listing Rules will be published on the above websites in or around early-August 2025.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my gratitude to the management and staff of the Group for their commitment and contribution during the period. I would also like to express my appreciation to the guidance from the regulators and continued support from our shareholders and customers.

By Order of the Board  
**Public Financial Holdings Limited**  
**Lai Wan**  
Chairman

Hong Kong, 17 July 2025

*As at the date of this announcement, the Board of the Company comprises Mr. Lai Wan, Dato' Chang Kat Kiam, Mr. Quah Poh Keat and Mr. Lee Huat Oon as Non-Executive Directors, Mr. Chong Yam Kiang as Executive Director, and Mr. Lee Chin Guan, Mr. Lim Chao Li and Ms. Phe Kheng Peng as Independent Non-Executive Directors.*