Fu Shek Financial Holdings Limited
富石金融控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2263)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

The board (the "**Board**") of directors (the "**Director(s)**") of Fu Shek Financial Holdings Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2026 (the "**Review Year**") together with the comparative figures for the year ended 31 March 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026
(Expressed in Hong Kong Dollars (HK$))

	NOTES	**2026** **HK$'000**	2025 HK$'000
Revenue			
Fee and commission income	3	**11,098**	16,026
Interest income under effective interest method		**23,315**	16,922
		34,413	32,948
Other gains and losses		**438**	(316)
Other income		**4,447**	9,645
Staff costs	5	**(12,810)**	(11,770)
Finance costs	6	**(314)**	(105)
Impairment loss	4	**(6,856)**	(8,926)
Commission expenses	4	**(1,329)**	(10,675)
Depreciation of property and equipment		**(792)**	(827)
Other operating expenses		**(6,953)**	(7,094)
Profit before taxation		**10,244**	2,880
Taxation	7	**14**	–
Profit and total comprehensive income for the year		**10,258**	2,880
Earnings per share			
Basic *(HK cents per share)*	8	**1.03**	0.29

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

(Expressed in Hong Kong Dollars (HK$))

	NOTES	**2026** *HK$'000*	2025 *HK$'000*
Non-current assets			
Property and equipment		**1,177**	587
Intangible asset		**2,735**	2,735
Other assets		**1,659**	413
Deposits		**177**	230
		5,748	3,965
Current assets			
Accounts receivable	10	**371,401**	171,357
Deposits, other receivables and prepayments		**245**	247
Tax recoverable		**–**	1,903
Bank balances – trust and segregated accounts		**132,602**	148,119
Bank balances – general accounts and cash		**97,892**	218,896
		602,140	540,522
Non-current liability			
Lease liabilities		**440**	–
Current liabilities			
Accounts payable	11	**182,569**	184,014
Other payables and accrued charges		**5,880**	1,587
Bank borrowings		**49,639**	–
Tax payable		**53**	–
Lease liabilities		**633**	470
		238,774	186,071
Net current assets		**363,366**	354,451
Net assets		**368,674**	358,416
Capital and reserves			
Share capital		**10,000**	10,000
Reserves		**358,674**	348,416
Total capital and reserves		**368,674**	358,416

NOTES

1. GENERAL

The financial results have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKAS**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and the Hong Kong Companies Ordinance. The financial results also comply with the applicable disclosure provisions of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES

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

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

Amendments to HKAS 21	Lack of Exchangeability

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

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements.

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

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2026.
3 Effective for annual periods beginning on or after 1 January 2027.

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

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

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

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

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

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

HKFRS 18 Presentation and Disclosure in Financial Statements

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. FEE AND COMMISSION INCOME

	2026	2025
	HK$'000	*HK$'000*
Commission and brokerage income on securities dealing	**6,614**	3,259
Placing and underwriting services income	**568**	11,543
Handling and other fee income	**3,910**	1,220
Asset management fee income	**6**	4
	11,098	16,026

Disaggregation of fee and commission income from contracts with customers

	2026	2025
	HK$'000	*HK$'000*
Timing of revenue recognition		
A point in time	**11,062**	15,988
Over time	**36**	38
	11,098	16,026

4. SEGMENT INFORMATION

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

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

(a) the brokerage services segment comprises the provision of brokerage services in securities traded in Hong Kong and overseas markets;

(b) the margin financing services segment comprises the provision of financing services to margin and cash clients;

(c) the placing and underwriting services segment comprises the provision of underwriting, sub-underwriting and placing services; and

(d) the asset management services segment comprises the provision of investment management services.

Segment profit/(loss) represents the profit or loss earned by each segment without allocation of other income, other gains and losses, unallocated staff costs, unallocated finance costs, depreciation and unallocated other operating expenses. No inter-segment revenues are charged among segments.

Year ended 31 March 2026

	Brokerage services *HK$'000*	Margin financing services *HK$'000*	Placing and underwriting services *HK$'000*	Asset management services *HK$'000*	Total *HK$'000*
Segment revenue	**10,524**	**23,315**	**568**	**6**	**34,413**
Segment profit/(loss)	**6,852**	**16,175**	**(554)**	**(197)**	**22,276**
Other gains					**438**
Other income					**4,447**
Unallocated staff costs					**(9,858)**
Unallocated finance costs					**(30)**
Depreciation					**(792)**
Unallocated other operating expenses					**(6,237)**
Profit before taxation					**10,244**
Other segment information:					
Interest income from clients	**–**	**23,315**	**–**	**–**	**23,315**
Interest on bank borrowings	**–**	**(284)**	**–**	**–**	**(284)**
Commission expenses	**(1,329)**	**–**	**–**	**–**	**(1,329)**
Impairment loss	**–**	**(6,856)**	**–**	**–**	**(6,856)**

Year ended 31 March 2025

	Brokerage services *HK$'000*	Margin financing services *HK$'000*	Placing and underwriting services *HK$'000*	Asset management services *HK$'000*	Total *HK$'000*
Segment revenue	4,479	16,922	11,543	4	32,948
Segment profit/(loss)	1,717	7,940	232	(198)	9,691
Other losses					(316)
Other income					9,645
Unallocated staff costs					(8,813)
Unallocated finance costs					(49)
Depreciation					(827)
Unallocated other operating expenses					(6,451)
Profit before taxation					2,880
Other segment information:					
Interest income from clients	–	16,922	–	–	16,922
Interest on bank borrowings	–	(56)	–	–	(56)
Commission expenses	(767)	–	(9,908)	–	(10,675)
Impairment loss	–	(8,926)	–	–	(8,926)

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

Geographical information

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

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2026	2025
	HK$'000	*HK$'000*
Customer A *(Note a)*	**3,551**	–
Customer B *(Note b)*	**–**	4,762

Notes:

(a) Customer A did not contribute over 10% of total revenue of the Group during the year ended 31 March 2025.

(b) Customer B did not contribute over 10% of total revenue of the Group during the year ended 31 March 2026.

5. STAFF COSTS

	2026	2025
	HK$'000	*HK$'000*
Directors' remuneration		
– fees	**729**	720
– salaries, discretionary bonus and other benefits	**5,381**	4,071
– contributions to the retirement benefit scheme	**18**	18
Salaries, discretionary bonus and other benefits	**6,502**	6,770
Contributions to the retirement benefit scheme	**180**	191
	12,810	11,770

6. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interest on unsecured bank loans and overdrafts	**284**	56
Interest on lease liabilities	**30**	49
	314	105

7. TAXATION

	2026	2025
	HK$'000	*HK$'000*
Current tax:		
Hong Kong Profits Tax	**53**	–
Overprovision in prior years	**(67)**	–
	(14)	–

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

The reconciliation between the taxation for the year and the product of profit before taxation multiplied by the Hong Kong Profits Tax rate is as follows:

	2026	2025
	HK$'000	*HK$'000*
Profit before taxation	**10,244**	2,880
Tax at income tax rate of 16.5%	**1,690**	475
Tax effect of expenses not deductible for tax purpose	**458**	349
Tax effect of income not taxable for tax purpose	**(729)**	(1,588)
Utilisation of tax losses previously not recognised	**(1,199)**	–
Overprovision in prior years	**(67)**	–
Tax effect of profit under tax concessions	**(165)**	–
Tax effect of tax losses not recognised	**–**	744
Others	**(2)**	20
Taxation for the year	**(14)**	–

As at 31 March 2025, no deferred tax asset was recognised in the Group's consolidated statement of the financial position in relation to the estimated unused tax losses of approximately HK$7,267,000 due to unpredictable future profit streams of relevant entity. The unused tax losses have been fully utilised during the year ended 31 March 2026.

8. EARNINGS PER SHARE

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

	2026	2025
	HK$'000	*HK$'000*
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**10,258**	2,880

	Number of shares	
	2026	2025
Number of shares		
Weighted average number of ordinary shares in issue during the year, used in the basic earnings per share calculation *('000)*	**1,000,000**	1,000,000

No diluted earnings per share is presented for the years ended 31 March 2026 and 31 March 2025 as there were no potential dilutive shares.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2026, nor has any dividend been proposed since the end of the reporting period (2025: Nil).

10. ACCOUNTS RECEIVABLE

	2026	2025
	HK$'000	*HK$'000*
Accounts receivable arising from the business of dealing in securities *(note a)*		
– Hong Kong Securities Clearing Company Limited ("**HKSCC**")	**51,184**	29,342
– Cash clients	**5,609**	2,199
– Margin clients	**347,155**	168,245
– Broker	**2,274**	–
Accounts receivable arising from placing and underwriting services *(note b)*	**1,180**	1,180
	407,402	200,966
Less: allowance for impairment loss		
– accounts receivable arising from the business of dealing in securities	**(34,821)**	(28,429)
– accounts receivable arising from placing and underwriting services	**(1,180)**	(1,180)
	371,401	171,357

Notes:

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

	2026	2025
	HK$'000	*HK$'000*
0–30 days	**2,276**	123
31–60 days	**22**	–
61–90 days	**12**	1
Over 90 days	**262**	1
	2,572	125

Accounts receivable of securities margin clients are secured by clients' pledged securities with fair value of HK$1,334,396,000 (2025: HK$869,631,000). All of the pledged securities are equity and debt securities listed in Hong Kong and overseas. The accounts receivable of securities margin clients are repayable on demand subsequent to settlement date and carrying interest typically at Hong Kong Prime rate + 2% per annum as at 31 March 2026 and 2025 (and in some cases the rate may go up to Hong Kong Prime rate +10% per annum (2025: Hong Kong Prime rate +10%) per annum). Securities are assigned with specific margin ratios for calculating their margin values. Additional funds or collaterals are required if the outstanding amount exceeds the eligible margin value of securities deposited. The collaterals held can be repledged and can be sold at the Group's discretion to settle any outstanding amount owed by margin clients. No ageing analysis is disclosed, as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business of securities margin financing.

The Group has concentration of credit risk as 13% (2025: 18%) and 62% (2025: 40%) of the total accounts receivable from securities margin clients was due from the Group's largest and top five largest securities margin clients respectively. The balance of top five largest securities margin clients HK$214,350,000 (2025: HK$68,060,000) is secured by clients' pledged securities with an aggregate fair value of HK$303,479,000 (2025: HK$128,334,000) and guarantee. The Directors believe that the amount is considered recoverable given the collateral and guarantee are sufficient to cover the entire balance on individual basis.

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

	2026	2025
	HK$'000	*HK$'000*
Over 365 days	**1,180**	1,180

Impairment allowance of HK$1,180,000 (2025: HK$1,180,000) has been made for accounts receivable from placing and underwriting services. The Directors have individually evaluated the accounts receivable for impairment after taking into account the credit of the individual customers.

11. ACCOUNTS PAYABLE

	2026	2025
	HK$'000	*HK$'000*
Cash clients	**86,851**	144,969
Margin clients	**95,718**	36,107
HKSCC	**–**	2,938
	182,569	184,014

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

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

The accounts payable amounting to HK$132,602,000 (2025: HK$148,119,000) were payable to clients in respect of the trust and segregated bank balances received and held for clients in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

During the Review Year, the global economy sustained a modest recovery with continued uncertainties. The Russo-Ukrainian conflict which intensified in early 2022 was yet to be resolved, the new tariffs introduced by the United States coupled with new conflict in Middle East during the current financial year continued to exert pressure on the global supply chains.

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

Following the announcement of a series of support measures by the Chinese government since last financial year, market sentiment improved significantly since. The recent rapid developments of technology sector including artificial intelligence (AI) and semiconductor industries have further attracted significant capital inflows into the market from investors. According to the monthly market highlights provided by the Stock Exchange, average daily turnover for the securities market in approximately 2025 was approximately HK$249.8 billion, representing an increase of approximately 90% as compared to 2024.

The total funds raised in the securities market in Hong Kong in 2025 was approximately HK$644.4 billion, which represented an increase of approximately 235% as compared to 2024.

Following the GEM listing regime reform, there were 2 (2025: 3) newly-listed companies in GEM of the Stock Exchange during the year ended 31 March 2026.

BUSINESS REVIEW

Since over two decades, the Group has been providing comprehensive financial services in Hong Kong. The Group has developed experience and capability to provide comprehensive financial and securities services, which incorporates (i) securities trading services including brokerage services and margin financing services; (ii) placing and underwriting services; and (iii) asset management services. Sinomax Securities Limited ("**Sinomax Securities**"), being the principal operating subsidiary of the Company, is licensed with the Securities and Futures Commission to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities in Hong Kong. The Company's shares have been listed on the Stock Exchange since February 2020.

During the Review Year, the Group recorded an approximately 4.4% increase in total revenue as compared to the year ended 31 March 2025 (the "**Last Year**"), which was approximately HK$34.4 million. The increase was mainly attributable to the increases in commission and brokerage income on securities dealing, handling and other fee income and interest income from margin financing services, while being partially offset by the decrease in commission income from placing and underwriting services. Meanwhile, the net profit attributable to owners of the Company increased by approximately 256.2% to approximately HK$10.3 million during the Review Year, which was mainly due to the increases in commission and brokerage income on securities dealing, handling and other fee income and interest income from margin financing services as compared with the Last Year.

Securities Trading Services

Brokerage Services

The Group provides securities dealing and brokerage services and ancillary service to clients who maintain a trading account. Commission income from the Group's securities brokerage business and handling and other fee income for the Review Year increased by approximately 135.0% to approximately HK$10.5 million as compared with that of the Last Year (2025: approximately HK$4.5 million) and accounted for approximately 30.6% (2025: 13.6%) of the total revenue. The increase in revenue from brokerage services was attributable to the increased commission income received from the Group's clients and the increase in their trading turnover during the Review Year which is in line with the market trends. Also, the Group recorded a significant increase in handling and other fee income attributable to the increase in IPO subscriptions from the Group's clients due to the continuous improvement in the IPO market sentiment in Hong Kong during the Review Year. The segment profit from brokerage services increased by approximately 299.1% to approximately HK$6.9 million as compared with that of the Last Year (2025: approximately HK$1.7 million) which is in line with the increase in trading turnover and volume of IPO subscriptions during the Review Year.

Margin Financing Services

The Group provides financing services to facilitate its clients' purchase of securities on a margin basis in the secondary market and subscription to IPOs. Interest income from margin financing provided by the Group for the Review Year increased by approximately 37.8% to approximately HK$23.3 million as compared with that of Last Year (2025: approximately HK$16.9 million) and accounted for approximately 67.8% (2025: 51.4%) of the total revenue. The increase in interest income from margin financing was mainly due to an increase in the demand for the Group's margin financing services during the Review Year. The allowance for impairment loss recognised under the expected credit loss model for accounts receivable arising from the business of dealing in securities decreased by approximately 23.2% to approximately HK$6.9 million (2025: approximately HK$8.9 million) during the Review Year. To recover accounts receivable arising from the business of dealing in securities with impairment loss, the Group has taken various actions, including restructuring arrangements, issuing demand letters and commencing legal proceedings action against the borrowers. The segment profit from margin financing services increased by approximately 103.7% to approximately HK$16.2 million as compared with that of the Last Year (2025: approximately HK$7.9 million) as the Group recorded a continued rebound in the Group's margin financing services during the Review Year following the improved market sentiment.

As at 31 March 2026, the Group had 618 (2025: 623) active securities accounts as reported pursuant to Securities and Futures Ordinance.

Placing and Underwriting Services

The Group provides placing and underwriting services by acting as (i) bookrunner, lead manager or underwriter of listing applicants in IPOs; (ii) placing agent of listed companies in connection with their issuance or sale of equity or debt securities; and (iii) manager for issue of bonds by listed or unlisted corporations, in return for placing and/or underwriting commission income. The commissions from placing and underwriting engagements vary on a case-by-case basis, as they are charged either based on pre-determined fixed fee or a fee calculated as a percentage of the total price of shares underwritten. Commission income from the Group's placing and underwriting services for the Review Year decreased by approximately 95.1% to approximately HK$0.6 million as compared with that of the Last Year (2025: approximately HK$11.5 million), which accounted for approximately 1.6% (2025: 35.0%) of the total revenue.

The Group engaged in different placing and underwriting exercises and successfully completed 2 (2025: 9) projects during the Review Year. The lack of fund raising exercises from small and mid-sized issuers in the market, especially when there were only two new listings on GEM of the Stock Exchange during the Review Year, led to the decrease in number of transactions completed. The Group has actively participated in placing exercise for Debt Capital Market in Last Year and it expanded the Group's revenue stream and provided greater access to a wider range of financial products available to customers. However, the decreased fundraising volume and worsening of the credit capacities for re-financings of unlisted corporations, coupled with the high interest rate environment, has led to no placing exercise for Debt Capital Market having been completed during the Review Year.

The segment result from placing and underwriting services recorded a loss of approximately HK$554,000 (2025: profit of approximately HK$232,000), which was mainly due to fewer placing and underwriting projects completed during the Review Year.

Asset Management Services

During the Review Year, the revenue of asset management services was approximately HK$6,000 (2025: HK$4,000) and the segment loss was approximately HK$197,000 (2025: HK$198,000). The expansion of asset management services segment has met with difficulties under the current high interest rate environment and prolonged uncertain economic outlook.

FINANCIAL REVIEW

Revenue

During the Review Year, the Group recorded a revenue of approximately HK$34.4 million (2025: approximately HK$32.9 million), representing an increase of approximately 4.4% compared with that of the Last Year. The overall increase was mainly due to increases in commission and brokerage income on securities dealing, handling and other fee income and interest income from margin financing services, while being partially offset by the decrease in commission income from placing and underwriting services during the Review Year.

Other Operating Expenses

For the Review Year, the other operating expenses decreased by approximately 2.0% to approximately HK$7.0 million as compared with the Last Year (2025: approximately HK$7.1 million). The decrease was mainly due to less legal and professional fee incurred for pursuing legal actions for recovery of accounts receivable arising from the business of dealing in securities with impairment loss and partially offset by more information services expenses incurred which is in line with the rebound in commission and brokerage income on securities dealing.

Profit for the Year

For the Review Year, the Group's net profit was approximately HK$10.3 million, representing an increase of approximately 256.2% compared with approximately HK$2.9 million from the Last Year. Such change was mainly due to a significant increase in commission and brokerage income on securities dealing, handling and other fee income and increase in interest income from margin financing services as the demand for the Group's margin financing services continuously increased compared with the Last Year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintained a strong liquidity position with bank deposits and financed its operations by cash mainly generated from operations and bank borrowings. As at 31 March 2026, the Group had total bank balances for general accounts and cash of approximately HK$97.9 million (2025: approximately HK$218.9 million). The decrease in bank balances was mainly to support the growth in demand for margin financing services. As at 31 March 2026, the Group had net current assets of approximately HK$363.4 million, representing an increase of approximately HK$8.9 million as compared with that of approximately HK$354.5 million as at 31 March 2025. The financial position of the Group remained stable during the Review Year.

The Group's gearing ratio was 0.13 as at 31 March 2026 (2025: Nil).

Gearing ratio is calculated based on total debts which is represented by bank borrowings only, divided by net assets as at the end of the Review Year.

Bank Borrowings

The major source of debt financing of the Group was mainly from banks. As at 31 March 2026, the Group had bank borrowings of HK$49.6 million (2025: Nil). The bank borrowings are repayable within 1 week or on demand. The effective interest rates for bank borrowings are floating rates ranging from 3.82% to 7.00% per annum.

Pledge of Assets

As at 31 March 2026, the Group did not have any pledged assets (2025: Nil).

Foreign Currency Exposure

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

Capital Commitments and Contingent Liabilities

As at 31 March 2026, the Group did not have any significant capital commitment and contingent liabilities (2025: Nil).

Employees and Remuneration Policies

As at 31 March 2026, the Group employed 15 staff (2025: 15). The employees' remuneration was determined based on factors such as qualification, scope of duty, contributions and years of experience. Staff costs primarily consist of salaries, bonus and allowance as well as contributions to the mandatory provident fund for the Director and employees of the Group. Staff costs was approximately HK$12.8 million during the Review Year (2025: HK$11.8 million), representing an increase of approximately HK$1.0 million. The staff team remained stable during the Review Year.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

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

Significant Investments Held by the Group

As at 31 March 2026, the Group did not make any significant investments (2025: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed under the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Group did not have other future plans for material investments or capital assets as at the date of this announcement.

USE OF PROCEEDS

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

Business strategies	**Net proceeds as allocated in accordance with the Prospectus**	**Actual use of net proceeds up to 31 March 2026**	**Unutilised use of net proceeds up to 31 March 2026**	**Expected timeline of full utilisation of the balance**
	HK$ Million	*HK$ Million*	*HK$ Million*	
Expansion of placing and underwriting business	27.0	27.0	–	–
Funding for margin financing business	10.2	10.2	–	–
Establishment and renovation of a new office	15.7	–	15.7	End of 2028
Expansion of workforce	12.9	1.1	11.8	End of 2028
Enhancement of IT systems	9.0	–	9.0	End of 2028
Promotion and marketing	7.2	–	7.2	End of 2028
Working capital	8.6	8.6	–	–
Total	90.6	46.9	43.7	

As at 31 March 2026, the unutilised proceeds were placed with a licensed bank in Hong Kong.

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

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

DIVIDENDS

The Board does not recommend the declaration of final dividend for the Review Year (2025: Nil).

OUTLOOK AND PROSPECTS

The Group believes that the Hong Kong financial services industry with its strong history and well established foundation, sound reputation, supportive policies from the government and outstanding industry professionals, would remain in a top position worldwide.

As stated in the business update announcement of the Company dated 18 March 2026, the Securities and Futures Commission has approved the application of Sinomax Securities, on 25 July 2025 to provide virtual assets dealing and/or advisory services as an intermediary under its license for Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In view of the rapid development of virtual assets globally and the supportive stance of the Government of Hong Kong in recent years, the Group is of the view that, the expansion of Sinomax Securities's business into the virtual assets-related services is in line with the Company's strategy to provide more diversified products scope and range of services to the Group's clients. It will also create opportunities for the Group to generate synergies among its various business lines, thereby expanding its current source of revenue and exploring new revenue streams for the Group.

Following the long awaited commencement of lowering of interest rate by the US Federal Reserve in the current financial year, the Group expects that the clients will shift more assets into the securities market. Indeed, the demand for the Group's margin financing services reached a record high level of year end balance of the Group's margin financing services to clients as at 31 March 2026.

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

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

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

During the Review Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares).

CORPORATE GOVERNANCE CODE

The Company has applied the principles and code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Part 2 of Appendix C1 to the Listing Rules as the basis of the Company's corporate governance practices during the Review Year.

The Board is of the view that the Company has complied with the CG Code during the Review Year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the required standard for securities transactions by Directors.

The Company has made specific enquiries of all Directors and all Directors have confirmed that they have complied with the required standards as set out in the Model Code during the Review Year.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") has reviewed the Group's consolidated financial statements for the year ended 31 March 2026, including the accounting principles adopted by the Group, with the Company's management.

The Audit Committee comprises three Directors, namely, Mr. Lai Man Sing, Dr. Yu Sun Say and Ms. Tsang Ngo Yin, all being independent non-executive Directors. Mr. Lai Man Sing, a Director with the appropriate professional qualifications, serves as the chairman of the Audit Committee.

EVENT AFTER THE REVIEW YEAR

The Group has no material subsequent events after the Review Year and up to the date of this announcement.

SCOPE OF WORK OF BAKER TILLY HONG KONG LIMITED

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, Baker Tilly Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Baker Tilly Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Baker Tilly Hong Kong Limited on the preliminary announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed percentage of public float under the Listing Rules.

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

The annual results announcement of the Company is published on the website of the Stock Exchange (www.hkex.com.hk) and on the website of the Company (www.hkfsfinance.com). The annual report of the Company for the year ended 31 March 2026 containing all the information required by the Listing Rules will be published on the websites of the Stock Exchange and the Company in due course.

By order of the Board
Fu Shek Financial Holdings Limited
Sy Man Chiu
Executive Director

Hong Kong, 29 June 2026

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