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CSC HOLDINGS LIMITED
中策資本控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 235)

DISCLOSEABLE TRANSACTION
ACQUISITION OF 26.80% OF
ALL ISSUED AND OUTSTANDING CAPITAL STOCK IN
CITYSTATE SAVINGS BANK, INC.

On 30 August 2024 (after trading hours), the Sellers and the Buyer entered into the SPA pursuant to which the Sellers shall sell, assign and transfer to the Buyer, and the Buyer shall purchase and acquire the Subject Shares, representing 26.80% of all the issued and outstanding capital stock of the Target as at the date of this announcement, at a total of PHP735,894,511.36 (equivalent to approximately HK\$102,065,813) (subject to adjustment, provided that the aggregate consideration for the purchase of all the Subject Shares will in no case exceed PHP750,000,000 (equivalent to approximately HK\$104,022,191)) upon and subject to the terms and conditions of the SPA.

As one or more applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Acquisition is/are more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under the Listing Rules.

THE ACQUISITION

On 30 August 2024 (after trading hours), the Sellers and the Buyer entered into the SPA pursuant to which the Sellers shall sell, assign and transfer to the Buyer, and the Buyer shall purchase and acquire the Subject Shares at a total of PHP735,894,511.36 (equivalent to approximately HK\$102,065,813) (subject to adjustment, provided that the aggregate consideration for the purchase of all the Subject Shares will in no case exceed PHP750,000,000 (equivalent to approximately HK\$104,022,191)) upon and subject to the terms and conditions of the SPA.

SPA

The principal terms of the SPA are set out as follows:

Date: 30 August 2024 (after trading hours)

Parties: (i) the Sellers
(ii) the Buyer, an indirect wholly-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Sellers and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Assets to be acquired: Upon receipt by the Sellers of the Purchase Price and subject to the terms set out in the SPA, the Sellers shall irrevocably sell, assign and transfer to the Buyer, and the Buyer shall purchase and acquire the Subject Shares, with full title guarantee, free from any and all Lien, together with all rights attaching to the Subject Shares as at Closing, including all rights thereafter accruing to the Subject Shares, and all dividends and distributions declared, paid or made in respect of the Subject Shares after the Closing Date.

Purchase Price: The consideration for the purchase of the Subject Shares shall be the amount equal to 2.4 times the Locked Box NAV attributable to the Subject Shares, which is agreed to be PHP735,894,511.36 (equivalent to approximately HK\$102,065,813) or approximately PHP16.97 (equivalent to approximately HK\$2.35) per Subject Share, subject to any applicable adjustments between the Locked Box Date and the Closing Date (the "**Purchase Price**"), provided that the Purchase Price will in no case exceed PHP750,000,000 (equivalent to approximately HK\$104,022,191) (i.e., the Maximum Consideration).

Pre-Closing value adjustment

At least seven (7) Business Days prior to the anticipated Closing Date, the Sellers shall prepare and deliver to the Buyer a statement (the “**Closing Statement**”), setting forth the Sellers’ good faith estimated calculation of (i) the Target’s NAV as of 11:59 p.m. Philippine Standard Time on the Closing Date (the “**Estimated Closing NAV**”); and (ii) any Leakage (except for a Permitted Leakage) between the Locked Box Date and the Closing Date (the “**Estimated Leakage**”), pursuant to the terms and conditions of the SPA.

The closing purchase price for all the Subject Shares payable by the Buyer to the Sellers on the Closing Date shall be determined as follows (the “**Closing Purchase Price**”):

- (i) If the Estimated Closing NAV exceeds the Locked Box NAV, the Buyer shall pay 2.4 times the difference between the Locked Box NAV attributable to the Subject Shares and the Estimated Leakage attributable to the Subject Shares, and the Sellers shall be allowed to cause the Target to declare and pay out cash dividends in favour of shareholders of the Target prior to Closing, or otherwise withdraw legally as approved by the Buyer, up to a maximum amount equivalent to the excess of the Estimated Closing NAV attributable to the Subject Shares over the Locked Box NAV attributable to the Subject Shares (the “**Excess NAV**”). In the event that the Excess NAV cannot be legally declared as cash dividends or otherwise withdrawn in favour of the Sellers prior to Closing, the Buyer shall pay the Sellers one times the Excess NAV only, without any premium, in addition to the 2.4 times the difference between the Locked Box NAV attributable to the Subject Shares and the Estimated Leakage attributable to the Subject Shares.
- (ii) If the Estimated Closing NAV is below the Locked Box NAV, then the Buyer shall pay 2.4 times the Estimated Closing NAV attributable to the Subject Shares. For avoidance of doubt, the difference between the Estimated Closing NAV attributable to the Subject Shares and the Locked Box NAV attributable to the Subject Shares including the Estimated Leakages attributable to the Subject Shares (the “**Shortfall**”), shall be discounted in the computation of the Closing Purchase Price, such that the Purchase Price of 2.4 times the Locked Box NAV shall be adjusted downward by 2.4 times the Shortfall.

For the avoidance of doubt, the Closing Purchase Price shall in no case exceed the Maximum Consideration.

Post-Closing adjustment

The Buyer shall have one hundred and twenty (120) days following the Closing Date (the “**Review Period**”) to review the Closing Statement and related computations of the Estimated Leakage, together with information that the Buyer may reasonably request from the Sellers in order to calculate the actual Leakage between the Locked Box Date and the Closing Date, and for the actual NAV as of the Closing Date.

If the Buyer has accepted the Closing Statement in writing or has not given written notice to Sellers within the Review Period setting forth any objection of the Buyer to the calculation of Leakage between the Locked Box Date and the Closing Date and the NAV as of the Closing Date, then the Closing Statement shall be final and binding upon the Sellers and the Buyer. If the Buyer delivers a statement of objections during the Review Period, the Buyer and the Sellers shall resolve the disputed items pursuant to the mechanism under the SPA.

The final closing NAV (the “**Final Closing NAV**”) shall be the NAV less the amount of all Leakage between the Locked Box Date and the Closing Date as reflected in the Closing Statement that has become final and binding pursuant to the terms and conditions of the SPA (the “**Final Closing Statement**”).

- (i) If the Final Closing NAV attributable to the Subject Shares is greater than the Estimated Closing NAV attributable to the Subject Shares, the Buyer shall remit or cause to be remitted, such excess without any premium to the Sellers, within five (5) Business Days of the determination of the Final Closing Statement, subject to the Maximum Consideration limit.

- (ii) If the Estimated Closing NAV attributable to the Subject Shares is greater than the Final Closing NAV attributable to the Subject Shares, the Sellers shall deposit, or cause to be deposited, with the Buyer, within five (5) Business Days of the determination of the Final Closing Statement any excess in the Purchase Price paid by the Buyer at Closing which provides for the 2.4 times downward value adjustment on the Estimated Closing NAV attributable to the Subject Shares.

The Purchase Price was arrived at after arm's length negotiations between the Buyer and the Sellers on normal commercial terms with reference to, among other things; (a) the NAV of the Target of over PHP1.14 billion (equivalent to approximately HK\$158 million) as at 31 December 2023 based on the published annual report of the Target; (b) the thrift bank license held by the Target; (c) the fact that the Target has thirty-four (34) branches/offices in the Philippines, most of which are located in Metro Manila, a region with the largest economic volume, the highest population density and the most economically developed region in the Philippines; and (d) the factors set out in the section headed "Reasons for and benefits of the Acquisition" below.

The Purchase Price will be settled in cash and funded by the internal financial resources of the Group.

Closing Conditions:

Parties' Closing Conditions

The obligations of the Parties to proceed with, and the completion of, the sale and purchase of the Subject Shares are, unless otherwise waived in writing by the relevant Party, subject to the satisfaction of each of the conditions set forth below.

- (i) Percentage of Ownership. The Subject Shares to be sold at Closing constitute 26.80% of the total issued and outstanding voting capital stock of the Target on a fully diluted basis.

- (ii) Government Approvals. All governmental approvals, including approval by the Monetary Board of the BSP of the Acquisition, as well as all consents, approvals and authorizations, if any, required under applicable law, necessary to permit the Buyer and the Sellers to perform their obligations under the SPA, and to consummate the Acquisition on the Closing Date, shall have been duly obtained, and shall be in full force and effect as of the Closing Date.
- (iii) No Government or Legal Limitations to Closing. There is (i) no proceeding, pending or threatened in writing by or before any governmental authority seeking to enjoin, invalidate, restrain or materially delay (beyond the Long Stop Date, unless otherwise agreed to by the Parties) the consummation of the transactions contemplated in the SPA; and (ii) no law has been enacted, adopted or promulgated, and no governmental authority has issued any order, injunction, judgment or decree, which remains in effect, that prohibits, invalidates, restrains, makes illegal or materially delays (beyond the Long Stop Date, unless otherwise agreed to by the Parties) the consummation of the transactions contemplated under the SPA or any other transaction document contemplated under the SPA.
- (iv) PSE Block Sale Approval. As applicable, the PSE has approved the block sale of the Subject Shares to be conducted on the Closing Date from the Sellers to the Buyer.
- (v) Ownership Restriction Compliance. The transfer of the Subject Shares to the Buyer will not breach any applicable law, including the 60% aggregate foreign shareholding limitations to which the Target is subject.

To the extent permitted by law, any condition specified in the above under “Parties’ Closing Conditions” may be waived by mutual agreement of the Parties in writing, provided that no such waiver shall constitute a waiver by the Parties of any of their other rights or remedies at law or in equity unless the Parties specifically agree thereto in writing.

Buyer's Closing Conditions

The obligation of the Buyer to proceed with the Closing is subject to the satisfaction (and/or waiver by the Buyer in writing) of each of the following conditions prior to Closing:

- (i) *Due Diligence Audit*. The Sellers shall have made available complete materials for the due diligence audit by the Buyer on the Target and the Subject Shares in a timely manner, the results of which are reasonably satisfactory to the Buyer.
- (ii) *Authorizations by the Sellers*. Each of the Sellers shall have approved the sale of the Subject Shares to the Buyer, the execution and delivery of the SPA and all other documents contemplated in the SPA and the performance of all of Sellers' obligations in the SPA, and for the corporate Sellers, such Sellers must have secured the approval of a majority of their respective board of directors and if applicable, of their respective stockholders representing at least 2/3 of the outstanding capital stock.
- (iii) *Representations and Warranties*. Each of the representations and warranties of the Sellers contained in the SPA are true and correct in all material respects as of the date of the SPA and shall be true and correct in all material respects as of the Closing Date.
- (iv) *Undertakings*. All undertakings and covenants required to be performed by the Sellers under the SPA on or prior to the Closing Date shall have been fulfilled.
- (v) *Lodgement of the Subject Shares*. All the Subject Shares shall have been lodged with Philippine Depository & Trust Corp. and beneficially held by the Sellers for transfer to the Buyer on Closing.
- (vi) *No Material Adverse Effect*. No event or change shall have occurred that results in a material adverse effect.
- (vii) *Manpower*. Essential manpower complement of the Target are substantially preserved at Closing.
- (viii) *Renewal of Expired and Expiring Lease Contracts*. Each of the lease contracts listed in the SPA have been renewed as set forth in the terms of the SPA.

- (ix) Filing and Processing of Additional Listing Application. The Sellers shall ensure that all requirements for any additional listing application of the Target with the PSE are complied with, and any pending comments from the PSE are addressed.
- (x) Closing Deliverables. The Sellers shall have delivered the documents referred to in the relevant provisions in the SPA.
- (xi) Others. All other conditions to Closing that the Parties may separately agree to in writing shall have been fulfilled.

To the extent permitted by law, any condition specified in the above under “Buyer’s Closing Conditions” may be waived by the Buyer in writing, provided that no such waiver shall constitute a waiver by the Buyer of any of its other rights or remedies at law or in equity unless the Parties specifically agree thereto in writing.

Sellers’ Closing Conditions

The obligation of the Sellers to proceed with the Closing is subject to the satisfaction (and/or waiver by the Sellers in writing) of each of the following conditions or their satisfaction subject only to Closing:

- (i) Corporate Approvals. The board of directors of the Buyer and the Company shall have authorized the purchase of the Subject Shares from the Sellers, the execution and delivery of the SPA and all other documents contemplated by the SPA and the performance of all of the Buyer’s obligations in the SPA.
- (ii) Accuracy of Representations and Warranties. Each of the representations and warranties of the Buyer contained in the SPA is true, accurate and not misleading in any material respect as of the date of the SPA and the Closing Date.
- (iii) Undertakings. All undertakings and covenants required to be performed by the Buyer under the SPA on or prior to the Closing Date shall have been fulfilled.
- (iv) Closing Deliverables. The Buyer shall have delivered the documents referred to in the relevant provisions in the SPA.

- (v) *Others*. All other conditions to Closing that the Parties may separately agree to in writing shall have been fulfilled.

To the extent permitted by law, any condition specified under “Sellers’ Closing Conditions” may be waived by the Sellers in writing, provided that no such waiver shall constitute a waiver by the Sellers of any of their other rights or remedies at law or in equity unless the Parties specifically agree thereto in writing.

In the event that the Closing Conditions have not been fulfilled or waived by the relevant Party on or before the Long Stop Date, either Party may elect by written notice to the other Party to terminate the SPA with immediate effect.

Closing:

Closing shall take place within three (3) Business Days after full compliance with (or waiver by the relevant Party of) all the Closing Conditions, or such other date as may be agreed by the Parties, provided that such date shall not occur beyond the Long Stop Date.

Post-Closing board composition:

The Sellers shall, not later than 12:00 p.m. or noon on the Closing Date, cause the board of directors of the Target to convene a meeting to accept the resignations of two directors nominated by the Sellers. At the same meeting, the Sellers shall also (i) cause the election of the Buyer’s two nominee directors to the board of directors of the Target; and (ii) cause the Target to approve the amendment of its articles of incorporation to reduce the number of board seats from thirteen (13) to nine (9). The Sellers and the Buyer shall mutually agree at such meeting on the composition of the board of directors of the Target after the decrease in board seats, and no director shall be removed or shall be asked to resign from the board of directors of the Target without the prior written consent of the Buyer.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group has been actively considering and exploring various opportunities for investment projects and to broaden the scope of investment according to the market conditions with an aim to enhance Shareholders' value.

The Target is a listed licensed bank under one of the highest level of supervision in the Philippines with high transparency and compliance. The Acquisition is a strategic investment of the Company and represents the Company's first step to implement financial business investment strategy. It also represents the effort of the Group to enter into mainstream financial business world and lays out the business map for the Group in Southeast Asia, which has a great development potential.

Based on the foregoing, the Directors consider that the terms of the SPA are fair and reasonable and are on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE GROUP AND THE BUYER

The Company is a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange. The Group is principally engaged in the businesses of investment in securities, trading, money lending as well as securities brokerage.

The Buyer is a company incorporated in Singapore with limited liability, and an indirect wholly-owned subsidiary of the Company. It is principally engaged in management consultancy services.

INFORMATION ON THE SELLERS

The Sellers comprise (i) Estate of Ambassador Antonio L. Cabangon Chua; (ii) Feorelio M. Bote; (iii) Ronaldo B. Zamora; (iv) Angelita S. Jose; (v) Eternal Plans, Inc.; (vi) Aliw Broadcasting Corporation; (vii) AMB. Alc Holdings & Management Corporation; and (viii) Top Ventures Investments & Management Corporation.

As at the date of this announcement, the number of Subject Shares held by the Sellers in the Target are as follows:

	Number of Subject Shares	Percentage shareholding in the Target
Estate of Ambassador Antonio L. Cabangon Chua	14,102,114	8.72%
Feorelio M. Bote	4,302,500	2.65%
Ronaldo B. Zamora	3,521,000	2.18%
Angelita S. Jose	3,100,074	1.92%
Eternal Plans, Inc.	2,641,700	1.63%
Aliw Broadcasting Corporation	717,300	0.44%
AMB. Alc Holdings & Management Corporation	7,488,856	4.63%
Top Ventures Investments & Management Corporation	7,488,856	4.63%
Total	43,362,400	26.80%

Eternal Plans, Inc. is a company incorporated in the Philippines and principally engaged in the business of selling or offering pre-need plans.

Aliw Broadcasting Corporation is a company incorporated in the Philippines and principally engaged in various aspects of the broadcasting industry, including production, management and distribution.

Each of AMB. Alc Holdings & Management Corporation and Top Ventures Investments & Management Corporation is a company incorporated in the Philippines and principally engaged in the business of investment.

INFORMATION ON THE TARGET

The Target was incorporated and registered with the SEC as a stock corporation on 20 May 1997, with an initial authorized capital stock of PHP1 billion (equivalent to approximately HK\$139 million).

On 7 August 1997, the Monetary Board of the BSP, the central bank of the Philippines, granted the Target a license to operate as a thrift bank, which immediately commenced its banking operations.

On 7 March 2001, the Target's board of directors and stockholders approved the application of the Target for the initial public offering of its shares of stock with the PSE. The Target's application for listing of its common stocks was approved by the BSP and the PSE, on 16 July 2001 and 14 November 2001, respectively.

On 28 November 2001, the SEC approved the Target's application and issued the certificate of registration and certificate of permit to offer securities for sale as a public company. The Target is now listed at, with its shares being traded at, the PSE under the stock symbol "CSB".

In 2020, the Target's board of directors and stockholders approved the proposed increase in authorized capital stock of PHP1.8 billion (equivalent to approximately HK\$250 million) divided into 180,000,000 common shares at a par value of PHP10.00 (equivalent to approximately HK\$1.39) per Target Share.

On 7 May 2021, the Monetary Board of the BSP approved and issued its endorsement of the capital increase and the SEC subsequently approved the application for increase in capital on 20 October 2021.

As at the date of this announcement, the Target has 161,800,000 Target Shares in issue and outstanding.

With over 25 years of operations as a thrift bank, the Target's distribution network now comprises thirty-four (34) branches/offices, including four (4) branch lite units. Complementing this network are forty (40) fully operational ATMs strategically placed on-site and off-site in key cities and municipalities within Metro Manila and provincial areas, ensuring round-the-clock accessibility for customers. The Target caters to the needs of corporate, middle market and retail clients.

The Target's operations include the traditional commercial banking, retail banking and treasury services. Aside from the traditional products and services offered by a thrift bank, the Target offers other banking services, such as deposit products and services, cash management, on-site/off-site automated teller machine facilities, corporate and retail banking, and treasury services.

The Target is also duly accredited by the Philippine Department of Education to offer teacher's loans, an all-purpose loan extended to both teaching and non-teaching personnel under the Philippine Department of Education.

Based on the annual report 2023 of the Target, the audited loss before and after tax of the Target for each of the two financial years ended 31 December 2023 and 31 December 2022 which are prepared based on the Philippine Financial Reporting Standards are set out below:

	Financial year ended 31 December	
	2023	2022
	<i>(PHP)</i>	<i>(PHP)</i>
	<i>(HK\$)</i>	<i>(HK\$)</i>
Loss before tax	94,683,434	13,099,338
	13,132,238	1,816,829
Loss after tax	96,424,568	17,321,646
	13,373,726	2,402,447

Based on the annual report 2023 of the Target, the audited consolidated total assets and net assets of the Target as at 31 December 2023 were PHP5,652,698,947 (equivalent to approximately HK\$784,008,176) and PHP1,144,114,601 (equivalent to approximately HK\$158,684,411), respectively.

Based on the latest quarterly report of the Target, the unaudited consolidated total assets and net assets of the Target as at 30 June 2024 were PHP6,299,145,966 (equivalent to approximately HK\$873,667,956) and PHP1,131,777,421 (equivalent to approximately HK\$156,973,290), respectively.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the Acquisition is/are more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under the Listing Rules.

DEFINITIONS

In this announcement, the following terms shall have the following meanings unless the context otherwise requires:

“Acquisition”	the acquisition of the Subject Shares by the Buyer from the Sellers pursuant to the terms and conditions of the SPA
“Board”	the Board of Directors
“BSP”	Bangko Sentral ng Pilipinas
“Business Day(s)”	any day(s) other than a Saturday, Sunday, public holiday in the Republic of the Philippines or Pasig City, or a day on which the PSE is not open for trading

“Buyer”	CS Capital Investment Pte. Ltd., a company incorporated in Singapore with limited liability, and an indirect wholly-owned subsidiary of the Company
“Closing”	the completion of the sale and purchase of the Subject Shares pursuant to the SPA
“Closing Conditions”	the conditions set out in the section headed “The Acquisition – SPA – Closing Conditions” in this announcement
“Closing Date”	the date on which Closing takes place
“Closing Purchase Price”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“Closing Statement”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“Company”	CSC Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 235)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Estimated Closing NAV”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“Estimated Leakage”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“Excess NAV”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“Final Closing NAV”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“Final Closing Statement”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Leakage”	<ul style="list-style-type: none"> (i) the declaration, making or payment of any dividend, except those expressly allowed under the SPA; (ii) the distribution, repurchase, repayment, redemption or return of any share capital or loan stock, or the declaration of any of the foregoing; (iii) the payment of any sum to, or entering into any transaction which has resulted in or will result in a payment to or an obligation to make a payment to, the Sellers or any of their representatives or related parties; (iv) the payment of Acquisition-related bonuses or any other similar payments to employees of the Target or to any other person; (v) the payment of any fees and expenses incurred or to be incurred in connection with the Acquisition, including the fees and expenses of advisers or otherwise; (vi) the entry into any transaction (which has resulted in or will result in a payment to or an obligation to make a payment) other than on a normal arm’s length terms; (vii) the sale, purchase, transfer or disposal of any asset or undertaking unless it is at fair market value and made in the ordinary course of business consistent with past practices; (viii) the making of any gift or other gratuitous payment;

- (ix) the revision of the terms of remuneration of any employee otherwise than in accordance with past practice;
- (x) the entry into by the Target of a guarantee or indemnity other than in the ordinary course of business consistent with past practices;
- (xi) the payment of any management, monitoring or supervisory fees by any member of the Target to any person unless made in the ordinary course of business consistent with past practices;
- (xii) the forgiveness, release or waiver of any debt or claim outstanding against any person, unless made in the ordinary course of business and on terms consistent with past practices and which does not exceed PHP100,000 (equivalent to approximately HK\$13,870) in each case;
- (xiii) the creation of any Lien over any assets in favour of any member of the Sellers or any of their representatives or related parties;
- (xiv) the making of or entering into of any agreement or arrangement relating to any of the foregoing matters or the announcement of any intention to do any of the foregoing matters;
- (xv) the payment or incurrance of any tax as a consequence of (i) to (xiv) above.

“Lien”

any mortgage, lien, pledge, charge, security interest, encumbrance, hypothecation, title retention or other security or preferential arrangement of any kind in respect of any property or asset (including tag-along rights or rights of first refusal), and any other right of or arrangement with any creditor to have its claims satisfied out of any assets of the owner, or the proceeds therefrom

“Listing Rules”

the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“Locked Box Date”

31 December 2023

“Locked Box NAV”	NAV as reflected in the Target’s audited financial statements as at the Locked Box Date as set forth in the SPA
“Long Stop Date”	the date falling twelve (12) months from the date of the SPA
“Maximum Consideration”	PHP750,000,000 (equivalent to approximately HK\$104,022,191)
“NAV”	as of any specified date, an amount in PHP equal to the sum of the Target’s total assets minus the sum of the Target’s total liabilities as of the close of business on such date, calculated in accordance with the values required to be attributed to the assets, liabilities and shareholder’s equity of the Target
“Parties”	the Sellers and the Buyer, and “Party” means any of them
“Permitted Leakage”	any of the following made by the Target: <ul style="list-style-type: none"> (i) any payment made in respect of salaries, pension contributions, annual performance bonuses not exceeding the amount specified in the SPA which are not connected with the Acquisition or other reimbursements, benefits or expenses due to any employee of the Target in the ordinary course of their employment and consistent with past practices; (ii) any payment made in respect of directors’ fees and expenses to non-executive directors of the Target made consistent with policy and past practices; (iii) any payment specifically provided for in the audited balance sheet of the Target as at the Locked Box Date; or (iv) any payments made with the prior written consent of the Buyer
“PHP”	Philippine peso(s), the lawful currency of the Republic of the Philippines
“PSE”	the Philippine Stock Exchange, Inc.

“Purchase Price”	the amount equal to 2.4 times the Locked Box NAV attributable to the Subject Shares, which is agreed to be PHP735,894,511.36 (equivalent to approximately HK\$102,065,813) or approximately PHP16.97 (equivalent to approximately HK\$2.35) per Subject Share, subject to any applicable adjustments between the Locked Box Date and the Closing Date pursuant to the SPA, provided that Purchase Price will in no case exceed the Maximum Consideration
“Review Period”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“SEC”	the Philippine Securities and Exchange Commission
“Sellers”	collectively, (i) Estate of Ambassador Antonio L. Cabangon Chua; (ii) Feorelio M. Bote; (iii) Ronaldo B. Zamora; (iv) Angelita S. Jose; (v) Eternal Plans, Inc.; (vi) Aliw Broadcasting Corporation; (vii) AMB. Alc Holdings & Management Corporation; and (viii) Top Ventures Investments & Management Corporation, and “Seller” means any one of them
“Share(s)”	share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shortfall”	has the meaning ascribed to it under the section headed “The Acquisition – SPA – Purchase Price” in this announcement
“SPA”	the share purchase agreement dated 30 August 2024 entered into by the Sellers and the Buyer in respect of the sale and purchase of the Subject Shares
“Subject Shares”	43,362,400 Target Shares, representing 26.80% of the issued and outstanding capital stock of the Target as at the date of this announcement, and each a “Subject Share”
“Target”	Citystate Savings Bank, Inc., a thrift bank organized and existing under the laws of the Republic of the Philippines, the common shares of which are listed on the PSE (trading symbol: CSB)

“Target Share(s)” common share(s) of PHP10.00 (equivalent to approximately HK\$1.39) each in the Target, all of which have been issued and are fully paid

“%” per cent

By Order of the Board
CSC Holdings Limited
Dr. Or Ching Fai
Chairman

Hong Kong, 30 August 2024

As at the date of this announcement, the Board comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman); three Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), Mr. Chow Kam Wah and Mr. Chow Man Wai, Tony; and four Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander, Mr. Leung Hoi Ying and Mr. Lam Kin Fung, Jeffrey.

For the purpose of this announcement, the exchange rate of HK\$1.00 = PHP7.21 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.