

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CSC HOLDINGS LIMITED
中策資本控股有限公司

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

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Directors (the “**Board**”) of CSC Holdings Limited (the “**Company**”) hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 together with comparative figures as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	3	20,205	19,888
Interest income		19,250	19,431
Commission, handling income and others		955	457
Other income	5	15,525	20,130
Other gain (loss)		687	(523)
Staff costs		(17,736)	(20,332)
Other expenses		(17,833)	(15,909)
Net gain (loss) on financial assets at fair value through profit or loss	6	292	(654)
Provision for impairment losses under expected credit loss model, net of reversal	9	(10,896)	(2,651)
Finance costs	7	(570)	(808)

		Six months ended 30 June	
		2025	2024
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Loss before tax		(10,326)	(859)
Income tax expense	8	<u>(1,486)</u>	<u>(1,067)</u>
Loss for the period attributable to owners of the Company	9	<u>(11,812)</u>	<u>(1,926)</u>
Other comprehensive (expense) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		<u>(499)</u>	<u>344</u>
Other comprehensive (expense) income for the period		<u>(499)</u>	<u>344</u>
Total comprehensive expense for the period attributable to owners of the Company		<u>(12,311)</u>	<u>(1,582)</u>
Loss per share attributable to owners of the Company			
– Basic	11	<u>HK(0.06) cent</u>	<u>HK(0.01) cent</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

		At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
	Notes		
Non-current assets			
Property, plant and equipment		8,273	4,891
Right-of-use assets		21,165	25,806
Goodwill		4,000	4,000
Club debentures		1,453	1,453
Loan receivables	12	–	221,346
Deferred tax assets		2,996	4,476
Total non-current assets		37,887	261,972
Current assets			
Debt instruments at fair value through other comprehensive income	13	–	–
Loan receivables	12	409,653	302,902
Trade and other receivables	14	76,491	179,267
Income tax recoverable		878	605
Financial assets at fair value through profit or loss	15	12,728	7,108
Bank balances and cash		1,828,811	1,518,810
Total current assets		2,328,561	2,008,692
Current liabilities			
Trade and other payables	16	141,551	28,918
Lease liabilities		10,142	10,009
Total current liabilities		151,693	38,927
Net current assets		2,176,868	1,969,765
Total assets less current liabilities		2,214,755	2,231,737
Non-current liability			
Lease liabilities		10,454	15,125
Net assets		2,204,301	2,216,612
Capital and reserves			
Share capital		3,216,110	3,216,110
Reserves		(1,011,809)	(999,498)
Total equity		2,204,301	2,216,612

Notes:

1. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

The financial information relating to the year ended 31 December 2024 that is included in the condensed consolidated financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (“**Hong Kong Companies Ordinance**”) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

The condensed consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”) which is the functional currency of the Company. All values are rounded to the nearest thousand (HK\$’000) unless otherwise indicated.

2. Accounting policies

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

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

Application of amendments to HKFRS Accounting Standards

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

Amendments to HKAS 21

Lack of Exchangeability

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

3. Revenue

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Commission and handling income from securities brokerage business	955	457
Revenue from contracts with customers	955	457
Interest income from securities margin financing business	4,084	4,769
Interest income from money lending business	15,166	14,662
	20,205	19,888

During the six months ended 30 June 2025 and 2024, the revenue is recognised at a point in time except for interest income which fall outside the scope of HKFRS 15.

4. Segment information

The following is an analysis of the Group's revenue and results by operating segments, based on information provided to the chief operating decision maker, for the purposes of allocating resources and assessment of segment performance. This is also the basis upon which the Group is arranged and organised.

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

- (i) Investment in securities
- (ii) Trading
- (iii) Money lending
- (iv) Securities brokerage

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments:

	Investment in securities HK\$'000 (Unaudited)	Trading HK\$'000 (Unaudited)	Money lending HK\$'000 (Unaudited)	Securities brokerage HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Six months ended 30 June 2025					
Segment Revenue					
External sales/sources	–	–	15,166	5,039	20,205
Results					
Segment results	341	3,957	7,139	1,844	13,281
Other income					8,165
Other gain					687
Central administrative expenses					(31,889)
Finance costs					(570)
Loss before tax					(10,326)
Income tax expense					(1,486)
Loss for the period					(11,812)
Six months ended 30 June 2024					
Segment Revenue					
External sales/sources	–	–	14,662	5,226	19,888
Results					
Segment results	(548)	5,651	15,025	5,058	25,186
Other income					9,001
Other loss					(522)
Central administrative expenses					(33,716)
Finance costs					(808)
Loss before tax					(859)
Income tax expense					(1,067)
Loss for the period					(1,926)

Segment profit (loss) represents profit earned/loss incurred by each segment without allocation of certain other income, certain other gain (loss), central administrative expenses, finance costs and income tax expense.

5. Other income

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	14,755	20,030
Others	770	100
	<u>15,525</u>	<u>20,130</u>

6. Net gain (loss) on financial assets at fair value through profit or loss

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Unrealised gain (loss) on financial assets at fair value through profit or loss ("FVTPL")	53	(654)
Net realised gain on sales of financial assets at FVTPL	239	–
	<u>292</u>	<u>(654)</u>

7. Finance costs

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	570	808

8. Income tax expense

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Tax charge comprises:		
Current tax	6	6
Deferred tax	1,480	1,061
	<u>1,486</u>	<u>1,067</u>
Income tax expense recognised in profit or loss	<u>1,486</u>	<u>1,067</u>

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 the 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.

9. Loss for the period

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Provision for impairment loss on loan receivables	10,310	2,651
Provision for impairment loss on trade receivables	586	—
	<hr/>	<hr/>
Total impairment losses	10,896	2,651
	<hr/>	<hr/>
Depreciation of property, plant and equipment	1,359	1,374
Depreciation of right-of-use assets	5,060	5,072
	<hr/>	<hr/>

10. Dividend

No dividends were paid, declared or proposed during the current interim period (30 June 2024: nil). The directors of the Company have determined that no dividend will be paid in respect of the current interim period.

11. Loss per share

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

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)

Loss:

Loss for the period attributable to owners of the Company
for the purpose of calculating basic loss per share

11,812	1,926
--------	-------

Six months ended 30 June	
2025	2024
'000	'000

Number of shares:

Weighted average number of ordinary shares for the purpose of
calculating basic loss per share

20,385,254	20,385,254
------------	------------

Diluted loss per share for the six months ended 30 June 2025 and 2024 are not presented as there were no dilutive potential ordinary shares in issue during both periods.

12. Loan receivables

	At 30 June 2025 <i>HK\$'000</i> (Unaudited)	At 31 December 2024 <i>HK\$'000</i> (Audited)
Fixed-rate loan receivables	690,708	890,083
Less: impairment allowance	<u>(281,055)</u>	<u>(365,835)</u>
	<u>409,653</u>	<u>524,248</u>
Analysed as:		
Current portion	409,653	302,902
Non-current portion	<u>–</u>	<u>221,346</u>
	<u>409,653</u>	<u>524,248</u>
Analysed as:		
Secured	399,927	514,318
Unsecured	<u>9,726</u>	<u>9,930</u>
	<u>409,653</u>	<u>524,248</u>

At 30 June 2025, the range of interest rates and maturity dates attributed to the Group's performing loan receivables were 8.5% to 13% (31 December 2024: 8.5% to 13%) per annum and from 28 October 2025 to 7 June 2026 (31 December 2024: 4 March 2025 to 31 March 2026) respectively.

An analysis of the Group's fixed-rate loan receivables by their respective contractual maturity dates is as follows:

	At 30 June 2025 <i>HK\$'000</i> (Unaudited)	At 31 December 2024 <i>HK\$'000</i> (Audited)
Fixed-rate loan receivables:		
Within one year or on demand	409,653	302,902
In more than one year but not more than two years	<u>–</u>	<u>221,346</u>
	<u>409,653</u>	<u>524,248</u>

The Group provided impairment allowance of HK\$10,310,000 (30 June 2024: HK\$2,651,000) on loan receivables for the current interim period.

13. Debt instruments at fair value through other comprehensive income

At 30 June 2025 and 31 December 2024, the Group's debt instruments at fair value through other comprehensive income ("FVTOCI"), listed overseas with fixed interest at 9.50% per annum and contractual maturity date on 29 March 2024, were stated at fair values which were determined based on the quoted market closing price.

14. Trade and other receivables

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Trade receivables of securities brokerage business:		
– Cash clients (<i>Note (i)</i>)	696	992
– Margin clients (<i>Note (i)</i>)	64,147	164,890
– Hong Kong Securities Clearing Company Limited ("HKSCC") (<i>Note (i)</i>)	266	712
	<u>65,109</u>	<u>166,594</u>
Other receivables (<i>Note (ii)</i>)	<u>11,382</u>	<u>12,673</u>
	<u>76,491</u>	<u>179,267</u>

Notes:

- (i) For the securities brokerage business, the normal settlement terms of trade receivables from cash clients and HKSCC are two trading days after trade date. The trade receivables from cash and margin clients and HKSCC with carrying amounts totalling HK\$65,109,000 (31 December 2024: HK\$166,594,000) were not past due at the end of the reporting period.

Margin clients are required to pledge securities as collateral to the Group in order to obtain the credit facilities for securities trading. The amount of credit facilities granted to them individually is determined based on a discount on the market value of the securities pledged to the Group. Any excess in lending ratio will trigger a margin call for which the client concerned has to make good the shortfall. At 30 June 2025, the market value of the securities pledged by the clients to the Group as collateral for margin financing amounted to HK\$634,956,000 (31 December 2024: HK\$705,964,000).

- (ii) Included in other receivables were unrestricted deposits of HK\$118,000 (31 December 2024: HK\$474,000) placed with securities brokers. The remaining balance of other receivables represented mainly interest receivables, prepayment and deposits for office use.

The Group provided impairment allowance of HK\$586,000 (30 June 2024: nil) on trade receivables for the current interim period.

15. Financial assets at fair value through profit or loss

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Listed investments, at fair value:		
– Equity securities listed in Hong Kong (<i>Note (i)</i>)	3,719	7,108
Unlisted investments, at fair value:		
– Unlisted equity securities (<i>Note (ii)</i>)	9,009	–
	<u>12,728</u>	<u>7,108</u>
Analysed as:		
Current portion	<u>12,728</u>	<u>7,108</u>

Notes:

- (i) The fair values of the listed equity securities were determined based on the quoted market closing prices available on the Hong Kong Stock Exchange.
- (ii) The fair values of the unlisted equity securities were determined with reference to the net asset value of the unlisted equity.

16. Trade and other payables

	At 30 June 2025 HK\$'000 (Unaudited)	At 31 December 2024 HK\$'000 (Audited)
Trade payables of securities brokerage business:		
– Cash clients (<i>Note</i>)	38,305	21,971
– Margin clients (<i>Note</i>)	100,187	1,479
	<u>138,492</u>	<u>23,450</u>
Accrued charges and other payables	3,059	5,468
	<u>141,551</u>	<u>28,918</u>

Note: For securities brokerage business, the normal settlement terms of trade payables to cash and margin clients are two trading days after trade date.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2025 (30 June 2024: nil).

BUSINESS REVIEW

During the six months ended 30 June 2025 (“**HY2025**”), the Group continued to principally engage in the businesses of investment in securities, trading, money lending as well as securities brokerage.

During HY2025, the Group continued to face significant challenges stemming from a volatile global economic landscape despite Hong Kong’s economic outlook is poised for moderate recovery, driven by a rebound in consumer confidence and tourism as global travel restrictions ease. In the meantime, ongoing geopolitical tensions, including Russia-Ukraine war, tensions between China and the US and conflicts in the Middle East, disrupted trades, undermined market confidence and added additional challenges and uncertainties to the Group. In view of this, the Group continued to adopt a cautious and disciplined approach in managing its businesses throughout the review period.

For HY2025, the Group recorded a slight increase in revenue by 2% to HK\$20,205,000 (30 June 2024: HK\$19,888,000), mainly due to the increase in interest income from the money lending operation, and a loss attributable to owners of the Company of HK\$11,812,000 (30 June 2024: HK\$1,926,000), mainly the combined effect of (i) the increase in provision for impairment loss on loan receivables to HK\$10,310,000 (30 June 2024: HK\$2,651,000); (ii) the decrease in bank interest income to HK\$14,755,000 (30 June 2024: HK\$20,030,000); and (iii) the decrease in staff costs to HK\$17,736,000 (30 June 2024: HK\$20,332,000). The basic loss per share for the interim period was HK0.06 cent (30 June 2024: HK0.01 cent).

Investment in Securities

The Group generally acquires securities listed on the Hong Kong Stock Exchange or other recognised stock exchanges and over-the-counter markets with good liquidity that can facilitate swift execution of securities transactions, and sometimes directly from target companies. For making investment or divestment decision on securities of individual target company, references will usually be made to the latest financial information, news and announcements issued by the target company, investment analysis reports that the Company has access to, as well as industry or macroeconomic news. When deciding on acquiring securities to be held for long-term purpose, particular emphasis will be placed on the past financial performance of the target company including its sales and profit growth, financial healthiness, dividend policy, business prospects, industry and macroeconomic outlook. When deciding on acquiring securities to be held other than for long-term purpose, in addition to the factors mentioned, references will also be made to prevailing market sentiments in different sectors of the investment markets. In terms of return, for long-term securities investments, the Company mainly emphasises on return of investment in the form of capital appreciation and dividend/interest income. For securities investments other than for long-term holding, the Company mainly emphasises on return of investment in the form of trading gains.

At 30 June 2025, the Group's securities investments comprised (i) a financial asset at FVTPL portfolio valued at HK\$12,728,000 in total including listed equity securities in Hong Kong and unlisted equity securities in the United States of HK\$3,719,000 and HK\$9,009,000 (31 December 2024: HK\$7,108,000 and nil) respectively; and (ii) a debt instrument at FVTOCI portfolio comprising debt securities listed on overseas stock exchange which had been fully impaired during 2024 with no carrying amount (31 December 2024: nil). As a whole, the Group's securities investments recorded no revenue (30 June 2024: nil) but a gain of HK\$341,000 (30 June 2024: loss of HK\$548,000) for the current period, representing mainly the net realised gain on the disposal of listed securities (30 June 2024: unrealised loss attributed to the decrease in the value of the Group's financial asset at FVTPL portfolio held).

Financial assets at FVTPL

At 30 June 2025, the Group held a financial asset at FVTPL portfolio amounting to HK\$12,728,000 measured at market/fair value. During HY2025, the portfolio did not generate any revenue (30 June 2024: nil). The Group recognised a net gain on financial assets at FVTPL of HK\$292,000, which comprised unrealised gain and net realised gain of HK\$53,000 and HK\$239,000 respectively (30 June 2024: net loss on financial assets at FVTPL of HK\$654,000, which comprised unrealised loss of HK\$654,000). The net gain on the financial assets at FVTPL was mainly due to the increase in fair value of the Group's listed equity securities portfolio held at the period end and the net realised gain on disposal of listed equity securities during the period.

During the period under review, the Group invested HK\$9,009,000 for acquiring approximately 2% equity interest of an unlisted bank operated in the United States and divested HK\$3,681,000 equity securities listed in Hong Kong. At 30 June 2025, the Group's financial asset at FVTPL portfolio of HK\$12,728,000 comprised equity securities of a listed property company on the Hong Kong Stock Exchange and equity securities of an unlisted banking company operated in the United States.

The Group is committed to closely monitor the financial performance of its financial asset at FVTPL portfolio through making investment and divestment decisions on individual securities from time to time based on, amongst others, the internal assessments on prospects of the individual securities and publicly available information of the investee companies.

Debt instruments at FVTOCI

At 30 June 2025, the Group's debt instrument at FVTOCI portfolio was measured at market/fair value. During HY2025, the Group had not acquired or disposed of any debt securities and the debt securities held by the Group were corporate bonds issued by a property company based in the Mainland. According to the contractual maturity profile of the debt securities, the debt instruments at FVTOCI were in default during 2024 and were fully impaired with no carrying amount (31 December 2024: nil). During HY2025, the Group's debt instrument at FVTOCI portfolio did not generate any revenue (30 June 2024: nil).

For HY2025, there had been no significant change in the market/fair value of the debt instrument at FVTOCI portfolio from the prior year end and no fair value change was recognised (30 June 2024: nil).

For HY2025, there was no significant change in the expected loss given default of the debt instruments at FVTOCI portfolio (30 June 2024: nil). The expected loss given default of the debt instruments had increased owing to the defaults of the bond issuer in making interest and principal payments for its indebtedness which ultimately affected the collection of contractual cash flows from its bonds in prior years. The Group had not recognised any reversal of impairment loss on debt instruments at FVTOCI since its full impairment in 2024.

The Group performs impairment assessment on the debt instruments held under the expected credit loss (“ECL”) model. The measurement of ECL is a function of the probability of default and loss given default (i.e., the magnitude of the loss if there is a default), with the assessments of the probability of default and loss given default are based on historical data and forward-looking information. In determining the ECL on the Group’s debt instruments for the period, the management had taken into account factors including the defaults of the bond issuer in making payments of interest and principal for its indebtedness, and forward-looking information including the future macroeconomic conditions affecting the operations of the bond issuer. There had been no change in the method used in determining the impairment loss on debt instruments at FVTOCI from the prior financial year.

Trading

During HY2025, the Group’s trading operation did not generate any revenue (30 June 2024: nil) as its commodities trading activities with customers in Europe remained temporarily halted, mainly due to volatile market conditions, particularly in terms of pricing. The profit of the operation of HK\$3,957,000 (30 June 2024: HK\$5,651,000) represented mainly the interest income earned from the cash deposit reserved for pledging as security for bank credit facilities. The Group has been consistently sourcing and evaluating business opportunities in the global commodity market, and will continue its effort in seizing business opportunities with a view to improving the results of the operation.

Money Lending

The Group’s money lending business is conducted through CS Credit Limited, U Credit (HK) Limited and Chap Yik Limited, all are wholly-owned subsidiaries of the Company, and are licensed to conduct money lending activities under the Money Lenders Ordinance. The Group aims to make loans that could be covered by sufficient collateral, preferably commercial and residential properties in Hong Kong, and to borrowers with good credit history. The Group has a stable source of loan deals from its own business network and marketing agents. For HY2025, the operation recorded an increase in revenue by 3% to HK\$15,166,000 (30 June 2024: HK\$14,662,000) while recorded a

decrease in profit by 52% to HK\$7,139,000 (30 June 2024: HK\$15,025,000). The increase in revenue was mainly due to the higher average amount of performing loans advanced to borrowers during HY2025 whilst the deterioration in operating results was mainly attributed to the increase in provision for impairment loss on loan receivables to HK\$10,310,000 (30 June 2024: HK\$2,651,000).

The Group performs impairment assessment on loan receivables under the ECL model. The measurement of ECL is a function of the probability of default, the loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default (i.e., the magnitude of the loss after accounting for the value of the collateral if there is a default). The assessments of the probability of default and loss given default are based on historical data and forward-looking information, whilst the valuations of the properties and assets pledged to the Group as collateral are, where appropriate, performed by independent professional valuers engaged by the Group at each reporting date for the purpose of determining ECL. In accordance with the Group's loan impairment policy, the amount of ECL is updated at each reporting date to reflect the changes in credit risk on loan receivables since initial recognition. At the period end, the impairment allowance recognised primarily represented the credit risk involved in collectability of certain default and non-default loans determined under the Group's loan impairment policy, with reference to factors including the credit history and financial conditions of the borrowers, the ageing of the overdue balances, the realisation value of the collateral pledged to the Group, and forward-looking information including the future macroeconomic conditions affecting the borrowers.

The Group has a system in place to closely monitor the recoverability of its loan portfolio, its credit monitoring measures include regular collateral value review against market information and regular communication with the borrowers of their financial positions, through which the Group will be able to keep updated with the latest credit profile and risk associated with each individual borrower and could take appropriate actions for loan recovery at the earliest time. If circumstances require, the Group will commence legal actions against the borrowers for recovery of the overdue loans and take possession of the collateral pledged. At 30 June 2025, the balance of impairment allowance decreased by 23% or HK\$84,780,000 to HK\$281,055,000 (31 December 2024: HK\$365,835,000), which comprised a sum of HK\$19,275,000 being impairment provision for the current period, a sum of HK\$8,965,000 being reversal of impairment provision owing to settlement of loans and improvement in credit quality of the borrowers, and a sum of HK\$99,506,000 being written off as the related loan was fully-impaired. There had been no change in the method used in determining the impairment allowance on loan receivables from the prior financial year.

The gross carrying amount of the Group's loan portfolio amounted to HK\$690,708,000 (31 December 2024: HK\$890,083,000), decreased by 22% or HK\$199,375,000 from the prior year end as certain loans were settled and written off during the review period. The net carrying amount of the loan portfolio, after impairment allowance, amounted to HK\$409,653,000 (31 December 2024: HK\$524,248,000) at the period end, and details of the portfolio are as follows:

Category of borrowers	Approximate weighting to the carrying amount of the Group's loan portfolio %	Interest rate per annum %	Maturity
Individual	39.44	10.375 – 13.00	Within one year
Corporate	60.56	8.00 – 18.00	Within one year
	<u>100.00</u>		

At 30 June 2025, 98% (31 December 2024: 98%) of the carrying amount of the loan portfolio (after impairment allowance) was secured by collateral including properties in Hong Kong, listed equity securities and debt securities, with the remaining 2% (31 December 2024: 2%) being unsecured. At the period end, the loans made to all borrowers were term loans of which an amount of HK\$409,653,000 (31 December 2024: HK\$302,902,000) was due within one year and no loan (31 December 2024: HK\$221,346,000) was due over one year but within two years. The loan(s) made to the largest borrower and the five largest borrowers represented 29% (31 December 2024: 22%) and 69% (31 December 2024: 66%) respectively of the Group's loan portfolio (on a net of impairment allowance basis) at the period end. At 30 June 2025, loans were granted to 15 (31 December 2024: 18) borrowers who are Hong Kong residents and companies incorporated in Hong Kong, British Virgin Islands, Cayman Islands and Seychelles.

Securities Brokerage

The Group's securities brokerage business is conducted through CS Wealth Securities Limited, a wholly-owned subsidiary of the Company licensed by the Hong Kong Securities and Futures Commission to engage in dealing in securities activities (i.e., Type 1 regulated activity). For HY2025, the overall revenue of the operation decreased by 4% to HK\$5,039,000 (30 June 2024: HK\$5,226,000) and its profit decreased by 64% to HK\$1,844,000 (30 June 2024: HK\$5,058,000). The decrease in revenue of the operation was the combined effect of the increase in brokerage commission income by 109% to HK\$955,000 (30 June 2024: HK\$457,000), largely due to the increased volume of customers' trade, and the decrease in interest income from margin financing by 14% to HK\$4,084,000 (30 June 2024: HK\$4,769,000), mainly due to the lower average

amount of margin loans advanced to clients during the period. The decrease in the operation's profit was primarily the result of the decrease in the bank interest income by 91% to HK\$149,000 (30 June 2024: HK\$1,693,000) and the provision for impairment loss on trade receivables of HK\$586,000 (30 June 2024: nil).

In 2022, the Group acquired an asset management company which is licensed by the Hong Kong Securities and Futures Commission to engage in advising on securities and asset management activities (i.e., Type 4 and 9 regulated activities). This company will engage in fund management activities for equity, fixed income as well as alternative investments, which are expected to create synergies with the Group's securities brokerage operation and expand the revenue source of the operation.

Overall Results

For HY2025, the Group recorded an increase in loss attributable to owners of the Company by HK\$9,886,000 to HK\$11,812,000 (30 June 2024: HK\$1,926,000), and an increase in total comprehensive expense attributable to owners of the Company by HK\$10,729,000 to HK\$12,311,000 (30 June 2024: HK\$1,582,000), which included an exchange loss arising on translation of financial statements of the Group's foreign operations of HK\$499,000 (30 June 2024: exchange gain of HK\$344,000). The increase in loss results recorded by the Group was the combined effect of (i) the increase in provision for impairment loss on loan receivables to HK\$10,310,000 (30 June 2024: HK\$2,651,000); (ii) the decrease in bank interest income to HK\$14,755,000 (30 June 2024: HK\$20,030,000); and (iii) the decrease in staff costs to HK\$17,736,000 (30 June 2024: HK\$20,332,000).

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

For HY2025, the Group financed its businesses mainly by funds generated from operations and shareholders' funds. At the period end, the Group had current assets of HK\$2,328,561,000 (31 December 2024: HK\$2,008,692,000) and liquid assets comprising bank balances and cash (excluding clients' money held relating to the Group's securities brokerage business) as well as listed financial assets at FVTPL totalling HK\$1,694,993,000 (31 December 2024: HK\$1,503,754,000). The Group's current ratio, calculated based on current assets over current liabilities of HK\$151,693,000 (31 December 2024: HK\$38,927,000), was at a strong ratio of about 15.4 (31 December 2024: 51.6) though the ratio has been significantly reduced by 70%. At 30 June 2025, trade payable to margin clients increased significantly by HK\$98,708,000 to HK\$100,187,000 (31 December 2024: HK\$1,479,000) as the margin clients disposed of their investment securities with the fund maintained in the designated accounts.

At 30 June 2025, the Group's trade and other receivables amounted to HK\$76,491,000 (31 December 2024: HK\$179,267,000), which mainly comprised trade receivables from margin clients of the securities brokerage business of HK\$64,147,000 (31 December 2024: HK\$164,890,000). The drop in the trade receivables from margin clients was mainly attributable to the settlement of the amount upon the clients disposed of their investment securities. At the period end, the market value of the securities pledged by the clients to the Group as collateral for margin financing amounted to HK\$634,956,000 (31 December 2024: HK\$705,964,000). Since the market value of those pledged securities exceeded the margin client receivables on an individual basis, no impairment loss allowance was provided on these receivables. At the period end, the Group had deferred tax assets amounting to HK\$2,996,000 (31 December 2024: HK\$4,476,000), which were principally related to the allowance for ECL of loan receivables at the period end.

At 30 June 2025, the equity attributable to owners of the Company amounted to HK\$2,204,301,000 (31 December 2024: HK\$2,216,612,000) and was equivalent to an amount of approximately HK10.81 cents (31 December 2024: HK10.87 cents) per share of the Company. The decrease in equity attributable to owners of the Company of HK\$12,311,000 was mainly due to the loss recognised by the Group during the period.

The Group's gearing ratio, calculated on the basis of total liabilities of HK\$162,147,000 (31 December 2024: HK\$54,052,000) divided by the equity attributable to owners of the Company of HK\$2,204,301,000 (31 December 2024: HK\$2,216,612,000), was at a low level of about 7% (31 December 2024: 2%).

The decrease in the Group's finance costs to HK\$570,000 (30 June 2024: HK\$808,000) was mainly a result of the recognition of interest on the reducing lease liabilities of the Group during the period.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements.

PROSPECTS

The Group continues to be prudently optimistic about its business prospects in the medium to long term, driven by a stable recovery in the economy of Hong Kong and Southeast Asia. However, ongoing geopolitical tensions and global trade wars may introduce uncertainties in various markets. Moving forward, management will maintain a disciplined approach in overseeing the Group's operations while actively evaluating and exploring diverse potential investment opportunities to broaden the scope of investment according to the market conditions with an aim at yielding long-term benefits to the Group and enhancing shareholders' value.

As refer to in the announcement of the Company dated 30 August 2024 and the annual report dated 26 March 2025, a share purchase agreement had been entered into by the sellers and the buyer, an indirect wholly-owned subsidiary of the Company, in respect of the sale and purchase of the issued and outstanding capital stock of Citystate Savings Bank, Inc., a thrift bank with its common shares listed on the Philippine Stock Exchange, Inc. Currently, the acquisition has been approved by the Monetary Board of the Bangko Sentral ng Pilipinas and the relevant pre-completion procedures have been going positively and smoothly. The Company will publish announcement(s) to inform the shareholders of the completion of this transaction as and when appropriate.

CORPORATE GOVERNANCE

The Company had complied with all the applicable code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025.

REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Group's condensed consolidated financial statements for the six months ended 30 June 2025 have not been audited, but have been reviewed by the Audit Committee and the Company's auditor, Deloitte Touche Tohmatsu, in accordance with Hong Kong Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the HKICPA. The report on review of condensed consolidated financial statements by the auditor will be included in the 2025 Interim Report to be despatched to the shareholders of the Company.

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

During the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 28 August 2025

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