

**WE STRIDE FORWARD IN UNITY
WITH INNOVATIVE CHANGES**



Corporate Information

BOARD OF DIRECTORS

Executive:

KWAN Pak Hoo Bankee (Chairman, ED & CEO)
LEUNG Siu Pong James (ED)
(resigned on 2 July 2025)
KWAN Teng Hin Jeffrey (ED)
CHEUNG Tsz Yui Morton (ED & CFO)
KWAN Iec Teng Janet (ED)

Independent Non-executive:

LEUNG Ka Kui Johnny
WONG Chuk Yan
CHAN Hak Sin

AUDIT COMMITTEE

LEUNG Ka Kui Johnny (committee chairman)
WONG Chuk Yan
CHAN Hak Sin

REMUNERATION COMMITTEE

LEUNG Ka Kui Johnny (committee chairman)
WONG Chuk Yan
KWAN Pak Hoo Bankee

NOMINATION COMMITTEE

KWAN Pak Hoo Bankee (committee chairman)
LEUNG Ka Kui Johnny
CHAN Hak Sin
WONG Chuk Yan
(appointed on 1 September 2025)
KWAN Iec Teng Janet
(appointed on 1 September 2025)

COMPANY SECRETARY

CHEUNG Suet Ping Ada, *ACG, HKACG, CPA, FCCA*

AUTHORISED REPRESENTATIVES

KWAN Pak Hoo Bankee
(alternate: KWAN Teng Hin Jeffrey)
CHEUNG Tsz Yui Morton
(alternate: CHEUNG Suet Ping Ada)

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
Nanyang Commercial Bank, Limited
The Hong Kong and Shanghai Banking Corporation Limited
Chong Hing Bank Limited
OCBC Wing Hang Bank Limited
Shanghai Commercial Bank Limited
The Bank of East Asia, Limited
Hang Seng Bank Limited

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditors

SOLICITORS

Sidley Austin

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited
17/F Far East Finance Centre
16 Harcourt Road
Hong Kong

WEBSITE

www.cash.com.hk

STOCK CODE ON MAIN BOARD

1049

CONTACTS

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The unaudited consolidated results of Celestial Asia Securities Holdings Limited ("Company" or "CASH") and its subsidiaries ("Group") for the six months ended 30 June 2025, together with the comparative figures for the last corresponding period, are as follows:

		Unaudited	
		Six months ended 30 June	
	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	(3)	351,022	458,894
Cost of inventories		(188,570)	(247,729)
Other income		8,142	10,610
Other gains and losses		6,288	8,182
Salaries, allowances and related benefits		(70,901)	(90,351)
Other operating, administrative and selling expenses		(100,676)	(107,194)
Depreciation of property and equipment		(5,327)	(7,082)
Depreciation of right-of-use assets		(39,300)	(46,363)
Finance costs		(9,505)	(12,218)
		(48,827)	(33,251)
Loss before taxation		(48,827)	(33,251)
Income tax expense	(5)	–	–
Loss for the period		(48,827)	(33,251)

Unaudited
Six months ended 30 June

	2025	2024
	HK\$'000	HK\$'000

	2025	2024
	HK\$'000	HK\$'000
Other comprehensive income (expense) for the period, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference on translation of foreign operations	108	(68)
Total other comprehensive income (expense) for the period	108	(68)
Total comprehensive expense for the period	(48,719)	(33,319)
Loss for the period attributable to:		
Owners of the Company	(36,666)	(27,104)
Non-controlling interests	(12,161)	(6,147)
	(48,827)	(33,251)
Total comprehensive expense for the period attributable to:		
Owners of the Company	(36,558)	(27,172)
Non-controlling interests	(12,161)	(6,147)
	(48,719)	(33,319)
Loss per share attributable to owners of the Company		
(6)		
– Basic (HK cents)	(45.4)	(33.6)
– Diluted (HK cents)	(45.4)	(33.6)

Condensed Consolidated Statement of Financial Position

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
Non-current assets			
Property and equipment		14,032	18,772
Right-of-use assets		64,436	68,494
Goodwill		39,443	39,443
Intangible assets		47,501	47,501
Rental and utilities deposits		7,334	8,326
Financial assets at fair value through other comprehensive income		4,806	4,806
Financial assets at fair value through profit or loss ("FVTPL")		4,592	4,592
Other assets		6,087	4,940
Deferred tax assets		7,264	7,264
		195,495	204,138
Current assets			
Inventories – finished goods held for sale		28,283	22,830
Accounts receivables	(7)	145,117	118,179
Prepayments, deposits and other receivables		156,466	155,718
Contract assets		911	911
Loans receivables	(8)	5,170	10,886
Financial assets at FVTPL		59,420	41,490
Fixed deposits with maturity over three months		426	423
Pledged bank deposits		32,818	32,818
Bank balances – trust and segregated accounts		366,527	308,246
Bank balances (general accounts) and cash		114,086	136,038
		909,224	827,539

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
Current liabilities			
Accounts payables	(9)	522,830	454,357
Financial liabilities arising from consolidated investment funds		14,574	1,515
Accrued liabilities and other payables		96,062	78,988
Contract liabilities		38,282	51,292
Taxation payable		2,015	6,652
Lease liabilities		42,304	45,855
Borrowings		185,180	175,127
		901,247	813,786
Net current liabilities		7,977	13,753
Total assets less current liabilities		203,472	217,891
Capital and reserves			
Share capital	(10)	16,144	16,144
Reserves		334	36,892
Equity attributable to owners of the Company		16,478	53,036
Non-controlling interests		30,933	43,094
Total equity		47,411	96,130
Non-current liabilities			
Borrowings		92,529	84,103
Deferred tax liabilities		11,111	11,111
Convertible note		20,000	–
Lease liabilities		32,421	26,547
		156,061	121,761
		203,472	217,891

Condensed Consolidated Statement of Changes in Equity

Unaudited
Six months ended 30 June 2025

	Attributable to owners of the Company									Non-controlling Interests		
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	General reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Share held for share awards scheme HK\$'000	Share of net assets of subsidiaries HK\$'000	Total HK\$'000
At 1 January 2025	16,144	4,127	88,926	1,160	92,241	9,860	(2,863)	(156,559)	53,036	(4,405)	47,499	96,130
Profit (loss) for the period	-	-	-	-	-	-	-	(36,666)	(36,666)	-	(12,161)	(48,827)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	108	-	-	108	-	-	108
Total comprehensive (expense) income for the period	-	-	-	-	-	108	-	(36,666)	(36,558)	-	(12,161)	(48,719)
At 30 June 2025	16,144	4,127	88,926	1,160	92,241	9,968	(2,863)	(193,225)	16,478	(4,405)	35,338	47,411

Unaudited
Six months ended 30 June 2024

	Attributable to owners of the Company									Non-controlling interest		
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	General reserve HK\$'000	Other reserve HK\$'000	Translation reserve HK\$'000	Revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Shares held for share award scheme HK\$'000	Share of net assets of subsidiaries HK\$'000	Total HK\$'000
At 1 January 2024	16,144	4,127	88,926	1,160	92,241	10,451	2,551	(99,635)	115,965	-	53,015	168,980
Loss for the period	-	-	-	-	-	-	-	(27,104)	(27,104)	-	(6,147)	(33,251)
Purchase of shares held for the share award scheme of a subsidiary	-	-	-	-	-	-	-	-	-	(4,405)	-	(4,405)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(68)	-	-	(68)	-	-	(68)
Total comprehensive expense for the period	-	-	-	-	-	(68)	-	(27,104)	(27,172)	(4,405)	(6,147)	(37,724)
At 30 June 2024	16,144	4,127	88,926	1,160	92,241	10,383	2,551	(126,739)	88,793	(4,405)	46,868	131,256

Condensed Consolidated Statement of Cash Flows

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Net cash (used in) from operating activities	(70,103)	82,044
Net cash from (used in) investing activities	6,118	(78,275)
Net cash from (used in) financing activities	42,033	(69,707)
Net decrease in cash and cash equivalents	(21,952)	(65,938)
Cash and cash equivalents at beginning of period	136,038	233,362
Cash and cash equivalents at end of period	114,086	167,424
Bank balances and cash	114,086	167,424

Notes:

(1) Basis of preparation

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

(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 values.

Other than 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 Group's annual period beginning on 1 January 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amended 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 these condensed consolidated financial statements.

(3) Revenue

Disaggregation of revenue from contracts with customers

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<u>Types of goods or service</u>		
Sales of furniture and household goods	290,177	386,524
Sales of electrical appliances	24,382	34,726
Sales of tailor-made furniture	16,622	20,533
Revenue from retailing segment	331,181	441,783
Management fee from asset management services	1,959	1,643
Other financial services	17,882	15,468
	351,022	458,894
<u>Timing of revenue recognition</u>		
A point of time	309,540	406,266
Over time	41,482	52,628
	351,022	458,894
<u>Geographical market</u>		
Hong Kong	349,638	457,599
The People's Republic of China ("PRC")	1,384	1,295
	351,022	458,894

(4) Business and geographical segments

Business segments

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's operating and reportable segments are as follows:

Retailing	Sales of furniture and household goods and electrical appliances
Investment Management	Provision of asset management services to investors
Other Financial Services	Provision of other financial services through CASH Financial Services Group Limited ("CFSG")

Segment revenue and results

For the six months ended 30 June 2025

	Retailing HK\$'000	Investment management HK\$'000	Other financial services HK\$'000	Consolidated HK\$'000
Revenue	331,181	1,959	17,882	351,022
Segment results	(20,641)	(11,175)	(8,598)	(40,414)
Corporate expenses				(6,030)
Unallocated finance costs				(2,383)
Loss before taxation				(48,827)

For the six months ended 30 June 2024

	Retailing HK\$'000	Investment management HK\$'000	Other financial services HK\$'000	Consolidated HK\$'000
Revenue	441,783	1,643	15,468	458,894
Segment results	(7,356)	3,840	(22,760)	(26,276)
Unallocated other gains and losses, net				(16)
Corporate expenses				(4,511)
Unallocated finance costs				(2,448)
Loss before taxation				(33,251)

Segment result represents the profit earned/loss incurred by each segment without allocation of certain other income, certain other gain and losses, corporate expenses and certain finance costs. This is the measure reported to the executive directors of the Company for the purposes of resource allocation and performance assessment.

Geographical segments

The Group's operations are located in Hong Kong and the PRC. No analysis of the Group's revenue by geographical locations is disclosed because no significant portion of the revenue from external customers are derived outside Hong Kong.

(5) Income tax expense

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Income tax expense	–	–

Starting from the year ended 31 December 2018, the Hong Kong profits tax 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 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%.

Under the Law of the PRC on Enterprise Income Tax ("EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

(6) Loss per share attributable to owners of the Company

The calculation of the basic and diluted loss per share attributable to the owners of the Company for the six months ended 30 June 2025 together with the comparative figures for the prior period are based on the following data:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Loss		
Loss for the purpose of basic and diluted loss per share	(36,666)	(27,104)

		Unaudited	
		Six months ended 30 June	
		2025	2024
		'000	'000
Number of shares			
Weight average number of ordinary shares for the purpose of basic and diluted earnings (loss) per share		80,720	80,720

(7) **Accounts receivables**

		30 June 2025	31 December 2024
		(Unaudited)	(Audited)
		HK\$'000	HK\$'000
	Notes		
Accounts receivable arising from retailing business	(a)	1,043	1,013
Accounts receivable arising from the business of dealing in securities	(b)	57,288	42,434
Accounts receivable arising from the business of margin financing	(b)	122,011	114,506
Accounts receivable arising from the business of dealing in futures and options	(b)	20,018	15,469
Less: allowance for impairment		(55,243)	(55,243)
		145,117	118,179

Notes:

- (a) The Group allows an average credit period of 30-60 days to its corporate customers on retailing business. The ageing analysis based on the invoice date, which is approximately the revenue recognition date, is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0 – 30 days	1,006	782
31 – 60 days	36	33
61 – 90 days	–	43
Over 90 days	1	155
	1,043	1,013

- (b) Accounts receivable from clients, brokers, dealer and clearing houses arising from the business of dealing in securities are repayable on demand subsequent to settlement date. The normal settlement terms of accounts receivable arising from the business of dealing in securities are two days after trade date or at specific terms agreed with clients, brokers, dealer and accounts receivable arising from the business of dealing in futures and options are one day after trade date.

The Group offsets certain accounts receivable and accounts payable when the Group currently has a legally enforceable right to set off the balances and intends either to settle on a net basis, or to realise the balances simultaneously.

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

(8) Loans receivables

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Revolving loans receivables denominated in:		
Hong Kong dollars	6,423	12,139
United State dollars	54	54
	6,477	12,193
Less: allowance for impairment	(1,307)	(1,307)
	5,170	10,886

The Group has policy for assessing the impairment of loans receivable on an individual basis. The assessment is based on a close monitoring and evaluation of collectability and on management's judgment, including the current creditworthiness, collateral value (if any), the past collection history of each client and supportive forward-looking information.

At the end of the reporting period, the Group's loans receivable were individually assessed for impairment. In determining the recoverability of the loans receivable, the Group considers any change in the credit quality of the loans receivable from the date of the credit was initially granted up to the reporting date.

All loan receivable are variable rate loan receivable, which bear interest of Hong Kong Prime Rate plus minus of HIBOR plus spread for both periods.

Loans receivable included an amount due from a related party bearing interest at HIBOR plus a spread which is similar to the rate offered to other clients. Detail of which follows:

Name	Balance at 1 January 2025 HK\$'000	Maximum amount outstanding during the period HK\$'000	Balance at 30 June 2025 HK\$'000
Mr. Cheung Tsz Yui Morton	1,984	2,031	—

(9) Accounts payables

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Notes		
Accounts payable arising from retailing business	(a)	101,025	102,775
Accounts payable arising from the business of dealing in securities	(b)	394,787	323,499
Accounts payable arising from the business of dealing in futures and options	(b)	27,018	28,083
		522,830	454,357

Notes:

- (a) Trade creditors arising from retailing business principally comprise amount outstanding for trade purpose and ongoing cost. The credit period taken for trade purchases ranges from 15 to 90 days (2024: 15 to 90 days).

The following is an ageing analysis (from invoice date) of trade creditors arising from retailing business at the end of the reporting period:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
0 – 30 days	51,955	50,670
31 – 60 days	5	37,270
61 – 90 days	30,569	11,071
Over 90 days	18,496	3,764
	101,025	102,775

- (b) The settlement terms of accounts payable from the business of dealing in securities are two days after trade date, and accounts payable arising from the business of dealing in futures and options contracts are one day after trade date. No ageing analysis is disclosed as in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of this business.

Accounts payable to clients arising from the business of dealing in futures and options are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

Accounts payable to independent financial advisors arising from business of wealth management services are generally settled within 30 days upon receipt of payments from product issuers/clients.

Except for the accounts payable to clients arising from the business of dealing in securities which bear interest at a fixed rate, all other accounts payable are non-interest bearing.

Accounts payable amounting to HK\$366,527,000 (2024: HK\$349,381,000) are payable to external clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institutions 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.

(10) Share capital

	Par value of each ordinary share HK\$	Number of shares '000	Amount HK\$'000
Ordinary shares			
Authorised:			
At 1 January 2025 and 30 June 2025	0.20	150,000	30,000
Issued and fully paid:			
At 1 January 2025 and 30 June 2025	0.20	80,720	16,144

(11) Related party transactions

In addition to the transactions and balances detailed in note (8), the Group had the following transactions with related parties during the period:

		Unaudited	
		Six months ended 30 June	
		2025	2024
Note		HK\$'000	HK\$'000
Commission income and interest income received from the following directors of the Company or CFSG:			
	Dr Kwan Pak Hoo Bankee	15	4
	Mr Law Hin Ong Trevor	–	3
	Mr Cheung Tsz Yui Morton	40	24
		55	31
Interest expense paid to a related party		3,186	4,220

Note:

(a) Mr Law Hin Ong Trevor resigned as director of CFSG during the period ended 30 June 2024.

(12) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt which includes the lease liabilities and borrowings, and equity attributable to owners of the Company, comprising share capital, reserves and accumulated losses as disclosed in consolidated statement of changes in equity. The management of the Group reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. In view of this, the Group will balance its overall capital structure through the issue of new shares as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged throughout the period.

Certain subsidiaries of the Group are regulated by the Hong Kong Securities and Futures Commission ("SFC") and are required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules ("SF(FR)R"). The Group's regulated entities are subject to minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management of the Group closely monitors, on a daily basis, the liquid capital level of the entities to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entities have complied with the capital requirements imposed by the SF(FR)R throughout both periods.

Dividend

The Board does not recommend the payment of any dividend for the six months ended 30 June 2025 (2024: nil).

Review and Outlook

Financial Review

Financial Performance

The first half of 2025 (H1 2025) was characterized by volatility and resilience in global financial markets, heavily influenced by U.S. policy shifts under President Trump, including trade tariffs, fiscal expansions, and geopolitical tensions. For the six months ended 30 June 2025, the Group recorded revenue and net loss for the period of HK\$351.0 million and HK\$48.8 million, respectively, as compared to revenue of HK\$458.9 million and net loss of HK\$33.3 million, respectively, for the corresponding period in 2024.

Retailing Business – PRICERITE GROUP

In the first half of 2025, Hong Kong's retail sector saw a year-on-year sales decline, as consumers prioritised essentials and cost-effective alternatives in response to global economic fluctuations and cautious sentiment.

Retail sales in the first half of 2025 reached HK\$185 billion, representing a 3.3% decline in sales value and a 4.7% drop in sales volume as compared to 2024. The furniture sector experienced a 18.9% decline in sales value, partly due to a high base effect from 2024's surge tied to the proposed municipal solid waste charging scheme. This highlights the sector's sensitivity to policy-driven consumer behavior and its weak consumer sentiment in the first half of 2025.

The property market continues to influence consumer confidence on retail spending. Despite government efforts such as removing special stamp duties aimed at revitalising the market, persistently high interest rates and cautious buyer sentiment have kept prices on a downward path. The Centa-City Leading Index (CCL) fell by approximately 0.78% over the period, reflecting ongoing softness in the housing market. This prolonged downturn has led to a negative wealth effect, resulting in greater consumer prudence and reduced spending.

Pricerite Group recorded revenue of HK\$331 million in the first half of 2025, representing a 25% decrease from HK\$442 million in 2024, largely due to the elevated base from the prior year's policy-driven sales surge. Despite a segment loss of HK\$21 million, compared to HK\$7 million last period, Pricerite Group is proactively optimizing its operations, including closing two underperforming stores to enhance efficiency and is exploring innovative revenue streams while maintaining rigorous cost management. With its strategic focus on operational agility and consumer-centric approaches, Hong Kong's retail sector, including Pricerite Group, is well-positioned for recovery. Supported by robust economic fundamentals and forward-thinking policies, the industry is poised to seize emerging opportunities, ensuring sustainable growth throughout 2025 and beyond.

Investment Management Business – CAFG

The U.S. tariffs introduced greater uncertainty and volatility in financial markets, which affected the performance of the asset management strategies. Our asset management business recorded revenue of HK\$2.0 million and a segment loss of HK\$11.2 million as compared to revenue of HK\$1.6 million and a segment profit of HK\$3.8 million for the corresponding period in 2024.

Other Financial Services Business – CFSG (excluding investment management business through CAFG)

For the six months ended 30 June 2025, the Group's other financial services business recorded revenue of approximately HK\$17.9 million and a segment loss of HK\$8.6 million as compared to revenue of HK\$15.5 million and a segment loss HK\$22.8 million for the corresponding period of 2024.

Liquidity and Financial Resources

The Group's equity attributable to owners of the Company amounted to HK\$47.4 million as at 30 June 2025 as compared to HK\$96.1 million at the end of last year. The decrease in the total equity was mainly due to the increase in income from proprietary trading and investments (income in the first half of 2025: HK\$6.7 million; loss in the first half of 2024: HK\$8.2 million).

As at 30 June 2025, our cash and bank balances including the balances held under trust and segregated accounts totalled HK\$513.9 million as compared to HK\$477.5 million as at 31 December 2024. The Group derives its revenue mainly Hong Kong dollars and maintains its cash and bank balances mainly in Hong Kong dollars. The bank balances in the trust and segregated accounts were denominated in the same currencies as those of the outstanding balances in the corresponding accounts payable. The increase in cash and bank balances was mainly due to net effect of (i) the increase in financial assets at fair value through profit or loss; (ii) increase in bank balances in the trust and segregated accounts and (iii) operating loss incurred during the period.

As at 30 June 2025, the Group had total outstanding borrowings of approximately HK\$277.7 million as compared to HK\$259.2 million as at 31 December 2024. The borrowings were mostly denominated in Hong Kong dollars comprising unsecured loans of approximately of HK\$142.8 million (31 December 2024: HK\$170.0 million) and secured loans of approximately of HK\$134.9 million (31 December 2024: HK\$89.2 million). The above secured bank loans were secured by the Group's pledged deposits of approximately HK\$32.8 million (31 December 2024: HK\$32.8 million).

The liquidity ratio as at 30 June 2025 at 1.0 times which was the same, as compared to 1.0 times as at 31 December 2024. The gearing ratio, which represents the ratio of interest bearing borrowings (excluding lease liabilities) of the Group divided by the total equity, was 585.7% as at 30 June 2025 as compared to 269.7% as at 31 December 2024. The increase in the gearing ratio was mainly due to the loss incurred during the period.

The Group's treasury policies are to secure healthy liquidity for running its operations smoothly and to maintain a sound financial position at all time throughout the period. Besides meeting its working capital requirements, cash balances and bank borrowings are maintained at healthy levels to meet its customers' investments needs while making sure all relevant financial regulations have been duly complied.

Foreign Exchange Risks

As at the end of the period, the Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches.

Material Acquisitions and Disposals

The Group did not make any material acquisition and disposal during the period and there is no important event affecting the Group which has occurred since the end of the financial period.

Fund Raising Activities

Convertible Bonds

On 10 June 2025, the Company entered into subscription agreements with independent subscribers in relation to the issue of convertible bonds under general mandate ("GM Subscription") in an aggregate principal amount of HK\$20,000,000 and conditional subscription agreement with Cash Guardian Limited ("Cash Guardian"), a controlling shareholder of the Company and is beneficially owned by Dr Kwan Pak Hoo Bankee (chairman, chief executive officer and executive director of the Company), pursuant to which Cash Guardian has conditionally agreed to subscribe and the Company has conditionally agreed to issue the convertible bonds under specific mandate ("SM Subscription") in an aggregate principal amount of HK\$20,000,000. The GM Subscription was completed on 19 June 2025 and the SM Subscription was completed on 8 August 2025 subsequently.

The Company intends to utilise all the net proceeds from the subscriptions as general working capital towards the operation of the retailing business of the Group covering rental expenses, staff salaries, utilities expenses and other operating expenses, thereby strengthening the Group's financial position and supporting its business development. HK\$4.2 million out of the net proceeds of HK\$20 million from the GM Subscription were utilised as of 30 June 2025. The unutilised net proceeds of the GM Subscription is expected to be utilised by 31 December 2025.

The table below demonstrates the breakdown and description of the utilisation of the net proceeds from the GM Subscription:

	HK\$' million
<hr/>	
General working capital:	
1. Staff salaries and utilities expenses	2.6
2. Other operating expenses including distribution costs, administrative expenses and etc.	1.6
	<hr/>
	4.2
	<hr/>

Details of the subscriptions were disclosed in the announcements of the Company dated 10 June 2025, 19 June 2025 and 8 August 2025 and the circular of the Company dated 11 July 2025.

Capital Commitments

The Group did not have any material outstanding capital commitment at the end of the period.

Litigation and Contingent Liabilities

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

Material Investments

As at 30 June 2025, the market values of financial assets at FVTPL amounted to approximately HK\$64.0 million. A net gain on financial assets at FVTPL of HK\$6.3 million was recorded during the six months ended 30 June 2025.

Save as disclosed above, the Group did not have any material investments during the six months ended 30 June 2025.

Financial and Operational Highlights

Revenue

(HK\$'000)	Unaudited Six months ended 30 June		% change
	2025	2024	
Retail	331,181	441,783	(25.0%)
Investment management	1,959	1,643	19.2%
Other financial services	17,882	15,468	15.6%
Group total	351,022	458,894	(23.5%)

Key Financial Metrics

	Unaudited Six months ended 30 June		
	2025	2024	% change
The Group			
Loss for the period attributable to owners of the Company (HK\$'m)	36.7	27.1	35.4%
Loss per share (HK cents)	45.4	33.6	35.1%
Total assets (HK\$'m)	1,104.7	1,196.6	(7.7%)
Bank balances and cash (HK'm)	147.3	210.7	(30.1%)
Borrowings (HK\$'m)	277.7	292.4	(5.0%)
Retailing			
Revenue per sq. ft. (HK\$)	278	317.0	(12.3%)
Growth for same stores (vs last period)	(19.3%)	5.4%	N/A
Inventory turnover days	25.0	24.0	4.2%
Investment management			
Net gain/(loss) on financial assets at FVTPL (HK\$'m)	(4.7)	7.1	(166.2%)
Other Financial Services Business			
Annualised average fee income from broking per active client (HK\$'000)	0.8	0.5	60.0%

Industry and Business Review

Retail Management Business – Pricerite Group

Economic and Industry Review

In the first half of 2025, Hong Kong's retail sector continued to face headwinds, though signs of stabilisation emerged in certain segments. Total retail sales saw a modest year-on-year decline of 3.3%, an improvement compared to the sharper drop in the same period last year. However, total retail sales remained 25.3% below 2018 levels, reflecting persistent structural challenges in the market.

Consumer behaviour further evolved, with Mainland tourists increasingly prioritising niche experiences and premium services over traditional shopping. The Hong Kong dollar's strength relative to the RMB continued to weigh on retail spending, while outbound travel by locals remained a key drag on domestic consumption. Geopolitical uncertainties and a sluggish global economy further restrained discretionary spending.

The furniture and household retail sector remained under pressure, with sales of furniture and fixture category declining by 19.0% year-on-year in 1H 2025, one of the worst performing categories. The residential property market showed tentative signs of bottoming out, but transaction volumes stayed low due to elevated mortgage rates and cautious buyer sentiment. Since the 2021 peak, home prices had fallen by 28%, while furniture retail sales were down 19% from their 2018 high.

Business Review

In the first half of 2025, Pricerite focused on optimising its business model to cater to the evolving market landscape while enhancing customer experiences. Our strategic initiatives aimed to address the needs of our target customers and to leverage the Stay-at-home economy for home improvement desires.

One of our most notable developments was the launch of "Pricerite | Creations," a new brand designed specifically for public housing customers.

For nearly four decades, Pricerite Group has firmly established itself as a leader in the ready-made furniture market. In 2017, the Group expanded its core competencies into the tailor-made furniture market with the establishment of TMF. This year, in response to the government's vigorous development of public housing, the Group has developed Pricerite | Creations, a new brand dedicated to creating ideal homes through tailor-made furniture and renovation services for public housing residents in 2025.

This initiative reflects our commitment to understanding the unique needs of this demographic, offering customised solutions that prioritise both space efficiency and affordability. By catering to this segment, we not only enhance our product offerings but also strengthen our brand's connection with our customers.

In response to shifts in consumer behaviour driven by the Stay-at-home economy, we undertook a comprehensive review of our business operations. This revamp aimed to keep us aligned with customer needs and market trends. By focusing on developing comprehensive home solutions, we ensured that our offerings are relevant and appealing, ultimately enhancing customer satisfaction and loyalty.

Store operations also underwent significant improvements during this period. We conducted a thorough review of our store network, enlisting support from landlords to adjust rental costs downward. This strategic move enhances our operating efficiency and allows us to allocate resources more effectively. Additionally, we revised our frontline staff incentive scheme to encourage a culture of heartfelt service. By fostering a customer-centric approach among our team members, we aim to create a positive shopping experience that encourages repeat visits.

To complement our operational updates, we further broadened our pricing strategies. Building on our “new low” pricing initiatives, we enhanced our promotion zone for household items to attract a broader customer base, while also generating excitement around our products and encouraging repeat visits to our stores. This effort is designed to make our products more accessible and appealing, ultimately driving sales and reinforcing our value proposition in a competitive market.

Product promotion and merchandising planning were also key focuses in the first half of 2025. We undertook a comprehensive review of our product assortment, rejuvenating our offerings to enrich the home selection for our customers. By engaging with both existing and new suppliers, we expanded our promotions and product range, providing customers with greater value and variety. Additionally, we introduced bundled sales that included interior design ideas, inspiring customers and facilitating their purchasing decisions.

In the realm of eCommerce, we made significant strides by joining marketplace platforms such as HKTV Mall and JD.com. This expansion allows us to reach a wider audience and enhance our online presence. We also capitalised on festive seasons to offer flash sales, which attracted more online shoppers and increased overall engagement with our brand. Our eShop underwent a substantial revamp to improve the browsing experience, making it easier for customers to shop and find different home furnishing products. We also enriched our online offerings to include not only all physical store items but also exclusive eShop products, such as top-tier electrical appliances and new product series from household brands like Buffalo and Ideale Chef.

Outlook

Looking ahead, the consumption recovery will hinge on interest rate trends, property market stabilisation, and the return of consumer confidence amid ongoing economic uncertainties.

As we progress through 2025, Pricerite remains committed to enhancing customer satisfaction and operating efficiency. Our initiatives in product innovation, store operations, and eCommerce are designed to strengthen our market position and respond effectively to changing consumer behaviours. We look forward to building on these successes in the second half of the year, ensuring that we continue to meet the needs of our customers while driving sustainable growth for the company.

Algo Trading Business – CAFG

Economic and Industry Review

In the first half of 2025, the international commodities trading market experienced elevated volatility, driven by shifting supply chains, geopolitical tensions, and evolving trade policies. Prices across energy, metals, and agricultural commodities remained under pressure, with tariff uncertainties reshaping global trade flows. Liquidity and risk mitigation tools have become increasingly vital as emerging market producers seek capital amid rising competition and supply chain de-risking.

Meanwhile, Hong Kong's equity market saw a strong rebound, emerging as the world's leading capital and fund raising hub. Fundraising activity surged more than sevenfold compared to the same period in 2024, supported by a wave of A+H listings and robust investor demand for Chinese firms seeking global capital access. Regulatory tailwinds and U.S. delisting concerns further accelerated this trend, with momentum expected to continue into the second half of the year.

Business Review

Our strategic positioning in asset management continues to deliver solid results. We currently manage one commodity futures fund and advise two equity and CTA portfolios. The CASH Multi Strategy Fund, focused on commodity futures, experienced its largest historical drawdown in early 2025 due to speculative distortions and geopolitical disruptions. However, the fund began recovering in May and June, leveraging arbitrage opportunities amid heightened volatility.

The CASH Prime Value Equity Fund, advised by our team, delivered a 28% return in H1, outperforming the Hang Seng Index and peers. Its quantamental approach and exposure to high-growth sectors such as consumer, tech, and finance proved effective in capturing market upside.

The Qunbo Multi Strategy Select Fund achieved a 13% return, outperforming major benchmarks and ranking in the top quartile among peers. Its short-term CTA strategy demonstrated strong responsiveness to market volatility, particularly during periods of tariff and trade-related news.

Business Development

In the first half of 2025, we made meaningful progress in both product innovation and operational efficiency. The CASH Prime Value Equity Fund underwent a strategic enhancement to its investment mandate, now allowing stock lending and the use of derivatives and futures. These changes are expected to generate additional fee income and provide greater flexibility in managing risk during periods of market stress.

We also initiated the development of a new thematic strategy focused on virtual assets, leveraging our quantitative research capabilities and AI-driven analytics. This initiative is aligned with our long-term vision to diversify product offerings and capture emerging trends in alternative investments.

On the distribution side, we have invested in expanding our internal sales force through structured training programmes and product workshops. These efforts aim to improve client engagement, deepen product understanding, and enhance fundraising effectiveness. We are also strengthening partnerships with external distributors and exploring digital channels to broaden our investor base, particularly among family offices and high-net-worth individuals.

Outlook

Looking ahead to the second half of 2025, global markets are expected to remain cautiously optimistic. Easing trade tensions, a softer U.S. dollar, and potential rate cuts in emerging markets provide a supportive environment for diversified portfolios. Commodity markets may continue to experience episodic volatility, offering opportunities for tactical strategies.

Hong Kong equities are likely to maintain their upward trajectory, driven by policy support, improving corporate earnings, and continued stock market momentum. The CASH Prime Value Equity Fund is well-positioned to benefit from this trend, with its expanded mandate offering enhanced flexibility and its data-driven approach enabling timely identification of undervalued opportunities.

The Qunbo Multi Strategy Select Fund is expected to continue capturing short-term commodity price movements, particularly in energy and metals, where geopolitical and macroeconomic factors remain volatile. Its robust risk-adjusted performance in H1 underscores its adaptability and strategic edge.

Meanwhile, the CASH Multi Strategy Fund remains a stable option for investors seeking non-correlated returns. As market uncertainty persists, demand for low-volatility, arbitrage-driven strategies is likely to increase.

Our strategic plan for the remainder of 2025 will be focused on innovation, resilience, and growth. By integrating artificial intelligence into our research and risk management systems, we aim to accelerate strategy development and enhance portfolio robustness. This comprehensive approach positions the company at the forefront of technological and financial advancements, while maintaining its growth trajectory and delivering consistent returns for investors in an evolving market environment.

Other Financial Services Business – CFSG

Economic and Industry Review

In the first half of 2025 (the “period”), while the U.S. Federal Reserve maintained higher interest rates for longer than initially anticipated, inflation showed signs of moderating by the second quarter, easing some pressure on risk assets. In China, the economy grew at a steady pace of 5.3% year-on-year, supported by targeted stimulus measures to boost domestic demand and production.

However, geopolitical tensions – including ongoing trade tariff discussions and lingering inflation concerns – contributed to heightened market volatility, particularly weighing on US equities, while Hong Kong’s market demonstrated relative resilience.

Against this backdrop, Hong Kong’s equity market activity saw a remarkable surge, buoyed by robust investor sentiment. Despite a challenging geopolitical landscape, the Hang Seng Index emerged as the world’s top-performing index, climbing over 20% during the period. Meanwhile, the average daily turnover of the securities market jumped by an impressive 118% year-on-year to HK\$240.2 billion, underscoring Hong Kong’s resilience and attractiveness to investors.

The U.S. tariff policy further fuelled Hong Kong’s stock market rally, reinforcing the city’s status as a tariff-free trade and financing hub. This attracted capital and new listings from mainland Chinese companies looking to navigate US trade barriers, allowing Hong Kong to outperform many global markets despite persistent geopolitical trade frictions.

The IPO market also regained momentum, cementing Hong Kong's position as the world's leading IPO destination, with funds raised through initial public offerings (IPOs) exceeding HK\$100 billion.

In tandem, Hong Kong solidified its standing as a leading international asset and wealth management hub. Assets under management (AUM) grew by 13% year-on-year in 2024, reaching nearly HK\$4 trillion, according to the Securities and Futures Commission (SFC). This surge was driven by an 81% increase in net fund inflows, totalling HK\$705 billion – further testament to Hong Kong's enduring attractiveness as an investment gateway.

Business Review

During the period, CFSG made significant strides in implementing AI solutions across its operations. In risk management, our systems now provide real-time monitoring of client exposures, enabling more efficient margin calls and risk alerts. The integration of AI into client communications has saved processing time by approximately 40%, allowing our team to focus on higher-value advisory services. Looking ahead, we are preparing to launch innovative AI-powered services, including automated market commentary generation and multilingual video analysis featuring digital avatars. These initiatives will be rolled out in phases, beginning in the third quarter of the year.

In response to the growing demand for innovative financial solutions, the Group has developed Hong Kong's first no-code AI algorithmic trading platform, Quantphemes, democratising professional quantitative trading. The revolutionary "Chat to Strategy" technology of Quantphemes enables investors to create, backtest, and execute sophisticated trading strategies using natural language, while its library of over 100 pre-built strategies allows for instant deployment. Licensed by Hong Kong's SFC with Type 4, 5, and 9 licenses and recognised with the Outstanding AI Algorithmic Trading Platform Award at the 2024 ETNet FinTech Awards, Quantphemes represents a new era in intelligent trading where advanced algorithmic strategies are accessible to all investors.

Our core businesses delivered satisfactory results during the period. The securities and asset management divisions saw total AUM grow by 19% year-on-year, with trading volumes surging 53% across Hong Kong and U.S. equities. The IPO market experienced exceptional growth compared to the same period last year. Notably, CFSG acted as Joint Bookrunner, Capital Markets Intermediary, and Joint Lead Manager for Green Tea Group's IPO.

Our Family Office division expanded its 3I (Insurance, Investment, Immigration) services with notable success. Insurance premiums hit record levels in Q1, driven by innovative marketing campaigns and our mainland client acquisition strategy.

The Investment segment benefited from effective social media promotions, while our Immigration services gained recognition for their expertise in talent visa programmes. The newly established Immigration & Education Centre has become a promising growth area, offering comprehensive planning services and preparing to launch specialised training programmes in the second half of the year.

We continued to strengthen our presence in mainland China, with plans for new offices near the Yangtze River Delta to complement our existing locations. Our marketing efforts – including seminars, roadshows, and social media campaigns – have significantly boosted brand visibility. One of the particularly effective videos explaining private banking benefits garnered over 1.1 million views across Xiaohongshu, WeChat, and Douyin, highlighting our growing digital influence.

Despite macroeconomic challenges, Hong Kong's capital markets proved resilient in the first half of the year. The period also demonstrated our ability to capitalise on the market recovery while advancing our technological capabilities. CFSG remains well-positioned to seize emerging opportunities while navigating potential headwinds.

Outlook

Looking ahead to the second half of 2025, we expect continued opportunities in Hong Kong's equity markets – particularly the IPO sector– as well as in defensive US equities less exposed to economic downturns.

Our strategic priorities include strengthening cross-border collaboration, expanding our Immigration & Education Centre offerings, and leveraging AI to enhance client services.

As we move forward, we remain committed to delivering innovative solutions and exceptional service, ensuring sustainable growth and value creation for all stakeholders.

Employee Information

At 30 June 2025, the Group had 481 employees. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the period under review was approximately HK\$71 million.

Benefits

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

Training

The Group has implemented various training policies and organised a number of training programs aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as product knowledge, customer service, selling techniques, presentation, communication, quality management, graduate development, and also professional regulatory training programs as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the Securities and Futures Ordinance ("SFO"), to attend the requisite training courses to fulfil/comply with the continuous professional training as prescribed in the SFO.

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures and rules and regulations. This orientation aims to prepare the new employees for the positions by establishing a sense of belongingness and cooperation; by supplying necessary information that resolves an employee's concerns; and by removing any potential barriers for job effectiveness and continuous learning.

Directors' Interests in Securities

As at 30 June 2025, the interests or short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept under section 352 of the SFO; or (b) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

A. The Company

Long positions in the ordinary shares of HK\$0.20 each

Name	Capacity/ nature of interests	No. of shares	No. of underlying shares	Total shares	Approximate Shareholding (%)
Kwan Pak Hoo Bankee	Beneficial owner	598,501	–	598,501	
	Interest in a controlled corporation	39,599,098 ^{Note 1}	16,000,000 ^{Note 1}	55,599,098	
		40,197,599	16,000,000	56,197,599	69.62
Leung Siu Pong James ^{Note 2}	Beneficial owner	37,642	–	37,642	0.05
		40,235,241	16,000,000	56,235,241	69.67

Notes:

- The shares and the underlying shares were held by Cash Guardian Limited ("Cash Guardian") (a wholly-owned subsidiary of Hobart Assets Limited ("Hobart Assets"), which in turn was 100% beneficially owned by Dr Kwan Pak Hoo Bankee ("Dr Kwan")). The underlying shares, represents 16,000,000 shares of the Company would be issued upon the full conversion of the Convertible Bonds. Pursuant to the SFO, Dr Kwan and Hobart Assets were deemed to be interested in such shares and underlying shares of the Company held by Cash Guardian as disclosed in the "Substantial shareholders" below.
- Mr. Leung Siu Pong James resigned as director on 2 July 2025.
- The percentage was calculated based on 80,720,181 shares of the Company in issue as at 30 June 2025.

B. The subsidiary

CFSG

Long positions in the ordinary shares of HK\$0.04 each

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Corporate interest	
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	26,124,000	277,989,563*	70.53
Kwan Teng Hin Jeffrey	Beneficial owner	4,476,000	–	1.04
Cheung Tsz Yui Morton	Beneficial owner	2,004,000	–	0.46
		32,604,000	277,989,563	72.03

- * The shares were held by Celestial Investment Group Limited ("CIGL"), a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by the Company). The Company was beneficially owned as to approximately 49.79% by Dr Kwan, details of which were disclosed in the "Substantial shareholders" below. Pursuant to the SFO, Dr Kwan was deemed to be interested in all the shares held by CIGL in CFSG as a result of his interest in the Company.

Save as disclosed above, as at 30 June 2025, none of the directors, chief executives or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Share Option Schemes

A. The Company

The share option scheme of the Company ("Share Option Scheme") was adopted pursuant to an ordinary resolution passed at the special general meeting of the Company held on 30 September 2021. The Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules effective on 1 January 2023. The Company will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the Share Option Scheme.

No share option has been granted by the Company and no share options were outstanding, lapsed, cancelled or exercised under the Share Option Scheme for the period ended 30 June 2025.

The total number of shares available for issue under the Share Option Scheme is 8,072,018, representing approximately 10% of the weighted average number of issued shares of the Company as at the date of this report.

The number of options available for grant under the mandate of the Share Option Scheme as at 1 January 2025 and 30 June 2025 was 8,072,018.

B. The subsidiary

CFSG

The share option scheme of CFSG ("CFSG Share Option Scheme") was adopted pursuant to an ordinary resolution passed at the annual general meeting of CFSG held on 8 June 2018. The CFSG Share Option Scheme was adopted before the new Chapter 17 of the Listing Rules effective on 1 January 2023. CFSG will comply with the new Chapter 17 of the Listing Rules in accordance with the transitional arrangements for the CFSG Share Option Scheme.

Details of the movements in the share options to subscribe for shares of HK\$0.04 each in CFSG granted under the CFSG Share Option Scheme during the six months ended 30 June 2025 are set out below:

Participants	Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options		
					outstanding as at 1 January 2025	lapsed during the period (note (4))	outstanding as at 30 June 2025
Employee Participants (Note (5))	29/07/2021	01/08/2021–31/07/2025	0.572	(1), (2), (3)	525,000	–	525,000

Notes:

- (1) The options are vested in 4 tranches as to 25% exercisable from 1 August 2021 to 31 July 2022, 25% exercisable from 1 August 2022 to 31 July 2023, 25% exercisable from 1 August 2023 to 31 July 2024 and 25% exercisable from 1 August 2024 to 31 July 2025 respectively.
- (2) The options are subject to the achievement of agreed milestones/performance indicators and/or business budget plan for the relevant year during the option period as approved by the chairman of CFSG Board and/or the CFSG Board determined at their sole discretion.
- (3) The options must be exercised within 1 month from the date on which the CFSG Board's approval of the vesting of the options.
- (4) The lapsed options were due to expiry of the options in accordance with the terms of the share options.

- (5) Employee Participants include directors and employees of the Company and its subsidiaries.
- (6) The total number of shares of CFSG available for issue under CFSG Share Option Scheme is 26,117,477, representing approximately 6.06% of the weighted average number of issued shares of CFSG as at the date of this report.
- (7) The number of options available for grant under the mandate of the CFSG Share Option Scheme as at 1 January 2025 and 30 June 2025 were 26,117,477.
- (8) No option was granted, exercised or cancelled during the period.

Share Award Scheme

The subsidiary

CFSG

CFSG has adopted a share award scheme on 1 December 2022 (the “CFSG Share Award Scheme”). As at 30 June 2025, the trustee held a total of 18,282,000 CFSG shares. As at 1 January 2025 and 30 June 2025, the total number of shares available for grant under the CFSG Share Award Scheme was 26,117,477 CFSG shares.

No share awards has been granted under the CFSG Share Award Scheme during the period from the date of adoption to the period ended 30 June 2025.

Substantial Shareholders

As at 30 June 2025, so far as is known to the directors and chief executive of the Company, the persons/companies (other than a director or chief executive of the Company) who had, or were deemed or taken to have an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company were as follows:

Name	Capacity	Number of shares	Number of underlying shares	Total shares	Shareholding (%)
Hobart Assets Limited (Notes 1 & 2)	Interest in a controlled corporation	39,599,098	16,000,000	55,599,098	68.87
Cash Guardian Limited (Notes 1 & 2)	Beneficial owner	39,599,098	16,000,000	55,599,098	68.87
Mr Wang Shui Ming (Note 3)	Beneficial owner, interest in a controlled corporation and other interest	4,110,245	–	4,110,245	5.09
Mr Lai Wing Hung (Note 4)	Beneficial owner, interest in a controlled corporation and other interest	4,847,405	–	4,847,405	6.00
Ms Leung Ka May Liza (Note 5)	Beneficial owner and other interest	4,847,405	–	4,847,405	6.00
Mr Tam Cheuk Ho (Note 6)	Interest in controlled corporations	3,163,817	3,200,000	6,363,817	7.88
Mr Law Ping Wah (Note 7)	Beneficial owner	2,501,166	3,200,000	5,701,166	7.06

Notes:

- (1) This refers to the same number of the shares and underlying shares of the Company held by Cash Guardian, a wholly-owned subsidiary of Hobart Assets, which in turn was 100% beneficially owned by Dr Kwan. Pursuant to the SFO, Dr Kwan and Hobart Assets were deemed to be interested in the shares and underlying shares of the Company held by Cash Guardian.

- (2) Dr Kwan (a director whose interests are not shown in the above table) was interested and/or deemed be interested in a total of (i) 40,197,599 shares (approximately 49.79%), which were held as to 39,599,098 shares by Cash Guardian and as to 598,501 shares in his personal name; and (ii) 16,000,000 underlying shares held by Cash Guardian, which would be issued upon full conversion of the Convertible Bonds. Details of his interest is set out in the section "Directors' interests in securities" above.
- (3) The shareholding interest of Mr Wang Shui Ming was based on the notice filed by him on 9 September 2020 pursuant to Divisions 2 and 3 of Part XV of the SFO after adjusting the number of shares held by him due to the 20-to-1 share consolidation of the Company which took effect on 7 September 2020. Based on the said notice filed by Mr Wang Shui Ming, the shares were held as to 1,022,061 in his personal name, as to 2,223,607 by Mingtak Holdings Limited (a 100%-owned controlled corporation of Mr Wang Shui Ming), and as to 864,577 by him as nominee under a power of attorney. Pursuant to the SFO, Mr Wang Shui Ming was deemed to be interested in all such shares.
- (4) The shareholding interest of Mr Lai Wing Hung ("Mr Lai") was based on a notice filed by him on 3 March 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Mr Lai, the shares were held as to 3,697,000 in his personal name, as to 414,405 held by Grimsby Consultants Limited (a 100%-owned controlled corporation of Mr Lai) and as to 736,000 held by Ms Leung Ka May Liza, spouse of Mr Lai. Pursuant to the SFO, Mr Lai was deemed to be interested in all these shares.
- (5) The shareholding interest of Ms Leung Ka May Liza ("Ms Leung") was based on a notice filed by her on 3 March 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Ms Leung, the shares were held as to 736,000 in her personal name, as to 4,111,405 held by Mr Lai Wing Hung, spouse of Ms Leung. Pursuant to the SFO, Ms Leung was deemed to be interested in all these shares.
- (6) The shareholding interest of Mr Tam Cheuk Ho ("Mr Tam") was based on a notice filed by him on 12 June 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Mr Tam, he is deemed to be interested in (i) 304,519 shares held by Anka Capital Limited ("Anka Capital"), of which 177,889 shares were held beneficially and 126,630 shares were held through Elrond Limited (a 100% owned controlled corporation of Mr Tam and a wholly-owned subsidiary of Anka Capital); and (ii) 2,859,298 shares held by Suncraft Limited (a 100%-owned controlled corporation of Mr Tam). According to the said notice, Mr Tam also held 3,200,000 underlying shares of the Company through Anka Capital, which would be issued upon full conversion of the Convertible Bonds. Pursuant to the SFO, Mr Tam was deemed to be interested in all these shares and underlying shares of the Company.
- (7) The shareholding interest of Mr Law Ping Wah ("Mr Law") was based on a notice filed by him on 12 June 2025 pursuant to Divisions 2 and 3 of Part XV of the SFO. Based on the said notice filed by Mr Law, the shares were held as to 2,501,166 in his personal name. According to the said notice, Mr Law also held 3,200,000 underlying shares of the Company, which would be issued upon full conversion of the Convertible Bonds.
- (8) The percentage was calculated based on 80,720,181 shares of the Company in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, the directors and chief executive of the Company were not aware of any other parties or corporation (other than a director or chief executive of the Company) who had, or were deemed or taken to have, any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or as otherwise notified to the Company.

Corporate Governance

During the accounting period from 1 January 2025 to 30 June 2025, the Company had duly complied with the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 of the Listing Rules, except for the following deviations:

- (1) Pursuant to code provision C.2.1, the role of chairman and chief executive should be separate and should not be performed by the same individual. Dr Kwan (Chairman & Executive Director of the Board) also acted as CEO of the Company. The dual role of Dr Kwan provides a strong and consistent leadership to the Board and is critical for efficient business planning and decisions of the Group. The respective CEOs of each business units of the Group assisted Dr Kwan in performing the CEO's responsibilities and are responsible for formulating business plans and monitoring the business operation and development of the Group, and report regularly to the Chairman. The balance of power and authorities is also ensured by the operation of the Board and the senior management, which comprise experienced and high calibre individuals.
- (2) Pursuant to code provision B.2.4 where all the independent non-executive directors of the Company have served more than nine years on the Board, the Company should appoint a new independent non-executive director on the board. Each of Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin had served the Company as an independent non-executive Director for more than nine years and the Company did not appoint a new independent non-executive Director. Mr Leung Ka Kui Johnny has served the Board for 24 years, Mr Wong Chuk Yan has served the Board for 27 years and Dr Chan Hak Sin has served the Board for 24 years. The Board considers that each of the three independent non-executive Directors have a thorough understanding of the Company's operations, do not involve in the Company's daily operations and have expressed independent advices to the Company in the past. The Board is also of the view that these three independent non-executive Directors are firmly committed to their responsibilities and ongoing role, and that the long service of these three independent non-executive Directors will not affect their independent judgements. The Board considers these three independent non-executive Directors to remain independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that the continued tenure of these independent non-executive Directors will help to maintain the stability of the Board as they have, over time, gained valuable insights into the business strategy and policies of the Group. Therefore, the Company did not appoint a new independent non-executive Director, which despite deviate from code provision B.2.4, would not be detrimental to the Company.

We will periodically review and improve our corporate governance practices with reference to the latest corporate governance developments.

Compliance with the Model Code

The Company has adopted a code of conduct regarding securities transactions by directors as set out in Appendix C3 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they fully complied with the required standard of dealings set out therein throughout the review period.

Review of Results

The Group's unaudited consolidated results for the six months ended 30 June 2025 have not been reviewed by the auditors of the Company, but have been reviewed by the audit committee of the Company.

Purchase, Sale or Redemption of the Company's Securities

During the six months ended 30 June 2025, the Company purchased a total of 22,000 shares on the Stock Exchange, details of which are as follows:

Date of purchase		Number of shares purchased	Price paid per share	
			Highest price paid HK\$	Lowest price paid HK\$
1.	7 April 2025	10,000	0.78	0.78
2.	17 April 2025	12,000	0.59	0.58

Save as disclosed above, the Company has not purchased, sold or redeemed any of its listed securities during the six months ended 30 June 2025.

On behalf of the Board

Bankee P. Kwan

Chairman and Chief Executive Officer

Hong Kong, 27 August 2025

As at the date hereof, the directors of the Company are:-

Executive directors:

Dr Kwan Pak Hoo Bankee, *BBS, JP*
Mr Kwan Teng Hin Jeffrey
Mr Cheung Tsz Yui Morton
Ms Kwan Iec Teng Janet

Independent non-executive directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin