



基石金融控股有限公司

CORNERSTONE FINANCIAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8112



2025

Interim Report
中期報告

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Cornerstone Financial Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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MANAGEMENT DISCUSSION AND ANALYSIS

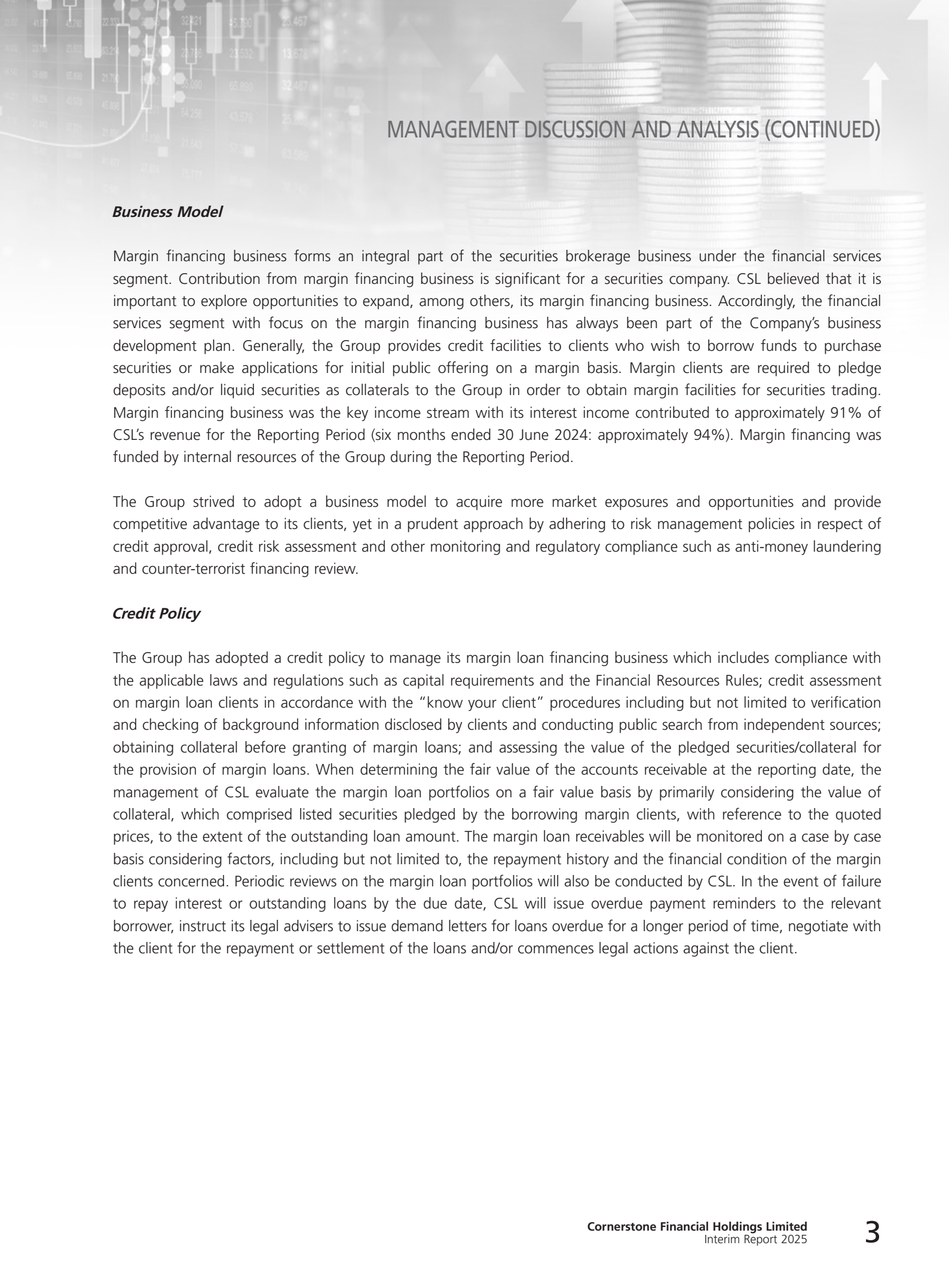
BUSINESS REVIEW AND FUTURE PROSPECTS

During the six months ended 30 June 2025 (the “Reporting Period”), Cornerstone Financial Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) were principally engaged in the businesses of financial services and advertising and media services. The advertising and media business remained the main contributor to the Group’s revenue while provision of financial services continued to generate regular revenue for the Group. During the Reporting Period, the Group recorded a consolidated revenue of approximately HK\$26.8 million and net loss of approximately HK\$21.0 million, as compared with the revenue of approximately HK\$26.0 million and net loss of approximately HK\$25.4 million for the corresponding period last year. Revenue from the advertising and media business amounted to approximately HK\$22.8 million for the Reporting Period, an increase of approximately 5% over the corresponding period last year (six months ended 30 June 2024: HK\$21.8 million). The financial services business recorded revenue amounted to approximately HK\$4.0 million for the Reporting Period (six months ended 30 June 2024: HK\$4.2 million), a decrease of approximately 6% over the corresponding period last year.

It is observed that the global economy in the first half of 2025 exhibited steady growth, though encountering various challenges primarily driven by aggressive trade protectionism, heightened geopolitical tensions and monetary policy uncertainties. Hong Kong’s capital market, as a major international financial hub, is highly sensitive to these global economic conditions; alongside domestic challenges such as weak retail and property sectors, could lead to market volatility and cautious investor sentiment. During the Reporting Period, the Group’s financial services business faced ongoing challenges due to market volatility and uncertainties. Meanwhile, its advertising and media business recorded slightly higher revenue compared to the same period last year but could not return to the pre-pandemic levels, driven by shifting consumer preferences and weak retail and catering industries in particular for the Hong Kong market. The Company will monitor the situation and assess its impact on the overall financial position and operating results of the Group. Going forward, the Group will strive to explore potential business opportunities, while maintaining its current operations in various businesses. The Group will look for new investment opportunities in different sectors with growth potential for business diversification and corporate sustainability. The management will also review and monitor the latest development of the external environment and the business portfolio of the Group, and adjust its business strategies from time to time if required. Details of the Group’s business review and prospects are as follows:

Financial Services Business

The Group’s financial services activities are mainly conducted under the brand name of “Cornerstone” and consisted of Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). Over the past years, the financial services business undertaken by Cornerstone Securities Limited (“CSL”), a 91.19% indirectly owned subsidiary of the Company, has been providing regular revenue for the Group. During the Reporting Period, the Group’s financial services business recorded a revenue of approximately HK\$4.0 million (six months ended 30 June 2024: approximately HK\$4.2 million).



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Business Model

Margin financing business forms an integral part of the securities brokerage business under the financial services segment. Contribution from margin financing business is significant for a securities company. CSL believed that it is important to explore opportunities to expand, among others, its margin financing business. Accordingly, the financial services segment with focus on the margin financing business has always been part of the Company's business development plan. Generally, the Group provides credit facilities to clients who wish to borrow funds to purchase securities or make applications for initial public offering on a margin basis. Margin clients are required to pledge deposits and/or liquid securities as collaterals to the Group in order to obtain margin facilities for securities trading. Margin financing business was the key income stream with its interest income contributed to approximately 91% of CSL's revenue for the Reporting Period (six months ended 30 June 2024: approximately 94%). Margin financing was funded by internal resources of the Group during the Reporting Period.

The Group strived to adopt a business model to acquire more market exposures and opportunities and provide competitive advantage to its clients, yet in a prudent approach by adhering to risk management policies in respect of credit approval, credit risk assessment and other monitoring and regulatory compliance such as anti-money laundering and counter-terrorist financing review.

Credit Policy

The Group has adopted a credit policy to manage its margin loan financing business which includes compliance with the applicable laws and regulations such as capital requirements and the Financial Resources Rules; credit assessment on margin loan clients in accordance with the "know your client" procedures including but not limited to verification and checking of background information disclosed by clients and conducting public search from independent sources; obtaining collateral before granting of margin loans; and assessing the value of the pledged securities/collateral for the provision of margin loans. When determining the fair value of the accounts receivable at the reporting date, the management of CSL evaluate the margin loan portfolios on a fair value basis by primarily considering the value of collateral, which comprised listed securities pledged by the borrowing margin clients, with reference to the quoted prices, to the extent of the outstanding loan amount. The margin loan receivables will be monitored on a case by case basis considering factors, including but not limited to, the repayment history and the financial condition of the margin clients concerned. Periodic reviews on the margin loan portfolios will also be conducted by CSL. In the event of failure to repay interest or outstanding loans by the due date, CSL will issue overdue payment reminders to the relevant borrower, instruct its legal advisers to issue demand letters for loans overdue for a longer period of time, negotiate with the client for the repayment or settlement of the loans and/or commences legal actions against the client.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Breakdown of loan portfolios

As at 30 June 2025, the Group granted approximately HK\$82.6 million (31 December 2024: approximately HK\$89.0 million) to 11 margin clients (31 December 2024: 11 margin clients). The five highest borrowing margin clients accounted for approximately HK\$65.5 million (31 December 2024: approximately HK\$71.0 million), representing approximately 79% of the total borrowing from margin clients as at 30 June 2025 (31 December 2024: approximately 80%). All margin clients are required to pledge securities as collateral to the Group in order to obtain margin loans. Therefore, all margin loans granted by CSL are secured. During the Reporting Period, the interest rate charged on the margin loans was 8.5% per annum (31 December 2024: ranging from 8.5% to 9.125% per annum). The determination of the above interest rate was primarily based on the prime rate charged by commercial banks in Hong Kong plus a premium.

Despite lagging other major stock markets during the post-pandemic recovery in recent years, the Hong Kong stock market experienced a robust performance in the first half of 2025, driven by a significant rebound in initial public offerings and strong secondary market activity. However, market volatility and uncertainties persisted due to external pressures and structural challenges. CSL has been operating cautiously in this volatile market, while its clients' appetite for Hong Kong stocks has been dampened and their desire to enter the market has been hit. These factors have affected the performance of the Group's financial services business for the Reporting Period. The CSL management will continue to stay informed about market trends and look for opportunities to develop global market businesses with an aim of expanding the scope of services and customer base. Further, CSL will enhance communication with existing clients and explore business opportunities with potential clients.

Advertising and Media Business

The Group is a well-established digital out-of-home ("OOH") media company in Hong Kong and Singapore, with an operating history since April 2004. It had pioneered the concept of creating a sizeable network of flat-panel displays in elevator lobbies of office and commercial complex as well as the residential buildings to sell advertisement. The number of venues in which the Group deployed its flat-panel displays over the corresponding period of the previous year is shown as follows:

Region	Network	Six months ended 30 June 2025	Six months ended 30 June 2024
Hong Kong	Office, Commercial and Residential Network	1,132	1,111
Singapore	Office and Commercial Network	535	515
Total number of venues		1,667	1,626

As of 30 June 2025, the Group has deployed its branded flat-panel displays at 1,667 office, commercial and residential buildings & venues in Hong Kong and Singapore under its digital OOH media network.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As previously reported, the Group partnered with Hivestack, the world's leading independent programmatic digital out of home ad tech company, to bring the programmatic digital out of home ("pDOOH") advertising buying experience in Singapore to the next level. The Group anticipates pDOOH to be a key driver of growth in the coming years.

In addition to the flat-panel displays, the Group's OOH large format media network in Hong Kong consists of six sites of large LED panels. Under its OOH large format media network in Singapore, the Group continued to maintain its six strategically located sites. Combined with its well-established office, commercial and residential networks, the Group offers a well-rounded platform for advertisers to reach their audience at home, at work and at shopping, leisure & entertainment venues.

The Group will continue to pursue the expansion of its digital OOH media networks, adding progressively one venue at a time as well as pursue new static/LED OOH sites under its OOH large format media network.

The performance of the Group's advertising and media business is gradually picking up from its lowest level during the pandemic in both Hong Kong and Singapore.

FINANCIAL REVIEW

	Six months ended 30 June		% Change
	2025 HK\$ (Unaudited)	2024 HK\$ (Unaudited)	
Revenue	26,799,546	25,964,172	3%
Gross profit	15,083,173	16,041,075	-6%
EBITDA (Note)	(14,888,748)	(19,043,903)	N/A
Net loss	(21,004,747)	(25,397,930)	N/A

Note: EBITDA represents profit/(loss) before finance costs, income tax expense, depreciation of property, plant and equipment and right-of-use assets, fair value gain/(loss) on equity investments at fair value through profit or loss, and the profit/(loss) for the period attributable to non-controlling interests. While EBITDA is commonly used as an indicator of operating performance, leverage and liquidity, it is not presented as a measure of operating performance in accordance with Hong Kong Financial Reporting Standards and should not be considered as representing net cash flows from operating activities. The computation of the Group's EBITDA may not be comparable to similarly titled measures of other companies.

The Group's revenue for the six months ended 30 June 2025 was approximately HK\$26.8 million (six months ended 30 June 2024: HK\$26.0 million), representing an increase of approximately 3% over the corresponding period of previous year. The Group's revenue from the advertising and media business increased by approximately 5% to HK\$22.8 million (six months ended 30 June 2024: HK\$21.8 million) as compared to the corresponding period of last year. As for the Group's financial services business, revenue generated during the six months ended 30 June 2025 was approximately HK\$4.0 million (six months ended 30 June 2024: HK\$4.2 million) representing a decrease of approximately 6% over the corresponding period of previous year due to the drop of margin interest income by approximately 9% during the Reporting Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group's gross profit for the six months ended 30 June 2025 was approximately HK\$15.1 million (six months ended 30 June 2024: HK\$16.0 million), representing a decrease of approximately 6% over the corresponding period of previous year. The Group's gross profit margin decreased approximately from 62% to 56% due to an increase in cost of services by approximately 18%.

The Group's other gains and losses for the six months ended 30 June 2025 were attributable to a gain of approximately HK\$356,000 (for the six months ended 30 June 2024: loss approximately HK\$105,000) from an increase in the fair value of the listed equity investments as compared to the corresponding period last year. The carrying amount of the equity investments at fair value through profit or loss is approximately HK\$33.3 million as at 30 June 2025 (31 December 2024: HK\$33.0 million).

The Group's administrative expenses for the six months ended 30 June 2025 was approximately HK\$36.3 million (six months ended 30 June 2024: HK\$40.5 million), representing a decrease of approximately 10% over the corresponding period of previous year. The decrease in administrative expenses was mainly due to decreases in professional service fee and marketing expenses during the Reporting Period.

The Group's negative EBITDA amounted to approximately HK\$14.9 million for the six months ended 30 June 2025 as compared to the Group's negative EBITDA amounted to approximately HK\$19.0 million for the corresponding period of previous year. The decrease in the Group's negative EBITDA is due to an increase of the Group's revenue and decrease in administrative expenses as explained above.

Loss per share for the six months ended 30 June 2025 was approximately HK cents 9.29 as compared to a loss per share of HK cents 10.97 for the corresponding period of previous year.

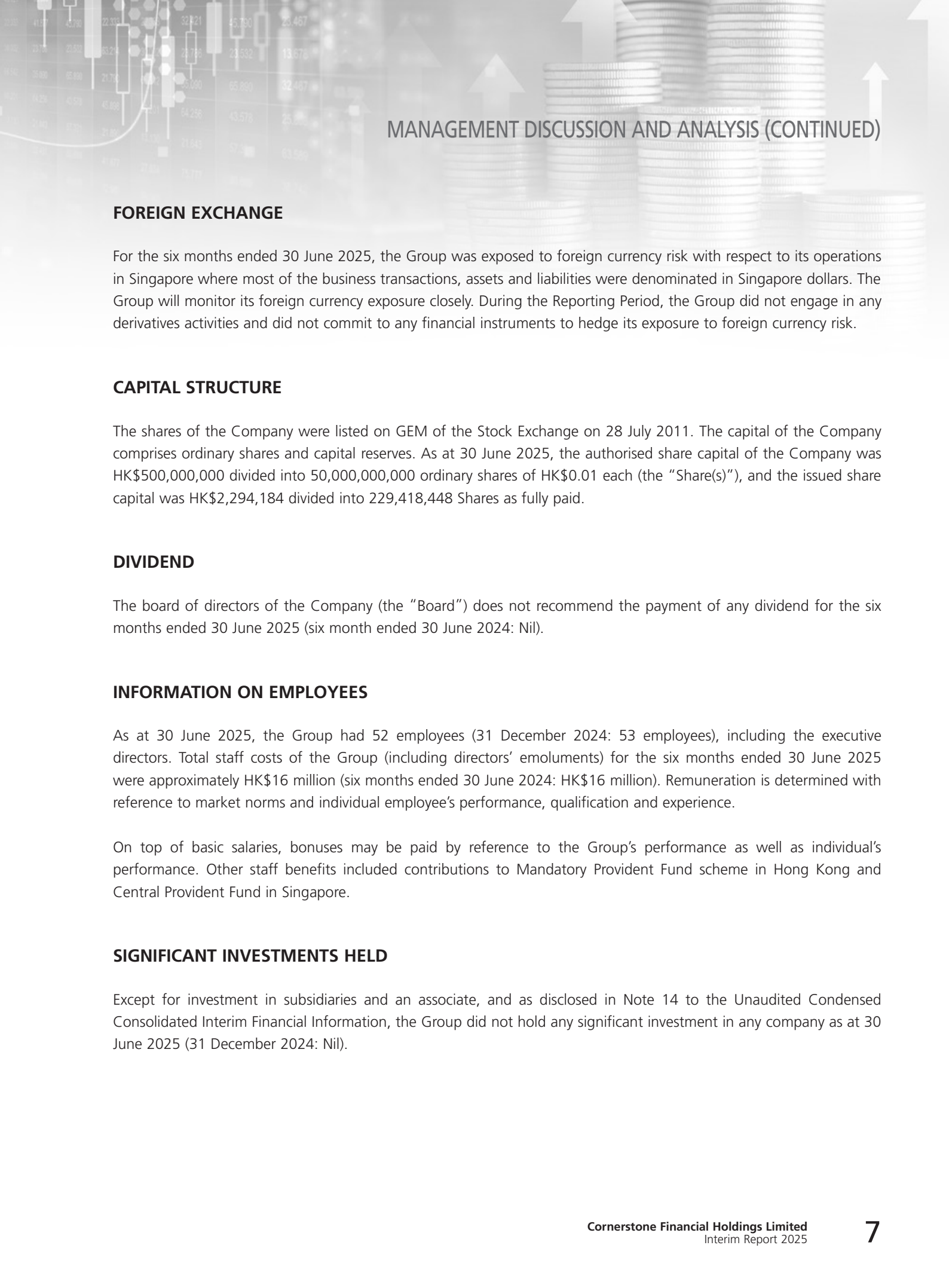
The Group recorded a loss attributable to owners of the Company of approximately HK\$21.3 million for the six months ended 30 June 2025 as compared to a loss attributable to owners of the Company of approximately HK\$25.2 million for the corresponding period of previous year.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Group financed its daily operations from internally generated resources. As at 30 June 2025, the Group had net current assets of approximately HK\$95 million (31 December 2024: HK\$125 million) and cash and cash equivalents of approximately HK\$48 million (31 December 2024: HK\$52 million).

GEARING RATIO

The gearing ratio of the Group, calculated as total debt over total capital, was approximately 22.44% as at 30 June 2025 (31 December 2024: 11.34%).



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FOREIGN EXCHANGE

For the six months ended 30 June 2025, the Group was exposed to foreign currency risk with respect to its operations in Singapore where most of the business transactions, assets and liabilities were denominated in Singapore dollars. The Group will monitor its foreign currency exposure closely. During the Reporting Period, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

CAPITAL STRUCTURE

The shares of the Company were listed on GEM of the Stock Exchange on 28 July 2011. The capital of the Company comprises ordinary shares and capital reserves. As at 30 June 2025, the authorised share capital of the Company was HK\$500,000,000 divided into 50,000,000,000 ordinary shares of HK\$0.01 each (the “Share(s)”), and the issued share capital was HK\$2,294,184 divided into 229,418,448 Shares as fully paid.

DIVIDEND

The board of directors of the Company (the “Board”) does not recommend the payment of any dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

INFORMATION ON EMPLOYEES

As at 30 June 2025, the Group had 52 employees (31 December 2024: 53 employees), including the executive directors. Total staff costs of the Group (including directors’ emoluments) for the six months ended 30 June 2025 were approximately HK\$16 million (six months ended 30 June 2024: HK\$16 million). Remuneration is determined with reference to market norms and individual employee’s performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group’s performance as well as individual’s performance. Other staff benefits included contributions to Mandatory Provident Fund scheme in Hong Kong and Central Provident Fund in Singapore.

SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries and an associate, and as disclosed in Note 14 to the Unaudited Condensed Consolidated Interim Financial Information, the Group did not hold any significant investment in any company as at 30 June 2025 (31 December 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND FUTURE PLANS FOR MATERIAL INVESTMENTS

Save as disclosed herein, the Group did not make any material acquisition or disposal of subsidiaries, associates and joint ventures, nor had other plans for material investments and capital assets during the Reporting Period.

CHARGES OF ASSETS

As at 30 June 2025, the Group did not have any charges on its assets (31 December 2024: Nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Three months ended 30 June		Six months ended 30 June	
		2025 HK\$ (Unaudited)	2024 HK\$ (Unaudited)	2025 HK\$ (Unaudited)	2024 HK\$ (Unaudited)
Revenue	3	12,418,165	13,569,295	26,799,546	25,964,172
Cost of services		(5,981,026)	(4,665,687)	(11,716,373)	(9,923,097)
Gross profit		6,437,139	8,903,608	15,083,173	16,041,075
Other income		212,534	125,475	1,592,852	288,067
Other gains and losses		(11,861,809)	16,040	356,400	(105,303)
Impairment losses recognised		(440)	–	(865)	–
Administrative expenses		(18,344,553)	(18,723,871)	(36,273,241)	(40,491,302)
Finance costs	4	(953,629)	(244,231)	(1,032,913)	(556,192)
Loss before tax	5	(24,510,758)	(9,922,979)	(20,274,594)	(24,823,655)
Income tax expenses	6	(485,226)	(414,893)	(730,153)	(574,275)
Loss for the period		(24,995,984)	(10,337,872)	(21,004,747)	(25,397,930)
Other comprehensive expenses for the period:					
<i>Item that may be reclassified to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		(383,881)	(20,800)	(446,857)	(105,749)
Other comprehensive expenses for the period, net of tax		(383,881)	(20,800)	(446,857)	(105,749)
Total comprehensive expenses for the period		(25,379,865)	(10,358,672)	(21,451,604)	(25,503,679)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Note	Three months ended 30 June		Six months ended 30 June	
		2025 HK\$ (Unaudited)	2024 HK\$ (Unaudited)	2025 HK\$ (Unaudited)	2024 HK\$ (Unaudited)
(Loss)/Profit for the period attributable to:					
Owners of the Company		(25,144,542)	(10,202,475)	(21,323,130)	(25,157,071)
Non-controlling interests		148,558	(135,397)	318,383	(240,859)
		(24,995,984)	(10,337,872)	(21,004,747)	(25,397,930)
Total comprehensive (expenses)/income for the period attributable to:					
Owners of the Company		(25,375,902)	(10,238,792)	(21,585,049)	(25,312,652)
Non-controlling interests		(3,963)	(119,880)	133,445	(191,027)
		(25,379,865)	(10,358,672)	(21,451,604)	(25,503,679)
LOSS PER SHARE					
Basic and diluted (HK cents)	8	(10.96)	(4.45)	(9.29)	(10.97)

The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	30 June 2025 HK\$ (unaudited)	31 December 2024 HK\$ (audited)
Non-current assets			
Property, plant and equipment	9	318,402	328,620
Right-of-use assets	10	47,353,721	2,740,349
Deposits, Prepayments and other receivables	11	912,445	1,003,161
		48,584,568	4,072,130
Current assets			
Margin loan receivables	12	56,561,653	62,971,702
Trade and other receivables	11	20,292,729	24,026,586
Equity investments at fair value through profit or loss	14	33,323,070	32,966,670
Cash held on behalf of brokerage clients		10,293,378	1,999,316
Cash and cash equivalents		48,359,546	51,553,020
		168,830,376	173,517,294
Current liabilities			
Trade and other payables	13	49,923,802	42,285,968
Accounts payable to brokerage clients		11,040,869	1,999,316
Lease liabilities	10	10,889,562	2,530,953
Contract liabilities		826,288	1,690,753
Income tax payable		1,092,681	358,733
		73,773,202	48,865,723
Net current assets		95,057,174	124,651,571
Total assets less current liabilities		143,641,742	128,723,701

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2025

	Note	30 June 2025 HK\$ (unaudited)	31 December 2024 HK\$ (audited)
Non-current liabilities			
Lease liabilities	10	36,812,653	443,008
		36,812,653	443,008
NET ASSETS		106,829,089	128,280,693
Capital and reserves			
Share capital	15	2,294,184	2,294,184
Reserves		88,528,253	110,113,302
Shareholders' equity		90,822,437	112,407,486
Non-controlling interests		16,006,652	15,873,207
TOTAL EQUITY		106,829,089	128,280,693

The above unaudited condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Attributable to owners of the Company						Non-controlling interests HK\$	Total equity HK\$
	Share capital HK\$	Share premium HK\$	Capital reserve HK\$	Exchange reserve HK\$	Accumulated losses HK\$	Sub-total HK\$		
At 31 December 2023 and 1 January 2024 (audited)	2,294,184	612,827,938	(176,467,450)	(1,124,343)	(303,989,281)	133,541,048	16,717,580	150,258,628
Loss for the period	-	-	-	-	(25,157,071)	(25,157,071)	(240,859)	(25,397,930)
Other comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-
Exchange difference arising on translating of foreign operations	-	-	-	(155,581)	-	(155,581)	49,832	(105,749)
Total comprehensive expense for the period	-	-	-	(155,581)	(25,157,071)	(25,312,652)	(191,027)	(25,503,679)
At 30 June 2024 (unaudited)	2,294,184	612,827,938	(176,467,450)	(1,279,924)	(329,146,352)	108,228,396	16,526,553	124,754,949
At 31 December 2024 and 1 January 2025 (audited)	2,294,184	612,827,938	(176,467,450)	(1,317,106)	(324,930,080)	112,407,486	15,873,207	128,280,693
(Loss)/Profit for the period	-	-	-	-	(21,323,130)	(21,323,130)	318,383	(21,004,747)
Other comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-
Exchange difference arising on translating of foreign operations	-	-	-	(261,919)	-	(261,919)	(184,938)	(446,857)
Total comprehensive (expense)/income for the period	-	-	-	(261,919)	(21,323,130)	(21,585,049)	133,445	(21,451,604)
At 30 June 2025 (unaudited)	2,294,184	612,827,938	(176,467,450)	(1,579,025)	(346,253,210)	90,822,437	16,006,652	106,829,089

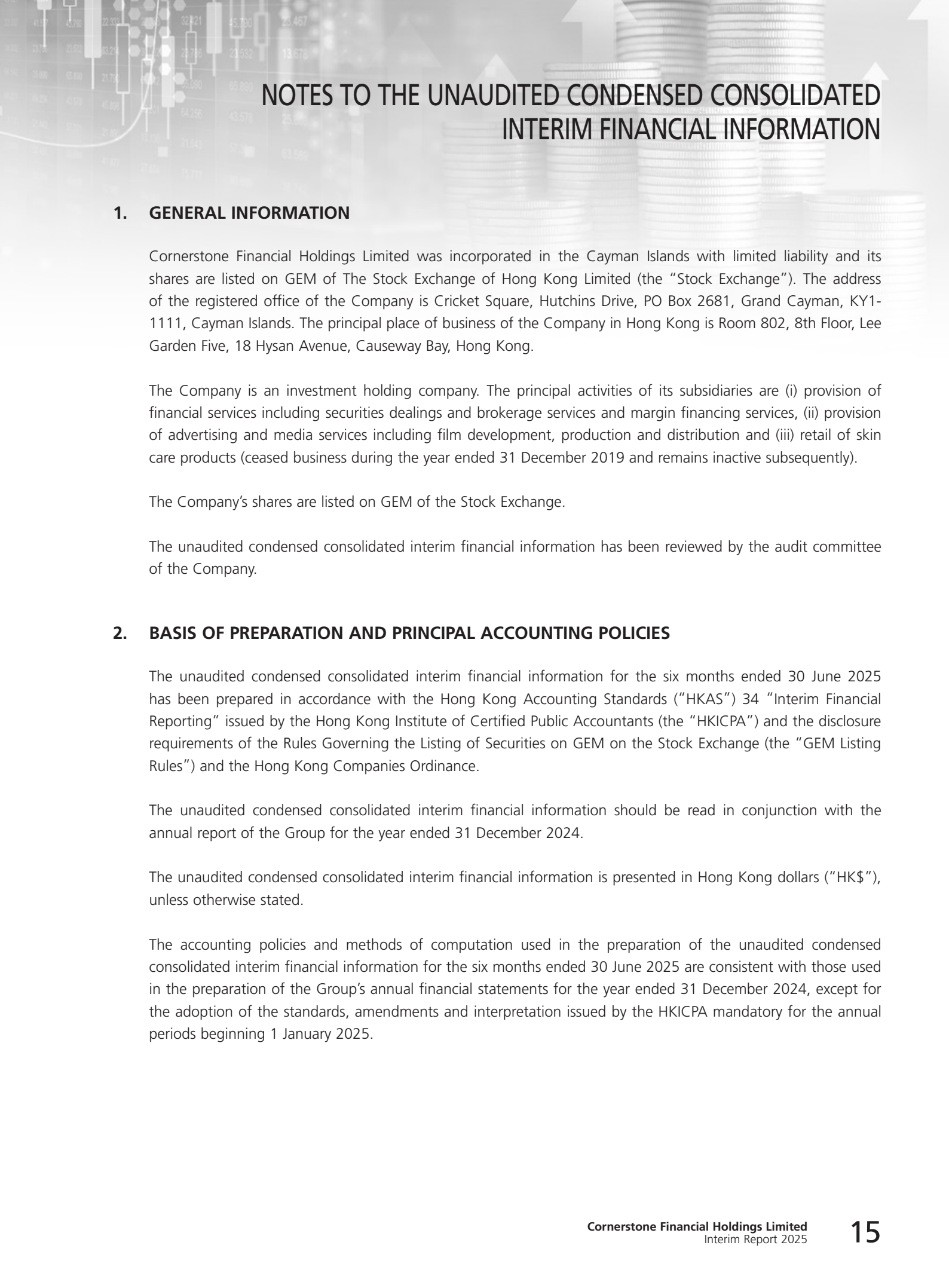
The above unaudited condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

	Six months ended 30 June	
	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash generated from/(used in) operating activities	2,780,435	(14,300,375)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(97,496)	(145,870)
Proceeds from disposal of financial assets at fair value through profit or loss	–	6,600,000
Interest received	353,268	118,608
Net cash generated from investing activities	255,772	6,572,738
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(5,782,824)	(4,858,526)
Borrowing	–	200,000
Net cash used in financing activities	(5,782,824)	(4,658,526)
Net decrease in cash and cash equivalents	(2,746,617)	(12,386,163)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	51,553,020	80,542,016
Effect of foreign exchange rate changes	(446,857)	(105,749)
CASH AND CASH EQUIVALENTS AT 30 JUNE	48,359,546	68,050,104
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	48,359,546	68,408,124
Less: Pledged bank deposits	–	(358,020)
Cash and cash equivalents as stated in the statement of cash flows	48,359,546	68,050,104

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying notes.



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Cornerstone Financial Holdings Limited was incorporated in the Cayman Islands with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is Room 802, 8th Floor, Lee Garden Five, 18 Hysan Avenue, Causeway Bay, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are (i) provision of financial services including securities dealings and brokerage services and margin financing services, (ii) provision of advertising and media services including film development, production and distribution and (iii) retail of skin care products (ceased business during the year ended 31 December 2019 and remains inactive subsequently).

The Company’s shares are listed on GEM of the Stock Exchange.

The unaudited condensed consolidated interim financial information has been reviewed by the audit committee of the Company.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with the Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on GEM on the Stock Exchange (the “GEM Listing Rules”) and the Hong Kong Companies Ordinance.

The unaudited condensed consolidated interim financial information should be read in conjunction with the annual report of the Group for the year ended 31 December 2024.

The unaudited condensed consolidated interim financial information is presented in Hong Kong dollars (“HK\$”), unless otherwise stated.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2024, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning 1 January 2025.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

New and amendments to HKFRSs that are mandatorily effective for the current year

The adoption of the following amendments to HKFRSs issued by the HKICPA to this interim financial report for the current accounting period do not have material impact on the results and the financial position of the Group.

Amendments to HKAS 21

Lack of Exchangeability

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied any new and amended HKFRSs and interpretations that have been issued but are not yet effective for the current accounting period.

3. REVENUE AND SEGMENT INFORMATION

An analysis of revenue for the six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
Revenue from contracts with customers	23,195,041	22,002,677
Revenue from other sources	3,604,505	3,961,495
	26,799,546	25,964,172

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (Continued)

Disaggregated of revenue from contracts with customers by major goods or service lines, geographical location of customers and the timing of revenue recognition for the six months ended 30 June 2025 and 2024 is as follows:

for the six months ended 30 June	Advertising and media services		Financial services		Total	
	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)	2025 HK\$ (unaudited)	2024 HK\$ (unaudited)
Type of goods or services						
Advertising and media services:						
– Direct sales channel	6,981,455	12,160,058	–	–	6,981,455	12,160,058
– Agency sales channel	15,852,757	9,603,330	–	–	15,852,757	9,603,330
Financial services						
Commission and fee income on securities dealing and broking	–	–	360,829	239,289	360,829	239,289
Total revenue from contracts with customers	22,834,212	21,763,388	360,829	239,289	23,195,041	22,002,677
Geographical markets						
Hong Kong	11,404,649	11,335,449	360,829	239,289	11,765,478	11,574,738
Singapore	11,429,563	10,427,939	–	–	11,429,563	10,427,939
Total revenue from contracts with customers	22,834,212	21,763,388	360,829	239,289	23,195,041	22,002,677
Timing of revenue recognition						
At a point of time	–	–	360,829	239,289	360,829	239,289
Over time	22,834,212	21,763,388	–	–	22,834,212	21,763,388
Total revenue from contracts with customers	22,834,212	21,763,388	360,829	239,289	23,195,041	22,002,677

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (Continued)

The chief operating decision-maker ("CODM") has been identified collectively as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Management regularly reviews the operating results from a perspective of different activities and assesses the performance of each operating segment. During the period ended 30 June 2025 and 2024, the Group had the following operating segments:

- Advertising and media services
- Financial services, mainly including securities dealings and brokerage business and margin financing business
- Retail of skin care products (ceased business during the year ended 31 December 2019 and remains inactive subsequently)

The segment results are measured at Group's loss before tax except that other income, other gains and losses, as well as head office and corporate expenses.

Segment assets exclude other unallocated head office and corporate assets as these assets are managed on a group basis. Segment liabilities exclude other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2025 and as at 30 June 2025 is as follows:

	Advertising and media services HK\$ (Unaudited)	Financial services HK\$ (Unaudited)	Retail of skin care products HK\$ (Unaudited)	unallocated HK\$ (Unaudited)	Total HK\$ (Unaudited)
For the six months ended 30 June 2025					
Segment revenue	22,834,212	3,965,334	–	–	26,799,546
Segment results	(4,588,833)	(1,265,343)	(5,032)	–	(5,859,208)
Corporate and unallocated income					1,949,252
Corporate and unallocated expenses					(16,364,638)
Loss before tax					(20,274,594)
Other segment information:					
Depreciation of property, plant and equipment	(104,438)	(7,383)	–	–	(111,821)
Depreciation of right-of-use assets	(4,784,302)	(131,593)	–	–	(4,915,895)
Fair value gain on equity investments at fair value through profit or loss	–	–	–	356,400	356,400
Capital expenditure	(5,188)	(92,308)	–	–	(97,496)
As at 30 June 2025					
Segment assets	64,532,886	112,866,447	22,511	–	177,421,844
Corporate and other unallocated assets					42,877,732
Total consolidated assets					220,299,576
Segment liabilities	(71,162,068)	(13,383,820)	(116)	–	(84,546,004)
Corporate and other unallocated liabilities					(28,924,483)
Total consolidated liabilities					(113,470,487)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (continued)

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2024 and as at 31 December 2024 is as follows:

	Advertising and media services HK\$ (Unaudited)	Financial services HK\$ (Unaudited)	Retail of skin care products HK\$ (Unaudited)	unallocated HK\$ (Unaudited)	Total HK\$ (Unaudited)
For the six months ended 30 June 2024					
Segment revenue	21,763,388	4,200,784	–	–	25,964,172
Segment results	(3,839,435)	(2,033,542)	(15,126)	–	(5,888,103)
Corporate and unallocated income					288,067
Corporate and unallocated expenses					(19,223,619)
Loss before tax					(24,823,655)
Other segment information:					
Depreciation of property, plant and equipment	(230,480)	(7,489)	–	–	(237,969)
Depreciation of right-of-use assets	(2,669,697)	(511,025)	–	(1,458,709)	(4,639,431)
Fair value loss on equity investments at fair value through profit or loss	–	–	–	(105,303)	(105,303)
Capital expenditure	(145,870)	–	–	–	(145,870)
As at 31 December 2024					
Segment assets	22,827,458	113,908,114	25,811	–	136,761,383
Corporate and other unallocated assets					40,828,041
Total consolidated assets					177,589,424
Segment liabilities	(25,111,463)	(3,805,949)	(107)	–	(28,917,519)
Corporate and other unallocated liabilities					(20,391,212)
Total consolidated liabilities					(49,308,731)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. REVENUE AND SEGMENT INFORMATION (Continued)

A reconciliation of segment results to loss before tax is provided as follows:

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Segment results	(5,859,208)	(5,888,103)
Other income	1,592,852	288,067
Other gains and losses	356,400	(105,303)
Unallocated head office and corporate expenses	(16,364,638)	(19,118,316)
Loss before tax	(20,274,594)	(24,823,655)

Geographical Information

(a) Revenue from external customers

	Six months ended 30 June					
	2025			2024		
	Segment revenue	Intersegment sales	Revenue from external customers	Segment revenue	Intersegment sales	Revenue from external customers
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Hong Kong	15,369,983	–	15,369,983	15,536,233	–	15,536,233
Singapore	18,527,696	(7,098,133)	11,429,563	16,889,420	(6,461,481)	10,427,939
	33,897,679	(7,098,133)	26,799,546	32,425,653	(6,461,481)	25,964,172

The revenue information above is based on the location of the customers.

(b) Non-current assets

	30 June	31 December
	2025	2024
	HK\$	HK\$
	unaudited	(audited)
Hong Kong	30,164,869	1,569,471
Singapore	17,507,254	1,499,498
	47,672,123	3,068,969

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

4. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Interest on lease liabilities	1,032,913	556,181
Bank interest	–	11
	1,032,913	556,192

5. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Cost of services (Note)	11,716,373	9,923,097
Depreciation of right-of-use assets (Note)	1,568,397	3,440,405
Depreciation of property, plant and equipment	111,821	237,969
Employee benefit expenses (excluding directors' remuneration):		
– Salaries, wages and allowance	12,867,823	12,746,627
– Pension scheme contribution	800,620	789,311
Legal and professional fee	6,336,236	12,632,148
Marketing expenses	300,419	877,212
Government Grants	(80,579)	(89,341)
Bank interest income	(357,136)	(166,838)
Fair value (gain)/loss on equity investments		
at fair value through profit or loss	(356,400)	105,303

Note: During the period ended 30 June 2025, depreciation of right-of-use assets in total of HK\$4,915,895 (six months ended 30 June 2024: HK\$4,639,431) is recognised in cost of services and administrative expenses accordingly. Out of which, HK\$3,347,498 (six months ended 30 June 2024: HK\$1,199,026) and HK\$1,568,397 (six months ended 30 June 2024: HK\$3,440,405) are included in cost of services and administrative expenses respectively.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

6. INCOME TAX EXPENSES

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective rate of 16.5% (2024: 16.5%) to the six months ended 30 June 2025, except for one subsidiary of the Group which is qualifying corporation under the two-tiered Profits Tax rate regime.

For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

	Six months ended 30 June	
	2025	2024
	HK\$	HK\$
	(unaudited)	(unaudited)
Current tax – Hong Kong Profits Tax	730,153	574,275

7. DIVIDENDS

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

8. LOSS PER SHARE

(a) Basic

The calculation of basic losses per share is based on the loss attributable to owners of the Company of HK\$21,323,130 (six months ended 30 June 2024: loss of HK\$25,157,071) and the weighted average of 229,418,448 ordinary shares in issue during both interim periods.

(b) Diluted

No diluted loss per share has been presented as there was no dilutive ordinary shares outstanding during the six months ended 30 June 2025 and 2024.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

9. PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment HK\$
as at 31 December 2024 (audited)	
At 1 January 2024	
Net carrying amount	618,640
Additions	151,868
Depreciation	(437,505)
Exchange realignment	(4,383)
At 31 December 2024, net carrying amount	328,620
as at 30 June 2025 (unaudited)	
At 1 January 2025	
Net carrying amount	328,620
Additions	97,496
Depreciation	(111,821)
Exchange realignment	4,107
At 30 June 2025, net carrying amount	318,402

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

10. LEASES

(a) Right-of-use Assets

	Land and Buildings HK\$	Outdoor billboard space HK\$	Total HK\$
as at 31 December 2024 (audited)			
At 1 January 2024			
Net carrying amount	5,526,571	2,799,469	8,326,040
Additions	3,220,146	–	3,220,146
Termination	–	(1,300,209)	(1,300,209)
Depreciation	(6,277,080)	(1,193,642)	(7,470,722)
Exchange realignment	(15,359)	(19,547)	(34,906)
At 31 December 2024, net carrying amount	2,454,278	286,071	2,740,349
as at 30 June 2025 (unaudited)			
At 1 January 2025			
Net carrying amount	2,454,278	286,071	2,740,349
Additions	2,527,471	46,962,371	49,489,842
Depreciation	(1,568,397)	(3,347,498)	(4,915,895)
Exchange realignment	69,035	(29,610)	39,425
At 30 June 2025, net carrying amount	3,482,387	43,871,334	47,353,721

The Group has lease contracts for land and buildings and outdoor billboard space entered in the ordinary and usual course of business for its operations. During the six months ended 30 June 2025, certain new and expired leases for land and buildings and outdoor billboard space amounting to HK\$49,489,842 were recognised as additions to right-of-use assets. (31 December 2024: HK\$3,220,146).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

10. LEASES (Continued)

(b) Lease Liabilities

	30 June 2025 (unaudited) HK\$	31 December 2024 (audited) HK\$
Lease liabilities	47,702,215	2,973,961
Amount analysed as:		
– Non-current	36,812,653	443,008
– Current	10,889,562	2,530,953
	47,702,215	2,973,961
Lease liabilities payable on:		
– Within one year	10,889,562	2,530,953
– Within a period of more than one year but not more than two years	9,735,572	443,008
– Within a period of more than two years but not more than five years	27,077,081	–

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

11. TRADE AND OTHER RECEIVABLES

	30 June 2025 (unaudited) HK\$	31 December 2024 (audited) HK\$
Trade receivables	10,386,224	14,546,775
Less: Allowance for credit losses	(760,687)	(739,606)
Trade receivables – net	9,625,537	13,807,169
Deposits, prepayments, other receivables and other assets	11,579,637	11,222,578
Total	21,205,174	25,029,747
Less: Non-current portion:		
Rental deposit	(207,445)	(298,161)
Deposit with Hong Kong Exchanges and Clearing Limited	(705,000)	(705,000)
Non-current portion	(912,445)	(1,003,161)
Current portion	20,292,729	24,026,586

The carrying amount of trade and other receivables approximate their fair values.

As of the end of the reporting period, the ageing analysis of trade receivables based on invoice date and net of allowance for credit loss is as follows:

	30 June 2025 (unaudited) HK\$	31 December 2024 (audited) HK\$
Within 30 days	5,163,205	9,888,963
31-60 days	2,417,489	1,597,673
Over 60 days	2,044,843	2,320,533
	9,625,537	13,807,169

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

11. TRADE AND OTHER RECEIVABLES (Continued)

The movement in the allowance for credit loss of trade receivables is as follows:

	30 June 2025 (unaudited) HK\$	31 December 2024 (audited) HK\$
At beginning of period/year	739,606	2,107,512
Written-off	—	(579,548)
Impairment loss/(Reversal of impairment loss) of trade receivables, net	865	(749,979)
Exchange realignment	20,216	(38,379)
At end of period/year	760,687	739,606

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral or other credit enhancements over these balances. Trade receivables are non-interest bearing.

12. MARGIN LOAN RECEIVABLES

	30 June 2025 (unaudited) HK\$	31 December 2024 (audited) HK\$
Margin loan receivables	82,602,812	89,012,861
Less: Allowance for credit losses	(26,041,159)	(26,041,159)
	56,561,653	62,971,702

Margin loans to third parties are denominated in Hong Kong dollars, bearing interest at commercial rates, secured by the underlying pledged securities and are repayable on demand.

The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group, where the Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call with the margin clients having to make good the shortfall. In granting credit facility, other factors such as financial strength, creditworthiness and the past collection statistics are also considered. The Group's credit review department are responsible to monitor credit risk and seek to maintain a strict control over the outstanding loan balance.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

12. MARGIN LOAN RECEIVABLES (Continued)

The Group maintains a list of approved stocks for margin lending at a specified loan to collateral ratio. As at 30 June 2025, advances to customers in margin financing of HK\$82,602,812 (31 December 2024: HK\$89,012,861) were secured by securities pledged by the customers to the Group as collateral with undiscounted market value of HK\$96,735,565 (31 December 2024: HK\$84,953,859).

No ageing analysis is disclosed as, in the opinion of the directors of the Company, an ageing analysis is not meaningful in view of the nature of the business of securities margin financing.

13. TRADE AND OTHER PAYABLES

	30 June 2025 HK\$ (unaudited)	31 December 2024 HK\$ (audited)
Trade payables	123,700	28,730
Licence fee payable	37,746	37,746
Accruals	20,924,495	18,908,231
Other payables	11,917,934	13,490,500
Advances from directors of the Company and a director of a subsidiary of the Company	16,919,927	9,820,761
	49,923,802	42,285,968

The carrying amount of trade and other payables approximate their fair values.

Trade payables are non-interest bearing and normally settled from 60 to 90 days. As of the end of the reporting period, the ageing analysis of trade payables based on invoice date is as follows:

	30 June 2025 HK\$ (unaudited)	31 December 2024 HK\$ (audited)
Within 30 days	95,900	—
31 to 60 days	27,800	—
Over 60 days	—	28,730
	123,700	28,730

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

14. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 HK\$ (unaudited)	31 December 2024 HK\$ (audited)
Financial assets mandatorily measured at fair value through profit or loss		
– Unlisted equity securities (Note a)	–	–
– Listed on the London Stock Exchange (Note b)	33,323,070	32,966,670
	33,323,070	32,966,670

Notes:

(a) Unlisted equity securities

The Group's unlisted equity securities mainly represent 5% equity interest in a private company incorporated in BVI which holds a BioPharma project in the PRC (the "Unlisted Equity Securities Investment"). The Unlisted Equity Securities Investment was acquired at a total consideration of HK\$6,500,000 on 14 July 2022.

The Group entered into an agreement (the "Disposal Agreement") with an independent third party on 10 January 2024 and pursuant to which, the Group agreed to sell and the independent third party agreed to purchase all the Unlisted Equity Securities Investment held by the Group at a total consideration of HK\$6,600,000 (the "Disposal"). The Disposal was completed on 31 January 2024. Details of the Disposal are set out in the Company's announcement dated on 10 January 2024.

(b) Equity securities listed on the London Stock Exchange

The Group's investment of equity securities listed on the London Stock Exchange represents 16,500,000 ordinary shares of a London listed company which is principally engaging in technology innovations investments.

As at 30 June 2025 and 31 December 2024, the fair value of the Group's equity securities listed on the London Stock Exchange is based on the quoted bid price on the London Stock Exchange.

15. SHARE CAPITAL

The movement in authorised and issued share capital of the Company during the reporting period is as follows:

	30 June 2025 HK\$ (unaudited)	31 December 2024 HK\$ (audited)
Authorised:		
50,000,000,000 ordinary shares of HK\$0.01 each	500,000,000	500,000,000
Issued and fully paid:		
229,418,448 ordinary shares of HK\$0.01 each	2,294,184	2,294,184

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

16. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of the Group's financial assets and financial liabilities are approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of listed equity investments is based on the bid-price quoted in an active market and the fair value of the unlisted equity investments has been arrived based on discounted cash flow model carried by an independent professional valuer.

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

	Fair value measurement using			Total HK\$
	Quoted	Significant observable inputs (Level 2) HK\$	Significant unobservable inputs (Level 3) HK\$	
	prices in			
	active			
markets (Level 1) HK\$				
As at 30 June 2025 (unaudited)				
Equity investments at fair value through profit or loss	33,323,070	–	–	33,323,070

As at 31 December 2024 (audited)

Equity investments at fair value through profit or loss	32,966,670	–	–	32,966,670
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The Group did not have any significant financial liabilities measured at fair value as at 30 June 2025 (31 December 2024: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

17. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

18. RELATED PARTY TRANSACTIONS

In addition to those disclosed elsewhere in the unaudited condensed consolidated interim financial information, the Group has the following material transactions with related parties during the period ended 30 June 2025:

- (a) On 25 March 2025, Sun Lihua, a former director of the Company released the Company from all obligations to repay the loan of HK\$200,000 (31 December 2024: HK\$200,000) by way of a written waiver.
- (b) As at 30 June 2025, the Group has a total outstanding principal amount of HK\$16,919,927 (31 December 2024: HK\$9,620,761) due to An Xilei and Ng Chun Kit, directors of the Company and its subsidiary. The loans are unsecured, interest-free and repayable within one year.
- (c) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025 (unaudited)	2024 (unaudited)
Salaries, wages and allowance	1,980,000	2,317,919
Pension scheme contribution	18,000	27,000
	1,998,000	2,344,919

19. EVENTS AFTER THE REPORTING PERIOD

There are no material subsequent events undertaken by the Group after 30 June 2025 and up to the date of this report.

20. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information was approved by the Board on 26 August 2025.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in the ordinary shares of HK\$0.01 each in the Company (the "Shares"), underlying Shares and debentures of the Company

Name of Directors	Nature of interests	Number of Shares held	Number of underlying Shares held	Approximate % of shareholding in the Company	
				Total	(Note)
An Xilei	Beneficial owner	6,800,000	–	6,800,000	2.96%

Note: For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 229,418,448 Shares in issue as at 30 June 2025.

Save as disclosed above, as at 30 June 2025 and up to the date of this report, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

SHARE OPTION SCHEME

Since the expiration of the then share option schemes of the Company in March 2021, the Company has not adopted any new share option scheme. Further, all outstanding and unexercised options granted under the expired share option schemes lapsed and were cancelled in 2021 in accordance with the terms and conditions of the respective schemes. Accordingly, the Company had neither any share option scheme nor any outstanding share options as at 30 June 2025 and up to date of this report.

At no time during the Reporting Period was any of the Company and its holding companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age 18, had any right to subscribe for the shares in, or debentures of, the Company, or had exercise any such rights.

OTHER INFORMATION (CONTINUED)

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

Save as disclosed below, as at 30 June 2025 and up to the date of this report, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no other persons or companies (other than a Director or a chief executive of the Company) had interests of 5% or more in the shares or underlying shares and/or short positions in the shares or underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under Section 336 of the SFO.

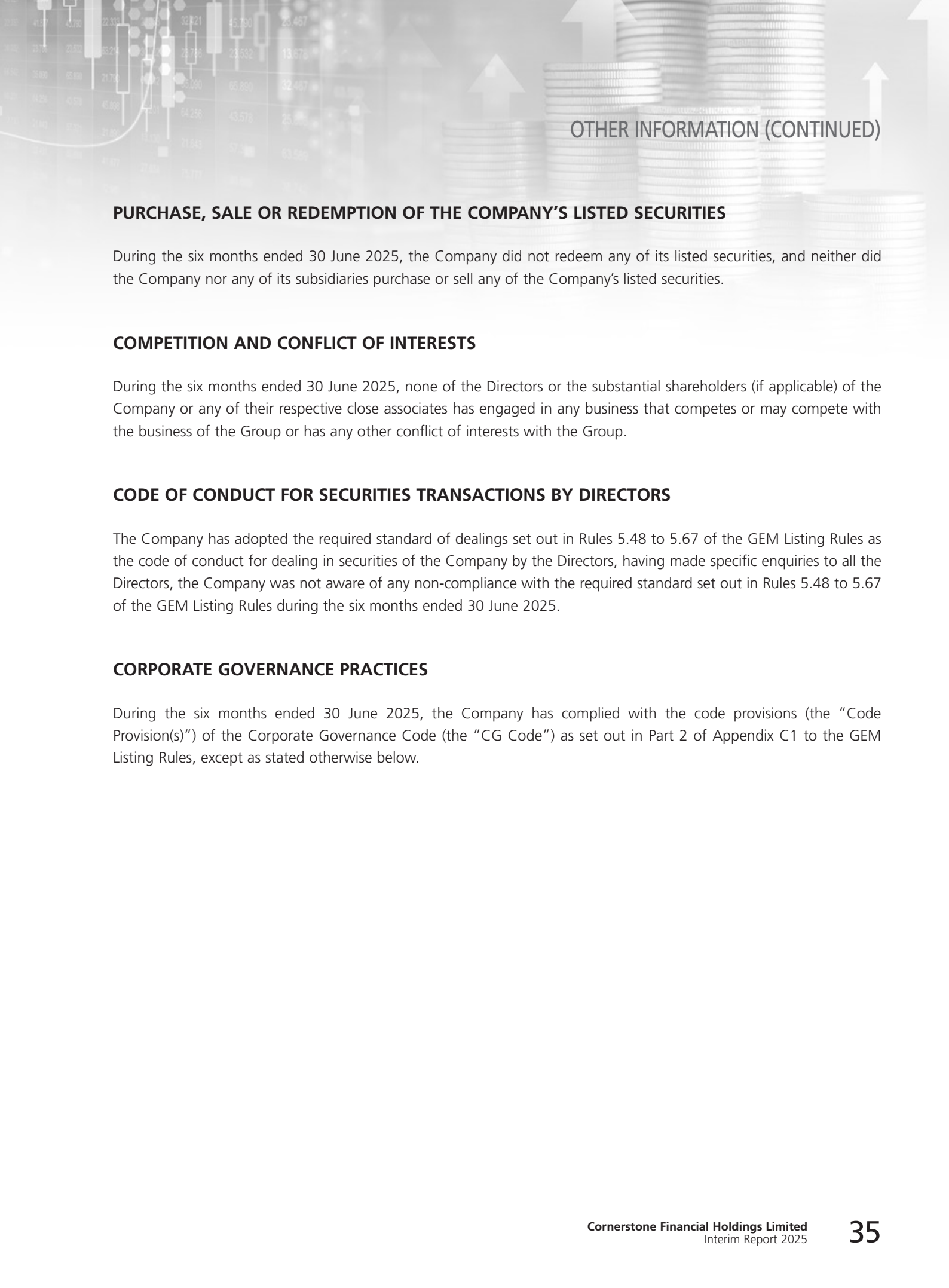
Long Positions in the Shares

Name of Shareholders	Nature of interests	Number of Shares held	Approximate % of shareholding in the Company (Note 2)
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP (Note 1)	Beneficial owner	52,896,000	23.06%
Masan Capital Limited (Note 1)	Investment Manager	52,896,000	23.06%
Top Lion International Limited (Note 1)	Interest of controlled corporation	52,896,000	23.06%

Notes:

1. These Shares are directly held by Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP which is wholly owned by Masan Capital Limited which is in turn wholly owned by Top Lion International Limited.
2. For the purpose of this section, the shareholding percentage in the Company is calculated on the basis of 229,418,448 Shares in issue as at 30 June 2025.

Save as disclosed above, no other interests required to be recorded in the register kept under Section 336 of the SFO have been notified to the Company.



OTHER INFORMATION (CONTINUED)

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

During the six months ended 30 June 2025, the Company did not redeem any of its listed securities, and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed securities.

COMPETITION AND CONFLICT OF INTERESTS

During the six months ended 30 June 2025, none of the Directors or the substantial shareholders (if applicable) of the Company or any of their respective close associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors, having made specific enquiries to all the Directors, the Company was not aware of any non-compliance with the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the six months ended 30 June 2025.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2025, the Company has complied with the code provisions (the "Code Provision(s)") of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the GEM Listing Rules, except as stated otherwise below.

OTHER INFORMATION (CONTINUED)

Pursuant to Code Provision D.1.2 of the CG Code, the management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. During the Reporting Period, instead of monthly updates, the management has provided to the Board quarterly updates containing consolidated financial statements with summaries of key events and outlook of the Group for the pertaining period for review and discussion in the regular Board meetings concerned. In addition, the management will provide to the Board with updates in a timely manner if there are material events affecting the performance, position and prospects of the Company. Accordingly, it is considered that the purpose of providing regular updates on the Company's performance, position and prospects can be achieved.

Pursuant to Code Provision D.2.5 of the CG Code, the Group should have an internal audit function. There is currently no internal audit function within the Group. However, the Group will engage independent external consulting firm to review the effectiveness of the risk management and internal control systems of the Group on an annual basis. Taking into account of its size, nature and complexity of its business operations, the Group considers that the current organisation structure and management could provide adequate risk management and internal control of the Group.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements of the GEM Listing Rules from time to time. The Audit Committee was delegated the authority and responsibility to review the Company's risk management and internal control systems and to make recommendations to the Board in such regard, in addition to its primary duties to make recommendations to the Board on the appointment and removal of external auditors; to review the financial statements and to provide material advice in respect of financial reporting. The Audit Committee currently comprises all three independent non-executive Directors.

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2025 have been reviewed by the Audit Committee together with the management of the Company, which is of the opinion that the interim financial information comply with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made.

By order of the Board
Cornerstone Financial Holdings Limited
Fan Yandi
Chairperson and Executive Director

Hong Kong, 26 August 2025

As at the date of this report, the Board comprises Ms. Fan Yandi (Chairperson), Mr. An Xilei, Mr. Wong Hong Gay Patrick Jonathan, Mr. Mock Wai Yin, Mr. Liu Shihao and Mr. An Xishuai as executive Directors; and Mr. Chan Chi Keung Alan, Ms. Lau Mei Ying and Mr. Wong Man Hong as independent non-executive Directors.



基石金融控股有限公司
CORNERSTONE FINANCIAL HOLDINGS LIMITED