



AIRSTAR BANK LIMITED

INTERIM REPORT 2025

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CONDENSED STATEMENT OF PROFIT OR LOSS (unaudited)
FOR THE PERIOD ENDED 30 JUNE 2025

	Notes	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Interest income	2	67,804	47,603
Interest expense	3	(32,727)	(27,740)
Net interest income		35,077	19,863
Net fee and commission income	4	2,670	307
Net gain from investment in securities	5	91	-
Other income / (loss)		674	(10)
Total income		38,512	20,160
Operating expenses	6	(162,567)	(143,603)
Finance costs	7	(903)	(769)
Impairment losses		(2,360)	(7,576)
Bad debt recovery		463	558
Loss before income tax		(126,855)	(131,230)
Income tax expense	8	-	-
Loss for the period		(126,855)	(131,230)

The notes on pages 6 to 17 are the integral part of these interim financial information.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
FOR THE PERIOD ENDED 30 JUNE 2025

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Loss for the period	(126,855)	(131,230)
Other comprehensive income, net of tax:		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of financial assets at fair value through other comprehensive income ("FVOCI")	9,059	659
Transfer to income statement on disposal and redemption of financial assets at FVOCI	(91)	-
Total comprehensive income for the period	(117,887)	(130,571)

The notes on pages 6 to 17 are the integral part of these interim financial information.

CONDENSED STATEMENT OF FINANCIAL POSITION (unaudited)
AT 30 JUNE 2025

	Notes	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Assets			
Balances with banks	9	207,915	189,658
Placement with banks	9	58,550	76,907
Investment in securities	11	1,782,148	2,153,807
Loans and advances to customers	10	916,422	693,026
Prepayment and other assets		48,608	55,936
Property and equipment	12	510	2,442
Right-of-use assets	13	13,819	18,654
Intangible assets	14	47,302	64,658
Total Assets		3,075,274	3,255,088
Liabilities			
Deposits from customers	15	2,371,565	2,399,386
Other payables and accruals		104,941	134,817
Lease liabilities	13	13,085	18,315
Make good provision		3,418	3,418
Total Liabilities		2,493,009	2,555,936
Equity			
Share capital	17	1,940,000	1,940,000
Other reserves		36,320	26,352
Accumulated losses		(1,394,055)	(1,267,200)
Total Equity		582,265	699,152
Total Liabilities and Equity		3,075,274	3,255,088

The notes on pages 6 to 17 are the integral part of these interim financial information.

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)
FOR THE PERIOD ENDED 30 JUNE 2025

	Note	Share capital HK\$000	Other reserves HK\$000	Accumulated losses HK\$000	Total equity HK\$000
At 1 January 2024		1,500,000	25,102	(967,565)	557,537
Total comprehensive income		-	659	(131,230)	(130,571)
Employee share scheme		-	3,979	-	3,979
Issuance of ordinary shares	17	440,000	-	-	440,000
At 30 June 2024		1,940,000	29,740	(1,098,795)	870,945
Total comprehensive income		-	(2,497)	(168,405)	(170,902)
Employee share scheme		-	(891)	-	(891)
At 31 December 2024 and 1 January 2025		1,940,000	26,352	(1,267,200)	699,152
Total comprehensive income		-	8,968	(126,855)	(117,887)
Employee share scheme		-	1,000	-	1,000
At 30 June 2025		1,940,000	36,320	(1,394,055)	582,265

The notes on pages 6 to 17 are the integral part of these interim financial information.

CONDENSED STATEMENT OF CASH FLOWS (unaudited)
FOR THE PERIOD ENDED 30 JUNE 2025

	Notes	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Cash flows from operating activities			
Loss before income tax		(126,855)	(131,230)
Adjustments for:			
Interest income	2	(67,804)	(47,603)
Interest expense	3	32,727	27,740
Interest on lease liabilities	7	275	594
Impairment losses		2,360	7,576
Bad debt recovery		(463)	(558)
Depreciation of property and equipment	12	1,932	3,271
Depreciation of right-of-use assets	13	8,101	8,715
Amortisation of intangible assets	14	17,356	20,332
Employee share scheme	6	1,000	3,979
Changes in:			
Placement with banks with original maturity beyond 3 months		7,445	7,827
Loans and advances to customers		(225,222)	4,060
Prepayment and other assets		4,140	19,146
Deposits from customers		(27,821)	84,110
Other payables and accruals		(19,696)	(5,792)
Interest received		70,900	45,838
Interest paid		(42,907)	(28,436)
Net cash (used in) / from operating activities		(364,532)	19,569
Cash flows from investing activities			
Purchase of intangible assets	14	-	(9,781)
Purchase of property and equipment	12	-	(150)
Purchase of investment securities		(1,935,791)	(1,239,161)
Proceeds from disposal and redemption of investment securities		2,316,346	724,208
Net cash from / (used in) investing activities		380,555	(524,884)
Cash flows from financing activities			
Payment of lease liabilities	13	(8,679)	(9,375)
Proceeds from issuance of ordinary shares	17	-	440,000
Net cash (used in) / from financing activities		(8,679)	430,625
Net change in cash and cash equivalents		7,344	(74,690)
Cash and cash equivalents as at 1 January		259,121	384,103
Cash and cash equivalents as at 30 June	16	266,465	309,413

The notes on pages 6 to 17 are the integral part of these interim financial information.

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

1 General information

Airstar Bank Limited (the “Bank”) is a private limited liability company incorporated in Hong Kong Special Administrative Region (“Hong Kong”) of the People’s Republic of China (the “PRC”) on 13 July 2018. It is a licensed bank authorised under the Hong Kong Banking Ordinance since 9 May 2019. The principal activity of the Bank is to carry out banking and related financial services as a digital bank in Hong Kong and was officially launched on 11 June 2020.

The address of the Bank’s registered office is Suites 3201-07, 32/F, Tower 5, The Gateway, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong.

1.1 Basis of preparation

a) Material accounting policies

The interim financial information for the six months ended 30 June 2025 has been prepared under the Banking (Disclosure) Rules made under Section 60A of the Banking Ordinance, and in accordance with Hong Kong Accounting Standard (“HKAS”) 34, “Interim Financial Reporting”, issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies adopted in the preparation of the interim financial information disclosure are consistent with those used in the preparation of the Bank’s audited financial statements for the year ended 31 December 2024 except for the adoption of the HKFRSs and HKASs issued up to 30 June 2025 which are pertinent to the Bank’s operations and relevant to these interim financial information.

The preparation of the interim financial information requires management to exercise judgements, use estimates and make assumptions that affect the application of policies and reported amounts in the financial statements. Actual results may differ from these estimates. The significant judgements made by management are the same as those disclosed in the financial statements for the year ended 31 December 2024.

The interim financial information should be read in conjunction with the financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”). The interim financial information are unaudited.

“Improvement to HKFRSs” contains numerous amendment to HKFRSs which the Hong Kong Institute of Certified Public Accountants considers not urgent but necessary. It comprises amendments that result in account changes for presentation, recognition or measurement purpose as well as terminology or editorial amendments related to a variety of individual HKFRSs.

The adoption of the above amendments and improvements, do not have a material impact to the interim financial information of the Bank.

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

1.1 Basis of preparation (continued)

b) Requirement in connection with publication of interim financial information

The financial information relating to the year ended 31 December 2024 that is included in the interim financial information for the six months ended 30 June 2025 as comparative information does not constitute the Bank's statutory annual financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

As the Bank is a private company, the Bank is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Bank's auditor has reported on the financial statements for the year ended 31 December 2024. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2 Interest income

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Interest income arising from:		
Financial assets measured at amortised cost	27,879	33,687
Financial assets measured at FVOCI	39,925	13,916
Total	67,804	47,603

3 Interest expense

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Interest expense arising from:		
Financial liabilities measured at amortised cost	32,727	27,740

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

4 Net fee and commission income

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Fee and commission income arising from:		
- Loan	980	95
- Cards	525	-
- Others	2,150	213
Less: Fee and commission expense	(985)	(1)
Total	2,670	307

5 Net gain from investment in securities

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Net gain on derecognition of financial assets at FVOCI	91	-
Total	91	-

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

6 Operating expenses

	Notes	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Auditor's remuneration		1,046	1,203
Depreciation of property and equipment	12	1,932	3,271
Depreciation of right-of-use assets	13	8,101	8,715
Amortisation of intangible assets	14	17,356	20,332
Staff costs		61,396	56,776
- Salaries, allowances and benefits in kind		57,190	58,575
- Retirement benefit		3,206	(5,778)
- Employee share scheme		1,000	3,979
Legal and professional fees		2,482	4,762
Other operating expenses		70,254	48,544
- Marketing and agency fee		407	718
- Information services fee		71,434	43,196
- Foreign exchange differences, net		(8,252)	397
- Others		6,665	4,233
Total		162,567	143,603

7 Finance costs

	Note	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Interest on lease liabilities	13	275	594
Bank charges		628	175
Total		903	769

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

8 Income tax expense

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Current income tax	-	-
Deferred income tax	-	-
Total	-	-

The applicable Hong Kong profits tax rate is 16.5% (2024: 16.5%). No provision for Hong Kong profits tax has been made (first half of 2024: Nil) as the Bank had no estimated assessable profits for the periods.

9 Balances and placement with banks

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Balances with banks		
- Cash at banks	92,928	61,062
- Due from Hong Kong Monetary Authority	114,987	128,596
Less: Impairment allowances - Stage 1	-	-
Total	207,915	189,658

Balances with banks are mainly denominated in Hong Kong dollars, Renminbi and United States dollars.

	Note	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Placement with banks with originally maturity			
- On or less than 3 months	16	58,550	69,463
- More than 3 months or less than 6 months		-	7,445
Less: Impairment allowances – Stage 1		-	(1)
Total		58,550	76,907

Placement with banks are mainly denominated in Hong Kong dollars and United States dollars.

As at 30 June 2025 and 31 December 2024, there were no impaired, overdue or rescheduled balances and placement with banks.

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

10 Loans and advances to customers

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Gross loans and advances to customers	936,671	715,401
Less: Impairment allowances		
- Stage 1	(6,777)	(9,847)
- Stage 2	(7,448)	(7,398)
- Stage 3	(6,024)	(5,130)
Total	916,422	693,026

11 Investment in securities

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Investment in securities measured at:		
- FVOCI	1,615,340	1,815,323
- Amortised cost	166,833	338,520
Less: Impairment allowances - Stage 1	(25)	(36)
Total	1,782,148	2,153,807
Issued by:		
- Sovereigns	556,016	744,081
- Public Sector Entities	17,758	101,510
- Banks	577,135	737,917
- Non-bank Financial institutions	543,826	448,405
- Corporates	87,413	121,894
Total	1,782,148	2,153,807

As at 30 June 2025 and 31 December 2024, there were no impaired, overdue or rescheduled investment securities.

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

12 Property and equipment

	Leasehold improvement HK\$000	Furniture and fixture HK\$000	Computer equipment HK\$000	Total HK\$000
Cost				
At 31 December 2023	14,396	2,025	52,644	69,065
Additions	-	-	149	149
At 31 December 2024	14,396	2,025	52,793	69,214
Disposals	-	-	(157)	(157)
At 30 June 2025	14,396	2,025	52,636	69,057
Accumulated depreciation				
At 31 December 2023	(14,367)	(1,677)	(44,322)	(60,366)
Depreciation charge	(29)	(331)	(6,046)	(6,406)
At 31 December 2024	(14,396)	(2,008)	(50,368)	(66,772)
Depreciation charge	-	(17)	(1,915)	(1,932)
Disposals	-	-	157	157
At 30 June 2025	(14,396)	(2,025)	(52,126)	(68,547)
Carrying amount				
At 31 December 2024	-	17	2,425	2,442
At 30 June 2025	-	-	510	510

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

13 Leases

The condensed statement of financial position shows the following amounts relating to leases:

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Right-of-use assets		
Office and centres	10,440	15,825
Equipment and server racks	2,204	2,644
Staff quarters	1,175	185
Total	13,819	18,654
Lease liabilities		
Current	11,132	12,744
Non-current	1,953	5,571
Total	13,085	18,315

Additions to the right-of-use assets for the period ended 30 June 2025 were HK\$ 3,266,000 (30 June 2024: Nil). The weighted average lessee's incremental borrowing rate applied to the lease liabilities was 3.94% (30 June 2024: 4.06%).

The condensed statement of profit or loss shows the following amounts relating to leases:

	Half-year ended 30 June 2025 HK\$000	Half-year ended 30 June 2024 HK\$000
Depreciation of right-of-use assets		
Office and centres	5,385	5,385
Equipment and server racks	2,363	2,960
Staff quarters	353	370
Total	8,101	8,715
Interest expense (Note 7)	275	594
Expense relating to short-term leases (included in operating expenses)	1,039	-

The total cash outflow for leases for the period ended 30 June 2025 was HK\$8,679,000 (30 June 2024: HK\$9,375,000).

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

14 Intangible assets

	HK\$000
Cost	
At 31 December 2023	193,536
Addition	9,780
At 31 December 2024	203,316
Addition	-
At 30 June 2025	203,316
Accumulated amortisation	
At 31 December 2023	(97,995)
Amortisation charge	(40,663)
At 31 December 2024	(138,658)
Amortisation charge	(17,356)
At 30 June 2025	(156,014)
Carrying amount	
At 31 December 2024	64,658
At 30 June 2025	47,302

15 Deposits from customers

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Current and saving accounts	1,251,602	913,347
Time deposits	1,119,963	1,486,039
Total	2,371,565	2,399,386

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

16 Analysis of the balances of cash and cash equivalents

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Balances with banks	207,915	189,658
Placement with banks with original maturity on or less than 3 months	58,550	69,463
Total	266,465	259,121

17 Issued share capital

	At 30 June 2025 Shares	At 31 December 2024 Shares	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Ordinary shares issued and fully paid	2,683,775,814	2,683,775,814	1,940,000	1,940,000

There is no movements of ordinary shares for the period ended 30 June 2025. During the year ended 31 December 2024, a total of 1,183,775,814 ordinary shares have been issued for a total consideration of HK\$ 440,000,000.

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Bank do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

18 Fair value estimation

All assets and liabilities for which fair value is measured or disclosed in the interim financial information are categorised within the fair value hierarchy as defined in HKFRS 13, "Fair value measurement". The following table and paragraph give information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of the Bank's financial instruments are assumed to approximate their fair values, because of the short-term maturities of these instruments.

The following table provides an analysis of investment in securities measured at FVOCI, grouped into Levels 1 to 3 on the degree to which the fair value is observable.

	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Fair value hierarchy		
- Level 1	1,615,340	1,815,323
- Level 2	-	-
- Level 3	-	-
Total	1,615,340	1,815,323

There are no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the period ended 30 June 2025 and the year ended 31 December 2024.

NOTES TO THE INTERIM FINANCIAL INFORMATION (unaudited)

19 Related-party transactions

a) Transactions with related parties

Relationship	Nature	At 30 June 2025 HK\$000	At 30 June 2024 HK\$000
Other related parties	Provision of system development and customer services	41,023	-

b) Outstanding balances due to related parties

Relationship	Nature	At 30 June 2025 HK\$000	At 31 December 2024 HK\$000
Other related parties	Provision of system development and customer services	41,023	61,000
Other related parties	Deposits from customers	406,808	484,291

There were no other related party transactions described in 2024 financial statements that have had a material impact on the financial position or performance of the Bank for the period ended 30 June 2025.

20 Subsequent event

Share capital increased HK\$500,000,000 after the reporting period. This funding is to support business growth of the Bank.

21 Approval of interim report

The interim report was approved and authorised for issue by the Board of Directors on 29 September 2025.