

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



華夏控股

CATHAY GROUP HOLDINGS INC.

華夏集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1981)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Cathay Group Holdings Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) is pleased to announce the annual results of the Group for the year ended 31 December 2025 (the “**Reporting Period**”). These annual results have been reviewed by the audit committee of the Company.

FINANCIAL HIGHLIGHTS

The Board recommended the payment of a final dividend of HK\$0.068 (for the year ended 31 December 2024: HK\$0.03) per share for the year ended 31 December 2025.

	Year ended 31 December		
	2025	2024	Change (%)
	<i>(RMB'000, except percentages)</i>		
Revenue	787,734	782,359	0.7%
Gross profit	456,907	381,154	19.9%
Profit for the year	331,578	116,911	183.6%

The Group’s consolidated profit for the Reporting Period significantly increased by RMB214.7 million, primarily driven by (i) the increase in tuition fees for new undergraduate students in the Group’s higher education (media and arts) business as well as the increase in the number of undergraduate students, and (ii) no further impairment losses for major trade receivables from the Group’s TV/film production business and other receivables. During the Reporting Period, our higher education (media and arts), vocational education and international education segment recorded a total revenue of RMB728.1 million, representing a year-over-year growth of 8.5%.

The Group continues to maintain a robust financial position. As at 31 December 2025, the aggregate amount of the Group’s cash and cash equivalents, time deposits and structured deposits amounted to RMB1,648.6 million (as at 31 December 2024: RMB1,306.2 million) and the Group had no interest-bearing borrowings (as at 31 December 2024: Nil). As at 31 December 2025, the current ratio (the ratio of total current assets to total current liabilities) was 251.4% (as at 31 December 2024: 241.4%).

FINANCIAL INFORMATION

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	NOTES	Year ended 31 December	
		2025	2024
		RMB'000	RMB'000
Revenue	4	787,734	782,359
Cost of revenue		<u>(330,827)</u>	<u>(401,205)</u>
Gross profit		456,907	381,154
Other income	5	34,818	39,847
Net impairment reversals (losses) on financial assets	6	5,061	(159,571)
Other gains and losses	7	(26,482)	414
Selling expenses		(18,454)	(21,307)
Administrative expenses		(114,476)	(122,297)
Finance costs		<u>(71)</u>	<u>(965)</u>
Profit before tax		337,303	117,275
Income tax expense	8	<u>(5,725)</u>	<u>(364)</u>
Profit for the year	9	<u>331,578</u>	<u>116,911</u>
Other comprehensive (expense) income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation from functional currency to presentation currency		<u>(6,101)</u>	<u>1,537</u>
Other comprehensive (expense) income for the year		<u>(6,101)</u>	<u>1,537</u>
Total comprehensive income for the year		<u><u>325,477</u></u>	<u><u>118,448</u></u>
Profit for the year attributable to:			
Owners of the Company		301,002	92,064
Non-controlling interests		<u>30,576</u>	<u>24,847</u>
		<u><u>331,578</u></u>	<u><u>116,911</u></u>
Total comprehensive income for the year attributable to:			
Owners of the Company		294,901	93,601
Non-controlling interests		<u>30,576</u>	<u>24,847</u>
		<u><u>325,477</u></u>	<u><u>118,448</u></u>
Earnings per share	11		
– Basic (RMB cents)		<u><u>18.55</u></u>	<u><u>5.67</u></u>
– Diluted (RMB cents)		<u><u>18.54</u></u>	<u><u>5.67</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

		As at 31 December	
	NOTES	2025	2024
		RMB'000	RMB'000
Non-current Assets			
Property and equipment		1,259,980	1,216,174
Right-of-use assets		110,721	124,359
Intangible assets		13,941	23,873
Deferred tax assets		–	379
Time deposits		170,000	230,000
Other receivables	12	72,452	7,487
		<u>1,627,094</u>	<u>1,602,272</u>
Current Assets			
Inventories		11,221	14,291
Trade and other receivables	12	256,660	333,486
Financial assets at fair value through profit or loss (“FVTPL”)		387,042	386,795
Restricted bank deposits		411	–
Time deposits		230,000	30,000
Cash and cash equivalents		865,305	690,770
		<u>1,750,639</u>	<u>1,455,342</u>
Current Liabilities			
Trade and other payables	13	213,940	191,069
Contract liabilities		455,926	384,842
Tax liabilities		5,626	494
Dividend payable		20,950	20,950
Lease liabilities		–	5,447
		<u>696,442</u>	<u>602,802</u>
Net Current Assets		<u>1,054,197</u>	<u>852,540</u>
Total Assets less Current Liabilities		<u><u>2,681,291</u></u>	<u><u>2,454,812</u></u>

		As at 31 December	
	<i>NOTE</i>	2025	2024
		RMB'000	RMB'000
Non-current Liabilities			
Lease liabilities		–	9,129
Deferred income		–	75
		<u>–</u>	<u>9,204</u>
		–	9,204
Net Assets		<u>2,681,291</u>	<u>2,445,608</u>
Capital and Reserves			
Share capital	14	117	117
Reserves		<u>2,425,529</u>	<u>2,220,422</u>
Equity attributable to owners of the Company		2,425,646	2,220,539
Non-controlling interests		<u>255,645</u>	<u>225,069</u>
Total Equity		<u>2,681,291</u>	<u>2,445,608</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 4 January 2017 as an exempted company with limited liability under the Companies Law (Cap 22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. Its shares have been listed on the Main Board of the Stock Exchange since 15 July 2020. Its immediate holding company is Cathay Media Holdings Inc, a company incorporated in the British Virgin Islands (the “BVI”) and its ultimate holding company is Media One International (PTC) Limited, a company incorporated in the BVI, which is the trustee of a trust established in January 2021 of which the settlor is Mr. Pu Shulin (“Mr. Pu”), who is also an executive Director and the chairperson of the Board (the “Chairperson”). The address of the Company’s registered office is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company is an investment holding company and the Group is principally engaged in the provision of higher education (media and arts), vocational education and international education services and entertainment and livestreaming e-commerce in the People’s Republic of China (“China” or the “PRC”).

The consolidated financial statements are presented in Renminbi (“RMB”), which is different from the Company’s functional currency of Hong Kong dollars (“HK\$”). Since the majority of the assets and operations of the Group are located in the PRC, the consolidated financial statements are presented in RMB.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to a HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“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 consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
-----------------------	-------------------------

The application of the amendments to a HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards– Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the Directors anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss. Additional disclosures required for the Group's management-defined performance measures will be disclosed in a separate note to the consolidated financial statements.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and by the Hong Kong Companies Ordinance.

Other than the application of certain accounting policies resulting from application of amendments to HKFRS Accounting Standards which became relevant to the Group in the current year, the accounting policies and methods of computation used in the consolidated financial statements for the year ended 31 December 2025 are the same as those presented in the Group's consolidated financial statements for the year ended 31 December 2024.

Segment information

The Group's operating segments are based on information prepared and reported to the chief executive officer and executive Directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resources allocation and performance assessment.

The CODM had identified two reportable and operating segments, namely (i) higher education (media and arts), vocational education and international education segment, and (ii) entertainment and livestreaming e-commerce segment.

Segment revenues and results

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

	Higher education (media and arts), vocational education and international education RMB'000	Entertainment and livestreaming e-commerce RMB'000	Total RMB'000
For the year ended 31 December 2025			
Segment revenue			
External sales	<u>728,092</u>	<u>59,642</u>	<u>787,734</u>
Segment profit (loss)	<u>372,811</u>	<u>(41,769)</u>	<u>331,042</u>
Unallocated other income			18,207
Unallocated other gains and losses			395
Unallocated corporate expenses			<u>(12,341)</u>
Profit before tax			<u><u>337,303</u></u>
For the year ended 31 December 2024			
Segment revenue			
External sales	<u>671,346</u>	<u>111,013</u>	<u>782,359</u>
Segment profit (loss)	<u>246,272</u>	<u>(129,910)</u>	<u>116,362</u>
Unallocated other income			18,344
Unallocated other gains and losses			(219)
Unallocated corporate expenses			<u>(17,212)</u>
Profit before tax			<u><u>117,275</u></u>

Information about major customers

No single customer contributed over 10% of the total revenue of the Group during the years ended 31 December 2025 and 2024.

5. OTHER INCOME

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Interest income from banks	18,207	16,813
Miscellaneous service income	9,525	8,912
Donation income	3,355	6,138
Government grants (<i>Note</i>)	2,524	3,491
Interest income from Consideration Receivables (<i>Note 12</i>)	–	1,531
Others	1,207	2,962
	<u>34,818</u>	<u>39,847</u>

Note: Government grants mainly represented subsidies granted by local governments for encouraging domestic business development are recognised upon receipt. There were no unfulfilled conditions or contingencies relating to these subsidies.

6. NET IMPAIRMENT (REVERSALS) LOSSES ON FINANCIAL ASSETS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Impairment (reversed) losses recognised:		
– trade receivables	(5,061)	80,128
– other receivables	–	79,443
	<u>(5,061)</u>	<u>159,571</u>

7. OTHER GAINS AND LOSSES

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
(Losses) gains from changes in fair value of financial assets measured at FVTPL	(26,025)	657
Losses on write-off of property and equipment	(1,796)	(24)
Gains on termination of a lease agreement	944	–
Net foreign exchange gains (losses)	395	(219)
	<u>(26,482)</u>	<u>414</u>

8. INCOME TAX EXPENSE

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
PRC Enterprise Income Tax (“EIT”)		
– current tax	5,346	580
– deferred tax	379	(216)
	<u>5,725</u>	<u>364</u>

The Company was incorporated in the Cayman Islands and its directly owned subsidiary, Cathay Media Group (BVI) Inc. was incorporated in the BVI, and are tax exempted as they involve no business carried out in the Cayman Islands and the BVI under the tax laws of the Cayman Islands and the BVI, respectively.

No provision of Hong Kong Profits Tax was made in these consolidated financial statements as the Group had no assessable profit subject to Hong Kong Profits Tax during both years.

Pursuant to the EIT Law and Implementation Regulations of the Law of the PRC (the “EIT Law of the PRC”), the statutory tax rate of the PRC subsidiaries is 25% for both years.

Certain subsidiaries of the Company are subject to small and thin-profit enterprises and entitled to the preferential tax rate of 20% with 75% reduction on annual taxable income during both years.

According to the relevant provisions of Implementation Rules for the Law for Promoting Private Education and the Implementation Rules, private schools, which are providing academic qualification education, are eligible to enjoy income tax exemption treatment if the school sponsors of such schools do not require reasonable returns or the schools are elected to be not-for-profit schools. In June 2021, the Group submitted the application for the election for the conversion of CUCN into for-profit private school (the “Conversion”) in accordance with these laws and regulations. As at 31 December 2025 and 2024, the Conversion was still in process and the tax positions of CUCN has not been changed for both years. CUCN followed previous EIT preferential treatments according to the current tax practice. During the year ended 31 December 2025, the non-taxable income amounted to RMB714,527,000 (2024: RMB660,364,000), and the related non-deductible expenses amounted to RMB360,944,000 (2024: RMB413,373,000).

9. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Directors' remuneration	5,702	5,715
Other staff costs		
– salaries and other allowances	159,728	166,186
– retirement benefit scheme contributions	29,976	30,579
– share-based payments	813	1,534
	<u>196,219</u>	<u>204,014</u>
Total staff costs		
	<u>196,219</u>	<u>204,014</u>
Depreciation of property and equipment	64,104	65,790
Depreciation of right-of-use assets	8,097	12,280
Amortisation of intangible assets	10,168	10,643
	<u>82,369</u>	<u>88,713</u>
Total depreciation and amortisation		
	<u>82,369</u>	<u>88,713</u>
Write-down of inventories (included in cost of revenue)	2,992	20,378
Auditor's remuneration	3,895	3,834
	<u>3,895</u>	<u>3,834</u>

10. DIVIDENDS

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2024 dividends of HK\$0.06 (2024: 2023 dividend of HK\$0.06) per share	90,607	90,338
	<u>90,607</u>	<u>90,338</u>

On 30 May 2025, a final dividend of HK\$0.03 per ordinary share (2024: Nil) and a special dividend of HK\$0.03 per ordinary share (2024: HK\$0.06 per ordinary share) in respect of the year ended 31 December 2024 were declared to owners of the Company. The aggregate amounts of the final dividend and special dividend declared and paid in the current year amounted to approximately HK\$99,296,000 (equivalent to RMB90,607,000) (2024: HK\$99,296,000, equivalent to RMB90,338,000).

Subsequent to the end of the reporting period, a final dividend of HK\$0.068 per ordinary share in respect of the year ended 31 December 2025, in an aggregate amount of approximately HK\$112,536,000 (2024: total final dividend and special dividend of HK\$99,296,000), has been proposed by the Directors at the board meeting held on 30 March 2026 and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

11. EARNINGS PER SHARE

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

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Earnings		
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	301,002	92,064
	1,622,937	1,622,937
	173	–
	1,623,110	1,622,937

Notes:

- i. The computation of weighted average number of ordinary shares for the years ended 31 December 2025 and 2024 did not include shares held by the trustee of the Company's post-IPO share award scheme.
- ii. The computation of diluted earnings per share for the year ended 31 December 2024 did not assume the exercise of the Company's share options granted under the post-IPO share option scheme as the exercise price of the share options was higher than the average market price for shares for the year.

12. TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade receivables		
– from entertainment and livestreaming e-commerce	490,261	576,259
– from higher education (media and arts), vocational education and international education	6,726	15,908
	496,987	592,167
Less: Allowance for credit losses (<i>Note ii</i>)	(487,354)	(492,415)
	9,633	99,752
Other receivables and prepayments		
Loan Receivables (defined below) (<i>Note i</i>)	420,000	420,000
Less: Allowance for credit losses (<i>Note i</i>)	(240,749)	(240,749)
	179,251	179,251
Prepayment for acquisition of leasehold land (<i>Note ii</i>)	70,000	–
Consideration Receivables (<i>Note iii</i>)	10,000	10,000
Prepayment for services	13,105	12,773
Interest receivables from banks	16,670	8,201
Miscellaneous deposits	5,302	6,261
Value added tax recoverable	4,996	5,554
Receivables from service providers	5,231	5,541
Others	14,924	13,640
	319,479	241,221
	329,112	340,973
Analysed as:		
– Current	256,660	333,486
– Non-current	72,452	7,487
	329,112	340,973

Notes:

- i. On 21 June 2021, Nanjing Lanchou Corporate Management Co., Ltd. (南京藍籌企業管理有限公司) (“**Nanjing Lanchou**”) entered into the sale and purchase agreement with Jiangsu China Red Science and Education Investment Group Nanjing Energy and Technology Co. Ltd. (江蘇華紅科教投資集團南京能源科技有限公司) (the “**Transferor**”), pursuant to which Nanjing Lanchou agreed to acquire the entire equity interests of Jiangsu China Red Science and Education and Investment Group Co., Ltd. (江蘇華紅科教投資集團有限公司) for an aggregate cash consideration of RMB450,000,000 which may be adjusted to RMB250,000,000 if certain conditions precedent (including completion of transfer of an additional land lot for the operation of the Olympic College of Nanjing Sport Institute (南京體育學院奧林匹克學院) (“**Olympic College**”)) cannot be satisfied within 36 months from the date of the sale and purchase agreement.

To facilitate the series of restructuring stated in the sale and purchase agreement, Nanjing Lanchou has also entered into two loan agreements, pursuant to which Nanjing Lanchou shall grant to the Transferor two bridging loans (the “**Bridging Loans**”) in the principal amounts of RMB250,000,000 and RMB170,000,000, respectively (collectively referred as the “**Loan Receivables**”). The Loan Receivables were non-interest bearing with maturity date of six months, among which RMB410,000,000 shall not be used for any purpose other than agreed terms in the loan agreements. Mr. Ye Hua and Ms. Gao Jiehong, the founders of the Transferor, have provided personal guarantees and pledged their equity interests in the Transferor as well as their equity interests in Jiangsu Zijin Science and Education Investment Co., Ltd. (江蘇紫金科教投資有限公司) (“**Jiangsu Zijin**”) to Nanjing Lanchou as collateral for the Loan Receivables.

As at 31 December 2025 and 2024, the Loan Receivables were not repaid and were overdue by the Transferor.

The Directors are of the view that, after seeking legal advice and support from the independent valuer, the market value of the pledged assets held by the Transferor and the founders of the Transferor, including equity interests of the Transferor and Jiangsu Zijin, was approximately RMB179,251,000 (2024: RMB179,251,000) as at the end of the reporting period, and the Group has recognised an allowance for credit losses amounting to RMB240,749,000 (2024: RMB240,749,000) as at the end of the reporting period.

ii. Based on the sales and purchase agreement entered into between the Group and the Transferor, Communication University of China, Nanjing (南京傳媒學院) (“CUCN” or our “**University**”) agreed with the local government authority certain arrangements in September 2025, including:

- The Group shall apply to the local government authority to refund the deposits paid by the Transferor in relation to the leasehold land occupied by the Olympic College;
- After receiving the deposits refunded by the local government authority, CUCN shall pay RMB70,000,000 (which is subject to the final adjustment) to the local government authority for the acquisition of the land use right for the Olympic College; and
- The local government authority shall assist the Group in obtaining the land use right and the relevant licenses for the Olympic College, including any changes of entity from the Transferor to the Group for any approval documents or processes.

During the Reporting Period, the local government authority refunded to the Group the deposits of RMB43,087,000 paid by the Transferor and the Group paid RMB70,000,000 to the local government authority, which were recorded in other payables and other receivables, respectively. Up to the date of this announcement, the application of the land use right and the relevant licenses for the Olympic College are still in progress.

iii. Pursuant to the unwind agreement as disclosed in the Company’s announcement dated 28 March 2022, Consideration Receivables were secured by 20% equity interests of Beijing Shuimu Huaxia Education Technology Co., Ltd. (北京水木華夏教育科技有限公司). As at the end of the reporting period, the Group has not recognised a credit loss allowance for Consideration Receivables as a result of these collaterals.

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB168,287,000.

The following is an ageing analysis of trade receivables net of allowance for credit losses presented based on the revenue recognition dates:

	As at 31 December	
	2025	2024
	RMB’000	RMB’000
Less than 1 year	8,910	24,807
1 to 2 years	–	74,945
Over 2 years	723	–
	9,633	99,752

The Group allows a credit period ranging from three months to one year to its customers. As at 31 December 2025, included in the Group’s trade receivables balance are debtors with aggregate carrying amount of RMB723,000 (2024: RMB74,945,000) which are past due but not impaired as at the reporting date.

13. TRADE AND OTHER PAYABLES

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Trade payables	59,809	67,085
Payables for property and equipment	44,105	54,226
Leasehold land deposits refunded from the local government authority (<i>Note 12</i>)	43,087	–
Payroll payables	21,726	25,702
Miscellaneous deposits received from students	21,826	21,014
Deposits from construction suppliers	8,046	9,513
Discretionary subsidies received on behalf of students	1,812	2,079
Value added tax and other taxes payable	5,913	4,850
Other payables	7,616	6,600
	<u>213,940</u>	<u>191,069</u>

The following is an ageing analysis of trade payables presented based on the transaction dates.

	As at 31 December	
	2025	2024
	RMB'000	RMB'000
Within 1 year	14,026	17,789
1 to 2 years	–	3,568
Over 2 years	45,783	45,728
	<u>59,809</u>	<u>67,085</u>

14. SHARE CAPITAL

	Number of shares	Share capital US\$	Shown in the consolidated financial statements RMB'000
<i>Ordinary shares of US\$0.00001 each</i>			
Authorised:			
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>5,000,000,000</u>	<u>50,000</u>	
Issued and fully paid:			
At 1 January 2024, 31 December 2024 and 31 December 2025	<u>1,654,937,000</u>	<u>16,549</u>	<u>117</u>

During the years ended 31 December 2025 and 2024, there were no shares issued, repurchased and cancelled by the Company.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

BUSINESS REVIEW AND OUTLOOK

BUSINESS REVIEW

Higher education (media and arts), vocational education and international education

According to the 2026 ABC China Private University Rankings, CUCN is ranked first among private arts universities in China, with our educational capabilities consistently ranking at the top of the industry. CUCN offers more than 50 undergraduate majors, providing comprehensive coverage across multiple media and art fields. Among them, 16 majors were appraised as the first tier at the provincial level of Jiangsu and 4 were appraised as the first tier at the national level, reflecting remarkable success in our program development. Leveraging our high-quality curriculum system, commitment to cultivating talent with craftsmanship and outstanding educational performance, CUCN has developed a unique core competitiveness.

Our vocational education programs help adult students acquire new professional skills, pursue personal interests, or earn additional qualifications to enhance their career prospects. We provide self-study examination preparation programs (自考助學課程) to adult students. Our international education programs are supported by our cooperation with more than 80 leading media and art colleges across the world. Students enrolled in these programs can study at the overseas universities we cooperate with to continue their undergraduate courses after completing relevant courses.

As at 31 December 2025, the Group had a total of approximately 30,785 students, including 27,273 undergraduates, 3,512 vocational education students and international education students in aggregate. The total number of our students recorded a year-on-year growth of approximately 3.5%.

As at the date of this announcement, the Group has managed the properties of Olympic College and has utilised its campus as the Binjiang campus of CUCN, though the acquisition of Olympic College (the “**Acquisition**”) has not yet been completed. Under the terms of the Acquisition, certain conditions could not be satisfied by the Transferor on 20 June 2024 (i.e. within 36 months from the date of the Acquisition agreement). As a result, the Acquisition consideration shall be adjusted from RMB450 million to RMB250 million (the “**Adjusted Consideration**”) upon completion of the Acquisition. As disclosed in note 12 to the Company’s consolidated statement of financial position, the Group has provided the Transferor with Bridging Loans of RMB250 million and RMB170 million to facilitate the reorganisation for the Acquisition.

As at the date of this announcement, on one hand, the Group has initiated legal proceedings in order to recover the Bridging Loan of RMB170 million from the Transferor and obtained a judgment in favour of the Group from the relevant PRC arbitration committee. The PRC local court is in the process of enforcing the arbitration award.

On the other hand, in order to complete the Acquisition and set-off the Adjusted Consideration payable to the Transferor against the Bridging Loan of RMB250 million provided to the Transferor, the Group has agreed with the relevant local authorities certain arrangements in relation to the transfer of properties of Olympic College to CUCN. Subject to the completion of certain procedures for the transfer of properties of Olympic College, the Acquisition is expected to be completed by the end of 2026.

As at 31 December 2025, the total amount of RMB420 million for the Bridging Loans was included in other receivables in the Company's consolidated statement of financial position and the accumulated impairment losses amounted to RMB240.7 million (as at 31 December 2024: RMB240.7 million). As there was no material change in the fair value of the relevant security for the Bridging Loans, no further impairment losses on the Bridging Loans were recognised for the Reporting Period. The accumulated impairment losses on the Bridging Loans have been provided based on the change in fair value of Olympic College and the security provided for the Bridging Loans estimated by an independent professional valuer.

Segment performance

During the Reporting Period, our higher education (media and arts), vocational education and international education segment recorded a total revenue of RMB728.1 million, representing a year-over-year growth of 8.5%. Such growth was primarily attributable to an increase in revenue from our higher education (media and arts) programs by RMB82.5 million, or 16.7%. The growth in revenue from our higher education (media and arts) programs was primarily due to (i) an increase in tuition fees for new students who have enrolled in our undergraduate programs from the 2025/2026 school year and (ii) an increase in the number of undergraduates.

The segment profit of our higher education (media and arts), vocational education and international education business significantly increased by RMB126.5 million, or 51.4%, from RMB246.3 million for the year ended 31 December 2024 to RMB372.8 million for the Reporting Period, primarily due to (i) an increase in gross profit driven by the growth in revenue from higher education (media and arts) programs and (ii) no further recognition of impairment losses on the Bridging Loans.

Entertainment and livestreaming e-commerce

During the Reporting Period, the variety show Viva La Romance (International Season) (妻子的浪漫旅行•國際季) was broadcast on certain major media platforms in China. Our artists, Ms. Qi Wei and Mr. Li Chengxuan, were the key cast members of the show, and the show achieved outstanding ratings and widespread popularity. As Ms. Qi Wei and Mr. Li Chengxuan were required to fulfil their commitments to filming certain variety shows and endorsing several prestigious brands, Ms. Qi Wei was unable to host as many livestreaming sales sessions as in the prior year, resulting in lower livestreaming revenue for the Reporting Period. Primarily due to the decrease in livestreaming revenue as mentioned above, the overall revenue from the Group's livestreaming e-commerce and artist management business decreased to RMB59.6 million for the Reporting Period from RMB111.0 million for the year ended 31 December 2024.

The Group has not invested in new TV/film projects for several years and, based on the current situation, the Group has no plan to invest in new TV/film projects in the future.

During the Reporting Period, there were no further impairment losses on major trade receivables in our TV/film production business and certain long-outstanding trade receivables have been recovered. Accordingly, our TV/film production business recognised a reversal of credit impairment losses amounting to RMB4.7 million (as compared to credit impairment losses of RMB79.6 million for the year ended 31 December 2024). The Group has taken legal actions to recover certain outstanding amounts and will continue to negotiate with the relevant customers from its TV/film production business on their repayment plans for the remaining amounts.

The investment in the TV/film series Fights Break Sphere (鬥破蒼穹) (“**Fights Break Sphere** (鬥破蒼穹)”) (30% invested by the Group in 2021) was recorded as financial assets at FVTPL in the Company’s consolidated statement of financial position according to certain terms of the investment agreement. In May 2025, the PRC local court accepted an application for liquidation of the key co-producer of Fights Break Sphere (鬥破蒼穹) by a creditor. Accordingly, the fair value of the completed series of Fights Break Sphere (鬥破蒼穹) is estimated to be zero, resulting in losses from change in fair value of financial assets measured at FVTPL of RMB31.4 million recognised for the Reporting Period.

Segment performance

As there was no revenue from our TV/film production business for the years ended 31 December 2025 and 31 December 2024, our entertainment and livestreaming e-commerce segment recorded a total revenue of RMB59.6 million for the Reporting Period as compared to that of RMB111.0 million for the year ended 31 December 2024. The segment loss, mainly from the TV/film production business, decreased from RMB129.9 million for the year ended 31 December 2024 to RMB41.8 million for the Reporting Period, primarily due to the absence of further impairment losses on trade receivables of the TV/film production business.

Regulatory update

As advised by the Company’s PRC legal adviser, there has been no significant PRC regulatory update relating to our business in China since the publication of the Company’s 2024 annual report. Please refer to the Company’s 2024 annual report published on 29 April 2025 for details.

Recent developments after the Reporting Period

There have been no significant events after the Reporting Period and up to the date of this announcement.

OUTLOOK

The Group will continue to pursue development across its three strategic areas – media and arts education, “pay-for-knowledge” (知識付費, referring to China’s growing market for monetised expert-led educational content delivered through digital platforms) and vertical e-commerce, and artificial intelligence (“AI”) professors and AI arts courses – to build an industry-education integration ecosystem that combines policy compliance, technological innovation, and commercialisation. This aims to establish a distinct competitive advantage in the AI education industry, particularly in the field of media and arts.

i) Media and arts education: Strengthening foundations and expanding the scale of operations

The Group has committed to the field of media and arts education, and the scale of operations of CUCN continues to grow steadily. The total number of new students across all categories for the 2026/2027 school year is expected to be approximately 12,000. The Group will continue to expand the capacity of CUCN’s main campus and the Binjiang campus in phases and may lease additional premises if needed to support the growth of its vocational education business.

Approved by the Ministry of Education of the PRC for operating a Sino-foreign cooperative school, the Group will jointly establish the CUCN-UEA Digital Creativity Institute with the University of East Anglia (“UEA”) at our University. CUCN-UEA Digital Creativity Institute will provide undergraduate programs with a total enrollment capacity of 1,200 students. Established in the United Kingdom (the “UK”) in 1963, UEA is a top-tier public research university. UEA is committed to achieving research excellence, as evidenced by its academic success with three Nobel Prizes awarded to alumni. According to The Complete University Guide 2026, UEA is ranked 26th overall in the UK, while its “Communication and Media Studies” subject is ranked 21st in the UK.

ii) Pay-for-knowledge and vertical e-commerce: Capitalising on industry trends

The media and arts industry in China is undergoing a rapid transformation, with the integration of industry and education emerging as a pivotal development trend. The “Several Opinions on Deepening the Integration of Industry and Education” issued by the General Office of the State Council of the PRC has provided clear policy guidance for the Group to further deepen its footprint in media and arts education and to build an industrial collaborative ecosystem. In recent years, China’s “pay-for-knowledge” market has maintained relatively rapid growth, with a growing emphasis on professional-grade content, vertical specialisation, and brand-building. In response to these industry trends, the Group has extended its value chain by launching a “pay-for-knowledge and vertical e-commerce” business, leveraging its established strengths in vocational education, international education programs, and adult training. This business will systematically integrate the Group’s long-standing teaching resources, faculty systems, and content production capabilities in the media and arts sector. Taking cues from leading content creators in the pay-for-knowledge space, the Group will focus on specialised segments in media, arts, culture, and education, developing high-quality proprietary content with strong commercial potential. By expanding its product range and content offers, the Group expects to diversify its revenue streams, improve monetisation efficiency, and build a sustainable growth model centered on premium content, providing additional momentum for future performance.

iii) AI professors and AI arts courses: The innovative engine of AI education

The 2026 Government LC Work Report of China emphasized the need to deepen and expand the “AI +” initiative. From the Planning Outline for Building an Education Powerhouse (2024-2035), which called for AI-enabled educational transformation, to the release of multiple AI education guidelines and regulatory documents in 2025, the national AI strategy has strongly driven the rapid expansion of AI-empowered education from pilot projects to broader implementation across the sector.

The Group actively responds to The 2026 Government Work Report of China and national strategies such as the “15th Five-Year Plan” and the “New Generation AI Development Plan,” maintaining its deep commitment to the education sector. It will implement a strategy to integrate AI with media and arts higher education, developing a “dual-track model combining academic research and practical application”. This encompasses two core areas: “AI Professor” teaching scenarios and “AI Arts Courses” for pay-for-knowledge. The Group has entered into an exclusive collaboration with a well-known PRC AI company and plans to launch a subscription-based “AI Professors and AI Arts Courses” product in the media and arts field in the near future. This product will feature a dual-licensing model covering both core algorithms and scenario-based applications, offering tailored customization for professional courses such as film production, animation design, and digital media arts. The product is designed to serve users across different age groups through personalised instructions available around the clock, extending beyond the constraints of traditional classroom teaching. Additionally, the “AI Professors and AI Arts Courses” pay-for-knowledge education project, as a smart education platform, will bring together leading PRC media and arts experts to provide tailored solutions to institutional clients. It will be promoted to schools with media and arts course demands both domestically and internationally, and this platform is expected to reduce operational costs through digitalisation while enhancing the quality of media and arts education.

Conclusion

The Group’s continued investment and optimization in the areas of higher education (media and arts), vocational education and international education have solidified its leading position in private media and arts education in China. This has laid a solid foundation for the deep integration of industry and education in the fields of pay-for-knowledge and vertical e-commerce. Through close collaboration with the industry, the Group can provide students with more practical opportunities and diverse employment channels, effectively enhancing graduates’ competitiveness in the job market. This, in turn, boosts the attractiveness and reputation of the Group’s educational brand, strengthening the links between education, talent development, industry and innovation, and cultivating high-calibre professionals for the sustainable development of China’s media and arts industry.

We believe that, with its precise strategic planning and innovative advancements in three major areas: media and arts education, pay-for-knowledge and vertical e-commerce, and AI professors and AI arts courses, the Group is well-positioned to generate broader social and commercial value, advance the integration of media and arts education with industry in China, and deliver sustainable returns for shareholders of the Company (the “**Shareholders**”).

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

The following table sets forth our revenue by business segment for the years ended 31 December 2025 and 2024.

	Year ended 31 December			
	2025		2024	
<i>(RMB'000, except percentages)</i>				
Segment Revenue				
Higher education (media and arts), vocational education and international education	728,092	92.4%	671,346	85.8%
Entertainment and livestreaming e-commerce	59,642	7.6%	111,013	14.2%
Total	<u>787,734</u>	<u>100.0%</u>	<u>782,359</u>	<u>100.0%</u>

Revenue from our higher education (media and arts), vocational education and international education business segment increased by RMB56.7 million, or 8.5%, from RMB671.3 million for the year ended 31 December 2024 to RMB728.1 million for the Reporting Period, primarily due to the increase in revenue from our undergraduate programs as mentioned in the section headed “Business Review”.

The overall revenue from our entertainment and livestreaming e-commerce business segment decreased from RMB111.0 million for the year ended 31 December 2024 to RMB59.6 million for the Reporting Period, primarily due to the decrease in revenue from our livestreaming e-commerce and artist management business as mentioned in the section headed “Business Review”.

As a result of the foregoing, total revenue of the Group increased from RMB782.4 million for the year ended 31 December 2024 to RMB787.7 million for the Reporting Period.

Cost of revenue

	Year ended 31 December			
	2025		2024	
<i>(RMB'000, except percentages)</i>				
Segment Cost				
Higher education (media and arts), vocational education and international education	276,348	83.5%	287,140	71.6%
Entertainment and livestreaming e-commerce	54,479	16.5%	114,065	28.4%
Total	<u>330,827</u>	<u>100.0%</u>	<u>401,205</u>	<u>100.0%</u>

Despite a 8.5% increase in revenue from our higher education (media and arts), vocational education and international education business segment, the cost of revenue of this business segment decreased by 3.8% from RMB287.1 million for the year ended 31 December 2024 to RMB276.3 million for the Reporting Period, primarily due to our stringent cost control during the Reporting Period.

The cost of revenue from our entertainment and livestreaming e-commerce business segment decreased from RMB114.1 million for the year ended 31 December 2024 to RMB54.5 million for the Reporting Period, primarily due to the decrease in the number of livestreaming sales sessions.

As a result of the foregoing, total cost of revenue of the Group decreased from RMB401.2 million for the year ended 31 December 2024 to RMB330.8 million for the Reporting Period.

Gross profit/(loss) and gross margin

	Year ended 31 December			
	2025		2024	
	Gross profit	Gross margin	Gross profit/(loss)	Gross margin
	<i>(RMB'000, except percentages)</i>			
Higher education (media and arts), vocational education and international education	451,744	62.0%	384,206	57.2%
Entertainment and livestreaming e-commerce	5,163	8.7%	(3,052)	-2.7%
Total	456,907	58.0%	381,154	48.7%

As a result of the foregoing, the gross profit and gross profit margin of our higher education (media and arts), vocational education and international education business segment improved during the Reporting Period, which also led to an increase in Group's overall gross profit by 19.9% from RMB381.2 million for the year ended 31 December 2024 to RMB456.9 million for the Reporting Period, and an increase in the overall gross profit margin from 48.7% for the year ended 31 December 2024 to 58.0% for the Reporting Period.

Our entertainment and livestreaming e-commerce business segment turned around from a gross loss margin of 2.7% for the year ended 31 December 2024 to a gross profit margin of 8.7% for the Reporting Period, primarily due to the decrease in write-down of inventories in the Group's TV/film production business.

Other income

Other income decreased from RMB39.8 million for the year ended 31 December 2024 to RMB34.8 million for the Reporting Period, primarily due to a decrease in donation income.

Net impairment reversals (losses) on financial assets

During the Reporting Period, the Group recorded a reversal of impairment losses of RMB5.1 million, primarily due to the recovery of certain trade receivables from our TV/film production business, and there were no further impairment losses on Bridging Loans in our higher education (media and arts), vocational education and international education business, as mentioned in the section headed "Business Review".

The Group has engaged an independent valuer during the Reporting Period to estimate the amount of impairment losses based on certain valuation methods which are consistently applied in prior years, details of which are set out in the Company's annual report for the year ended 31 December 2024 published on 29 April 2025.

Save as disclosed in this announcement, there were no material updates on the status of recovery as compared to the status as disclosed in the Company's annual report for the year ended 31 December 2024.

Other gains and losses

Other gains and losses for the Reporting Period was a net loss of RMB26.5 million as compared to a net gain of RMB0.4 million for the year ended 31 December 2024, primarily due to the losses from change in fair value of certain financial assets measured at FVTPL recognised for the Reporting Period as mentioned in the section headed “Business Review”.

Selling expenses

The Group’s selling expenses decreased from RMB21.3 million for the year ended 31 December 2024 to RMB18.5 million for the Reporting Period, primarily driven by reduced operations in our livestreaming e-commerce and artist management business.

Administrative expenses

The Group’s administrative expenses decreased from RMB122.3 million for the year ended 31 December 2024 to RMB114.5 million for the Reporting Period, primarily due to the decrease in office rental expenses and professional services expenses.

Taxation

The Group’s income tax expense increased from RMB0.4 million for the year ended 31 December 2024 to RMB5.7 million for the Reporting Period, primarily due to an increase in taxable profits of certain subsidiaries.

Profit for the year

As a result of the foregoing, the Group profit for the year significantly increased from RMB116.9 million for the year ended 31 December 2024 to RMB331.6 million for the Reporting Period.

Non-HKFRS Measure – Adjusted Net Profit

In order to supplement the Group’s consolidated financial statements, which are presented in accordance with HKFRS, the Group also uses Adjusted Net Profit as an additional financial measure. The Group presents this financial measure because it is used by the Group’s management to evaluate the Group’s financial performance by eliminating the impact of certain items that the Group does not consider to be indicative of the Group’s performance from its normal business operations. The Group also believes that this non-HKFRS measure provides additional information to investors and others in their understanding and evaluating the Group’s results of operations in the same manner as they help the Group’s management and in comparing financial results across accounting periods and to those of the Group’s peer companies. This non-HKFRS measure provides a consistent and unbiased presentation for investors to understand the Group’s results of operations without the impact of unusual, non-operating and/or non-recurring items. However, this non-HKFRS measure does not have a standardised meaning prescribed by HKFRS and therefore it may not be comparable to similar measures presented by other companies listed on the Stock Exchange.

Adjusted Net Profit, which is unaudited, represents profit for the year after adjustments for impairment losses on Bridging Loans included in other receivables, write-down of inventories and equity-settled share-based payments. The Adjusted Net Profit of the Group increased from RMB218.3 million for the year ended 31 December 2024 to RMB332.4 million for the Reporting Period.

The following table reconciles our Adjusted Net Profit from profit for the year (the most directly comparable financial measure calculated and presented in accordance with HKFRS).

	Year ended 31 December	
	2025	2024
	<i>(RMB'000)</i>	
Profit for the year	331,578	116,911
Add: Impairment losses on Bridging Loans included in other receivables	–	79,443
Add: Write-down of inventories	–	20,378
Add: Equity-settled share-based payments (post-IPO share option incentive)	813	1,534
	<hr/>	<hr/>
Non-HKFRS: Adjusted Net Profit	<u>332,391</u>	<u>218,266</u>

Impairment losses on other receivables represented impairment losses on the Bridging Loans provided to facilitate the standalone and one-off Acquisition. The Group is of the view that impairment losses on Bridging Loans and equity-settled share-based payments were non-operating and non-cash in nature and, accordingly, included these items as adjusting items. Write-down of inventories for the year ended 31 December 2024 were made due to unusual impact of COVID-19 on the TV/film production industry in China, which was not expected to persist for years and, accordingly, such non-cash amount was included as an adjustment item for that year. There were no changes in the composition of the adjusting items for both years.

Adjusted Net Profit is not a measure of performance under HKFRS. The use of Adjusted Net Profit has material limitations as an analytical tool, as it does not include all items that impact our profit for the relevant year.

Liquidity, financial resources and capital structure

The Group continued to maintain a healthy and sound financial position and, during the Reporting Period, funded its cash requirements principally from cash generated from operations.

As at 31 December 2025, the Group's cash and cash equivalents, time deposits and structured deposits (classified as financial assets at FVTPL) amounted to RMB1,648.6 million (as at 31 December 2024: RMB1,306.2 million) in aggregate, of which the majority were denominated in RMB and HK\$. The majority of these time deposits and structured deposits were placed with banks for better utilisation of our surplus cash. The increase in cash and cash equivalents was primarily due to an increase in net cash from operating activities.

As at 31 December 2025, the current ratio (the ratio of total current assets to total current liabilities) was 251.4% (as at 31 December 2024: 241.4%), whereas the liability-to-asset ratio (the ratio of total liabilities to total assets) was 20.6% (as at 31 December 2024: 20.0%).

As at 31 December 2025, the Group did not have interest-bearing borrowings (as at 31 December 2024: nil). As at 31 December 2025, the Group's total equity amounted to RMB2,681.3 million (as at 31 December 2024: RMB2,445.6 million). The Board will evaluate the Group's capital structure from time to time based on the Group's operations, its business growth, the relevant funding requirements and available financial resources.

Gearing ratio

As at 31 December 2025, the Group's gearing ratio was zero (as at 31 December 2024: zero), which is calculated as total interest-bearing borrowings divided by total equity.

Capital expenditure and commitment

During the year ended 31 December 2025, the Group paid RMB119.8 million primarily for the expansion of dormitories and the purchases of equipment for our University.

As at 31 December 2025, capital commitment of the Group was RMB0.2 million (as at 31 December 2024: RMB1.5 million).

Foreign exchange exposure

During the year ended 31 December 2025 the Group mainly operated in China and the majority of the transactions were settled in RMB, which is the Company's primary subsidiaries and consolidated affiliated entities' functional currency. As at 31 December 2025, except for certain bank balances and deposits denominated in foreign currencies, the Group did not have significant foreign currency exposure from its operations. The Group did not enter into any financial instrument for hedging purpose as it is expected that foreign exchange exposure will not be material.

Pledge of assets

As at 31 December 2025, the Group had no pledge of assets (as at 31 December 2024: nil).

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2025 (as at 31 December 2024: RMB57,041,000).

Significant investments

The Group did not make or hold other significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 31 December 2025) during the Reporting Period.

Material acquisitions and disposals

The Group did not have any material acquisitions or disposals of subsidiaries, consolidated affiliated entities or associated companies during the year ended 31 December 2025.

Future plans for material investments or capital assets

As at 31 December 2025, the Group did not have detailed future plans for material investments or capital assets.

Employees and remuneration

As at 31 December 2025, the Group had a total of 2,536 employees (as at 31 December 2024: 2,311 employees). The following table sets forth the total number of employees by function as at 31 December 2025:

Functions	Number of employees
Higher education (media and arts), vocational education and international education	
Teachers	2,232
Management and administration	248
Livestreaming e-commerce and artist management	
Operations	25
Management and administration	12
TV/film production and corporate management	
Operations	4
Management and administration	15
Total	2,536

The total remuneration cost incurred by the Group for the year ended 31 December 2025 was RMB196.2 million, as compared to RMB204.0 million for the year ended 31 December 2024.

The Company has adopted a post-IPO share award scheme and a post-IPO share option scheme on 22 June 2020. Please refer to the annual report of the Company for the year ended 31 December 2025 to be published for details of the Post-IPO share award scheme and the post-IPO share option scheme.

CORPORATE GOVERNANCE

The Board is committed to achieving high standards of corporate governance, which are crucial to the Company's development and safeguard the interests of Shareholders.

Compliance with the Code on Corporate Governance Practices

The Board believes that transparency and good corporate governance will lead to long-term success for the Company.

The Company has adopted and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 2025, save for the deviation set out below.

Code provision C.2.1 of the CG Code recommends, but does not require, that the roles of chairperson and chief executive should be separate and should not be performed by the same person. Mr. Pu performs both the roles of the Chairperson and the chief executive officer of the Company. Mr. Pu is the founder of the Group and has extensive experience in the business operations and management of the Group. The Board believes that vesting the roles of both Chairperson and chief executive officer in Mr. Pu has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning. This structure will enable the Company to make and implement decisions promptly and effectively.

The Board considers that the balance of power and authority will not be impaired due to this arrangement. In addition, all major decisions are made in consultation with members of the Board, including the relevant Board committees, and three independent non-executive Directors. The Board will reassess the division of the roles of Chairperson and the chief executive officer from time-to-time, and may recommend dividing the two roles between different people in the future, taking into account the circumstances of the Group as a whole.

Further information concerning the corporate governance practices of the Company will be set out in the corporate governance report in the annual report of the Company for the year ended 31 December 2025.

Compliance with the Model Code for Securities Transactions by Directors

The Company has adopted the Management Trading of Securities Policy (the “**Company’s Code**”), with terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, as its own securities dealing code to regulate all dealings by Directors and relevant employees of securities in the Company and other matters covered by the Company’s Code.

Specific enquiry has been made of all the Directors and the relevant employees and they have confirmed that they have complied with the Company’s Code during the year ended 31 December 2025 and up to the date of this announcement.

Audit committee

The Group has established an audit committee comprising three members, being Mr. Lee Cheuk Yin Dannis, Mr. Zhang Jizhong and Mr. Huang Yu, with Mr. Lee Cheuk Yin Dannis (being the Company’s independent non-executive Director with the appropriate professional qualifications) as chairperson of the audit committee.

The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 and has met with the independent auditor, Messrs. Deloitte Touche Tohmatsu. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company, risk management and internal control and financial reporting matters with senior management members of the Company.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board on 30 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

OTHER INFORMATION

Purchase, sale or redemption of the Company's listed securities

Neither the Company nor any of its subsidiaries or consolidated affiliated entities purchased, sold or redeemed any of the Company's listed securities (including treasury shares) during the Reporting Period. As at 31 December 2025, the Company did not hold any treasury shares.

Material litigation

Save as disclosed in this announcement, the Company was not involved in other material litigation or arbitration proceedings during the Reporting Period and the Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Reporting Period and up to the date of this announcement.

Final dividend

The Board recommended the payment of a final dividend of HK\$0.068 (for the year ended 31 December 2024: HK\$0.03) per Share for the year ended 31 December 2025. The final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting of the Company to be held on 29 May 2026 (the "AGM") and the final dividend is expected to be payable on or about 26 June 2026 to the Shareholders whose names appear on the register of members of the Company on 12 June 2026.

Closure of register of members

The register of members of the Company will be closed for the purpose of determining the identity of Shareholders who are entitled to attend and vote at the AGM from 26 May 2026 to 29 May 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be 29 May 2026. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, no later than 4:30 p.m. on 22 May 2026.

The register of members of the Company will be closed for the purpose of determining the identity of Shareholders who are entitled to receive the final dividend from 10 June 2026 to 12 June 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the entitlement of the Shareholders to receive the final dividend will be 12 June 2026. In order to be qualified for the final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration, no later than 4:30 p.m. on 9 June 2026.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cathaymedia.com). The annual report for the year ended 31 December 2025 will be dispatched to the Shareholders (upon requests from Shareholders) and made available on the abovementioned websites of the Stock Exchange and the Company in due course.

By order of the Board
Cathay Group Holdings Inc.
Pu Shulin
Chairperson and Executive Director

China, 30 March 2026

As at the date of this announcement, the executive Directors are Mr. Pu Shulin, Ms. Jacqueline Luo, Mr. Wu Ye and Mr. Lau Chi Hung, and the independent non-executive Directors are Mr. Zhang Jizhong, Mr. Lee Cheuk Yin Dannis and Mr. Huang Yu.