华夏控股

**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)**

# INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 unaudited interim results of the Group for the six months ended 30 June 2026 (the "**Reporting Period**"). These interim results have been reviewed by the audit committee of the Company and the auditor of the Company, Messrs. Deloitte Touche Tohmatsu.

## FINANCIAL HIGHLIGHTS

| | **Six months ended 30 June** | | |
|---|---|---|---|
| | **2026 (unaudited)** | 2025 (unaudited) | Percentage change |
| | *(RMB'000, except percentages)* | | |
| Revenue | **438,747** | 379,289 | 15.7% |
| Gross profit | **254,757** | 207,732 | 22.6% |
| Profit for the period | **204,605** | 140,102 | 46.0% |

During the Reporting Period, the Group's total revenue reached RMB438.7 million, representing year-on-year growth of 15.7%, primarily driven by the rise in tuition fees for our undergraduate freshmen in recent years and the increase in student numbers, which led to the increase in revenue from our higher education (media and arts) business.

The Group's profit for the period increased by 46.0% year-on-year to RMB204.6 million, mainly attributable to the growth in revenue from our higher education (media and arts) business, as well as a significant improvement in the segment results of our entertainment and livestreaming e-commerce business.

# FINANCIAL INFORMATION

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

*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

| | | Six months ended 30 June | |
|---|---|---|---|
| | *NOTES* | **2026** | 2025 |
| | | ***RMB'000*** | *RMB'000* |
| | | **(unaudited)** | (unaudited) |
| Revenue | *4* | **438,747** | 379,289 |
| Cost of revenue | | **(183,990)** | (171,557) |
| Gross profit | | **254,757** | 207,732 |
| Other income | *5* | **15,426** | 17,027 |
| Net impairment reversals on financial assets | *6* | **125** | 5,255 |
| Other gains and losses | *7* | **3,523** | (26,138) |
| Selling expenses | | **(6,127)** | (7,415) |
| Administrative expenses | | **(57,302)** | (55,767) |
| Finance costs | | **–** | (71) |
| Profit before tax | | **210,402** | 140,623 |
| Income tax expense | *8* | **(5,797)** | (521) |
| Profit for the period | *9* | **204,605** | 140,102 |
| Other comprehensive expense: | | | |
| *Item that will not be reclassified subsequently to profit or loss:* | | | |
| Exchange differences arising on translation from functional currency to presentation currency | | **(8,662)** | (3,315) |
| Other comprehensive expense for the period | | **(8,662)** | (3,315) |
| Total comprehensive income for the period | | **195,943** | 136,787 |
| Profit for the period attributable to: | | | |
| Owners of the Company | | **184,795** | 125,397 |
| Non-controlling interests | | **19,810** | 14,705 |
| | | **204,605** | 140,102 |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the Company | | **176,133** | 122,082 |
| Non-controlling interests | | **19,810** | 14,705 |
| | | **195,943** | 136,787 |
| Earnings per share | *11* | | |
| – Basic (RMB cents) | | **11.39** | 7.73 |
| – Diluted (RMB cents) | | **11.39** | 7.73 |

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*AT 30 JUNE 2026*

| | *NOTES* | **30 June 2026** *RMB'000* **(unaudited)** | 31 December 2025 *RMB'000* (audited) |
|---|---|---|---|
| **Non-current Assets** | | | |
| Property and equipment | | **1,230,921** | 1,259,980 |
| Right-of-use assets | | **108,292** | 110,721 |
| Intangible assets | | **10,290** | 13,941 |
| Time deposits | | **300,000** | 170,000 |
| Other receivables | *12* | **71,611** | 72,452 |
| | | **1,721,114** | 1,627,094 |
| **Current Assets** | | | |
| Inventories | | **8,635** | 11,221 |
| Trade and other receivables | *12* | **253,791** | 256,660 |
| Financial assets at fair value through profit or loss ("**FVTPL**") | | **475,026** | 387,042 |
| Restricted bank deposits | | **–** | 411 |
| Time deposits | | **170,000** | 230,000 |
| Cash and cash equivalents | | **444,563** | 865,305 |
| | | **1,352,015** | 1,750,639 |
| **Current Liabilities** | | | |
| Trade and other payables | *13* | **218,914** | 213,940 |
| Contract liabilities | | **50,500** | 455,926 |
| Tax liabilities | | **3,114** | 5,626 |
| Dividend payable | | **20,950** | 20,950 |
| | | **293,478** | 696,442 |
| **Net Current Assets** | | **1,058,537** | 1,054,197 |
| **Total Assets less Current Liabilities** | | **2,779,651** | 2,681,291 |
| **Net Assets** | | **2,779,651** | 2,681,291 |
| **Capital and Reserves** | | | |
| Share capital | *14* | **117** | 117 |
| Reserves | | **2,504,079** | 2,425,529 |
| **Equity attributable to owners of the Company** | | **2,504,196** | 2,425,646 |
| Non-controlling interests | | **275,455** | 255,645 |
| **Total Equity** | | **2,779,651** | 2,681,291 |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
*FOR THE SIX MONTHS ENDED 30 JUNE 2026*

## 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 of Hong Kong Limited (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 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 (the "**PRC**" or "**China**"). The Group conducts a substantial portion of the business through the consolidated affiliated entities under contractual arrangements in the PRC.

The condensed 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 condensed consolidated financial statements are presented in RMB.

## 2. BASIS OF PREPARATION

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

Other than additional/change in accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

## 3. APPLICATION OF AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity |
| Amendments to HKFRS Accounting Standards | Annual improvements to HKFRS Accounting Standards – Volume 11 |

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

## 4. REVENUE AND SEGMENT INFORMATION

**Disaggregation of revenue from contracts with customers**

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| **Types of goods or services** | | |
| *Recognised over time* | | |
| Education service income | | |
| – Higher education (media and arts) programs | **341,413** | 266,091 |
| – Vocational education programs | **38,316** | 46,332 |
| – International education programs | **28,355** | 32,051 |
| Promotion income from livestreaming e-commerce | **40** | 1,964 |
| Other income from education business | **4,330** | 4,440 |
| | **412,454** | 350,878 |
| *Recognised at a point in time* | | |
| Artist management service and entertainment income | **23,058** | 24,450 |
| Sales of groceries | **2,203** | 3,307 |
| Livestreaming e-commerce and others | **1,032** | 654 |
| | **26,293** | 28,411 |
| | **438,747** | 379,289 |

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| **Geographical markets *(Note)*** | | |
| Chinese Mainland | **438,747** | 379,289 |

*Note:* Information about the Group's revenue is presented based on the location of the customers.

**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 higher education (media and arts), vocational education and international education segment and entertainment and livestreaming e-commerce segment.

Segment results represent the profits earned by each segment and excluding certain other income, other gains and losses and corporate administrative expenses. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

The following is an analysis of the Group's revenue and results by reportable and operating 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 six months ended 30 June 2026 (unaudited)** | | | |
| **Segment revenue** | | | |
| External sales | **414,617** | **24,130** | **438,747** |
| Segment profit (loss) | **205,956** | **(379)** | **205,577** |
| Unallocated other income | | | **9,499** |
| Unallocated other gains and losses | | | **238** |
| Unallocated corporate expenses | | | **(4,912)** |
| Profit before tax | | | **210,402** |
| **For the six months ended 30 June 2025 (unaudited)** | | | |
| **Segment revenue** | | | |
| External sales | 352,221 | 27,068 | 379,289 |
| Segment profit (loss) | 180,388 | (45,182) | 135,206 |
| Unallocated other income | | | 10,551 |
| Unallocated other gains and losses | | | 546 |
| Unallocated corporate expenses | | | (5,680) |
| Profit before tax | | | 140,623 |

**Information about major customers**

No single customer contributed over 10% or more of total revenue of the Group during the six months ended 30 June 2026 and 2025.

## 5. OTHER INCOME

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Interest income from banks | **9,499** | 10,551 |
| Miscellaneous service income | **3,007** | 3,543 |
| Donation income | **1,645** | 2,160 |
| Government grants | **21** | 122 |
| Others | **1,254** | 651 |
| | **15,426** | 17,027 |

## 6. NET IMPAIRMENT REVERSALS ON FINANCIAL ASSETS

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Impairment reversed recognised: | | |
| – trade receivables | **125** | 5,255 |

The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

## 7. OTHER GAINS AND LOSSES

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Gains (losses) from changes in fair value of financial assets measured at FVTPL | **3,285** | (25,832) |
| Loss on write-off of property and equipment | **–** | (1,796) |
| Gain on termination of lease agreement | **–** | 944 |
| Net foreign exchange gains | **238** | 546 |
| | **3,523** | (26,138) |

## 8. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| PRC Enterprise Income Tax ("**EIT**") | | |
| – current tax | **5,797** | 142 |
| – deferred tax | **–** | 379 |
| | **5,797** | 521 |

The Company was incorporated in the Cayman Islands and its direct owned subsidiary, Cathay Media Group (BVI) Inc. was incorporated in the BVI that are tax exempted as 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 for Hong Kong profits tax was made in the condensed consolidated financial statements as the Group had no assessable profit subject to Hong Kong profits tax for both periods.

Pursuant to the Enterprise Income Tax 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 periods.

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 periods.

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 registration of Communication University of China, Nanjing (南京傳媒學院) ("**CUCN**" or our "**University**") into a for-profit private school (the "**Conversion**") in accordance with these laws and regulations. As at 30 June 2026 and 2025, the Conversion was still in process and the tax positions of CUCN have not been changed for both periods. CUCN followed previous EIT preferential treatments according to the current tax practice. During the six months ended 30 June 2026, the non-taxable income amounted to RMB405,674,000 (six months ended 30 June 2025: RMB347,530,000), and the related non-deductible expenses amounted to RMB205,902,000 (six months ended 30 June 2025: RMB170,086,000).

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. No deferred tax liabilities regarding the withholding tax have been provided as the PRC subsidiaries will not declare any dividend to holding companies outside Chinese Mainland in the foreseeable future.

## 9. PROFIT FOR THE PERIOD

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| Directors' remuneration | **2,827** | 2,860 |
| Other staff costs | | |
| – salaries and other allowances | **90,597** | 84,861 |
| – retirement benefit scheme contributions | **15,793** | 13,886 |
| – share-based payments | **231** | 512 |
| Total staff costs | **109,448** | 102,119 |
| Depreciation of property and equipment | **32,402** | 32,207 |
| Depreciation of right-of-use assets | **2,429** | 4,033 |
| Amortisation of intangible assets | **3,887** | 7,715 |
| Total depreciation and amortisation | **38,718** | 43,955 |
| Write-down of inventories (included in cost of revenue) | **2,128** | 2,992 |

## 10. DIVIDEND

On 29 May 2026, a final dividend of HK$0.068 per ordinary share in respect of the year ended 31 December 2025 was declared to owners of the Company. The aggregate amounts of the final dividend and special dividend declared and paid in the current period amounted to approximately HK$112,536,000 (equivalent to approximately RMB97,814,000).

Subsequent to the end of the current interim period, the Board has determined that no interim dividend will be declared for the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

## 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:

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (unaudited) |
| **Earnings** | | |
| Profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share | **184,795** | 125,397 |

| | Six months ended 30 June | |
|---|---|---|
| | **2026** | 2025 |
| | ***'000*** | *'000* |
| | **(unaudited)** | (unaudited) |
| **Number of shares** | | |
| Weighted average number of ordinary shares for the purpose of basic earnings per share *(Note i)* | **1,622,937** | 1,622,937 |
| Effect of dilutive potential ordinary shares – share options *(Note ii)* | **–** | 187 |
| Weighted average number of ordinary shares for the purpose of diluted earnings per share | **1,622,937** | 1,623,124 |

*Notes:*

i. The computation of weighted average number of ordinary shares for the six months ended 30 June 2026 and 2025 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 six months ended 30 June 2026 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 period.

## 12. TRADE AND OTHER RECEIVABLES

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| **Trade receivables** | | |
| – from entertainment and livestreaming e-commerce | **490,875** | 490,261 |
| – from higher education (media and arts), vocational education and international education | **2,252** | 6,726 |
| | **493,127** | 496,987 |
| Less: Allowance for credit losses | **(487,229)** | (487,354) |
| | **5,898** | 9,633 |
| **Other receivables and prepayments** | | |
| Loan Receivables (defined below) *(Note i)* | **420,000** | 420,000 |
| Less: Allowance for credit losses *(Note i)* | **(240,749)** | (240,749) |
| | **179,251** | 179,251 |
| Prepayment for acquisition of leasehold land *(Note ii)* | **70,000** | 70,000 |
| Consideration receivables *(Note iii)* | **10,000** | 10,000 |
| Prepayment for services | **13,697** | 13,105 |
| Interest receivables from banks | **16,767** | 16,670 |
| Miscellaneous deposits | **5,232** | 5,302 |
| Receivables from service providers | **6,719** | 5,231 |
| Value added tax recoverable | **5,340** | 4,996 |
| Others | **12,498** | 14,924 |
| | **319,504** | 319,479 |
| | **325,402** | 329,112 |
| **Analysed as:** | | |
| – Current | **253,791** | 256,660 |
| – Non-current | **71,611** | 72,452 |
| | **325,402** | 329,112 |

*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 the 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 collaterals for the Loan Receivables.

As at 30 June 2026 and 31 December 2025, the Loan Receivables were not repaid and were overdue by the Transferor.

The Directors are of the view that, after seeking the 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 equity interests of Jiangsu Zijin, was approximately RMB179,251,000 (2025: RMB179,251,000) as at the end of the Reporting Period, and the Group has recognised allowance for credit losses amounting to RMB240,749,000 (2025: 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, CUCN 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 year ended 31 December 2025, 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.

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

| | **30 June 2026** *RMB’000* **(unaudited)** | 31 December 2025 *RMB’000* (audited) |
|---|---|---|
| Less than 1 year | **5,175** | 8,910 |
| 1 to 2 years | **–** | – |
| Over 2 years | **723** | 723 |
| | **5,898** | 9,633 |

## 13. TRADE AND OTHER PAYABLES

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| Trade payables | **87,080** | 59,809 |
| Payables for property and equipment | **20,398** | 44,105 |
| Leasehold land deposits refund from the local government authority *(Note 12)* | **43,087** | 43,087 |
| Payroll payables | **25,145** | 21,726 |
| Miscellaneous deposits received from students | **17,878** | 21,826 |
| Deposits from construction suppliers | **9,921** | 8,046 |
| Discretionary subsidies received on behalf of students | **3,412** | 1,812 |
| Value added tax and other taxes payable | **4,574** | 5,913 |
| Other payables | **7,419** | 7,616 |
| | **218,914** | 213,940 |

The following is an aging analysis of trade payables presented based on the transaction date.

| | **30 June 2026** | 31 December 2025 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(unaudited)** | (audited) |
| Within 1 year | **41,297** | 14,026 |
| 1 to 2 years | **–** | – |
| Over 2 years | **45,783** | 45,783 |
| | **87,080** | 59,809 |

## 14. SHARE CAPITAL

| | **Number of shares** | **Share capital** | **Shown in the condensed consolidated financial statements** |
|---|---|---|---|
| | | *US$* | *RMB'000* |
| *Ordinary shares of United States dollars (**US$**) $0.00001 each* | | | |
| **Authorised:** | | | |
| At 1 January 2025 (audited), 30 June 2025 (unaudited), 1 January 2026 (audited) and 30 June 2026 (unaudited) | 5,000,000,000 | 50,000 | |
| **Issued and fully paid:** | | | |
| At 1 January 2025 (audited), 30 June 2025 (unaudited), 1 January 2026 (audited) and 30 June 2026 (unaudited) | 1,654,937,000 | 16,549 | 117 |

# BUSINESS REVIEW AND OUTLOOK

## BUSINESS REVIEW

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

As of 30 June 2026, the Group had a total of 30,785 students, comprising 27,273 undergraduate students and a combined 3,512 students from vocational education and international education. The number of undergraduate students increased by 8.4% year-on-year.

According to the 2026 ABC China Private University Rankings, CUCN ranked first among private arts universities in China, demonstrating a consistently strong performance that positions us at the forefront of the industry. Leveraging a high-quality curriculum system, a student-centered educational philosophy, and outstanding academic outcomes, CUCN has developed a distinctive core competitiveness. Our vocational education programs are designed to help adult students acquire new professional skills, pursue personal interests, or obtain additional qualifications to enhance their career prospects, and provide them with self-study examination preparation programs. Our international education programs maintain cooperations with over 80 leading global media and art colleges, enabling students enrolled in these programs to pursue their studies of undergraduate programs at the overseas universities we cooperate with upon completion of the relevant courses.

Approved by the Ministry of Education of the PRC for operating a Sino-foreign cooperative school, the Group and the University of East Anglia ("**UEA**") have jointly established the CUCN-UEA Digital Creativity Institute（南京傳媒學院-東安格利亞數字創意學院）("**Digital Creativity Institute**") at our University. Digital Creativity Institute is the first Sino-British joint institute among Chinese higher education institutions to focus on digital creativity and cultivate artificial intelligence ("**AI**") application talent.

Digital Creativity Institute offers three undergraduate programs: digital media technology, internet and new media, film and television photography and production. A large portion of the courses across these programs are taught by faculty from UEA, covering more than 70 courses including creative writing, digital media and creative computing, AI, human-computer interaction, mobile application development, digital audio-visual creation, and web programming. The institute operates these programs on a 4-year curriculum, with an approved enrolment capacity of 1,200 students. Students can complete their entire studies at our University without the need to study abroad. Upon graduation, students will be awarded dual degrees from both CUCN and UEA. This enables students to access world-class university educational resources within China, while significantly reducing the costs associated with overseas study. Digital Creativity Institute has commenced admissions and the inaugural cohort of students will enroll in the 2026/2027 academic year.

Established in the United Kingdom (the "**UK**") in 1963, UEA is a top-tier public research university and is committed to achieving research excellence, as evidenced by its academic success with Nobel Prizes awarded to three alumni. UEA is the first university in the UK to establish a creative writing program. UEA has already launched master programs in AI, actively driving the integration of technology and creative education. According to The Complete University Guide 2027, UEA's "Communication and Media Studies" subject is ranked 17th in the UK, while UEA is ranked overall 34th in the UK.

As disclosed in note 12 to the Company's condensed consolidated statement of financial position, the Group has provided the Transferor with Bridging Loans of RMB250 million and RMB170 million to facilitate the reorganisation in connection with the acquisition of Olympic College (the "**Acquisition**"). 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, although the Acquisition has not yet been completed. Under the terms of the Acquisition, since certain conditions were not satisfied by the Transferor within 36 months from the date of the Acquisition agreement, the Acquisition consideration will be adjusted from RMB450 million to RMB250 million (the "**Adjusted Consideration**") upon completion of 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 currently 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 reached agreement with the relevant local authorities on certain arrangements for the transfer of properties of Olympic College to CUCN. Subject to the completion of the relevant property transfer procedures, the Acquisition is expected to be completed by the end of 2026.

As at 30 June 2026, the total amount of RMB420 million for the Bridging Loans was included in other receivables in the Company's condensed consolidated statement of financial position and the accumulated impairment losses amounted to RMB240.7 million (as at 31 December 2025: RMB240.7 million). As the fair value of the underlying security for the Bridging Loans did not change materially, no additional impairment losses on the Bridging Loans were recognised during 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, revenue from our higher education (media and arts), vocational education and international education segment reached RMB414.6 million, representing a year-on-year growth of 17.7%, primarily attributable to the rise in tuition fees for new undergraduates enrolled in the 2023/2024 and 2025/2026 academic years, as well as the increase in total undergraduate enrolment.

Our higher education (media and arts), vocational education and international education business recorded the segment profit of RMB206.0 million, representing a year-on-year growth of 14.2%, primarily driven by revenue growth from higher education (media and arts) programs.

**Entertainment and livestreaming e-commerce**

During the Reporting Period, Ms. Qi Wei and Mr. Li Chengxuan, our artists, continued to focus on brand endorsements, promotional campaigns and variety show appearances, while Ms. Qi Wei devoted less time to livestreaming sales in the first half of 2026 compared to the same period last year. In response to Ms. Qi Wei's reduced involvement in livestreaming e-commerce business in recent years, the Group has established multiple livestreaming studios at our University and cultivated our own team of teachers and students to conduct livestreaming e-commerce activities. We have also formalised a school-enterprise cooperation model for our livestreaming e-commerce business and entered into partnerships with leading industry players, such as cosmetics brands. Although revenue generated from our teacher-student livestreaming sales during the Reporting Period was modest, the Group remains committed to delivering future results from our in-house developed livestreaming e-commerce business.

The Group will continue to negotiate with the relevant customers in relation to its TV/film production business regarding their repayment plans for the long-standing overdue receivables. The Group has initiated legal proceedings to recover certain outstanding amounts and will continue to monitor the progress of such recovery.

***Segment performance***

During the Reporting Period, revenue from entertainment and livestreaming e-commerce segment amounted to RMB24.1 million, primarily derived from our artist management and related business. Segment revenue decreased by RMB2.9 million compared with the same period last year, mainly attributable to a decline in artist management service income.

The segment results improved significantly from a loss of RMB45.2 million in the corresponding period of the previous year to a loss of RMB0.4 million for the Reporting Period, principally due to the absence of fair value losses on an investment in TV/film series (classified as financial assets measured at FVTPL) that were recognised in the corresponding period of 2025.

**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 2025 annual report. Please refer to the Company's 2025 annual report published on 28 April 2026 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 has been deeply engaged in the media and arts education sector for many years. Leveraging its high-quality faculty and well-established teaching systems, it has cultivated a large number of outstanding talents for China's media and arts industries. While continuing to consolidate its core media and arts education business, the Group is also actively promoting the integration of industry and education and steadily exploring new business ventures. The Group will remain committed to advancing its three strategic directions in parallel – media and arts education, pay-for-knowledge and vertical e-commerce, and AI-empowered education (AI professors and AI arts courses) – to build an integrated industry-education ecosystem that aligns policy compliance, technological innovation, and commercialisation. Through these efforts, the Group aims to establish a significant competitive edge in the AI-empowered media and arts sector.

### i) Media and arts education: Solid foundations and quality education

The "Outline of the Plan for Building a Leading Education Nation (2024–2035)", issued by the Central Committee of the Communist Party of China and the State Council, calls for the orderly expansion of quality undergraduate enrolment. The Group has long been rooted in media and arts education, offering over 50 undergraduate programs that comprehensively cover media, arts, and related disciplines. Among these, 16 programs have been recognised as first-class provincial majors in Jiangsu Province, and 4 have been designated as national-level first-class majors, reflecting notable achievements in academic development. On this foundation, our University's enrolment scale has grown steadily in the past. Looking ahead, we will continue to uphold our commitment to high-quality education, and strive to cultivate more outstanding talents for China's media and arts industries.

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

"The Several Opinions on Deepening the Integration of Industry and Education", issued by the General Office of the State Council, provides clear policy guidance for the Group to deepen its strategic layout in media and arts education and build an industry-coordinated ecosystem. At the same time, China's media and arts industries are undergoing rapid transformation, with industry-education integration emerging as a key developmental trend.

In recent years, China's pay-for-knowledge market has sustained relatively robust growth, with content becoming increasingly specialised, verticalised, and brand-oriented. In response to this trend, and building on the Group's existing strengths in vocational education, international education, and adult training, we are actively extending our value chain and entering the "pay-for-knowledge and vertical e-commerce" space. This new business line will systematically integrate the Group's long-accumulated teaching resources, faculty systems, and content production capabilities in media and arts. Going forward, the Group will benchmark against leading content creators in the pay-for-knowledge industry, focusing on niche areas such as media and arts, culture, and education, to develop a portfolio of high-quality pay-for-knowledge intellectual properties with strong commercial potential. By continuously diversifying our product formats and content matrix, we will progressively establish a sustainable development model centered on premium content, enhance content commercialisation efficiency, and create new revenue streams and growth drivers for the Group.

### iii) AI-empowered education (AI professors and AI arts courses): The Innovation engine for AI education

"The Next Generation AI Development Plan" issued by the State Council has established the core framework for AI development in China. The 2026 Government Work Report calls for deepening and expanding the application of "AI+", while the 15th Five-Year Plan envisions advancing AI from mere technological application towards a new form of intelligent economy. Driven by the national strategy to vigorously develop AI, in recent years, relevant authorities have issued multiple operational guidelines and standards for AI in education. As a result, AI-empowered education is accelerating its rollout across China.

In active response to the national promotion for "AI+" development and the strategic directives set out in the "Outline of the Plan for Building a Leading Education Nation (2024–2035)" – including "promoting AI to assist educational transformation" – we are making a deep foray into AI education. We are committed to driving the deep integration of AI with higher education in media and arts, and are building a dual-track "academic + applied" operating system that encompasses two core areas: the "AI professor" teaching scenario and the "AI arts courses" pay-for-knowledge offering.

The Group is collaborating with a renowned domestic AI enterprise to develop a subscription-based product for "AI professors and AI arts courses" tailored to the media and arts fields. This project is currently under development and testing, with an expected launch before the end of this year. The product will pioneer a dual-licensing system based on "foundational algorithms + scenario-specific adaptation", enabling deep customisation for professional courses such as film and television production, animation design, and digital media arts. With broad audience appeal, the product offers personalised customisation to meet the needs of users across different age groups, and supports uninterrupted instruction around the clock, transcending the limitations of traditional teaching models. Furthermore, as an AI education platform, this project will bring together top-tier experts in media, arts, and related fields from across China to deliver customised services to various institutions and audiences. It is also planned to be promoted to schools both domestically and internationally that have demand for media and arts courses, thereby lowering operational costs through digital means while enhancing the quality of media and arts education services.

## Conclusion

The Group has continuously increased its investment and optimisation efforts in higher education (media and arts), vocational education and international education. This has further consolidated its leading position in China's private media and arts education sector, and has laid a solid foundation for deepening industry-education integration in pay-for-knowledge and vertical e-commerce. Through deep collaboration with industry, we are able to offer students more practical opportunities and diverse employment channels, effectively enhancing graduates' competitiveness in the job market, and thereby strengthening the appeal and reputation of our education brand. This enables a close linkage between the education chain, talent chain, industry chain, and innovation chain, supplying more high-quality professionals to support the sustained development of China's media and arts industries.

We believe that, with our precise positioning and innovative development across the three pillars of media and arts education, pay-for-knowledge and vertical e-commerce, and AI-empowered education, the Group has built significant strengths. We are well-positioned to create greater social and commercial value, drive the deep integration of media and arts education with industry in China, and deliver stable value growth and returns to the Company's shareholders (the "**Shareholders**").

## MANAGEMENT DISCUSSION AND ANALYSIS

**Revenue**

The following table sets forth our revenue by business segment for the six months ended 30 June 2026 and 2025.

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **(unaudited)** | | (unaudited) | |
| | *(RMB'000, except percentages)* | | | |
| **Segment Revenue** | | | | |
| Higher education (media and arts), vocational education and international education | **414,617** | **94.5%** | 352,221 | 92.9% |
| Entertainment and livestreaming e-commerce | **24,130** | **5.5%** | 27,068 | 7.1% |
| **Total** | **438,747** | **100%** | 379,289 | 100% |

During the Reporting Period, revenue from our higher education (media and arts), vocational education and international education business segment reached RMB414.6 million, representing year-on-year growth of 17.7%, while revenue from our entertainment and livestreaming e-commerce business segment amounted to RMB24.1 million, a year-on-year decrease of 10.9%. These changes were primarily due to the reasons as mentioned in the respective segment performance reviews under the "Business Review" section.

As a result of the foregoing, total revenue of the Group increased by RMB59.5 million, or 15.7%, from RMB379.3 million for the six months ended 30 June 2025 to RMB438.7 million for the Reporting Period.

### Cost of revenue

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **(unaudited)** | | (unaudited) | |
| | *(RMB'000, except percentages)* | | | |
| **Segment Cost** | | | | |
| Higher education (media and arts), vocational education and international education | **164,699** | **89.5%** | 141,587 | 82.5% |
| Entertainment and livestreaming e-commerce | **19,291** | **10.5%** | 29,970 | 17.5% |
| **Total** | **183,990** | **100%** | 171,557 | 100% |

The cost of revenue of our higher education (media and arts), vocational education and international education business segment increased by 16.3% from RMB141.6 million for the six months ended 30 June 2025 to RMB164.7 million for the Reporting Period, primarily due to the increase in teaching staff costs.

The cost of revenue of our entertainment and livestreaming e-commerce business segment decreased from RMB30.0 million for the six months ended 30 June 2025 to RMB19.3 million for the Reporting Period, primarily due to our effective cost control and a decrease in amortisation of intangible assets related to our livestreaming e-commerce and artist management business.

As a result of the foregoing, total cost of revenue of the Group increased from RMB171.6 million for the six months ended 30 June 2025 to RMB184.0 million for the Reporting Period.

### Gross profit/(loss) and gross margin

| | Six months ended 30 June | | | |
|---|---|---|---|---|
| | **2026** | | 2025 | |
| | **(unaudited)** | | (unaudited) | |
| | **Gross profit** | **Gross margin** | Gross profit/(loss) | Gross margin |
| | *(RMB'000, except percentages)* | | | |
| Higher education (media and arts), vocational education and international education | **249,918** | **60.3%** | 210,634 | 59.8% |
| Entertainment and livestreaming e-commerce | **4,839** | **20.1%** | (2,902) | -10.7% |
| **Total** | **254,757** | **58.1%** | 207,732 | 54.8% |

The gross profit margin of our higher education (media and arts), vocational education and international education business segment slightly improved during the Reporting Period, primarily attributable to CUCN's effective cost control measures.

As a result of the foregoing, our entertainment and livestreaming e-commerce business segment recorded a gross profit margin of 20.1% for the Reporting Period, as compared to a gross loss margin of 10.7% for the six months ended 30 June 2025.

The Group's overall gross profit margin increased from 54.8% for the six months ended 30 June 2025 to 58.1% for the Reporting Period, primarily due to the improvement of entertainment and livestreaming e-commerce business segment's gross profit.

**Other income**

Other income decreased from RMB17.0 million for the six months ended 30 June 2025 to RMB15.4 million for the Reporting Period, primarily due to a decrease in interest income from banks.

**Net impairment reversals on financial assets**

During the Reporting Period, the Group recorded a reversal of impairment losses of RMB0.1 million on certain trade receivables, which was considered immaterial.

The Group has engaged an independent valuer to estimate the amount of impairment losses for the Reporting Period based on certain valuation methods which are consistently applied in prior periods, details of which are set out in the Company's 2025 annual results announcement published on 30 March 2026 and its 2025 annual report published on 28 April 2026.

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 2025 annual results announcement and its 2025 annual report.

**Other gains and losses**

Other gains and losses changed from a net loss of RMB26.1 million for the six months ended 30 June 2025 to a net gain of RMB3.5 million for the Reporting Period, primarily due to the absence of fair value losses on an investment in TV/film series (classified as financial assets measured at FVTPL) that were recognised in the six months ended 30 June 2025.

**Selling expenses**

The Group's selling expenses decreased from RMB7.4 million for the six months ended 30 June 2025 to RMB6.1 million for the Reporting Period, primarily due to a reduction in selling expenses associated with livestreaming sales activities hosted by Ms. Qi Wei.

**Administrative expenses**

The Group's administrative expenses increased from RMB55.8 million for the six months ended 30 June 2025 to RMB57.3 million for the Reporting Period, primarily due to the increase in staff costs of our higher education (media and arts) business.

## Taxation

The Group's income tax expense increased from RMB0.5 million for the six months ended 30 June 2025 to RMB5.8 million for the Reporting Period, primarily due to an increase in taxable profits of certain subsidiaries.

## Profit for the period

As a result of the foregoing, profit for the period of the Group for the six months ended 30 June 2026 reached RMB204.6 million, representing a year-on-year growth of 46.0%.

## Non-HKFRS Measure – Adjusted Net Profit

In order to supplement the Group's condensed 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 period after adjustments for equity-settled share-based payments. The Adjusted Net Profit of the Group for the six months ended 30 June 2026 was RMB204.8 million, as compared to the Adjusted Net Profit of RMB140.6 million for the six months ended 30 June 2025.

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

| | **Six months ended 30 June** | |
|---|---|---|
| | **2026** | 2025 |
| | **(unaudited)** | (unaudited) |
| | ***(RMB'000)*** | *(RMB'000)* |
| Profit for the period | **204,605** | 140,102 |
| Add: Share options award (equity-settled share-based payments) | **231** | 512 |
| **Non-HKFRS: Adjusted Net Profit** | **204,836** | 140,614 |

The Group is of the view that the amount of equity-settled share-based payments was non-operating and non-cash in nature and, accordingly, included this as an adjusting item. There were no changes in the composition of the adjusting items for both periods.

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 period.

**Liquidity, financial resources and capital structure**

During the Reporting Period, the Group funded its cash requirements principally from cash generated from operations.

As at 30 June 2026, the Group's cash and cash equivalents, time deposits and structured deposits classified as financial assets at FVTPL amounted to RMB1,386.9 million in aggregate (as at 31 December 2025: RMB1,648.6 million), of which the majority were denominated in RMB and HK$. The decrease in cash and cash equivalents was primarily due to cash used in operating activities and for dividend payment. The majority of these time deposits and structured deposits were placed with banks for better utilisation of our surplus cash.

The Group continued to maintain a healthy and sound financial position. As at 30 June 2026, the current ratio (the ratio of total current assets to total current liabilities) was 460.7% (as at 31 December 2025: 251.4%). The liability-to-asset ratio (the ratio of total liabilities to total assets) decreased from 20.6% as at 31 December 2025 to 9.5% as at 30 June 2026.

As at 30 June 2026, the Group did not have any interest-bearing borrowings (as at 31 December 2025: nil). As at 30 June 2026, the Group's total equity amounted to RMB2,779.7 million (as at 31 December 2025: RMB2,681.3 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 30 June 2026, the Group's gearing ratio was zero (as at 31 December 2025: zero), which is calculated as total interest-bearing borrowings divided by total equity.

**Capital expenditure and commitment**

During the six months ended 30 June 2026, the Group paid RMB21.2 million primarily for the purchases of equipment for our University.

As at 30 June 2026, the Group had no capital commitment (as at 31 December 2025: RMB0.2 million).

**Foreign exchange exposure**

During the six months ended 30 June 2026, 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 30 June 2026, 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 30 June 2026, the Group had no pledge of assets (as at 31 December 2025: nil).

**Contingent liabilities**

As at 30 June 2026, the Group had no material contingent liabilities (as at 31 December 2025: nil).

**Significant investments**

The Group did not make or hold significant investments (including any investment in an investee company with a value of 5% or more of the Company's total assets as at 30 June 2026) 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 six months ended 30 June 2026.

**Future plans for material investments or capital assets**

As at 30 June 2026, the Group did not have detailed future plans for material investments or capital assets.

**Employees and remuneration**

As at 30 June 2026, the Group had a total of 2,510 employees (as at 31 December 2025: 2,536 employees). The following table sets forth the total number of employees by function as at 30 June 2026:

| Function | 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 | 5 |
| Management and administration | 2 |
| TV/film production and corporate management | |
| Operations | 3 |
| Management and administration | 20 |
| **Total** | 2,510 |

The total remuneration cost incurred by the Group for the six months ended 30 June 2026 was RMB109.4 million, as compared to RMB102.1 million for the six months ended 30 June 2025.

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 interim report of the Company for the six months ended 30 June 2026 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 safeguarding the interests of Shareholders.

**Compliance with the Corporate Governance Code**

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 on the Stock Exchange during the six months ended 30 June 2026, 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.

### 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 six months ended 30 June 2026 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 the chairperson of the audit committee.

The audit committee has reviewed the unaudited interim results of the Group for the six months ended 30 June 2026 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.

## 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 30 June 2026, 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 six months ended 30 June 2026 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.

### Interim dividend

The Board did not recommend the distribution of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

## PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cathaymedia.com). The interim report for the six months ended 30 June 2026 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, 28 August 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.*