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華夏文化科技集團
CA CULTURAL TECHNOLOGY GROUP

CA CULTURAL TECHNOLOGY GROUP LIMITED

華夏文化科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01566)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

The highlights in relation to the unaudited interim results of the Group for the six months ended 30 September 2025 are as follows:

- Revenue was HK\$164.9 million for the six months ended 30 September 2025, representing an decrease of approximately 14.4% as compared with HK\$192.6 million for the six months ended 30 September 2024.
- Gross profit was HK\$37.4 million for the six months ended 30 September 2025, representing an decrease of approximately 9.2% as compared with HK\$41.2 million for the six months ended 30 September 2024. Gross profit margin for the six months ended 30 September 2025 was approximately 22.7%, representing an increase of approximately 6.0% as compared with approximately 21.4% for the six months ended 30 September 2024.
- Loss attributable to the owners of the Company was HK\$66.2 million for the six months ended 30 September 2025, representing a increase of approximately 3,384.2% as compared with HK\$1.9 million for the six months ended 30 September 2024.
- Basic loss per share amounted to HK5.60 cents for the six months ended 30 September 2025, representing a increase of approximately 3,400.0% as compared with HK0.16 cents for the six months ended 30 September 2024.

The board (the “**Board**”) of directors (the “**Directors**”) of CA Cultural Technology Group Limited (the “**Company**”) announces the unaudited interim results of the Company (which together with its subsidiaries, the “**Group**”) for the six months ended 30 September 2025, together with the comparative figures for the corresponding period in 2024.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	4	164,947	192,622
Cost of sales and services		(127,508)	(151,418)
Gross profit		37,439	41,204
Other income		341	288
Other gains and losses	5	41	42,762
Selling and distribution expenses		(19,743)	(12,968)
Administrative expenses		(28,678)	(32,376)
Research and development expenses		(5,254)	(4,693)
Share of loss of associates		—	(10)
Finance costs		(52,252)	(45,763)
Reversal of impairment loss under expected credit loss model, net of provision		2,419	15,052
(Loss)/profit before taxation		(65,687)	3,496
Taxation	6	(196)	(179)
(Loss)/profit for the period	7	(65,883)	3,317

		Six months ended	
		30 September	
		2025	2024
		(Unaudited)	(Unaudited)
<i>Notes</i>		HK\$'000	HK\$'000
Other comprehensive (expense)/income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
	Exchange differences arising on translation of foreign subsidiaries	276	(2,196)
	Fair value loss on financial assets at fair value through other comprehensive income	(7)	(4)
	Other comprehensive income/(expense) for the period	<u>269</u>	<u>(2,200)</u>
	Total comprehensive (expense)/income for the period	<u><u>(65,614)</u></u>	<u><u>1,117</u></u>
(Loss)/profit for the period attributable to:			
	Owners of the Company	(66,245)	(1,887)
	Non-controlling interests	362	5,204
		<u>(65,883)</u>	<u>3,317</u>
Total comprehensive income/(expense) attributable to:			
	Owners of the Company	(65,898)	(3,726)
	Non-controlling interests	284	4,843
		<u>(65,614)</u>	<u>1,117</u>
Loss per share	9		
	— Basic (HK cents)	(5.60)	(0.16)
	— Diluted (HK cents)	N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		38,323	42,440
Right-of-use assets		113,408	118,367
Goodwill		2,425	2,425
Intangible assets		—	—
Interest in associates		—	—
Interest in a joint venture		—	—
Financial assets at fair value through other comprehensive income	<i>10</i>	3,297	3,304
Deposits for acquisition of property, plant and equipment		72,112	72,112
Deposit for a theme park development project		50,000	50,000
Rental deposits		11,776	11,676
		291,341	300,324
Current assets			
Inventories		7,871	6,657
Trade receivables	<i>11</i>	52,648	57,681
Other receivables, deposits and prepayments	<i>12</i>	48,193	49,489
Restricted bank balance		—	2,240
Bank balances and cash		12,964	11,384
		121,676	127,451
Current liabilities			
Trade payables	<i>13</i>	3,506	4,026
Other payables and accruals		381,058	338,175
Amount due to a director		247	82
Contract liabilities		14,557	19,496
Lease liabilities		9,728	10,942
Tax payable		25,562	25,652
Bonds		722,094	721,755
Guaranteed note		25,000	25,000
Bank borrowings and other borrowings	<i>14</i>	172,653	162,565
		1,354,405	1,307,693

		30 September 2025	31 March 2025
		(Unaudited)	(Audited)
	<i>Notes</i>	HK\$'000	HK\$'000
Net current liabilities		(1,232,729)	(1,180,242)
Total assets less current liabilities		(941,388)	(879,918)
Non-current liabilities			
Bank and other borrowings	<i>14</i>	53,131	48,915
Lease liabilities		94,758	98,465
Contract liabilities		28,028	24,578
Provision for reinstatement costs for rented premises		26,039	25,854
Obligation arising from a put option to non-controlling interests		10,900	10,900
Put option derivatives		—	—
		212,856	208,712
Net liabilities		(1,154,244)	(1,088,630)
Capital and reserves			
Share capital	<i>15</i>	118,204	118,204
Reserves		(1,257,124)	(1,191,226)
Equity attributable to owners of the Company		(1,138,920)	(1,073,022)
Non-controlling interests		(15,324)	(15,608)
Total capital deficiency		(1,154,244)	(1,088,630)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

1. GENERAL

CA Cultural Technology Group Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 25 September 2013 and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent and ultimate holding company is Bright Rise Enterprises Limited, a private company incorporated in the British Virgin Islands, which is ultimately held by Mr. CHONG Heung Chung Jason (“**Mr. CHONG**”) who is also an executive director of the Company. The registered office of the Company is at Cricket Square, Hutchins Drive, PO BOX 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Room 2905, 29th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the trading of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment. The Company and its subsidiaries are collectively referred to as the “**Group**”.

The condensed consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate.

Save as described below, the accounting policies applied to prepare this unaudited condensed consolidated interim financial information for the six months ended 30 September 2025 are consistent with the Group’s annual financial statements for the year ended 31 March 2025, which has been prepared in accordance Hong Kong Financial Reporting Standards (“**HKFRSs**”):

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the new and revised standards in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set in these condensed consolidated financial statements.

Going Concern

The Group recorded a net loss of HK\$65,883,000 for the six months ended 30 September 2025, and, as at 30 September 2025, the Group recorded net current liabilities of HK\$1,232,729,000 and net liabilities of HK\$1,154,244,000. The Group's total bank and other borrowings, bonds payable and guaranteed notes amounted to HK\$972,878,000, out of which HK\$919,747,000 were due for repayment or would be due for repayment within the next twelve months, while its cash and cash equivalents amounted to HK\$12,964,000 only as at 30 September 2025.

As at 30 September 2025, the Group also has defaulted on repayment of certain bonds payable, a guaranteed note and other borrowings of approximately HK\$722,094,000, HK\$25,000,000 and HK\$79,217,000 respectively which were included as part of current liabilities as at 30 September 2025. Furthermore, the Group received several demand letters and statutory demands from bondholders in relation to the overdue payments of the bonds' principals and related interest.

The conditions described above cast significant doubts on the Group's ability to continue as a going concern. The directors are of the view that the Group will be able to raise adequate funds to enable it to operate as a going concern, based on the Group's business forecast and cash flow projection which, inter alia, take into account the past actual operating performance of the Group and assume the following:

- (i) successfully completing the debt restructuring of its bonds payables and amounts owed to other creditors;
- (ii) successfully dismissing the statutory demands;
- (iii) successfully obtaining additional new sources of financing as and when needed;
- (iv) successfully implementing measures to speed up the collection of outstanding sales proceeds and effectively control costs and expenses;
- (v) the successful maintenance of relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings with interest payments in default.

For the purpose of debt restructuring, on 12 December 2022, the Company and an independent third party investor (the “**Investor**”) entered into a legally binding term sheet in relation to the proposed restructuring which included debt restructuring of the Company by way of scheme of arrangement to be entered into between the Company and creditors of the Company under the Companies Ordinance (Cap. 622) (the “**Scheme**”), the subscription of the Company’s shares and its convertible bonds by the Investor, the capital reorganisation of the Company and change in board lot size for trading in the Company’s shares.

If the Scheme is successfully implemented and become effective, claims against and liabilities of the Company under the Scheme will be compromised and discharged. Under the Scheme, a cash consideration of approximately HK\$160,000,000 from the net proceeds from the share subscription by the Investor will be distributed by the Company and an aggregate of 59,000,000 Company’s new shares at the issue price of HK\$0.1772 per new share will be issued and allotted by the Company for the benefit of the Scheme creditors. For details, please refer to the Company’s announcement dated 15 March 2023.

By an Order dated 21 April 2023 (the “**Court Order**”) made by the High Court of the Hong Kong Special Administrative Region (“**Court**”) in relation to the proposed scheme of arrangement between the Company and the creditors under the Companies Ordinance (Cap. 622) (the “**Scheme**”), the Court has directed that a scheme meeting (the “**Scheme Meeting**”) be convened of the creditors of the Company for the purpose of considering and, if thought fit, approving (with or without modification or condition approved and imposed by the Court) the Scheme proposed to be made between the Company and the creditors pursuant to the Companies Ordinance (Cap. 622). The Scheme has been approved by the requisite majorities of the creditors of the Company on the Scheme Meeting on 27 June 2023. The Creditors’ scheme was sanctioned without modification by the order of the High Court of Hong Kong on 19 March 2024. The Creditors’ scheme will become effective when all the conditions precedent to the Creditors’ scheme, among others, the completion of the Subscriptions having taken place, are satisfied. For details please refer to the announcements of the Company dated 5 June 2023 and 27 June 2023, and joint announcement issued by the Company and Kyosei-Bank Co., Ltd. dated 15 March 2023, 6 April 2023, 21 April 2023, 12 May 2023, 2 June 2023, 14 July 2023, 21 August 2023, 25 September 2023, 26 October 2023 and 13 November 2023, 22 December 2023, 22 January 2024, 9 February 2024, 8 March 2024, 10 April 2024, 13 May 2024 and 14 June 2024.

The directors believe that, taking into account the above factors, the Group will have sufficient working capital to satisfy its present requirements for at least the next 12 months from the end of the reporting period. However, should the above financing be unavailable or the eventual outcome of the above matters be unsuccessful or unfavorable to the Group, the Group may be unable to continue as a going concern, in which case adjustments might have to be made to the carrying values of the Group’s assets to write down to their realisable values, to provide for any further liabilities which might arise and to reclassify its non-current assets and non-current liabilities to current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

4. REVENUE AND SEGMENT INFORMATION

Revenue represents revenue arising from sales of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment in Hong Kong, Japan and the PRC during the six months ended 30 September 2025.

Information reported to the chief executive of the Company, being the chief operating decision maker (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group’s operating and reportable segments currently are: (i) sales of animation derivative products; (ii) establishment and operation of indoor theme parks; and (iii) multimedia animation entertainment. The CODM considers the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

(i) Disaggregation of revenue from contracts with customers

		Six months ended	
		30 September	
		2025	2024
	<i>Note</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Sales of animation derivative products		69,281	81,946
Sales of admission tickets		93,295	103,494
Sales of theme park machineries		371	5,828
Licensing income of indoor theme parks		1,818	1,017
Licensing income from multimedia animation entertainment	(i)	2	—
Sales of other products		101	—
Revenue from provision of theme park design and consultancy services		79	337
		164,947	192,622

Note:

- (i) The revenue is mainly derived from licensing income generated from the Group's animation characters, sales of VR products, and ticketing income from VR gaming exhibitions.

Timing of revenue recognition:

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
At point in time	164,114	191,656
Over time	833	966
	<u>164,947</u>	<u>192,622</u>

(ii) Segment information

(a) Segment revenue and results

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

For the six months ended 30 September 2025 (unaudited)

	Sales of animation derivative products HK\$'000	Establishment and operation of indoor theme parks HK\$'000	Multimedia animation entertainment HK\$'000	Total HK\$'000
Segment revenue	<u>69,274</u>	<u>95,570</u>	<u>103</u>	<u>164,947</u>
Segment profit	<u>(2,928)</u>	<u>10,799</u>	<u>2,443</u>	<u>10,314</u>
Unallocated expenses				(25,535)
Unallocated other income, other gains and losses				18
Finance costs				<u>(50,484)</u>
Profit before taxation				<u>(65,687)</u>

For the six months ended 30 September 2024 (unaudited)

	Sales of animation derivative products <i>HK\$'000</i>	Establishment and operation of indoor theme parks <i>HK\$'000</i>	Multimedia animation entertainment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue	81,912	110,710	—	192,622
Segment profit	<u>3,919</u>	<u>69,269</u>	<u>1,918</u>	<u>75,106</u>
Unallocated expenses				(29,192)
Unallocated other income, other gains and losses				68
Finance costs				<u>(42,486)</u>
Profit before taxation				<u>3,496</u>

There was no inter-segment revenue for the six months end 30 September 2024 and 2025.

(b) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segments:

Segment assets

	30 September 2025 (Unaudited) <i>HK\$'000</i>	31 March 2025 (Audited) <i>HK\$'000</i>
Sales of animation derivative products	75,031	83,241
Establishment and operation of indoor theme parks	312,803	317,649
M ultimedia animation entertainment	4,716	4,828
Total segment assets	392,500	405,718
Property, plant and equipment	38	38
Other receivables, deposits and prepayments	1,743	2,666
Goodwill	2,425	2,425
Interest in associates	—	—
Financial assets at fair value through profit or loss	—	—
Financial assets at fair value through other comprehensive income	3,297	3,304
Restricted bank balance	—	2,240
Bank balances and cash	12,964	11,384
Consolidated assets	<u>413,017</u>	<u>427,775</u>

Segment liabilities

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Sales of animation derivative products	2,167	2,717
Establishment and operation of indoor theme parks	<u>203,000</u>	<u>213,633</u>
Total segment liabilities	205,167	216,350
Other payables and accruals	352,507	305,186
Amount due to a director	247	82
Bank borrowings and other borrowings	225,784	211,480
Tax payable	25,562	25,652
Bonds	722,094	721,755
Guaranteed note	25,000	25,000
Obligation arising from a put option to non-controlling interest	10,900	10,900
Put option derivatives	<u>—</u>	<u>—</u>
Consolidated liabilities	<u>1,567,261</u>	<u>1,516,405</u>

Segment assets represent certain property, plant and equipment, right-of-use assets, intangible assets, deposits for acquisition of property, plant and equipment, deposits for a theme park development project, interest in associates, inventories, trade receivables, certain other receivables, rental deposits, and deposits and prepayments which are directly attributable to the relevant operating and reportable segments.

Segment liabilities represent trade and notes payables, certain other payables and accruals, contract liabilities, certain lease liabilities, deferred tax liabilities, retirement benefit obligations, provision for reinstatement costs for rented premises, tax payable, obligation arising from a put option to a non-controlling interest and put option derivatives which are directly attributable to the relevant operating and reportable segments.

These are the measures reported to the CODM for the purpose of resources allocation and assessment of segment performance.

5. OTHER GAINS AND LOSSES

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net exchange gain	45	21
Gain on waiver of lease payable	—	46,372
Loss on disposal of fixed assets	(4)	(3,281)
Other loss	—	(350)
	<u>41</u>	<u>42,762</u>

6. TAXATION

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
The tax charge comprises:		
Hong Kong Profits Tax	—	—
The PRC Enterprise Income Tax (“EIT”)-Overprovision in prior years	—	—
The Japan Corporate Tax	196	179
	<u>196</u>	<u>179</u>

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity is taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

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

Corporate tax in Japan is calculated at 23.25% (31 March 2025: 23.25%) on the estimated assessable profit. Pursuant to relevant laws and regulations in Japan, withholding tax is imposed at 20.42% (31 March 2025: 20.42%) and 5% (31 March 2025: 5%) on dividends declared to local investors and foreign investors, respectively, in respect of profit generated by subsidiaries incorporated in Japan.

7. (LOSS)/PROFIT FOR THE PERIOD

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
(Loss)/profit for the period has been arrived at after charging:		
Staff costs:		
Directors' emoluments	1,531	1,543
Other staff costs		
Salaries and other benefits	28,765	28,941
Retirement benefits scheme contributions	2,954	4,311
Defined benefits costs	464	232
	<u>33,714</u>	<u>35,027</u>
Cost of inventories recognised as expenses	70,086	78,749
Depreciation of property, plant and equipment	4,385	12,017
Depreciation of right-of-use assets	<u>6,040</u>	<u>10,344</u>

8. DIVIDENDS

During the current interim period, no final dividend in respect of the year ended 31 March 2025 (31 March 2024: Nil) was declared to the owners of the Company.

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

9. LOSS PER SHARE

(a) Basic loss per share

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

	Six months ended	
	30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Loss:		
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	<u>(66,245)</u>	<u>(1,887)</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>1,182,042</u>	<u>1,182,042</u>

(b) Diluted loss per share

For the six months ended 30 September 2025 and 2024, diluted loss per share attributable to owners of the Company were the same as the basic loss per share because the computation of diluted loss per share does not assume the exercise of the Company's share options as the exercise price of those share options was higher than the average market price of the Company's shares for both six months ended 30 September 2025 and 2024.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The amount represented listed equity securities listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The fair value of the listed equity securities is based on their current bid prices in active markets, and therefore classified under level 1 of fair value hierarchy.

11. TRADE RECEIVABLES

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Trade receivables	286,940	292,585
Less: accumulated impairment losses	234,292	234,904
	<u>52,648</u>	<u>57,681</u>

The Group generally allows a credit period ranging from 30 days to 90 days to its customers of sales of animation derivative products except certain major customers with a good track record which may be granted a longer credit period of 180 days.

For customers of licensing income, the Group allows a credit period ranging from 90 to 365 days.

The following is an analysis of trade receivables by age, presented based on the invoice dates, which approximated the revenue recognition dates:

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
0 to 90 days	33,482	56,890
91 to 180 days	19,002	352
181 to 365 days	164	439
Over 365 days	—	—

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
Rental deposit	107	742
VAT recoverable	660	649
Other receivables	31	27
Prepayments	47,196	47,525
Amounts due from associates	—	—
Amount due from a joint venture	—	—
Interest receivable	—	342
Deposit paid	199	204
	<u>48,193</u>	<u>49,489</u>

13. TRADE PAYABLES

The average credit period on purchases of goods ranges from 0 to 30 days. The following is an analysis of trade payables and notes payable by age, presented based on the invoice dates at the end of the reporting period:

	30 September 2025 (Unaudited) HK\$'000	31 March 2025 (Audited) HK\$'000
0 to 30 days	231	796
31 to 60 days	—	—
61 to 90 days	—	—
Over 90 days	3,275	3,230
	<u>3,506</u>	<u>4,026</u>

14. BANK AND OTHER BORROWINGS

During the period, the Group has not drawn any new bank borrowings (six months ended 30 September 2024: HK\$2,659,000). The bank and other borrowings carry interest at fixed rates ranging from 0.20% to 3.60% (31 March 2024: 0.20% to 3.60%) per annum and are repayable on demand or having maturity from 2025 to 2031. The Group repaid bank borrowings of HK\$7,477,000 during the six months ended 30 September 2025 (six months ended 30 September 2024: HK\$23,794,000).

Included in the bank borrowings balance as at 30 September 2025 are secured bank borrowings of approximately HK\$9,058,000 (31 March 2025: HK\$8,900,000) which were secured by a property jointly owned by Mr. CHONG and his spouse.

Included in the other borrowings balance as at 30 September 2025 are borrowings of approximately HK\$65,250,000 (31 March 2025: HK\$65,250,000) at fixed rate ranging from 8% to 10%, which was secured by the Company's shares held by Bright Rise Enterprises Limited (wholly-owned by Mr. CHONG).

15. SHARE CAPITAL

	Number of shares of HK\$0.1 each	Share capital HK\$'000
Authorised:		
At 31 March 2025, 1 April 2025 and 30 September 2025	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 31 March 2025, 1 April 2025 and 30 September 2025	<u>1,182,042,000</u>	<u>1,182,204</u>

Note:

- (i) All the shares issued ranked pari passu in all respects with the then existing shares in issue.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a multimedia entertainment group in China which is engaged in three main business segments, including:

- 1) expansion of the world's No.1 indoor theme park CA SEGA JOYPOLIS brand through asset-light licensing model;
- 2) animation-derived products trading business, meanwhile on this basis, to explore the IP Pop Toy Collectibles related business;
- 3) Multimedia animation entertainment business focusing on animation IP and VR (including eSports).

CA SEGA JOYPOLIS LTD. (formerly known as “**SEGA Live Creation Inc.**”) is the world's No.1 indoor theme park brand company acquired by the Group from SEGA Holding in 2017. The Group cooperated with different business partners through asset-light licensing model to promote theme park brand. Currently, the Group directly operates two large-scale theme parks CA SEGA JOYPOLIS in Tokyo and Sendai, Japan, a licensed CA SEGA JOYPOLIS indoor theme park in Guangzhou and licensed Wonder Forest kids amusement parks in first-tier and second-tier cities in China. The Joypolis Sports Park, which is invested and established by an external investor and licensed by the Group, is under preparation and construction and expected to open at around December 2024. It will become the Group's first operating park in Hong Kong at the Kai Tak Sports Park, which will make an additional contribution to our performance growth.

The Group has over 30 years' experience in the IP pop toy industry (mainly IP pop toy manufacturing business), engaging in the trading business as well as relevant value-added services of sales of animation-derived products (mainly toys) featuring a wide range of popular third-party owned animation characters in the Japanese market. Most of the customers of the Group are companies in Japan sourcing animation-derived products for leading toys companies and for leading outdoor theme parks in Japan. The Group maintained a long term and solid relationships with such companies. The Group has accumulated years of experience, resources, and reputation in the animation industry to fully develop the IP pop toy business.

The Group owns the license rights to many famous animation IPs, including two global top 10 national cartoon characters — “Han Ba Gui” and “Violet,” as well as characters from movies and animated dramas such as “The King of Tibetan Antelope”, “Animal Conference on the Environment” and “Amazing UU”. China’s first virtual artist “Violet” created by the Group has held 3D Holographic Concerts in Shenzhen and Hong Kong since 2015. The Group also established close cooperative relationships with many world-leading IP brands such as “Transformers” in the US, SEGA Sonic the Hedgehog, and Initial D, etc. The Group also participated in the co-investment and coproduction of the animated series “The Reflection” with internationally famous partners such as Studio Deen from Japan and Stan Lee “Father of Marvel” which was broadcasted over 38 countries and regions.

The Group established VR eSports and VR O2O game model, and became one of the leaders in the VR eSport industry. The Group is the organizer of the eSports tournament in the “World Conference on VR industry 2019” authorized by the China Information Industry Trade Association and the Ministry of Industry and Information Technology. The Group launched its groundbreaking and self-innovated VR eSports game “Huang Yangjie Battle 黃洋界保衛戰” to promote red cultural tourism, which was awarded prestigious industry awards named the “Chinese Information Consumption Innovation award 2018 (2018中國信息消費創新獎)” and the “Gold Award of Chinese eSports Innovative Software 2019 (2019中國電子競技創新獎軟件金獎)” presented by China Information Industry Trade Association (中國信息產業協會). It was also awarded the “Outstanding Award of Global Digital Technology Creative Design Competition 2021” (2021年全球數字科技創意設計大賽傑出獎).

INDUSTRY REVIEW

Indoor Theme Park Business

In 2025, the indoor park industry shows a rapid development trend, which is mainly reflected in the following aspects:

1. Market size and growth

The number of indoor theme parks has already exceeded 100,000 and is expected to reach about RMB200 billion by 2026. This indicates that the industry is undergoing significant expansion and transformation.

2. Characteristics of consumer groups

Parent-child families are still the main consumer group of indoor theme parks, especially the parents of the post-80s and post-90s, who pay more attention to experience and interaction when choosing amusement places.

3. *The convergence of technology and experience*

As technology advances, indoor theme parks are incorporating new technologies such as virtual reality (VR) and augmented reality (AR) to provide a more immersive and interactive experience. This trend not only appeals to children, but also meets the high demands of adult consumers for content and experience.

4. *Industry development trends*

Indoor theme parks are developing towards multi-functional and integrated, combining amusement, leisure, sports and other experiences, and becoming an important part of shopping malls.

In the future, children's indoor amusement parks will pay more attention to personalization and technology integration, and provide customized play experiences through data analysis and artificial intelligence.

5. *Social and economic environmental impacts*

With the changing needs of family entertainment and the evolution of children's educational concepts, indoor amusement parks are gradually transforming into interactive spaces that integrate educational elements, emphasizing the experience of entertainment and education.

The indoor theme park industry in 2025 is in a stage of rapid development and transformation, with huge market potential, increasingly diversified consumer needs, and the application of technology has also brought new opportunities to the industry.

Gaming Industry

Below are a few key trends in the gaming industry in 2025:

1. *Market size and growth*

The gaming industry continues to grow rapidly, and the global market size is expected to reach more than USD200 billion. The rise of mobile gaming and cloud gaming is a major factor driving the growth.

2. *Technological innovation*

The popularity of VR and AR technologies has made gaming experiences more immersive and interactive. Many game developers are actively exploring these technologies and launching new game products.

3. *Changes in user base*

The user base is becoming more and more diverse, and it is no longer limited to young players. The rising proportion of middle-aged and older gamers, especially in social and casual games, is driving further expansion of the market.

4. *The rise of social gaming*

The importance of social elements in games is increasing, and many games have begun to focus on interaction and cooperation between players to enhance user stickiness.

5. *The impact of esports*

The esports industry is booming, and the scale and audience of the event continue to grow, attracting a lot of investment and sponsorship, and promoting the development of related industry chains.

6. *Sustainability and social responsibility*

With the increasing emphasis on sustainable development, more and more game companies have begun to pay attention to environmental protection and social responsibility, and have launched green games and public welfare projects.

7. *Regulatory policy*

Increasingly stringent regulatory policies on the gaming industry, especially in the areas of youth protection and gaming content, pose certain challenges to game development and market operations.

In 2025, the gaming industry shows strong vitality in terms of technological innovation, market expansion, and user diversity, while also facing new challenges in regulation and social responsibility.

Toys Product Industry

In 2025, the toy product industry shows an active development trend, which is mainly reflected in the following aspects:

1. *Market size and growth*

The global toy market is expected to reach more than \$200 billion, with significant growth in the Asia-Pacific and North American markets, driving the expansion of the overall industry.

2. *Consumer trends*

Consumers are increasingly concerned about the educational and safety of toys, especially for infants and children. Parents tend to choose products that promote intellectual development and social skills.

3. *Technology and innovation*

The rise of smart toys has become a major highlight. These toys use artificial intelligence and interactive technology to provide a personalized play experience, attracting the attention of a large number of young parents.

4. *Environmental awareness*

With the increasing environmental awareness, many toy companies are adopting renewable materials and biodegradable packaging to meet consumer demand for sustainable products.

5. *The rise of e-commerce channels*

Online shopping has become the main purchase channel, especially after the pandemic, and many consumers are accustomed to buying toys through e-commerce platforms, which is driving digital marketing and online brand building.

6. *Product diversification*

A growing variety of toys, from traditional bricks and puzzles to high-tech robots and VR toys, to suit all ages and interests.

7. *Globalization and localization*

Despite the obvious trend of globalization, the cultural and educational needs of toys in various regional markets are also prompting companies to adapt locally to better adapt to the market.

8. *Regulatory and safety standards*

Increasingly stringent safety standards and regulatory policies for toys, companies need to continuously improve product quality and safety to comply with relevant regulations.

The toy products industry in 2025 shows strong growth potential in terms of market demand, technological innovation, and environmental awareness, while also facing regulatory and market competition challenges.

BUSINESS REVIEW

During the Period under Review, the overall performance of the Group was as follows:

1. Trading business of animation derivatives: Pop Toy and IP culture drive order volume and revenue

Global inflation has intensified, resulting in an increase in the operating and trading costs of animation derivatives. Nevertheless, the growing popularity of Pop Toy and IP culture has driven the number of orders across the animation derivatives market as a whole. However, due to intense market competition, many industry peers attracted customers by lowering their prices.

During the Period under Review, the Group maintained a stable and progressive pace in its trading business by adjusting its sales strategies, providing high-quality value-added services, and continuously reviewing operating costs and efficiency, with a view to making progress while maintaining stability in a tough and challenging market environment.

2. Indoor theme park business: JOYPOLIS SPORTS in Kai Tak, Hong Kong

During the Period under Review, by implementing the asset-light licensing model, Huajiatai (Shanghai) Indoor Amusement Co., Ltd. (“**Huajiatai**”), a wholly-owned subsidiary of the Company which previously operated the Shanghai Joypolis indoor theme park, disposed of its own and its cooperating party’s assets and equipment of Shanghai Joypolis to an independent third party in September 2024, and terminated the tenancy with the landlord upon completion of the disposal. Following the disposal, Huajiatai will focus on the marketing of the Joypolis licensing business and will no longer operate indoor theme parks.

The Group has cooperated with an investor to establish another new theme park, namely JOYPOLIS SPORTS, which has been opened in December 2024 in Kai Tak Sports Park, Hong Kong.

During the Period under Review, the Group’s CA SEGA branded theme parks, including SEGA JOYPOLIS in Tokyo and Sendai, Japan, Shanghai JOYPOLIS in China, as well as children’s amusement parks in different regions, had fully recovered following the lifting of restrictive measures. However, the Group still had to cope with the challenges arising from global economic instability.

3. Multimedia animation entertainment business:

During the Period under review, the Group's business partners had resumed their IP projects and in business negotiation to explore different surrounding derivatives, including but not limited to theme parks, online live broadcasts and virtual platforms.

BUSINESS PROSPECTS

The Company is an investment holding company, and the Group is principally engaged in the trading of animation derivative products, as well as the establishment and operation of indoor theme parks and multimedia animation entertainment businesses in the PRC, Hong Kong and Japan.

The Group's operations and income generated from its theme park and animation derivative products businesses have fully recovered following the Covid-19 pandemic. However, global economic instability continues to affect the Group's expansion to a certain extent.

Following the sanction of the Creditors' scheme by the High Court of Hong Kong without modification on 19 March 2024, the Group believes that, upon completion of the scheme of arrangement and with the continued development of its online business initiatives, including Meta JOYPOLIS, virtual theme parks, big data platforms, online social media, the Pop Toy platform, and the upgrading of the operating and gaming systems of CA SEGA JOYPOLIS, the Group will be well-positioned to meet future challenges.

Although the Group is facing unprecedented challenges, it will continue to actively pursue stability and progress amid uncertainties. The Group will continue to develop and launch different types of CA SEGA JOYPOLIS theme parks, including metaverse-themed virtual reality parks, and present them to tourists through a combination of physical and virtual experiences. In addition, leveraging the Group's rich portfolio of animation IP resources, the Group plans to launch IP-themed parks and different types of amusement facilities catering to various target groups, so as to explore more peripheral derivative consumption areas and diversify its sources of income.

Following the full lifting of restrictive measures after the pandemic, the Group has gradually resumed its theme park projects, which are expected to bring considerable revenue to the Group and further enhance the brand influence of CA SEGA indoor theme parks.

In order to strengthen the synergy and operational efficiency of the Group's different business segments, the Group plans to channel offline traffic from its parks to its online Pop Toy Collectibles platform via its APP. IP Pop Toy special booths will be set up in indoor parks to host IP events, including IP parades and KOL live streaming activities, so as to attract more animation IP enthusiasts to visit the theme parks while also promoting the online platform's followers and sales.

In addition, after July 2025, the Group has commenced the planning and development of AI-related projects and cooperation projects relating to Tuntun Cup products, with a view to expanding its business portfolio and exploring new growth drivers through the integration of technology, consumer products and entertainment-related applications.

FINANCIAL REVIEW

The following sets forth a summary of the performance of the Group for the six months ended 30 September 2025 with comparative unaudited figures for the corresponding period last year as follows:

	For the six months ended	
	30 September	
	2025	2024
Revenue (<i>HK\$'000</i>)	164,947	192,622
Gross profit (<i>HK\$'000</i>)	37,439	41,204
Gross profit margin (%)	22.7	21.4
Loss attributable to owners of the Company (<i>HK\$'000</i>)	<u>(67,498)</u>	<u>(1,887)</u>

Revenue

The revenue decreased by HK\$27.7 million, or approximately 14.4%, from HK\$192.6 million for the six months ended 30 September 2024 to HK\$164.9 million for the six months ended 30 September 2025. The decrease was primarily due to an decrease in sales of animation derivative products of HK\$12.6 million and an decrease in the revenue from establishment and operation of indoor theme parks of HK\$15.1 million.

Sales of animation derivative products

The revenue from sales of animation derivative products decreased by approximately 15.4%, from HK\$81.9 million for the six months ended 30 September 2024 to HK\$69.3 million for the six months ended 30 September 2025, primarily due to that purchase orders placed by the customers were decreased.

Establishment and operation of indoor theme parks

The revenue from establishment and operation of indoor theme parks decreased by approximately 13.6% from HK\$110.7 million for the six months ended 30 September 2024 to HK\$95.6 million for the six months ended 30 September 2025. The number of visitors to the indoor theme park in Japan based on ticket sales decreased by approximately 18.2% from 0.44 million for the six months ended 30 September 2024 to 0.36 million for the six months ended 30 September 2025.

The analysis of the number of visitors is set out below:

	2025 '000	2024 '000
PRC	—	132
Japan	355	439
	<u>355</u>	<u>571</u>

Multimedia animation entertainment

The Group recorded revenue from multimedia animation entertainment of HK\$103,000 during the current reporting period (six months ended 30 September 2024: Nil). The revenue from multimedia animation entertainment included revenue generated from licensing income, ticket sales for VR games and event activities.

Cost of sales and services

The cost of sales and services decreased by HK\$23.9 million, or approximately 15.8%, from HK\$151.4 million for the six months ended 30 September 2024 to HK\$127.5 million for the six months ended 30 September 2025. The decrease was primarily due to the decrease in the depreciation and amortisation expenses and the decrease in cost of sales of animation derivative products.

Gross profit and gross profit margin

The Group's gross profit decreased by HK\$3.8 million, or approximately 9.2%, from HK\$41.2 million for the six months ended 30 September 2024 to HK\$37.4 million for the six months ended 30 September 2025. The Group's gross profit margin increased from approximately 21.4% for the six months ended 30 September 2024 to approximately 22.7% for the six months ended 30 September 2025. The decrease in the gross profit was mainly due to the decrease in cost of service of theme park business due to the decrease in depreciation and amortisation expenses.

Other gains and losses

Other gains and losses is absent for the six months ended 30 September 2025, compared to a gain of approximately HK\$42.8 million for the six months ended 30 September 2024. The gain was mainly due to an one-time gain from the waiver of lease payable resulted from the ending of operation of a theme park of the Group in Shanghai, the PRC.

Selling and distribution expenses

The selling and distribution expenses increased by HK\$6.7 million, or approximately 51.5%, from HK\$13.0 million for the six months ended 30 September 2024 to HK\$19.7 million for the six months ended 30 September 2025. The Group's selling and distribution expenses as a percentage of revenue increased from approximately 6.7% for the six months ended 30 September 2024 to approximately 11.9% for the six months ended 30 September 2025. The increase was primarily because of the spending in promotion activities in operating of theme park business.

Research and development expenses

The research and development expenses increased by HK\$0.6 million from HK\$4.7 million for the six months ended 30 September 2024 to HK\$5.3 million for the six months ended 30 September 2025. The research and development expenses remained steady since the Group continued to invest on its research and development in theme park amusement.

Administrative expenses

The administrative expenses decreased by HK\$1.1 million from HK\$32.4 million for the six months ended 30 September 2024 to HK\$31.3 million for the six months ended 30 September 2025. The administrative expenses remained steady during the period.

Loss attributable to owners of the Company

Loss attributable to owners of the Company increased by HK\$67.7 million from HK\$1.9 million for the six months ended 30 September 2024 to HK\$69.6 million for the six months ended 30 September 2025. The increase was primarily due to: (i) the decrease in gross profit in the amount of approximately HK\$3.8 million from the establishment and operation of indoor theme parks during the period under review; (ii) the absent in other gains in amount of approximately HK\$43.8 million mainly from one-time gain from the waiver of lease payable; (iii) the decrease in reversal of impairment loss under expected credit loss model, net of provision, in the amount of approximately HK\$12.3 million; and (iv) the increased in finance costs in amount of approximately HK\$7.5 million.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

As at 30 September 2025, the authorised share capital of the Company was HK\$500.0 million divided into 5,000,000,000 shares of HK\$0.1 each and the issued share capital of the Company was approximately HK\$118.2 million divided into 1,182,042,000 shares of HK\$0.1 each.

As at 30 September 2025, the cash and bank balances of the Group were HK\$13.0 million (31 March 2025: HK\$11.4 million). The cash and bank balances remained steady during the period.

As at 30 September 2025, the Group had a gearing ratio (calculate as bank and other borrowings, lease liabilities, guaranteed note and bonds, divided by total assets) of approximately 257.4% (31 March 2025: approximately 249.6%).

During the six months period ended 30 September 2025, the Company did not issue any bond.

TREASURY POLICIES

The Group has adopted a prudent treasury policy throughout the six months ended 30 September 2025. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

FUTURE PLANS, MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group will continue to develop the indoor amusement theme parks globally and develop online business and digital content and also launch of new theme park product line. Moreover, the Group will continue to develop VR technology projects including setting up partnerships with an independent third party for selling of VR equipment, development of VR game contents and VR eSports with the integration of new technology and so on.

The Company has identified an investor on the proposed subscription in the shares of the Company and has deposited the escrow money. The Scheme has been approved by the requisite majorities of creditors of the Company on a scheme meeting (the “**Scheme Meeting**”) held on 27 June 2023. The Creditors' scheme was sanctioned without modification by the order of the High Court of Hong Kong on 19 March 2024.

LITIGATION

(a) ACCP Global Limited (HCA1618/2021)

On 1 September 2021, ACCP Global entered into a ACCP Subscription Agreement with the Company in relation to the ACCP Subscription. On 29 September 2021, the shares of the Company were allotted and issued to the Subscriber in two batches with the first one consisting of 40,000,000 and the second one comprising 46,000,000 of the shares of the Company. However, ACCP Global refused to pay any consideration for the Shares on the grounds that the Company allegedly misrepresented that it was in good financial health and standing and was not in default of any of its existing liabilities, despite being in default of multiple bond payables upon the date of the ACCP Subscription Agreement. On that basis, ACCP Global claimed that the ACCP Subscription Agreement had been repudiated and was not obliged to perform its obligations pursuant to the the ACCP Subscription Agreement. On 26 October 2021, ACCP Global filed a writ of summons (HCA1618/2021) against the Company and Mr. Chong Heung Chung Jason, the chairman and executive Director, to claim for the damages, cost, interest on the damages and further or/and other relief resulting from the alleged fraudulent misrepresentations made by the Company.

In response, the Company denied the alleged misrepresentations and on 18 August 2022, filed a Defence to Counterclaim against ACCP Global, Lau Wang Chi Barry being the ultimate beneficial owner of ACCP Global and Well Link Securities Limited, the referral agent whom introduced ACCP Global to the Company and, as suspected by the Company, helped ACCP Global to breach the terms of the ACCP Subscription Agreement (being the other 2 concert parties of ACCP Global) for damages to be assessed, an account of profits and payment of sums found due, cost, interest and further or/and other relief.

Having evaluated the merits of the Company's case, the Directors believe that ACCP Global's claim for the alleged misrepresentation is groundless. In view of the aforesaid, the Directors consider that no provision for this claim is necessary.

On 24 April 2023, the High Court of Hong Kong has made a winding-up order against ACCP Global under HCCW 466/2022 so Lau Wang Chi Barry and Well Link Securities Limited shall have to bear the legal consequences of the case to indemnify the Group the damages resulted from the ACCP Subscription.

A hearing of the case took place on 15th July 2024 and the proceedings against ACCP Global will continue pending the leave to be granted by the High Court.

As at the last hearing, no decision has been made and the next hearing scheduled to be held on 27 August 2026. The Company will continue its action against ACCP Global, Lau Wang Chi Barry and Well Link Securities Limited.

For details of the share subscription, please refer to the announcements of the Company dated 1 September 2021 and 8 December 2021.

(b) Claims from bond and other loan holders

Up to the Latest Practicable Date, several demand letters and statutory demands were served on the Company by bond and other loan holders of the Company (the “**Holders**”). The Holders which are also Creditors under the Creditors’ scheme, demanded the Company to repay outstanding bond payables and accrued interest in an aggregate amount (up to 31 January 2026) of approximately HK\$198,086 million.

FOREIGN EXCHANGE EXPOSURE

There has been no significant change in the Group’s policy in terms of exchange rate risks. The Group’s transactions are mainly denominated in Hong Kong dollar, Renminbi, Japanese Yen or US dollar. The Management of the Group is closely monitoring foreign exchange risks and would consider the use of hedging instruments as and when appropriate.

ENVIRONMENTAL POLICY

The Group is committed to the protection of the environment. The Group adheres to the principle of recycling and energy saving. The Group has encouraged and motivated our staff to be environmentally friendly in the office including the use of recycled papers for printing and photocopying and to reduce electricity consumption by switching off idle lighting and electrical appliances when they are not in use.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2025, the Group had 117 employees (30 September 2024: 116 employees). For the six months ended 30 September 2025, employees’ remuneration and benefits in kind and contribution to the pension scheme (including the Directors’ remuneration and benefits in kind and contribution to the pension scheme) amounted to HK\$33.7 million (six months ended 30 September 2024: HK\$35.0 million). The decrease was mainly attributable to the decrease of HK\$1.4 million in retirement benefits scheme contributions. The Group’s remuneration package is determined with reference to the experience and qualification of the individual employees and the general market conditions. The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2025.

AUDIT COMMITTEE AND REVIEW OF INTERIM FINANCIAL RESULTS

Pursuant to Rule 3.21 of the Listing Rules, the Company established an audit committee (the “**Audit Committee**”) with written terms of reference aligned with the Corporate Governance Code as stated in Appendix 14 of the Listing Rules (the “**CG Code**”). The Audit Committee comprises three independent non-executive Directors, namely Mr. HUNG Muk Ming (Chairman), Mr. WANG Guozhen, and Mr. NI Zhenliang.

The Audit Committee has discussed with the management of the Group and reviewed the unaudited interim financial results of the Group for the six months ended 30 September 2025, including the accounting principles and practices adopted by the Group, and discussed financial related matters.

INTERIM DIVIDEND

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2025: Nil).

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions set out in the CG Code throughout the period, except for the following deviation:

Code provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. CHONG Heung Chung Jason is the Chairman of the Board and the Chief Executive Officer of the Company. As Mr. CHONG Heung Chung Jason is the founder of the Group and has extensive experience in corporate operations and management, the Directors believe that it is in the best interest of the Group to have Mr. CHONG Heung Chung Jason taking up both roles for effective management and business development.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set forth in Appendix 10 of the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transaction by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2025.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this interim results announcement, the Company has maintained sufficient prescribed public float of the issued shares as required under the Listing Rules.

PUBLICATION OF INFORMATION ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This announcement is published on the Company’s website (www.animatechina.com) and the website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months ended 30 September 2025 containing all information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 9 a.m. on 21 November 2024, and will remain suspended until further notice. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board
CA Cultural Technology Group Limited
Chong Heung Chung Jason
Chairman and Executive Director

Hong Kong, 20 March 2025

As of the date of this announcement, the executive Directors are Mr. Chong Heung Chung Jason and Ms. Liu Moxiang, and the independent non-executive Directors are Mr. Ni Zhenliang, Mr. Wang Guozhen and Mr. Hung Muk Ming.