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華夏控股

CATHAY GROUP HOLDINGS INC.

華夏集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1981)

CONNECTED TRANSACTIONS – RENEWAL OF LEASES OF THE GROUP'S HEADQUARTERS

Reference is made to the Company's announcement dated 9 December 2022, pursuant to which the Group has leased from Mr. Pu the Premises for the period commencing from 1 January 2023 and ending on 31 December 2025.

2026 LEASE AGREEMENTS

On 16 December 2025, the Group, through the Company's subsidiaries and consolidated affiliated entities as tenants, entered into the 2026 Lease Agreements with Mr. Pu (the executive Director and the Controlling Shareholder), as the landlord, to renew the leases of the Premises for a term of three years commencing from 1 January 2026 and ending on 31 December 2028. The Premises are currently used as the Group's headquarters. The aggregate rental amount for the 2026 Lease Agreements will be reduced by approximately 47% as compared to that of the 2023 Lease Agreements.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16, the Group (as the lessee) is required to recognise the leases of the Premises as right-of-use assets. Hence, the entering into of the 2026 Lease Agreements and the transactions contemplated thereunder will be regarded as acquisition of assets by the Group.

As at the date of this announcement, Mr. Pu is the executive Director and the Controlling Shareholder and therefore, Mr. Pu and his associates are connected persons of the Company and the entering into of the 2026 Lease Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the value of the right-of-use assets to be recognised by the Group under the 2026 Lease Agreements are more than 0.1% but less than 5%, the entering into of the 2026 Lease Agreements fall within the ambit of Rule 14A.76(2)(a) of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the Company's announcement dated 9 December 2022, pursuant to which the Group has leased from Mr. Pu the Premises for the period commencing from 1 January 2023 and ending on 31 December 2025.

2026 LEASE AGREEMENTS

In order to continue to use the Premises as the Group's headquarters, on 16 December 2025, the Group (through the Company's subsidiaries and consolidated affiliated entities as tenants) and Mr. Pu (as the landlord) entered into the 2026 Lease Agreements. The aggregate rental amount for the 2026 Lease Agreements will be reduced by approximately 47% as compared to that of the 2023 Lease Agreements. The principal terms of the 2026 Lease Agreements are set out below:

Date: 16 December 2025

Parties:

(a) 2026 Lease Agreement A – Huaxia Audio-Visual Global Media (Beijing) Holdings Co., Ltd. (華夏視聽環球傳媒(北京)股份有限公司) (“**Huaxia Audio-Visual**”), as the tenant;

2026 Lease Agreement B – Nanjing Bicheng Education Consulting Co., Ltd. (南京碧城教育諮詢有限公司) (“**Bicheng Education Consulting**”), as the tenant;

2026 Lease Agreement C – Beijing Huaxia Huyu Culture Media Co., Ltd. (北京華夏互娛文化傳媒有限公司) (“**Huaxia Huyu**”), as the tenant;

2026 Lease Agreement D – Dongyang Huaxia Audio-Visual Film Culture Co., Ltd. (東陽華夏視聽影視文化有限公司) (“**Dongyang Huaxia**”), as the tenant;

2026 Lease Agreement E – Nanjing Bicheng Vocational Skills Training School Co., Ltd. (南京碧城職業技能培訓學校有限公司) (“**Bicheng Vocational Training**”), as the tenant;

2026 Lease Agreement F – Nanjing Bicheng Rongchuang Cultural Industries Co., Ltd. (南京碧城榮創文化產業有限公司) (“**Bicheng Rongchuang**”), as the tenant; and

(b) Mr. Pu, as the landlord of each of the 2026 Lease Agreements.

Term: from 1 January 2026 to 31 December 2028

Premises:

2026 Lease Agreement A – 148.69 square meters of office space at unit 2201, 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC

2026 Lease Agreement B – 463.46 square meters of office space at units 2202 and 2203, 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC

2026 Lease Agreement C – 97.81 square meters of office space at unit 2205, 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC

2026 Lease Agreement D – 97.81 square meters of office space at unit 2206, 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC

2026 Lease Agreement E – 458.27 square meters of office space at units 2207 and 2208, 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC

2026 Lease Agreement F – 95.46 square meters of office space at unit 2209, 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC

Usage: Office – as the headquarters of the Group

Rent: a one-time payment of approximately RMB0.8 million, RMB2.5 million, RMB0.6 million, RMB0.6 million, RMB2.5 million and RMB0.5 million in relation to 2026 Lease Agreement A, 2026 Lease Agreement B, 2026 Lease Agreement C, 2026 Lease Agreement D, 2026 Lease Agreement E and 2026 Lease Agreement F, respectively (all equivalent to three years' rent, and in aggregate, approximately RMB7.5 million), which shall be payable in full by the Group upon the signing of the 2026 Lease Agreements.

The rent was determined based on arm's length discussions with reference to (i) the prevailing market rates for the leasing of similar properties from independent third parties in the same or adjacent area on normal commercial terms, (ii) the value of right-of-use assets arising under the 2026 Lease Agreements, and (iii) the conditions of the Premises (including the location of the Premises, facilities and management services associated with the Premises).

Colliers Appraisal & Advisory Services Co., Ltd., an independent property valuer, has confirmed that it is of the view that the terms and conditions (including the rent) under the 2026 Lease Agreements are fair, reasonable and consistent with the prevailing market rentals of similar properties.

The Group estimates that the value of the right-of-use assets to be recognised by the Group under the 2026 Lease Agreements shall be approximately RMB7.5 million. The value of right-of-use assets is based on the preliminary assessment of the Board and subject to adjustment.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2026 LEASE AGREEMENTS

The Group has leased the Premises from Mr. Pu under the 2023 Lease Agreements and the Premises are currently used as the Group's headquarters. As the 2023 Lease Agreements will expire on 31 December 2025, Mr. Pu agreed to renew the tenancy of the Premises to continue the Group's present usage of the Premises as the Group's headquarters for its usual and ordinary course of business. The aggregate rental amount for the 2026 Lease Agreements will be reduced by approximately 47% as compared to that of the 2023 Lease Agreements. The Group believes that it would save administrative costs and time as well as renovation costs that would otherwise be spent on negotiating and entering into new contracts with third party lessors.

The Directors (excluding Mr. Pu and Ms. Luo who are required to abstain from voting, but including the independent non-executive Directors) are of the view that the 2026 Lease Agreements were entered into on normal commercial terms, in the ordinary and usual course of business of the Group, and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Group is principally engaged in higher education (media and arts), vocational education and international education as well as entertainment and livestreaming e-commerce in the PRC.

All the tenants of the 2026 Lease Agreements are the Company's subsidiaries or consolidated affiliated entities and their principal businesses are as follows:

Name of the tenant	Principal business
Huaxia Audio-Visual	Television series and film production
Bicheng Education Consulting	Education consulting services
Huaxia Huyu	Livestreaming e-commerce and artist management
Dongyang Huaxia	Investment holding and television series and film production
Bicheng Vocational Training	Vocational skills training
Bicheng Rongchuang	Enterprise management consulting services and logistics management services

Mr. Pu, the founder and the chief executive officer of the Company, is the executive Director and the chairperson of the Board. As at the date of this announcement, Cathay Media Holding, a company wholly-owned by Winning Global which is controlled by Mr. Pu through a discretionary trust, holds 1,208,000,000 Shares, representing approximately 72.99% of the issued share capital of the Company and accordingly, Mr. Pu is the Controlling Shareholder.

IMPLICATIONS UNDER THE LISTING RULES

In accordance with HKFRS 16, the Group (as the lessee) is required to recognise the lease of the Premises as right-of-use assets. Hence, the entering into of the 2026 Lease Agreements and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group.

As at the date of this announcement, Mr. Pu is the executive Director and the Controlling Shareholder. Accordingly, Mr. Pu, and his associates are connected persons of the Company and the entering into of the 2026 Lease Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the value of the right-of-use assets to be recognised by the Group under the 2026 Lease Agreements are more than 0.1% but less than 5%, the entering into of the 2026 Lease Agreements fall within the ambit of Rule 14A.76(2)(a) of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Pu and Ms. Luo (the spouse of Mr. Pu and the executive Director) have abstained from voting on the relevant board resolutions of the Company for approving the 2026 Lease Agreements. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, other than Mr. Pu and Ms. Luo, none of the Directors has material interest in the transaction contemplated under the 2026 Lease Agreements and none of them is required to abstain from voting on the relevant board resolutions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“2023 Lease Agreements”	the agreements dated 9 December 2022 entered into between the Group (as the tenant) and Mr. Pu (as the landlord) in relation to the leasing of the Premises during the period from 1 January 2023 to 31 December 2025, the summary of the terms are set out in the Company's announcement dated 9 December 2022
“2026 Lease Agreements”	the 2026 Lease Agreement A, 2026 Lease Agreement B, 2026 Lease Agreement C, 2026 Lease Agreement D, 2026 Lease Agreement E and 2026 Lease Agreement F
“2026 Lease Agreement A”	the lease agreement dated 16 December 2025 entered into between Huaxia Audio-Visual (as the tenant) and Mr. Pu (as the landlord), as more particularly described in the section “2026 Lease Agreements” in this announcement
“2026 Lease Agreement B”	the agreement dated 16 December 2025 entered into between Bicheng Education Consulting (as the tenant) and Mr. Pu (as the landlord), as more particularly described in the section “2026 Lease Agreements” in this announcement

“2026 Lease Agreement C”	the agreement dated 16 December 2025 entered into between Huaxia Huyu (as the tenant) and Mr. Pu (as the landlord), as more particularly described in the section “2026 Lease Agreements” in this announcement
“2026 Lease Agreement D”	the agreement dated 16 December 2025 entered into between Dongyang Huaxia (as the tenant) and Mr. Pu (as the landlord), as more particularly described in the section “2026 Lease Agreements” in this announcement
“2026 Lease Agreement E”	the agreement dated 16 December 2025 entered into between Bicheng Vocational Training (as the tenant) and Mr. Pu (as the landlord), as more particularly described in the section “2026 Lease Agreements” in this announcement
“2026 Lease Agreement F”	the agreement dated 16 December 2025 entered into between Bicheng Rongchuang (as the tenant) and Mr. Pu (as the landlord), as more particularly described in the section “2026 Lease Agreements” in this announcement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Cathay Media Holding”	Cathay Media Holding Inc., a company incorporated in the British Virgin Islands, and is wholly-owned by Winning Global
“China” or “PRC”	the People’s Republic of China
“Company”	Cathay Group Holdings Inc. (華夏集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 4 January 2017
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of our Company
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Mr. Pu”	Mr. Pu Shulin (蒲樹林), the founder and the chief executive officer of the Company, the executive Director, the chairperson of the Board and the Controlling Shareholder
“Ms. Luo”	Ms. Jacqueline Luo (羅佳), the spouse of Mr. Pu, the executive Director and the Controlling Shareholder
“Premises”	unit 2201, units 2202 and 2203, unit 2205, unit 2206, units 2207 and 2208, and unit 2209 on 22/F, Block 12, Wanda Plaza, No. 93 Jianguo Road, Chaoyang District, Beijing, PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Winning Global”	Winning Global Ventures Limited, a company incorporated in the British Virgin Islands and is controlled by Mr. Pu as a settlor through a discretionary trust
“%”	percent

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

China, 16 December 2025

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.