



INTERIM REPORT 2026



CATHAY GROUP HOLDINGS INC.
華夏集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 01981.HK

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Pu Shulin (*Chairperson and Chief Executive Officer*)
Ms. Jacqueline Luo
Mr. Wu Ye
Mr. Lau Chi Hung

Independent non-executive Directors

Mr. Zhang Jizhong
Mr. Lee Cheuk Yin Dannis
Mr. Huang Yu

AUDIT COMMITTEE

Mr. Lee Cheuk Yin Dannis (*Chairperson*)
Mr. Zhang Jizhong
Mr. Huang Yu

REMUNERATION COMMITTEE

Mr. Huang Yu (*Chairperson*)
Mr. Pu Shulin
Mr. Lee Cheuk Yin Dannis

NOMINATION COMMITTEE

Mr. Pu Shulin (*Chairperson*)
Ms. Jacqueline Luo
Mr. Zhang Jizhong
Mr. Lee Cheuk Yin Dannis
Mr. Huang Yu

COMPANY SECRETARY

Mr. Lau Chi Hung

AUTHORISED REPRESENTATIVES

Mr. Pu Shulin
Mr. Lau Chi Hung

HEADQUARTERS

22/F, Tower 12, Wanda Plaza
No. 93 Jianguo Road
Chaoyang District
Beijing, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1918, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

REGISTERED OFFICE

190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

AUDITOR

Deloitte Touche Tohmatsu
Registered Public Interest Entity Auditor
35/F One Pacific Place
88 Queensway
Central, Hong Kong

LEGAL ADVISERS

As to Hong Kong and U.S. laws
Skadden, Arps, Slate, Meagher & Flom and affiliates
42/F, Edinburgh Tower, The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law
Commerce & Finance Law Offices
12/F – 14/F, China World Office 2
No. 1 Jianguomenwai Avenue
Chaoyang District, Beijing, PRC

As to Cayman Islands law
Walkers (Hong Kong)
15/F, Alexandra House,
18 Chater Road, Central, Hong Kong

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

PRINCIPAL BANKS

DBS Bank (Hong Kong) Limited
Bank of China (HK) Ltd.

STOCK CODE

1981

COMPANY WEBSITE

www.cathaymedia.com

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.

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 14 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 report, 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 report, 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.

Recent developments after the Reporting Period

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

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 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 (unaudited)		2025 (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 report, 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 Group offers employees competitive remuneration packages, including statutory social insurance and housing fund contributions, paid annual leave and other statutory leave entitlements, performance bonuses to recognise and reward employee contributions, and various allowances such as job and living allowances. In addition, 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 Corporate Governance and Other Information section and note 19 to the condensed consolidated financial statements in this report. In terms of training, the Group places great emphasis on talent development and has established a systematic training regime for employees and comprehensive onboarding and career development trainings are provided for employees as appropriate.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 set out in Part 2 of the Corporate Governance Code during the six months ended 30 June 2026, save for the deviation set out below.

Code provision C.2.1 of the Corporate Governance 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 report.

DISCLOSURES PURSUANT TO RULES 13.13 AND 13.20 OF THE LISTING RULES

In order to facilitate the restructuring in connection with the acquisition of Olympic College as disclosed in the section headed "Business Review and Outlook" in this report, the Group entered into the Loan Agreements for the principal amounts of RMB250 million (the "**1st Loan**") and RMB170 million (the "**2nd Loan**"), respectively, to be extended to the Transferor, 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 1st Loan and the 2nd Loan are free of interest and repayment of these loans shall be at the earlier of six (6) months from the drawdown date of the respective loan agreements, or the complete date pursuant to the respective loan agreement, or the compulsory early repayment date pursuant to the respective loan agreements. Mr. Ye Hua and Ms. Gao Jiehong, two of the founders of the Olympic College, have executed share pledges in favour of Nanjing Lanchou over the entire interest of the Transferor and 9% equity interest in Jiangsu Zijin Science and Education Investment Co. Ltd* (江蘇紫金科教投資有限公司) as collateral relating to the 1st Loan and the 2nd Loan. As at 30 June 2026, the 1st loan and the 2nd loan provided under the Loan Agreements remained outstanding, and the aggregate amount (before credit impairment loss) was RMB420 million which exceeded 8% under the assets ratio (as defined under Chapter 14 of the Listing Rules) and constituted an advance to an entity under Rule 13.13 of the Listing Rules.

For details of the Loan Agreements in relation to the 1st Loan and 2nd Loan, please see the Company's announcement dated 22 June 2021.

AUDIT COMMITTEE

The Company 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 Group'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 and the interim report of the Group for the six months ended 30 June 2026 and has met with the independent auditor, Deloitte Touche Tohmatsu. The audit committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control and financial reporting matters with senior management members of the Company.

In addition, the independent auditor of the Company, Deloitte Touche Tohmatsu, has reviewed the unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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 report, 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 report.

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).

DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION PURSUANT TO LISTING RULE 13.51B(1)

Save as disclosed above, there has been no change to the information of the Directors which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the publication of the 2025 annual report of the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ASSOCIATED CORPORATIONS

As of 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO); or (b) which were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange are set out below:

Interest in the Company

Name of Director	Nature of interest	Number of ordinary shares (Long position)	Approximate percentage of holding ⁽¹⁾
Mr. Pu	Founder of a discretionary trust	1,208,000,000	72.99%
Ms. Jacqueline Luo ⁽²⁾	Interest of spouse	1,208,000,000	72.99%
Mr. Lau Chi Hung	Beneficial owner	100,000	0.00%

Notes:

(1) The calculation is based on the total number of 1,654,937,000 Shares in issue as of 30 June 2026.

(2) Ms. Jacqueline Luo is the spouse of Mr. Pu. Under the SFO, Ms. Jacqueline Luo is deemed to be interested in any Shares in which Mr. Pu is interested.

Interest in associated corporations

Associated corporation	Name of director	Nature of interest	Number of shares/amount of contribution to registered capital	Interest in associated corporation
Cathay Media Holding Inc.	Mr. Pu ⁽¹⁾	Interest of controlled corporation	1	100%

Note:

(1) Ms. Jacqueline Luo is the spouse of Mr. Pu, and she is deemed to be interested in the shares in Cathay Media Holding Inc. in which Mr. Pu is interested.

Save as disclosed above, as of 30 June 2026, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of 30 June 2026, the following persons (other than the Directors and chief executives whose interests have been disclosed in this interim report), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of Shareholder	Capacity/Nature of interest	Number of ordinary shares (Long position)	Approximate percentage of holding ⁽¹⁾
Mr. Pu ⁽²⁾	Founder of a discretionary trust	1,208,000,000	72.99%
Ms. Jacqueline Luo ⁽²⁾	Interest of spouse	1,208,000,000	72.99%
Cathay Media Holding Inc. ⁽²⁾	Beneficial owner	1,208,000,000	72.99%
Media One International (PTC) Limited ⁽²⁾	Trustee	1,208,000,000	72.99%
Winning Global Ventures Limited ⁽²⁾	Interest of controlled corporation	1,208,000,000	72.99%

Notes:

- (1) The calculation is based on the total number of 1,654,937,000 Shares in issue as of 30 June 2026.
- (2) Cathay Media Holding Inc. is wholly-owned by Winning Global Ventures Limited. Mr. Pu, as settlor, controls Winning Global Ventures Limited through a discretionary trust. Ms. Jacqueline Luo is the spouse of Mr. Pu, and she is deemed to be interested in the shares in Cathay Media Holding Inc. in which Mr. Pu is interested.
- (3) Pursuant to Section 336 of the SFO, if certain conditions are met, the Shareholders are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met. Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed herein, as of 30 June 2026, no person, other than the Directors and chief executives whose interests are set out in this interim report, had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE SCHEMES

The Company has two existing share schemes, namely the Post-IPO Share Award Scheme and the Post-IPO Share Option Scheme, which were all adopted before the effective date of the new Chapter 17 of the Listing Rules on 1 January 2023. The Company complied and will continue to comply with Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

As there were no grants made under the Post-IPO Share Award Scheme and the Post-IPO Share Option Scheme during the Reporting Period, there were 0 new Shares, representing 0% of the weighted average number of issued Shares of the Company for the Reporting Period, that may be issued in respect of all options granted during the Reporting Period to eligible participants pursuant to the Post-IPO Share Award Scheme and the Post-IPO Share Option Scheme.

Further details and relevant breakdowns of each of the share schemes of the Company are set out below:

(i) Post-IPO Share Award Scheme

Maximum number of shares available for grant

The maximum aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Shares which have been forfeited in accordance with the Share Award Scheme) will not exceed 32,000,000 Shares (representing approximately 2% of the total issued Shares as of the Listing Date) without further Shareholders' approval (the **"Share Award Scheme Limit"**), subject to an annual limit of 1% of the total number of issued Shares of the relevant times. Save as otherwise restricted by the Share Award Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested Shares that may be granted to a selected participant under the scheme.

Pursuant to the rules of the Post-IPO Share Award Scheme, the Company entered into a trust deed with Tricor Trust (Hong Kong) Limited (the **"Trustee"**) on 24 September 2021 in respect of, among others, granting, administration or vesting of any award shares (the **"Award Shares"**). As at 30 June 2026, the Trustee has purchased a total of 32,000,000 Shares (as at 31 December 2025: 32,000,000 Shares) on the Stock Exchange.

No Award Shares had been granted and agreed to be granted under the Post-IPO Share Award Scheme. As of 1 January 2026 and 30 June 2026, the total number of Award Shares available for grant under the Post-IPO Share Award Scheme was 32,000,000 Shares and 32,000,000 Shares, respectively.

Further details of the Post-IPO Share Award Scheme are set out in the Prospectus.

(ii) Post-IPO Share Option Scheme

Maximum number of Shares available for grant

The total number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and any other share option schemes of the Company is 160,000,000, representing 10% of the Shares in issue on the date the Shares commence trading on the Stock Exchange (the **"Option Scheme Mandate Limit"**). Options which have lapsed in accordance with the terms of the rules of the Post-IPO Share Option Scheme (or any other share option schemes of our Company) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit.

The Option Scheme Mandate Limit may be refreshed at any time subject to prior approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Option Scheme Mandate Limit as refreshed cannot exceed 10% of the Shares in issue as of the date of such approval.

As of 1 January 2026 and 30 June 2026, the total number of options available for grant under the Post-IPO Share Option Scheme was 150,000,000 Shares and 150,000,000 Shares, respectively.

Further details of the Post-IPO Share Option Scheme are set out in the Prospectus.

Category of grantee	Date of Grant	Exercise Period	Vesting Period	Number of options							Closing price of the Shares immediately before the date of grant	Fair value of options at the date of grant	Weighted average closing price of Shares immediately before the date of exercise	Performance targets for vesting
				Exercise Price (HK\$ per Share)	Outstanding as at 1 January 2026	Granted during the Reporting Period	Exercised during the Reporting Period	Cancelled during the Reporting Period	Lapsed during the Reporting Period	Outstanding as at 30 June 2026				
Employee Participant	31 May 2023	31 May 2023-30 May 2028	20% will vest on 30 April 2024, 30% will vest on 30 April 2025, 30% will vest on 30 April 2026, and 20% will vest on 30 October 2026. (Note)	1.40	10,000,000	-	-	-	-	10,000,000	N/A	N/A	N/A	N/A
Total					10,000,000	-	-	-	-	10,000,000				

Note:

The options shall vest in accordance with the vesting periods if the audited net profit of a consolidated affiliated entity of the Company is not less than a specified figure for each of the financial years preceding the relevant vesting dates (or in respect of the vesting date of 30 April 2025, the period from 1 May 2024 to 31 December 2024, and in respect of the vesting date of 30 October 2026, for the period from 1 January 2026 to 30 April 2026). The Board and the remuneration committee of the Company have the discretion to vest the options to the grantee on a pro-rata basis according to the actual results performance of the relevant consolidated affiliated entity. For the avoidance of doubt, the final vesting percentage will not exceed the percentages set out above.

REGULATORY UPDATE

As advised by the 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 for details.

Qualification requirements

There has been no significant update since the publication of the Company's 2025 annual report. Please refer to the Company's 2025 annual report for details.

Pu Shulin

Chairperson and Executive Director
28 August 2026

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of Cathay Group Holdings Inc.

華夏集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Cathay Group Holdings Inc. (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 21 to 40, which comprise the condensed consolidated statement of financial position as of 30 June 2026 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and notes to the condensed consolidated financial statements. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) as issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

28 August 2026

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	NOTES	Six months ended 30 June	
		2026 RMB'000 (unaudited)	2025 RMB'000 (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:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
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	12	1,230,921	1,259,980
Right-of-use assets	12	108,292	110,721
Intangible assets		10,290	13,941
Time deposits		300,000	170,000
Other receivables	14	71,611	72,452
		1,721,114	1,627,094
Current Assets			
Inventories	13	8,635	11,221
Trade and other receivables	14	253,791	256,660
Financial assets at fair value through profit or loss ("FVTPL")	15	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	16	218,914	213,940
Contract liabilities	17	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	18	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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Attributable to owners of the Company									Non-controlling interests	Total
	Share capital	Shares held for share award scheme	Share premium	Capital reserve	Translation reserve	Share-based payment reserve	Statutory surplus reserve	Retained profits	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025 (audited)	117	(52,411)	734,086	247,627	(81,765)	2,738	453,342	916,805	2,220,539	225,069	2,445,608
Profit for the period (unaudited)	-	-	-	-	-	-	-	125,397	125,397	14,705	140,102
Other comprehensive expense for the period (unaudited)	-	-	-	-	(3,315)	-	-	-	(3,315)	-	(3,315)
Total comprehensive (expense) income for the period (unaudited)	-	-	-	-	(3,315)	-	-	125,397	122,082	14,705	136,787
Recognition of equity-settled share-based payments (note 19) (unaudited)	-	-	-	-	-	512	-	-	512	-	512
Dividend recognised as distribution (note 10)	-	-	(90,607)	-	-	-	-	-	(90,607)	-	(90,607)
At 30 June 2025 (unaudited)	117	(52,411)	643,479	247,627	(85,080)	3,250	453,342	1,042,202	2,252,526	239,774	2,492,300
At 1 January 2026 (audited)	117	(52,411)	643,479	247,627	(87,866)	3,551	488,848	1,182,301	2,425,646	255,645	2,681,291
Profit for the period (unaudited)	-	-	-	-	-	-	-	184,795	184,795	19,810	204,605
Other comprehensive expense for the period (unaudited)	-	-	-	-	(8,662)	-	-	-	(8,662)	-	(8,662)
Total comprehensive (expense) income for the period (unaudited)	-	-	-	-	(8,662)	-	-	184,795	176,133	19,810	195,943
Recognition of equity-settled share-based payments (note 19) (unaudited)	-	-	-	-	-	231	-	-	231	-	231
Dividend recognised as distribution (note 10)	-	-	(97,814)	-	-	-	-	-	(97,814)	-	(97,814)
At 30 June 2026 (unaudited)	117	(52,411)	545,665	247,627	(96,528)	3,782	488,848	1,367,096	2,504,196	275,455	2,779,651

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(unaudited)	(unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(149,846)	(37,182)
INVESTING ACTIVITIES		
Interest received	9,402	5,090
Purchases of property and equipment	(21,164)	(72,760)
Purchases of intangible assets	(236)	(237)
Purchases of financial assets at FVTPL	(771,000)	(866,320)
Redemptions of financial assets at FVTPL	686,301	799,803
Placement of time deposits	(410,000)	(100,000)
Withdrawal of time deposits	340,000	–
Withdrawal of restricted bank deposits	411	–
Net cash used in investing activities	(166,286)	(234,424)
FINANCING ACTIVITY		
Dividend paid	(97,814)	(90,607)
Net cash used in financing activity	(97,814)	(90,607)
Net decrease in cash and cash equivalents	(413,946)	(362,213)
Cash and cash equivalents at the beginning of the period	865,305	690,770
Effect of foreign exchange rate changes	(6,796)	264
Cash and cash equivalents at the end of the period	444,563	328,821

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 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, who is also an executive Director and 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 PRC. The Group conducts a substantial portion of the business through the Consolidated Affiliated Entities under Contractual Arrangements (as detailed and defined in note 2) in the PRC.

The condensed consolidated financial statements are presented in RMB, which is different from the Company’s functional currency of 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 Listing Rules.

The Group’s higher education (media and arts), vocational education and international education business was carried out by Nanjing Lanchou, Nanjing Meiya Education Investment Co., Ltd. (南京美亞教育投資有限公司), CUCN, while the entertainment and livestreaming e-commerce business was carried out by Dongyang Huaxia, 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), Beijing Huaxia Zhenxuan Cultural Communication Co., Ltd. (北京華夏珍選文化傳播有限公司) (formerly known as Beijing Huaxia Huyu Cultural Communication Co., Ltd. (北京華夏互娛文化傳播有限公司) and Beijing Huaxia Huyu Culture Media Co., Ltd. (北京華夏互娛文化傳媒有限公司) (formerly known as Huaxia Youpin (Beijing) Culture Communication Co., Ltd. (華夏優品(北京)文化傳播有限公司)) (collectively as the “Consolidated Affiliated Entities”).

2. BASIS OF PREPARATION (continued)

Due to the restriction of foreign ownership in the operation of higher education (media and arts), vocational education and international education business and entertainment and livestreaming e-commerce business, the Company does not have any equity interest in the Consolidated Affiliated Entities. However, as a result of the contractual arrangements entered by Bicheng Art Consulting (Nanjing) Co., Ltd. (碧城藝術諮詢(南京)有限公司), a wholly owned subsidiary of the Group, with the Consolidated Affiliated Entities operating business and Mr. Pu, while Dongyang Huaxia Audio-Visual Culture Consulting Co., Ltd. (東陽華夏視聽文化諮詢有限公司), a wholly owned subsidiary of the Group, with the Consolidated Affiliated Entities operating television series and film production business, Mr. Pu and Mr. Liu Chang, respectively (the “**Contractual Arrangements**”), the Group is able to:

- exercise effective financial and operational control over the Consolidated Affiliated Entities;
- exercise equity holders’ voting rights of the Consolidated Affiliated Entities;
- receive substantially all of the economic interests and returns generated by the Consolidated Affiliated Entities, in consideration for the technical and consulting services provided by the Group, at the Group’s discretion;
- obtain the irrevocable and exclusive right for the Group or their designated persons to purchase all or part of the equity interests in the Consolidated Affiliated Entities from equity holders at a minimum purchase price permitted under the PRC laws and regulations at the Group’s sole and absolute discretion to the extent permitted by PRC law; and
- obtain a pledge over the entire equity interests in the Consolidated Affiliated Entities from their equity holders to secure the performance of their obligations under the Contractual Arrangements.

3. ACCOUNTING POLICIES

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

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. ACCOUNTING POLICIES (continued)

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		
<i>Recognised over time</i>		
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
<i>Recognised at a point in time</i>		
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
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.

4. REVENUE AND SEGMENT INFORMATION (continued)

Segment information

The Group's operating segments are based on information prepared and reported to the chief executive officer and executive Directors, 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 CUCN 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. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

During the six months ended 30 June 2026, the Group incurred RMB3,412,000 (six months ended 30 June 2025: RMB52,283,000) on acquisition of the property and equipment.

As at 30 June 2026, the Group is in the process of obtaining title deeds of buildings with carrying value of RMB729,736,000 (31 December 2025: RMB741,102,000).

As at 30 June 2026, the carrying values of the leasehold lands of RMB102,171,000 (31 December 2025: RMB103,620,000) are allocated by the government, which have no definite lease term stated in the relevant leasehold lands certificates. However, without the relevant administrative authorities' permission, the Group cannot transfer, lease or pledge any leasehold land allocated by the government.

13. INVENTORIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Scripts	5,910	5,910
Television series and films completed	2,400	4,528
Other products	325	783
	8,635	11,221

14. TRADE AND OTHER RECEIVABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (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

14. TRADE AND OTHER RECEIVABLES (continued)

Notes:

- i. On 21 June 2021, 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 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 in the principal amounts of RMB250,000,000 (**"250M Bridging Loan"**) and RMB170,000,000 (**"170M Bridging Loan"**), 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 of the Company 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 report, 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.

14. TRADE AND OTHER RECEIVABLES (continued)

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

15. FINANCIAL ASSETS AT FVTPL

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Financial assets measured at FVTPL (Note):		
– Structured deposits	472,386	383,273
– Listed equity investments	2,640	3,769
– Financial investment on films	–	–
	475,026	387,042

Note: Details of the fair value measurement for financial assets at FVTPL are set out in note 20.

16. TRADE AND OTHER PAYABLES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (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 14)	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

16. TRADE AND OTHER PAYABLES (continued)

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

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

17. CONTRACT LIABILITIES

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Contract liabilities		
– from higher education (media and arts), vocational education and international education	36,068	431,594
– from entertainment and livestreaming e-commerce	14,432	24,332
	50,500	455,926

18. SHARE CAPITAL

	Number of shares	Share capital US\$	Shown in the condensed consolidated financial statements RMB'000
<i>Ordinary shares of US\$0.00001 each</i>			
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

19. SHARE-BASED PAYMENT TRANSACTIONS

The Company has adopted two share schemes, namely the Post-IPO Share Award Scheme and the Post-IPO Share Option Scheme.

Post-IPO Share Award Scheme

On 22 June 2020, the Company adopted the Post-IPO Share Award Scheme to align the interests of eligible persons with those of the Company through ownership of shares, dividends and other distributions paid on shares and/or the increase in value of the shares, and to encourage and retain eligible persons to make contributions to the long-term growth and profits of the Group. The Company has set up the Cathay Media and Education Share Incentive (the “Trust”) to administer and hold the Company’s shares before they are vested and transferred. The Trust purchased the Company’s shares from the open market using cash contributed by the Company, not permitted to exceed 32,000,000 shares without further shareholders’ approval.

As at 30 June 2026 and 2025, 32,000,000 shares in a total consideration of HK\$63,102,000 (equivalent to RMB52,411,000) were recognised as treasury shares in the condensed consolidated statement of changes in equity.

No shares were granted under the Post-IPO Share Award Scheme by the Company for both periods.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was adopted pursuant to the written resolutions of the shareholders passed on 22 June 2020 to provide eligible persons with the opportunity to acquire proprietary interests in the Company and to encourage the eligible person to work towards enhancing the value of the Company.

On 31 May 2023, the Company granted 10,000,000 options to an employee of the Group pursuant to the Post-IPO Share Option Scheme. The details of the Post-IPO Share Option Scheme are as follows:

Date of grant	Vesting period	Exercise period	Number of options to be vested	Fair value at grant date HK\$
31 May 2023	31 May 2023 ~30 April 2024	1 May 2024 ~ 30 May 2028	2,000,000	852,000
31 May 2023	31 May 2023 ~30 April 2025	1 May 2025 ~ 30 May 2028	3,000,000	1,285,000
31 May 2023	31 May 2023 ~30 April 2026	1 May 2026 ~ 30 May 2028	3,000,000	1,264,000
31 May 2023	31 May 2023 ~30 October 2026	1 November 2026 ~ 30 May 2028	2,000,000	830,000

No option was exercised during the current interim period. The Group recognised the total expense of RMB231,000 during the six months ended 30 June 2026 in relation to Post-IPO Share Option granted by the Company (six months ended 30 June 2025: RMB512,000).

19. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Post-IPO Share Option Scheme (continued)

The fair value of the Post-IPO Share Option was determined at the date of grant using the binomial option-pricing model. Option valuation model requires the input of highly subjective assumptions, including the option's expected life and the price volatility of the underlying shares, and changes in the subjective input assumptions can materially affect the fair value estimate of share options.

Stock price as at grant date	HK\$1.4
Exercise price	HK\$1.4
Expected volatility	49.63%
Expected life	2.32 years
Risk-free rate	3.3372%
Expected dividend yield	6.43%

The binomial option-pricing model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the Directors' best estimate. Expected volatility was determined by using the historical volatility of comparable company's share prices. Changes in variables and assumptions may result in changes in the fair value of the options.

As at 30 June 2026, the number of shares in respect of which options had been granted and remained outstanding under the Post-IPO Share Option Scheme was 10,000,000 (31 December 2025: 10,000,000).

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value measurements and valuation processes

Some of the Group's financial assets are measured at fair value at the end of each Reporting Period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

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

20. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)**Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Financial assets	Fair value at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable input(s) to fair value
	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)				
Financial assets at FVTPL:						
– Listed equity investments	2,640	3,769	Level 1	Quoted prices in active markets	N/A	N/A
– Structured deposits	472,386	383,273	Level 3	Discounted cash flow method was used/ expected return rate	Expected return rates from 0.55% to 2.15% (2025: 0.86% to 3.40%)	The higher the expected return, the higher the fair value, vice versa
– Financial investment on films (Note)	–	–	Level 3	Discounted cash flow method was used/ future cash flow was estimated based on the contractual terms and discounted at a rate that reflects the credit risk of the counterparty	N/A (2025: N/A)	The higher the discount rate, the lower the fair value, vice versa

Note: The financial investment on films measured at fair value do not meet solely payments of principal and interest condition. The financial investment on films of approximately nil (31 December 2025: nil) has been determined using discounted cash flow method based the estimated future cash flows which based on the contractual terms and discounted with using discount rate that reflects the credit risk of the counterparty.

Reconciliation of Level 3 fair value measurements of financial assets

The following table presents the reconciliation of Level 3 measurements during both periods:

	Financial assets at FVTPL RMB'000
At 1 January 2025 (audited)	386,795
Purchases	860,000
Redemptions	(794,132)
Losses in profit or loss	(26,698)
At 30 June 2025 (unaudited)	425,965
At 1 January 2026 (audited)	383,273
Purchases	771,000
Redemptions	(686,301)
Gains in profit or loss	4,414
At 30 June 2026 (unaudited)	472,386

21. CAPITAL COMMITMENTS

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Capital expenditures contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of – property and equipment	–	218

22. RELATED PARTY TRANSACTIONS

(i) Non-trade balance with a related party

	30 June 2026 RMB'000 (unaudited)	31 December 2025 RMB'000 (audited)
Dividend payable to a non-controlling shareholder	20,950	20,950

(ii) Compensation of key management personnel

The remuneration of directors of the Company and key management of the Group is as follows:

	Six months ended 30 June 2026 RMB'000 (unaudited)	2025 RMB'000 (unaudited)
Short-term employee benefits	2,777	2,810
Post-employment benefits	50	50
	2,827	2,860

DEFINITIONS

“Board”	the board of Directors
“Chairperson”	the chairperson of the Board
“China” or “PRC”	the People’s Republic of China
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Cathay Group Holdings Inc., an exempted company incorporated in the Cayman Islands with limited liability on 4 January 2017
“Consolidated Affiliated Entity(ies)”	Dongyang Huaxia, Nanjing Lanchou and their subsidiaries and affiliated entities, the financial accounts of which have been consolidated and accounted for as if they were subsidiaries of our Company by virtue of contractual arrangements
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules and except where the context requires otherwise, refers to Mr. Pu, Cathay Media Holding Inc. and Winning Global Ventures Limited
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules, as amended from time to time
“CUCN” or “University”	南京傳媒學院 (Pinyin: Nanjing Chuanmei Xueyuan), formerly known as Communication University of China, Nanjing (中國傳媒大學南廣學院), which received the certificate of registration for a privately-run non-enterprise unit on 31 January 2005
“Director(s)”	the director(s) of our Company
“Dongyang Huaxia”	Dongyang Huaxia Audio-Visual Film Culture Co., Ltd. (東陽華夏視聽影視文化有限公司), a company established in the PRC on 18 June 2019 and a Consolidated Affiliated Entity
“Group”, “we” or “us”	the Company, its subsidiaries, and the Consolidated Affiliated Entities from time to time, and in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Date”	15 July 2020, the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Mr. Pu”	Mr. Pu Shulin (蒲樹林), our founder, executive Director, chief executive officer, Chairperson and our Controlling Shareholder
“Nanjing Lanchou”	Nanjing Lanchou Corporate Management Co., Ltd. (南京藍籌企業管理有限公司), a company established in the PRC on 26 October 2017 and a Consolidated Affiliated Entity
“Post-IPO Share Award Scheme”	the post-IPO share award scheme conditionally approved and adopted by our Company on 22 June 2020
“Post-IPO Share Option Scheme”	the post-IPO share option scheme conditionally approved and adopted by our Company on 22 June 2020
“PRC Legal Adviser”	Commerce & Finance Law Offices
“Prospectus”	the prospectus of the Company dated 30 June 2020
“RMB”	Renminbi yuan, the lawful currency of PRC
“Reporting Period”	the six months ended 30 June 2026
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it thereto in section 15 of the Companies Ordinance
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States
“%”	per cent