



INTERIM REPORT 2025

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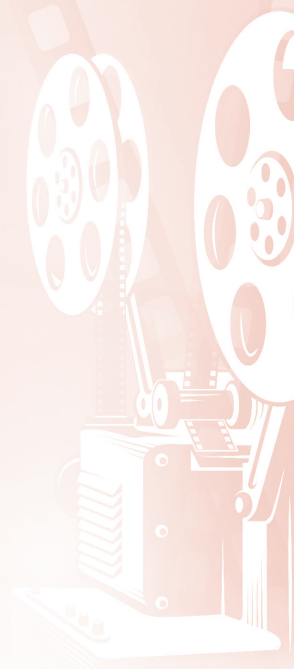
CHINA NATIONAL CULTURE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 745

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2025

		Six months ended 30 September	
	Notes	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Revenue	5	27,782	26,070
Cost of sales		(22,621)	(22,506)
Gross profit		5,161	3,564
Net other gains/(losses)	6	12,777	(1,259)
Administrative expenses		(2,564)	(3,586)
Profit/(loss) before tax	7	15,374	(1,281)
Income tax expense	8	–	–
Profit/(loss) for the period attributable to owners of the Company		15,374	(1,281)
Earnings/(loss) per share	10	HK cents	HK cents (Restated)
For profit/(loss) for the period – basic and diluted		6.56	(1.33)



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	15,374	(1,281)
Other comprehensive income/(expenses)		
Other comprehensive income to be reclassified to profit or loss in subsequent period:		
Exchange differences on translating foreign operations	–	(529)
Items that will not be reclassified to profit or loss:		
Fair value gain/(loss) on investment in equity instruments at fair value through other comprehensive income ("FVTOCI")	1,501	(1,478)
Other comprehensive income/(expenses) for the period, net of income tax	1,501	(2,007)
Total comprehensive income/(expenses) for the period attributable to the owners of the Company	16,875	(3,288)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2025

		At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
	Notes		
ASSETS			
Non-current assets			
Equity instruments at FVTOCI	11	2,582	1,081
Current assets			
Financial assets held for trading	12	31,706	17,124
Trade receivables	13	28,273	16,478
Inventories		5,500	
Prepayments and other receivables		1,968	2,151
Cash and cash equivalents		4,685	15,042
		72,132	50,795
Total assets		74,714	51,876
EQUITY			
Capital and reserves			
Share capital	15	2,344	2,344
Reserves		59,106	42,231
Total equity		61,450	44,575



At 30 September 2025

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium HK\$'000	Exchange translation reserve HK\$'000	Share options reserve HK\$'000	Investment revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total equity HK\$'000
At 31 March 2025 (Audited) and 1 April 2025	2,344	1,446,667	-	3,958	(61,530)	(1,346,864)	44,575
Profit for the period	-	-	-	-	-	15,374	15,374
Other comprehensive income for the period:							
Fair value gain on investments in equity instruments at FVTOCI	-	-	-	-	1,501	-	1,501
Total comprehensive income for the period	-	-	-	-	1,501	15,374	16,875
Lapse of share option	-	-	-	(3,958)	-	3,958	-
At 30 September 2025 (Unaudited)	2,344	1,446,667	-	-	(60,029)	(1,327,532)	61,450
At 31 March 2024 (Audited) and 1 April 2024	31,249	1,432,925	(18,489)	10,327	(60,344)	(1,378,918)	16,750
Loss for the period	-	-	-	-	-	(1,281)	(1,281)
Other comprehensive expenses for the period:							
Exchange difference on translating foreign operations	-	-	(529)	-	-	-	(529)
Fair value loss on investments in equity instruments at FVTOCI	-	-	-	-	(1,478)	-	(1,478)
Total comprehensive expenses for the period	-	-	(529)	-	(1,478)	(1,281)	(3,288)
Lapse of share option	-	-	-	(5,967)	-	5,967	-
At 30 September 2024 (Unaudited)	31,249	1,432,925	(19,018)	4,360	(61,822)	(1,374,232)	13,462



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (outflow)/inflow from operating activities	(10,357)	441
Net cash inflow from investing activities	—	—
Net cash inflow from financing activities	—	—
Net (decrease)/increase in cash and cash equivalents	(10,357)	441
Cash and cash equivalents at the beginning of the period	15,042	727
Cash and cash equivalents at the end of the period represented by cash and cash equivalents	4,685	1,168

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. Corporate information

China National Culture Group Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 27 August 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The principal place of business of the Company in Hong Kong is located at Unit A, 29/F, United Centre, 95 Queensway, Admiralty, Hong Kong.

The principal activities of the Company and its subsidiaries (the “Group”) are provision of design services and advertising through mobile devices, e-commerce from sale of products over the internet, trading and production of films and provision of other film related services.

2. Basis of preparation

The unaudited condensed consolidated interim financial statements (“Interim Financial Statements”) for the six months ended 30 September 2025 (“Current Interim Period”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). The Interim Financial Statements should be read in conjunction with the annual report of the Company for the year ended 31 March 2025 (“Annual Report”), which has been prepared in accordance with HKFRS Accounting Standards.

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair value, as appropriate.

The preparation of the Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these Interim Financial Statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimating uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2025.



3. Principal accounting policies

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair value, as appropriate.

The preparation of the Unaudited Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies and results reported for the current or prior accounting periods.

4. Segment information

For the purposes of resources allocation and performance assessment, information is reported to the chief operating decision maker of the Company, based on the following operating and reportable segments:

- (a) the advertising segment – provision of design services and advertising through mobile devices; and
- (b) the e-commerce segment – sale of products over the internet.

4. Segment information (continued)
Segment revenue and results

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

	Advertising		E-commerce		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30 September	30 September	30 September	30 September	30 September	30 September
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue:						
Contract revenue from external customers	10,180	8,580	17,602	17,490	27,782	26,070
Segment results	4,023	2,689	670	875	4,693	3,564
Net other gains/(losses)					12,777	(1,259)
Corporate and other unallocated expenses					(2,096)	(3,586)
Profit/(loss) before tax					15,374	(1,281)
Income tax expense					-	-
Profit/(loss) for the period					15,374	(1,281)

There were no inter-segment sales during the period (2024: Nil). Segment results represent the profit earned without allocation of central administration costs including directors' salaries, investment and other income, finance costs and income tax expense.



4. Segment information (continued)
Geographical information

The Group's operations are located in Hong Kong. All of the Group's revenue is derived from external customers located in Hong Kong and the Group's non-current assets are all located in Hong Kong.

Revenue from its major services

The Group's revenue from its major services was as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Advertising	10,180	8,580
E-commerce	17,602	17,490
	27,782	26,070

There is no single customer contributing over 10% of total revenue of the Group for the six months ended 30 September 2025 and 2024.

5. Revenue

An analysis of the Group's revenue is as follows:

	Six months ended 30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue:		
Advertising	10,180	8,580
E-commerce	17,602	17,490
Revenue from contracts with customers	27,782	26,070
Timing of revenue recognition		
Point in time	17,602	17,490
Over time	10,180	8,580
	27,782	26,070

5. Revenue (continued)

Performance obligations for contracts with customers

a) Advertising

Revenue from advertising is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

b) E-commerce

Revenue from e-commerce is recognised at a point in time when the goods is delivered to customers, being at the point that the customer obtains the control of the goods and the Group has present right to payment and collection of the consideration is probable.

6. Net other gains/(losses)

	Six months ended	
	30 September	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net other gains/(losses)		
Fair value change on financial assets held for trading	12,777	(1,259)



7. Profit/(loss) before tax

The Group's profit/(loss) before tax is arrived at after charging:

	Six months ended 30 September 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Directors' remuneration		
– Fee	338	348
– Pension scheme contribution	–	–
	338	348
Staff costs (excluding directors' remuneration)		
– Wage and salaries	600	1,699
– Pension scheme contribution	21	–
	621	1,699

8. Income tax expense

No provision for Hong Kong Profits Tax has been provided as the Group had sufficient unused tax loss brought forward to offset against the assessable profits during the six months ended 30 September 2025.

No provision for Hong Kong Profits Tax and PRC Enterprise Income Tax have been provided as the Group incurred a tax loss for taxation purpose during the six months ended 30 September 2024.

9. Dividends

No dividend was paid, declared or proposed during the six months ended 30 September 2025 and 2024. The board of directors of the Company (the "Board") does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2025 (2024: Nil).

10. Earnings/(loss) per share

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

	Six months ended 30 September 2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Profit/(loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings/(loss) per share	15,374	(1,281)

	Six months ended 30 September 2025 '000 (Unaudited)	2024 '000 (Unaudited) (Restated)
Weighted average number of shares of the Company for the purpose of basic and diluted earnings/(loss) per share	234,366	96,097

The weighted average number of ordinary shares for the six months ended 30 September 2024 has been retrospectively adjusted for the bonus element of the rights issue in March 2025 as if it had been effective on 1 April 2024.

Diluted earnings per share is equal to the basic earnings per share as there was no dilutive potential shares as at 30 September 2025.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for the six months ended 30 September 2024.



11. Equity instruments at FVTOCI

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Listed investments:		
Equity securities listed in Hong Kong (Note)	2,582	1,081

Note:

- (a) These investments are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.
- (b) The fair value of the listed equity investments is based on the quoted market bid prices available on the Stock Exchange. During the period ended 30 September 2025, the fair value gain recognised in other comprehensive income and accumulated in investment revaluation reserve amounted to approximately HK\$60,029,000 (2024: HK\$61,822,000).

12. Financial assets held for trading

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Equity securities listed in Hong Kong	31,706	17,124

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

The fair value of the listed equity investment is based on the quoted market bid price available on the Stock Exchange.

12. Financial assets held for trading (continued)

The Group held significant investments in AMCO United Holding Limited, China Properties Investment Holdings Limited and Luxxu Group Limited, which represented 5.0%, 7.6% and 8.3% respectively of the Group's total assets and a significant portion in the net assets of the Group as at 30 September 2025.

As at 30 September 2025 and 31 March 2025, except the investments disclosed above, none of the equity securities listed in Hong Kong represented more than 5% of the Group's total assets.

13. Trade receivables

The following is an aged analysis of trade receivables, based on the date of recognition of revenue, at the end of the reporting period:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
Within 30 days	4,512	2,734
31 – 60 days	4,985	1,994
61 – 90 days	4,545	2,418
91 – 365 days	26,476	5,590
Over 365 days	27,020	43,007
	67,538	55,743
Less: Allowances for credit losses	(39,265)	(39,265)
	28,273	16,478

The credit period granted to customers up to 90 days.

14. Trade payables

An aged analysis of the trade payables, based on the invoice date, at the end of the reporting period is as follows:

	At 30 September 2025 HK\$'000 (Unaudited)	At 31 March 2025 HK\$'000 (Audited)
0 – 30 days	6,255	1,643
31 – 60 days	3,548	142
61 – 365 days	220	1,417
	10,023	3,202

15. Share Capital

Notes	Number of shares '000	Nominal value of shares HK\$'000
Authorised:		
Ordinary shares of HK\$0.4 each		
At 1 April 2024 (Audited)	2,500,000	1,000,000
Increase in number of authorised shares upon Share Sub-division	(a) 97,500,000	–
Ordinary shares of HK\$0.01 each		
At 31 March 2025 (Audited), 1 April 2025 (Audited) and 30 September 2025 (Unaudited)	100,000,000	1,000,000
Issued and fully paid:		
Ordinary shares of HK\$0.4 each		
At 1 April 2024 (Audited)	78,122	31,249
Decrease in share capital upon capital reduction	(a) –	(30,467)
Issuance of shares under rights issue	(b) 156,244	1,562
Ordinary shares of HK\$0.01 each		
At 31 March 2025 (Audited), 1 April 2025 (Audited) and 30 September 2025 (Unaudited)	234,366	2,344

Notes:

- (a) Effective on 3 February 2025, the par value of each of the issued share capital of the Company was reduced from HK\$0.4 to HK\$0.01 by cancelling the paid-up capital of the Company to the extent of HK\$0.39 on each of the issued share capital ("Capital Reduction"). The reduced par value from the Capital Reduction with an aggregate amount of HK\$30,467,000 was transferred to the capital reserve of the Company, which was then used to offset the Company's accumulated losses as of the effective date of the Capital Reduction. This has consequently reduced the Company's accumulated losses.

Following the Capital Reduction, each of the Company's authorised share capital of par value of HK\$0.4 each was sub-divided into forty shares of par value of HK\$0.01 each ("Share Sub-division").

Further details on the Capital Reduction and the Share Sub-division were set out in the announcement of the Company dated 17 January 2025 and 3 February 2025, the circular of the Company dated 31 October 2024 and the poll results announcement of the extraordinary general meeting of the Company dated 18 November 2024.

- (b) In March 2025, the Company completed a rights issue of 156,244,304 shares on the basis of two rights shares for every one existing share ("Rights Issue") of the Company at an issue price of HK\$0.1 each. The net proceeds from the rights issue were approximately HK\$15,304,000.

16. Non-voting convertible preference shares

	Notes	Number of shares '000	Nominal value of shares HK\$'000
Authorised:			
Non-voting convertible preference shares of HK\$1.4 each			
At 1 April 2024 (Audited)		350,000	490,000
Increase in number of authorised shares upon Share Sub-division	(a)	13,650,000	—
Non-voting convertible preference shares of HK\$0.035 each			
At 31 March 2025 (Audited), 1 April 2025 (Audited) and 30 September 2025 (Unaudited)		14,000,000	490,000
Issued and fully paid:			
Non-voting convertible preference shares of HK\$1.4 each (before capital reduction) and HK\$0.035 each (after Capital reduction)			
At 1 April 2024 (Audited), 31 March 2025 (Audited), 1 April 2025 (Audited) and 30 September 2025 (Unaudited)		—	—

Notes:

- (a) The par value of the non-voting convertible preference shares of HK\$1.4 each is reduced to HK\$0.035 each by cancelling the paid-up capital to the extent of HK\$1.365 each of the non-voting convertible preference shares with effective from 3 February 2025.



17. Share option schemes

On 29 August 2014, the Company adopted the share option scheme (the “Old Share Option Scheme”), which is expired in August 2024. On 18 September 2025, the Company adopted the new share option scheme (the “2025 Share Option Scheme”). For details of 2025 Share Option Scheme, please refer to the Company’s circular dated 22 August 2025.

During the six months ended 30 September 2025, no options were granted, exercised or cancelled and 5,888,400 options under the Old Share Option Scheme lapsed. As at 30 September 2025, no options were outstanding under the Old Share Option Scheme and 2025 Share Option Scheme.

The following table summaries the movements in the Company’s share options during the six months ended 30 September 2025.

Category of participants	Date of grant	Number of share options				Outstanding as at 30 September 2025	Vesting period	Exercisable period	Exercise price per share (HK\$)
		Outstanding as at 1 April 2025	Granted during the period ended 30 September 2025	Exercised during the period ended 30 September 2025	Lapsed during the period ended 30 September 2025				
Executive directors									
Sun Wei	21 August 2019	490,700	–	–	(490,700)	–	no	6 years	4.00
Man Qiaozhen	21 August 2019	490,700	–	–	(490,700)	–	no	6 years	4.00
Independent non-executive directors									
Wang Miaojun	18 August 2020	490,700	–	–	(490,700)	–	no	5 years	0.76
Wang Yujie	18 August 2020	490,700	–	–	(490,700)	–	no	5 years	0.76
Other eligible employees	21 August 2019	2,944,200	–	–	(2,944,200)	–	no	6 years	4.00
Consultants	21 August 2019	981,400	–	–	(981,400)	–	no	6 years	4.00
		5,888,400	–	–	(5,888,400)	–			

18. Related party transactions

During the six months ended 30 September 2025 and 2024, in addition to the balance disclosed elsewhere in Interim Financial Statements, the Group had the following material transactions with related parties:

Key management personnel

	Six months ended 30 September 2025 HK\$’000 (Unaudited)	2024 HK\$’000 (Unaudited)
Short-term employee benefits	338	348

The remuneration of directors and key executives of the Group is determined by the remuneration committee of the Company having regard to the performance of individual and market trends.

MANAGEMENT DISCUSSION AND ANALYSIS

Interim Dividend

The Board does not recommend the payment of interim dividend for the Current Interim Period.

Business Review

For the six months ended 30 September 2025, the Group recorded a turnover of approximately HK\$27,782,000 (2024: HK\$26,070,000), representing an increase of 6.6% as compared with corresponding period last year. The increase was mainly due to the increase of both e-commerce income and advertising income. The increase was driven by a strengthened local economy and higher consumer confidence. This boosted online transaction volumes and allowed for higher digital advertising rates, leading to growth across both e-commerce and advertising revenue streams in the Hong Kong market. Gross profit also increased to approximately HK\$5,161,000 in the Current Interim Period (2024: HK\$3,564,000). The improvement in the gross profit margin, from 13.7% to 18.6%, is primarily attributable to the growing contribution of higher-margin advertising income. As this revenue stream expanded its share of total revenue, it favorably shifted the overall profit mix, thereby driving a substantial uplift in the consolidated gross margin. Administrative expenses decreased to approximately HK\$2,564,000 for the six months ended 30 September 2025 from approximately HK\$3,586,000 for the corresponding period last year. The decrease was mainly due to the decrease of staff costs and marketing expenses for the six months ended 30 September 2025.

Profit attributable to the owners of the Company amounted to approximately HK\$15,374,000 in the Current Interim Period (2024: loss of HK\$1,281,000) and earnings per share for the period was HK\$6.56 cents in the Current Interim Period (2024: loss per share of HK\$1.33 cents (restated)). The turnaround from loss to profit mainly due to the increase in net realised and unrealised fair value gain on financial assets for trading and the increase of revenue and gross profit together with the decrease in administrative expenses.

Advertising business

In past years, the Group's advertising business mainly focused on the PRC advertising industry which engaged in providing advertising, design and other related services through mobile devices and other channel, such as financial magazine, and provision of communication marketing platform services. However, the revenue from PRC's advertising industry has indeed been declining in recent years due to (i) slowing economic growth in China, this downward economic pressure has led to a reduction in advertising spending by enterprises; (ii) tightening of regulations in the internet industry which led to a decrease in advertising spendings; (iii) declining consumer confidence, in which the repeated outbreaks of the pandemic and the economic downturn have

led to a decline in consumer confidence and also their daily consumption which also affected the willingness of enterprises to invest in advertising; (iv) intensified industry competition, the competition among various competitors has been increasingly fierce and the price war has compressed the profit margin of the entire industry, some of the competitors even provide free services in order to gain the market shares. As such, for the six months ended 30 September 2025, the Group continued to shift the customer bases to Hong Kong instead of the PRC as Hong Kong has relatively stable economic environment, stronger consumer confidence and diversified media landscape. As the Group is developing the customers bases in Hong Kong, the revenue generated from the advertising segment increased for the six months ended 30 September 2025.

Given that the Group has over 10 years' experience and knowledge in advertising industry, the Group will continue to expand the customers bases of advertising business in Hong Kong and allocate resources to offer customized services and products to the customers to strengthen the market position in Hong Kong. The Group will look for relevant potential opportunities to increase the Group's visibility and exposure to attract customers, such as participating in relevant types of exhibitions or cooperating with well-known companies.

E-commerce business

The Group is engaged in the wholesale e-commerce business by operating an e-commerce platform which provides choices of different model of used iPhones and different type of parts and other electronic devices and parts to the customers. Apart from operating the e-commerce platform, after the Group sourced and purchased those items from suppliers, the Group negotiates the pricing and certain terms and requirements with the customers and performs the testing, including but not limited to the appearances and functioning, and is also responsible for packaging and delivery of those products and parts to the customers. For the packaging and delivery processes, the Group may outsource to third parties depends on the utilization of resources of the Group.

In view of the increasing trend of demand of the e-commerce business, the Group will continue to allocate resources to offer customized services and products to the customers to strengthen the market position in Hong Kong. Besides, in order to cater the market demand, the Group will continue to review the products mix of the e-commerce business regularly.

Financial Review

Liquidity and financing

The Group had total cash and bank balances of approximately HK\$4,685,000 as at 30 September 2025 (31 March 2025: HK\$15,042,000). The Group recorded total current assets of approximately HK\$72,132,000 as at 30 September 2025 (31 March 2025: HK\$50,795,000) and total current liabilities of approximately HK\$13,264,000 as at 30 September 2025 (31 March 2025: HK\$7,301,000).

There were no bank borrowings as at 30 September 2025 (31 March 2025: Nil). The Group's gearing ratio, calculated by aggregate of amounts of other loan and promissory notes over total assets remained as zero (31 March 2025: zero).

Capital structure

Authorised share capital

As at 30 September 2025, the authorised share capital of the Company ("Authorised Share Capital") was HK\$1,490,000,000 divided into 100,000,000,000 shares ("Shares") of HK\$0.01 each and 14,000,000,000 non-voting convertible preference shares of HK\$0.035 each. Save for those disclosed in this interim report, the Authorised Share Capital had no change during the Current Interim Period.

Issued share capital

As at 30 September 2025, the number of Shares in issue was 234,366,456 Shares of HK\$0.01 each. Save for those disclosed in this interim report, the issued share capital of the Company had no change during the Current Interim Period.

SIGNIFICANT INVESTMENT

	For the six months ended 30 September 2025	As at 30 September 2025			As at 1 April 2025
	Realized and unrealized gain HK\$'000	Number of shares held '000	Fair value HK\$'000	Approximately percentage to the total asset HK\$'000	Fair value
AMCO United Holdings Limited ("AMCO")	3,146	11,000	3,740	5.0%	594
China Properties Investment Holdings Limited ("CPIHL")	5,000	6,297	5,667	7.6%	667
Luxxu Group Limited ("Luxxu")	4,595	10,328	6,197	8.3%	562
Other listed equity securities (note 1)	1,537	N/A	18,684	25.0%	16,382
Total	14,278	N/A	34,288	45.9%	18,205

Note:

1. As at 30 September 2025, other listed equity securities comprised 17 listed equity securities in Hong Kong and 1 listed equity securities in United State of America. None of the other listed equity securities was more than 5% of the total assets of the Group as at 30 September 2025.

AMCO is principally engaged in (i) manufacture and sale of medical devices products; (ii) manufacture and sale of plastic moulding products; (iii) provision of money lending; and (iv) investment in securities. Based on AMCO's interim report for the 6 months ended 30 June 2025, revenue and profit after income tax of AMCO was approximately HK\$27.1 million and HK\$1.1 million respectively.

As at 30 September 2025, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 30 September 2025, in AMCO United Holding Limited (the "Investment 1"), which is listed on the Main Board of the Stock Exchange. As at 30 September 2025, the Group owned 11,000,000 shares in the Investment 1, representing 1.1% equity interests in the Investment with a carrying amount of the Group's interest in the Investment 1 of approximately HK\$3,740,000, representing approximately 5.0% of the total assets of the Company as at 30 September 2025. Up to 30 September 2025, no dividends was received from the Investment 1. The fair value of the Investment 1 is based on quoted market prices.

CPIHL is principally engaged in (i) property investment; (ii) agency service; (iii) property development; and (iv) provision of money lending. Based on CPIHL's annual report for the year ended 31 March 2025, revenue and loss after income tax of CPIHL was approximately HK\$53.5 million and HK\$65.7 million respectively.

As at 30 September 2025, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 30 September 2025, in China Properties Investment Holdings Limited (the "Investment 2"), which is listed on the Main Board of the Stock Exchange. As at 30 September 2025, the Group owned 6,296,625 shares in the Investment 2, representing 2.4% equity interests in the Investment 2 with a carrying amount of the Group's interest in the Investment 2 of approximately HK\$5,667,000, representing approximately 7.6% of the total assets of the Company as at 30 September 2025. Up to 30 September 2025, no dividends was received from the Investment 2. The fair value of the Investment 2 is based on quoted market prices.

Luxxu is principally engaged in the manufacture and sales of own-branded watches and jewellery, including but not limited to diamond watches, tourbillon watches and luxury jewellery watches, OEM watches and third-party watches and assists customers to hold exhibition. Based on Luss's interim report for the 6 months ended 30 June 2025, revenue and loss after income tax of Luxxu was approximately RMB21.4 million and RMB5.6 million respectively.

As at 30 September 2025, the Company held a significant investment, with a value of over 5% of the Company's total assets as at 30 September 2025, in Luxxu Group Limited (the "Investment 3"), which is listed on the Main Board of the Stock Exchange. As at 30 September 2025, the Group owned 10,328,560 shares in the Investment 3, representing 4.8% equity interests in the Investment 3 with a carrying amount of the Group's interest in the Investment 2 of approximately HK\$6,197,000, representing approximately 8.3% of the total assets of the Company as at 30 September 2025. Up to 30 September 2025, no dividends was received from the Investment 3. The fair value of the Investment 3 is based on quoted market prices.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Investment policies

The Company has adopted an internal investment policy (the "Investment Policy") which sets out, among other things, the objectives, guidelines, management and responsibilities of investment activities conducted by the Group. Set out below are details of the infrastructure of the Group's investments:

Investment objectives

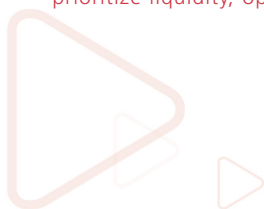
The investment objectives of the Group are to enhance the efficiency in the utilization of idle funds and generate stable return to the Group within an acceptable risk level with a view to broaden its revenue streams and to provide necessary financial support for the development of the Group's long-term investment projects, which in turn enhance value for its Shareholders.

Investment strategy

The Company will allocate corporate resources efficiently by maintaining an appropriate investment scale and optimizing the structure and diversification of its investment portfolio. At the same time, the Company prioritizes thorough investment risk assessment and control, adhering to the principle of economic benefits as the foremost consideration in all investment decisions.

Investment scope

The Company's investment activities encompass both long-term and short-term investments, depending on its strategic needs and the prevailing market conditions. Long-term investments focus on growth and strategy, while short-term investments prioritize liquidity, operational support and capital stability.



Permissible and prohibited investments

Under the Investment Policy, the Company may invest in a range of assets including shares, bonds, investment funds, insurance products and bank deposits, while it is restricted from conducting short-term investments in low-rate unsecured bonds or investing in emerging industries, leveraged derivative financial products, or other speculative investment transactions.

Board's assessment on shareholder value enhancement

The Board has critically evaluated the Company's investment activities and confirms that they are aligned with the objective of optimizing shareholder returns. By deploying idle funds into a diversified portfolio of permissible investments, the Company aims to generate stable returns and supplementary income, which supports the Group's long-term strategic projects and strengthens its financial position. The Board believes that these activities conducted within a controlled risk framework, contribute to broadening revenue streams and enhancing overall shareholder value without compromising operational liquidity or core business development.

Risk management and control measures

Defined risk limits and counterparty risk

While there is no general threshold or restriction in relation to the risk limits or counterparty risk of its investments, the Group is required to adhere to its investment strategy to maintain its investments within an acceptable risk level. In particular, the Group is required to evaluate the counterparty risks of each investment taking into consideration, inter alias, credit ratings of the investment (if any), size and reputation of the issuer, and whether or not the counterparty is a licensed corporation in Hong Kong or overseas.

Liquidity management

It is the top priority of the Group to ensure that it has sufficient cash and bank deposits to meet its working capital requirement. While there is no specific threshold set under the Investment Policy, the Group seeks to maintain a balanced liquidity profile within its cash, bank deposits and investments. In addition, the use of borrowed funds or those required for ongoing operations for investment purposes is prohibited. All of the existing investments of the Group were or will be funded by internal resources of the Group.

Ongoing risk management and control measures

The Group maintains comprehensive internal control and risk management processes, including regular performance reviews, stringent approval workflows and periodic monitoring of all investment projects. The Investment Management Team is responsible for ongoing monitoring of the investments made by the Group, the preparation of half-yearly reports in relation to the performance of the investments and regular reevaluations of counterparties and/or investment targets. The Investment Management Team should promptly report to the Board in the event of any material adverse changes in the Group's investments, which are determined on a case-by-case basis depending on the nature and size of the specific investment. Generally, the Investment Management Team is required to report to the Board if, among other things, (i) the investment has recorded ongoing and irrecoverable losses; or (ii) there is any material change in the circumstances or terms of the investment so that it no longer conforms with the Group's investment strategy (for example, increase in risk level due to macroeconomics changes).

Investment decision making process and approval and oversight mechanisms

Investment decisions of the Group are made through a multi-layered governance structure. An investment management team (the "Investment Management Team"), comprising two executive Directors (namely Ms. Sun Wei and Ms. Man Qiaozhen), assisted by the financial manager, is responsible for identifying suitable investment opportunities available on the market and the execution of the investments. Pursuant to the Investment Policy, the Investment Management Team may approve investments (or a series of investments) with an amount below 5% of the market capitalization and/or total assets of the Group from time to time. Any proposed investment exceeding such threshold must be reviewed and approved by the Board.

The following steps outline the internal control procedure:

Step 1: Origination & Preliminary Screening

The process begins when either Ms. Sun or Ms. Man identifies a potential investment. The Investment Management Team, comprising both Ms. Sun and Ms. Man, promptly conducts a high-level review and prepare size test. They assess the opportunity's basic strategic fit and potential conflicts of interest, such as any pre-existing relationships with the target.

Based on this initial evaluation, subject to the decision from both Ms. Sun and Ms. Man, the team collectively decides whether to reject the opportunity or approve it for formal due diligence.

Step 2: Due Diligence & Analysis

For opportunities moving forward, a focused due diligence phase is initiated. Ms. Sun and Ms. Man lead the commercial assessment, evaluating strategic alignment and synergies. Concurrently, the financial manager, who has over 10 years accounting and finance experience, conducts an independent financial analysis to validate viability and risks. External experts are engaged for legal or technical reviews as needed. The findings from this phase form the direct basis for the final decision.

Step 3: Approval & Final Decision

The approval path is determined by the investment's size, based on the due diligence findings. For investments below the 5% threshold, the approval needs the agreement from both Ms. Sun and Ms. Man to grant final approval. For any investment exceeding the 5% threshold, the matter is escalated to the full Board of Directors. The Investment Management Team presents the due diligence findings directly to the Board, with the financial manager present to support the financial analysis, leading to the Board's final vote. After the final decision of the Board, the Investment Management Team and company secretary should prepare the necessary filing and announcement, if any, under the regulatory requirements from listing rules.

Measures to enhance shareholders' value

The Company's primary measure to enhance shareholder value through its investment activities is the efficient deployment of its idle funds and excess capital to generate financial returns. These returns contribute directly to the Company's profitability and overall financial strength.

The Company is committed to enhancing shareholder value through a prudent capital allocation strategy. This includes:

Dividend policy

The Company views the returns generated from its investment portfolio as a potential source of funding for future dividend distributions. The Board is committed to a prudent dividend policy, whereby dividends will be considered and declared based on the Company's overall profitability, cash flow position, and the long-term financial needs of the Group. The income and gains from these financial investments enhance the Company's ability to provide competitive returns to its shareholders.

Capital allocation policy & strategy

The Company's capital allocation strategy is hierarchical:

1. First, to ensure sufficient working capital and resources for the ongoing operations and development of its core cultural business.
2. Thereafter, any excess capital not required for immediate operational or strategic purposes is allocated to a diversified portfolio of listed securities. The objective of this allocation is not strategic alignment with the core business, but rather financial optimization to achieve returns that exceed typical bank deposit rates, thereby improving the Company's return on equity and asset base for the ultimate benefit of shareholders.

This strategy ensures that shareholder capital is not left idle but is actively managed to create additional value, thereby improving the Company's financial metrics and supporting its commitment to shareholder returns.

The Board remains committed to regularly reviewing this capital allocation strategy to ensure it continues to represent a proper use of shareholders' funds and aligns with their investment expectations, in line with the guidance provided by the Stock Exchange.

Treasury policies

Cash and bank deposits of the Group are mainly in Hong Kong dollars or Renminbi. The Group conducts its core business transaction mainly in Hong Kong dollars such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of assets

As at 30 September 2025, no asset was pledged by the Group (31 March 2025: Nil).

Capital commitment

As at 30 September 2025, the Group had no material capital commitment (31 March 2025: Nil).

Contingent liabilities

As at 30 September 2025, the Group had no material contingent liabilities (31 March 2025: Nil).

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Acquisition of Capital Assets

Save for those disclosed in this interim report, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the Current Interim Period. Apart from those disclosed in this interim report, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this interim report.

No Material Changes

Saved as disclosed in this interim report, from 1 April 2025 to 30 September 2025, there were no material changes affecting the Company's performance that needed to be disclosed under paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules.

Share Option

The Company has adopted the existing share option scheme on 18 September 2025 (the "2025 Share Option Scheme").



As at 30 September 2025 and at no time during the Current Interim Period was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company (the “Directors”) to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

During the six months ended 30 September 2025, no share options were granted and exercised nor cancelled under the 2025 Share Option Scheme.

Employment Information

As at 30 September 2025, the Group had 22 full time employees whom are employed in Hong Kong and the PRC. They are remunerated at market level with benefits such as medical, retirement benefit and share option scheme.

Prospect

As we progress through 2025, the Group remains confidently positioned for accelerated growth, supported by Hong Kong’s robust economic recovery and expanding digital economy. With retail sales growth maintaining strong momentum at 5.9% YoY in September 2025 which extract from the data from HK Census & Statistics Dept., we are implementing a expansion strategy to capitalize on these favorable trends.

Looking forward, the Group will strive to enhance its profitability, judge the hour and size up the situation and make good use of government policies and national development plans in order to maximize its investment return and position to appropriate business opportunities in pursuing healthy and stable growth.

To achieve this vision, our future plans including but not limited to:

- Continued development of advertising and e-commerce related businesses;
- Expansion of advertising and e-commerce related business through acquisition, expansion of products portfolio and/or co-operation; and
- Diversifying the Group’s business portfolio in other business sector, including but not limited to media and culture related business.

The Group will keep the shareholders abreast of the latest development of the Group.

OTHER INFORMATION

Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or any of its Associated Corporations

At 30 September 2025, save as disclosed in the interim report, none of the Directors or chief executives had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interest and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

Directors' Rights to Acquire Shares

During the Current Interim Period, the Company or any of its subsidiaries did not make any arrangements to enable any Directors or their respective spouse or minor children to obtain benefits by means of the acquisition of shares of the Company or any other body corporate.

Substantial Shareholders and Other Persons' Interest and Short Positions in the Shares and Underlying Shares

As at 30 September 2025, according to the register kept by the Company pursuant to section 336 of SFO, and so far as was known to the Directors or chief executive of the Company, there was no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

Directors' Interests in Competing Business

None of the Directors had engaged in any business which competed or might compete directly or indirectly with the business of the Group for the six months ended 30 September 2025.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the Current Interim Period.

Model Code for Securities Transactions by Directors

The Group has adopted the Model Code as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiry made by the Company, that they have fully complied with the Model Code throughout the Current Interim Period.

Code on Corporate Governance

Except for the following deviations, the Group has adopted and met all the Code Provisions set out in the Corporate Governance Code (the “CG Code”) in Appendix 14 of the Listing Rules throughout the Current Interim Period.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the six months ended 30 September 2025, the Company has not appointed the Chairman and thus there has been no segregation of duties during the period.

Code provision B.2.2 of the CG Code stipulates that the non-executive directors should be appointed for a specific term and subject to re-election. None of the existing non-executive Directors is appointed for a specific term. However, the non-executive Directors are subject to retirement by rotation under the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices in this respect are no less exacting than those of the CG Code.

As to the deviation from code provisions C.2.1 and B.2.2 of the CG Code, the Board will continue to review the current structure from time to time and shall make necessary changes when appropriate and inform the Shareholders accordingly. For deviation from code provision C.1.6 of the CG Code, the Company Secretary had reminded the relevant independent non-executive Directors as well as the current independent non-executive Directors to attend general meetings of the Company in future.

Audit Committee

During the six months ended 30 September 2025 and at the date of this report, the audit committee of the Board (the “Audit Committee”) comprises three independent non-executive Directors, namely Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie. Mr. LIU Kwong Sang, who possesses appropriate professional qualifications, accounting and financial management expertise, is the chairman of the Audit Committee. The primary duties of the Audit Committee are: to independently review and supervise the financial reporting process, internal control and risk management systems on an ongoing basis, to ensure good communications among Directors and the Company’s auditors, to recommend the appointment of external auditors on an annual basis and approval of the audit fees, to assist the Board in oversight of the independence, qualifications, performance and compensation of the independent accountant, to review interim and annual results announcements as well as the financial statements prior to their approval by the Board, to provide advice on audit report, accounting policies and comments to all Directors.

The Audit Committee has reviewed this report, which was prepared based on (i) the accounting principles and practices adopted by the Group, and (ii) the unaudited condensed consolidated interim financial information for the six months ended 30 September 2025. After review and discussions, the Audit Committee recommended the Board to approve the Interim Financial Statements.

Subsequent Events After the Reporting Period

The Group has no material events after reporting period which are required to be disclosed.

Appreciation

The Directors would like to take this opportunity to thank our shareholders, the management and our staff members for their dedication and support.

On behalf of the Board

CHINA NATIONAL CULTURE GROUP LIMITED

SUN Wei

Executive Director

Hong Kong, 28 November 2025

As at the date of this report, the Board comprises Mr. WANG Shidi, Ms. SUN Wei and Ms. MAN Qiaozhen as Executive Directors, and Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie as Independent Non-Executive Directors.

