華夏文化科技集團
CA CULTURAL TECHNOLOGY GROUP

CA CULTURAL TECHNOLOGY GROUP LIMITED
華 夏 文 化 科 技 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01566)

FULFILMENT OF RESUMPTION GUIDANCE AND RESUMPTION OF TRADING

Financial Adviser to the Company

VEDA | CAPITAL
智 略 資 本

FULFILMENT OF ALL RESUMPTION GUIDANCE

The Board is pleased to inform the Shareholders and potential investors of the Company that the Company has fulfilled all the Resumption Guidance set out in the Resumption Guidance to the satisfaction of the Stock Exchange.

RESUMPTION OF TRADING

Trading in the shares of the Company was suspended with effect from 9:00 a.m. on 21 November 2024 at the request of the Company. As all the Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Company's shares with effect from 9:00 a.m. on 17 August 2026.

This announcement is made by CA Cultural Technology Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (a) the announcement of the Company dated 21 November 2024 in relation to the trading halt; (b) the inside information announcement of the Company dated 13 December 2024; (c) the inside information announcement of the Company dated 10 January 2025 in relation to the Company's intention to conduct an independent forensic investigation into the background and commercial rationale of various transactions entered into with various parties, including those which eventually led to the impairments made in the financial years of 2022 and 2023; (d) resumption guidance and additional resumption guidance announcements of the Company dated 28 January 2025 and 7 July 2025; (e) the quarterly update announcements on status of resumption dated 20 February 2025, 20 May 2025, 20 August 2025, 24 November 2025, 24 February 2026 and 17 June 2026; (f) joint announcements issued by the Company and Kyosei-Bank Co., Ltd. dated 17 March 2025, 17 April 2025, 16 May 2025, 16 June 2025, 16 July 2025, 15 August 2025, 31 August 2025, 16 September 2025, 16 October 2025, 14 November 2025, 28 November 2025, 12 December 2025, 31 December 2025, 20 January 2026, 3 February 2026, 3 March 2026, 31 March 2026, 14 April 2026, 17 April 2026, 27 April 2026 and 30 June 2026; (g) the circular jointly issued by the Company and Kyosei-Bank Co., Ltd. dated 27 April 2026 (the "**Circular**"); (h) the announcement on the annual results of the Group for the year ended 31 March 2025 dated 22 March 2026; (i) the announcement on the interim results of the Group for the six months ended 30 September 2025 dated 22 March 2026; (j) the annual report of the Group for the year ended 31 March 2025 dated 6 July 2026; (k) the interim report of the Group for the six months ended 30 September 2025 dated 6 July 2026; (l) the joint announcement of the Company and Kyosei-Bank Co., Ltd. dated 27 May 2026 in relation to the poll results of the EGM (the "**EGM Results Announcement**"); (m) the key findings of the independent investigation announcement dated 7 August 2026 (the "**Investigation Findings Announcement**"); (n) the key findings of the internal control review announcement dated 7 August 2026 (the "**Internal Control Review Findings Announcement**"); (o) the announcement on the annual results of the Group for the year ended 31 March 2026 dated 30 June 2026; and (p) the annual report of the Group for the year ended 31 March 2026 dated 31 July 2026 (collectively, the "**Announcements**"). Unless otherwise stated, terms used in this announcement shall have the same respective meanings as those defined in the Announcements.

BACKGROUND

Since 29 September 2022, the Stock Exchange has made enquiries to the Company regarding the impairment loss recorded in FY2022 and FY2023 in relation to the prepayments made by the Company under certain construction contracts and the proceeds receivable by the Company from its disposal of intangible assets and property, plant and equipment.

As disclosed in the Announcements, on 20 November 2024 and 21 November 2024, officers of the ICAC attended the Company's principal place of business in Hong Kong to execute a search warrant in relation to certain suspected offences under the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and the Crimes Ordinance (Cap. 200 of the Laws of Hong Kong).

As the Company needed time to assess whether the investigation of the ICAC will have any impact on the business and operation of the Group, trading in the shares of the Company has been suspended from 9:00 a.m. on 21 November 2024 at the request of the Company.

On 10 January 2025, the Board announced that, for the purpose of applying for resumption of trading in shares of the Company, it intended to engage an independent advisor to conduct an independent forensic investigation covering the background and commercial rationale behind various transactions entered into with various parties, including those which eventually led to the impairments made in the financial years of 2022 and 2023 (the "**Transactions**").

RESUMPTION GUIDANCE

On 22 January 2025 and 2 July 2025, the Company received two letters from the Stock Exchange setting out the following resumption guidance for the Company (collectively, the "**Resumption Guidance**"):

(a) conduct an appropriate independent forensic investigation into the Transactions with a view to identifying whether there were any improper transactions, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;

(b) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Group's management and operations, which may pose a risk to investors and damage market confidence;

(c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules;

(d) publish all outstanding financial results required under the Listing Rules and address any opinions on audit modifications;

(e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and

(f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

UPDATE ON THE ANNOUNCEMENT ISSUED BY THE COMPANY DATED 13 DECEMBER 2024

The Company announces that, based on the understanding of the Board of Directors of the Company, the ICAC has concluded and closed its investigation into the Group's affairs, and no Director or employee of any member of the Group has been arrested or prosecuted by the ICAC.

FULFILMENT OF RESUMPTION GUIDANCE

Resumption Guidance (a) — Conduct an appropriate independent forensic investigation into the Transactions, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions

On 6 March 2025, the Independent Committee, comprising all the independent non-executive directors of the Company, engaged Prism Hong Kong Limited as the Independent Investigator to conduct the Investigation and the Internal Control Review into the Transactions and to prepare independent investigation and internal control report(s) accordingly.

The Independent Investigator issued the Phase 1 Report (covering Matters 1 to 3) on 2 March 2026 and the Phase 2 Report (covering Matters 4 to 20) on 27 July 2026 (collectively the "**Investigation Reports**").

A summary of the key findings of the Investigation Reports in relation to the Matters 1–20 is set out below:

1. Matter 1: The Project Management Contract with the Consultant

On 30 September 2021, the Group paid a HK$50 million prepayment to China Elite Consultants Limited (the "**Consultant**") to facilitate the expansion of theme parks in Southeast Asia with a Target Partner. The funds were raised via a bond issuance. On 6 October 2021, the Company suffered a targeted short-selling and negative public opinion attack, which negatively affected the Target Partner's confidence and delayed the project. The Group subsequently explored alternative projects and established a Receivables Collection Committee to recover the HK$50 million prepayment from the Consultant. No fraud or misappropriation was found.

2. Matter 2: Financial Support from Director

From 2018 to 2021, the Group faced a liquidity crisis, including short-term repayment pressure from a HK$80 million outstanding secured note. Executive Director Mr. Chong Heung Chung Jason ("**Mr. Chong**") provided cumulative financial support of approximately HK$81.95 million from his personal asset disposals without any formal interest or collateral requirements. He also provided personal guarantees for HK$80 million in short-term bridge financing to resolve the immediate debt crisis. The Investigation found no evidence that Mr. Chong obtained any personal benefit from these arrangements.

3. Matter 3: Alleged Short-selling and Disputes

From 2021 to 2022, the Company was involved in disputes with ACCP Global and Maxx Capital.

On 29 September 2021, ACCP Global defaulted on a HK$100 million payment to the Company for the subscription of 40 million shares. On 6 October 2021, ACCP Global's ultimate beneficial owner Mr. Lau Wang Chi Barry instructed the transfer of 20 million shares out of a broker account, coinciding with a 76.54% drop in the Company's share price on the same day.

In September 2021, Maxx Capital provided a HK$20 million secured guaranteed note to the Group. Following the share price crash in October 2021, while the Company was preparing to implement a fully-underwritten rights issue for debt restructuring, the director of Maxx Capital filed a winding-up petition against the Company, leading to the rights issue failing. The High Court eventually struck out the petition on 20 December 2022.

4. *Matters 4 to 9: Prepayments for Theme Park Construction*

In 2018, the Group made prepayments totalling approximately HK$315 million to six independent contractors for the construction of Wonder Forest and Joypolis theme parks across China. Starting in 2020, the projects faced severe delays due to the unprecedented impact of the COVID-19 pandemic and changes in government policies affecting the cultural tourism and property sectors.

Because the counterparties faced severe financial pressure and were unable to refund the prepayments upon the Group's demands, the Group recognised impairments in the financial years of 2022 and 2023. Subsequently, the Group pursued commercial resolutions by entering into "Project Restart Agreements" to resume construction and offset outstanding prepayments, with several projects already successfully completed and operational.

Details of the aforementioned prepayments are as follows:

Contractor	**Total contract sum**	**Prepayment amount paid**	**Total accumulated impairment (financial years 2021/22 and 2022/23)**
Arto Design (Matter 4)	HK$43,200,000	HK$43,200,000	HK$40,859,500
Green Metro (Matter 5)	HK$89,824,900	HK$52,866,000	HK$50,326,000
Jinfeng (Matter 6)	HK$128,950,000	HK$42,800,000	HK$42,050,000
Meijiating (Matter 7)	HK$47,550,000	HK$47,550,000	HK$45,060,500
Toyo (Matter 8)	HK$72,911,000	HK$72,911,560*	HK$67,000,560
Wealth Gather (Matter 9)	HK$149,350,000	HK$55,460,000	HK$52,830,030

* Note for Matter 8: The contract sum was HK$72,911,000, but the actual amount paid by the Group was HK$72,911,560 due to a HK$560 bank fee difference.

5. *Matters 10 to 14: Disposal of Intangible Assets and Equipment*

Between 2019 and 2020, as part of a strategic transition to an asset-light model, the Group sold intangible assets and production equipment to five independent purchasers (the "**Purchasers**"). The Independent Investigator found that the Group's business development department has conducted background checks and risk assessments on the Purchasers prior to executing the disposals.

Following the execution of the agreements, the pandemic severely disrupted global supply chains and offline operations, causing the Purchasers to default on payment timelines. The Group recognised impairments on these receivables and subsequently restructured the debts through revenue-sharing and processing fee offset agreements, allowing the Group to systematically recover funds.

Details of the amounts received and impairments recognized by the Group are as follows:

Purchaser	**Total contract sum (disposal price)**	**Upfront consideration received**	**Total accumulated impairment (as of 31 March 2023)**
Arto Design (Matter 10)	HK$30,623,000	HK$1,531,150	HK$29,091,850
Red Perfect (Matter 11)	HK$73,800,000	HK$3,690,000	HK$70,110,000
State Shine (Matter 12)	HK$81,404,000	HK$4,070,200	HK$77,333,800
Hua Teng Chang (Matter 13)	RMB68,000,000 *(approx. HK$83,861,000)*	HK$0	HK$77,720,600
Wealth Gather (Matter 14)	HK$60,397,305	HK$8,542,629	HK$44,128,728

6. *Matters 15 to 20: Other Transactions and Residual Impairments*

These matters involved consulting services, IP licensing, and VR game development cooperation entered into between 2015 and 2020. Counterparties failed to fulfil payment or delivery obligations primarily due to the pandemic and the introduction of regulations targeting the real estate industry, e.g., the "Three Red Lines" policy which was followed by liquidity issues and project suspensions faced by real estate developers. The Group recognised impairments on these trade receivables and on its own long-term assets (Matter 20) based on independent valuation reports. The Group is actively pursuing debt recovery through legal demand letters, civil litigation, and alternative settlements.

Details of the amounts received and impairments recognized by the Group are as follows:

A. *Consulting and IP licensing services*

Counterparty	Total contract sum	Upfront consideration received	Total accumulated impairment
Big Vantage Limited (Matter 15)	HK$125,000,000*	HK$8,400,000	HK$116,600,000
Merit Energy Limited (Matter 16)	HK$44,000,000	HK$4,600,000	HK$39,400,000
Licensee A (Matter 17)	HK$52,500,000 base + ongoing annual fees of HK$36,750,000 from April 2021	HK$13,387,500	HK$58,905,000

* Note: Comprises a service agreement: (HK$40,000,000), a brand licensing agreement (HK$56,000,000) and a conceptual planning and design contract (HK$29,000,000).

B. *VR game development investments*

Developer	Total contract sum	Prepayment/ investment paid	Total accumulated impairment
GZCA/GZLC (Matter 18)	RMB4,500,000 (paid as HK$5,358,600)	HK$5,358,600	HK$5,090,670
LCHK (Matter 19)	HK$32,850,000*	HK$32,850,000**	HK$20,022,500

* Note for LCHK: Comprises initial VR game design and production contract of HK$20,000,000 and HK$12,850,000 in top-up R&D fees based on the aforesaid contract.

** Note for LCHK prepayment: Of the HK$32,850,000 paid, the Group received HK$377,500 in refunds.

C. *Residual impairments of long-term assets (Matter 20)*

Based on management's assessment of future cash flows and independent valuation reports, the Company made impairments of the Group's own long-term assets and joint ventures as to HK$188,361,149 in FY2022 and HK$58,800,372 in FY2023.

Remedial measures

The remedial actions taken by the management of the Company to recover losses and protect the Company's interests include:-

1. Establishing the Receivables Collection Committee to monitor and enforce the recovery of outstanding debts.

2. Issuing legal demand letters to counterparties who have defaulted on payments.

3. Entering into restart agreements with major contractors and repayment agreements with debtors to recover funds through resumed project construction or instalment payments.

4. Engaging the Independent Investigator to conduct a comprehensive review of the Group's internal control system to prevent future risks.

The Board will continue to oversee the implementation of these remedial measures to recover outstanding receivables, advance the Group's business recovery, and ensure ongoing compliance with the applicable Listing Rules and internal control policies.

Views of the Independent Investigator

Based on the Investigation Reports, the Independent Investigator has drawn the following overall conclusions regarding the Transactions:

- The Transactions were driven by genuine business demands and aligned with the Group's strategic transition towards an "asset-light" business model.

- The Group conducted adequate due diligence and background checks on the counterparties prior to entering into the agreements. The approvals generally complied with the Group's internal control procedures applicable at the material times.

- The counterparties were independent third parties. The Investigation found no evidence of fraud, misappropriation of assets, or any director deriving personal benefits from the transactions.

- The failure of the counterparties to fulfil their obligations was primarily driven by major external factors beyond the Group's control (e.g., the COVID-19 pandemic and policy changes) and hostile external actions (e.g., targeted short-selling attacks).

- The impairments made were carefully considered and based on the professional opinions of independent valuers.

- The management actively monitored the outstanding debts and pursued commercial resolutions, such as project restart agreements and debt offsets, to maximize recovery and protect the Group's best interests.

Views of the Independent Committee

The Independent Committee has reviewed the Investigation Reports and considered that the Independent Investigator has adequately investigated the Matters to address Resumption Guidance (a) and (b). The Independent Committee agreed that no improprieties were identified, the financial impairments were the result of external macroeconomic factors and hostile actions, and there is no reasonable regulatory concern regarding the integrity or competence of the Group's management. The Independent Committee recommended the Board to adopt the findings and implement the recommended internal control rectification measures.

Views of the Board

The Board concurred with the views of the Independent Committee and has resolved to accept and adopt the findings of the Investigation Reports. The Board is of the view that the Investigation Reports have adequately addressed the concerns raised regarding Resumption Guidance (a) and (b).

Please refer to the Investigation Findings Announcement for details of the findings and the views of the Independent Investigator, the Independent Committee and the Board.

Resumption Guidance (b) — Demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Group's management and operations, which may pose a risk to investors and damage market confidence

Based on the Investigation Reports, the Investigation does not demonstrate any regulatory concerns regarding the integrity, competence, or character of the Group's management or any persons with substantial influence over the Group's management and operations.

On the contrary, the Investigation Reports provide evidence to satisfy the Resumption Guidance by concluding that the management acted with commercial rationale and followed internal procedures.

Having considered the above, the Independent Committee and the Board are of the view that the Company has fully satisfied Resumption Guidance (b).

Resumption Guidance (c) — Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules

The Company engaged Prism Hong Kong Limited as the internal control consultant (the "**IC Consultant**") to conduct an Internal Control Review covering specific areas including project management, asset disposal, design and consulting services, VR game development, and impairment assessment. The IC Consultant has completed the Internal Control Review and issued the internal control and follow-up assessment report dated 24 March 2026 (the "**IC Report**").

Summary of Key Findings and Remedial Actions

A summary of the key findings of the IC Report is set out below:

Summary of key findings	**Remedial actions recommended by the IC Consultant and adopted by the Group**
Construction project management The IC Consultant identified medium to low-risk deficiencies related to project initiation and budgeting (e.g., missing formal approval records and budget plans), contract management (e.g., missing signing dates and dedicated advance payment clauses), project settlement (e.g., missing supporting vouchers and prepayment tracking), and prepayment management (e.g., concentrated prepayments lacking long-term plans, penalty clauses, and default warning mechanisms).	The Group comprehensively updated its "Project Management System" and "Contract Management System" to mandate strict document archiving, formal budget comparisons, continuous tracking of prepayment usage, and the inclusion of specific clauses for dedicated prepayment use and penalties for long-term holding. Prepayment applications now require rigorous evaluation against actual progress and independent review by the finance department regarding the impact on the Group's liquidity. High-value prepayments (e.g., exceeding 30% of the contract sum or HK$5 million) are subject to stricter scrutiny and may require external expert opinions. The updated system prohibits one-off full prepayments and requires counterparties to provide sound financial data (e.g., asset-liability ratio not higher than 50% and no short-term liquidity pressure) to support their performance capability. Standard contract templates have been updated to include clauses that empower the Group to charge interest or demand additional discounts/ compensations if prepayments are held for over a year without translating into project progress. A formal quarterly potential default warning mechanism was also established and verified to be in effect.

Summary of key findings	Remedial actions recommended by the IC Consultant and adopted by the Group
Revenue management The IC Consultant noted that revenue contracts for design, consulting, and intangible asset licensing lacked effective phased delivery and payment arrangements, exposing the Group to heightened credit risks.	The Company updated its standard contract templates and promulgated a "Revenue Management System" to explicitly mandate the inclusion of phased delivery arrangements linked to corresponding instalment payment nodes.
Fixed assets and intangible assets management Asset disposal projects lacked phased delivery and payment arrangements, resulting in the Group delivering assets without receiving full cash payments.	The Company updated its "Fixed Asset Management System" and "Intangible Asset Management System" to mandate that delivery phases must be strictly tied to specific payment nodes based on the transaction amounts, prohibiting asset delivery if the corresponding payment is not completed.

Compliance with Listing Rules

The IC Consultant also assessed the Group's compliance with Chapters 14 and 14A of the Listing Rules regarding notifiable and connected transactions. The IC Report confirms that for the Transactions reviewed (including those leading to impairments and the HK$50 million prepayment), the Company had conducted background checks on counterparties; calculated the five percentage ratios set out in Rule 14.07 of the Listing Rules; and confirmed that no percentage ratio exceeded 5%, meaning no announcement was required. The IC Report concluded that these non-disclosures were compliant with Chapter 14 and 14A of the Listing Rules.

Views of the IC Consultant

Certain operational deficiencies in the Group's project management were identified in the Internal Control Review as outlined in Section 6.1 of the IC Report. Although these operational deficiencies do not affect the adequacy of the Company's internal controls and procedures to comply with the Listing Rules, the Independent Investigator has recommended the Group's management to implement rectification measures.

Based on the follow-up assessment conducted by the Independent Investigator, the Independent Investigator confirmed that the Group has properly and fully implemented the remedial measures in accordance with the Independent Investigator's recommendations, including the formulation, updating and promulgation of new policies and procedures, to strengthen internal controls in the areas of project feasibility analysis and budgeting, project contract management, project settlement and advance payment management. The Independent Investigator is of the view that the internal control system is adequate and effective to ensure that the Group complies with the Listing Rules.

Views of the Independent Committee and the Board

Having considered the results of the Internal Control Review and the follow-up assessment, the Independent Committee and the Board are of the view that the management has taken adequate and effective remedial actions to address the key findings, and that the Internal Control Review has demonstrated that the Company has in place adequate internal controls and procedures to comply with the Listing Rules. Please refer to the Internal Control Review Findings Announcement for details of the findings.

Resumption Guidance (d) — Publish all outstanding financial results required under the Listing Rules and address any opinions on audit modifications

The Company published:

(i) the announcement on the annual results of the Group for the year ended 31 March 2025 on 22 March 2026;

(ii) the announcement on the interim results of the Group for the six months ended 30 September 2025 on 22 March 2026;

(iii) the annual report of the Group for the year ended 31 March 2025 on 6 July 2026;

(iv) the interim report of the Group for the six months ended 30 September 2025 on 6 July 2026;

(v) the announcement on the annual results of the Group for the year ended 31 March 2026 dated 30 June 2026; and

(vi) the annual report of the Group for the year ended 31 March 2026 on 31 July 2026.

It is noted that KTC Partners CPA Limited, the auditor of the Company (the "**Auditor**"), has issued a disclaimer of opinion on the consolidated financial statements of the Group for the years ended 31 March 2025 and 2026 due to a limitation of scope in relation to the assessment of the Group's ability to continue as a going concern. The basis for the Auditor's disclaimer of opinion is set out in the independent auditor's report included in the annual report of the Group for the years ended 31 March 2025 and 2026.

As at and during the years ended 31 March 2025 and 2026, the Group incurred significant net liabilities position and significant loss and also defaulted on multiple borrowings, which casted significant doubt on the Group's ability to continue on a going concern.

As detailed in Note 3.1 to the consolidated financial statements, in assessing the appropriateness of the use of the going concern basis in the preparation of these consolidated financial statements, the directors of the Company have prepared cash flow forecasts covering a period of 12 months from the date of approval of the consolidated financial statements which take into account of the plans and measures being taken by the Group to improve the Group's liquidity and financial position as set out in Note 3.1 to the consolidated financial statements. In particular, after due and careful enquiry and having received a comfort letter on working capital sufficiency from the Company's financial adviser, the Directors are of the opinion that, after Completion and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its normal business for at least twelve months from the date of the Circular.

Notwithstanding the above, the Auditor was unable to obtain sufficient appropriate evidence to ascertain the assumptions underlying the cash flow forecast prepared by the management for going concern assessment, including the feasibility of the plans and measures for future actions to deal with these events and conditions (including but not limited to the assumptions that the debt restructuring can be completed). Thus, due to such limitation of scope imposed on the Auditor to ascertain the going concern basis adopted by the management, the Auditor issued a disclaimer of opinion on the Group's consolidated financial statements as at and for the years ended 31 March 2025 and 2026.

The Independent Financial Adviser has considered the disclaimer of opinion issued by the auditor of the Company in its Letter from the Independent Financial Adviser set out on pages IFA-1 to IFA-83 of the Circular and were of the view that the Proposed Restructuring is essential to address the uncertainties raised by the auditors regarding the going concern basis.

Based on discussion with the auditor, the Company understands that the auditor's disclaimer of opinion on going concern assessment as highlighted in their auditor's report for the year ended 31 March 2026 is expected to be removed in the next financial year following the successful implementation of the Proposed Restructuring (including the Subscription and the Debt Restructuring), assuming there to be no other adverse circumstances in the next financial year.

Resumption Guidance (e) — Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules

The Group is a multimedia entertainment group that engages in three main business segments:

(i) licensing and/or operating indoor theme parks in cities across the PRC, Japan and Hong Kong through an asset-light licensing model;

(ii) animation-derived products trading business including the operation of an IP Pop Toy Collectibles platform; and

(iii) multimedia animation entertainment business, focusing on animation IP and virtual reality (VR) experiences (including eSports).

The Group's theme-park business is recovering from the impact of the Covid-19 pandemic. Coupled with the economic and tourism recovery in the PRC and Japan, the Group has been actively expanding the licensing business of CA SEGA JOYPOLIS. It has collaborated with various business partners using an asset-light licensing model to broaden the strategic footprint of the theme park brand. By leveraging advanced technologies, the Group has also been enhancing user-experiences and interactivity in its theme parks — such as through virtual roller coasters and immersive theatres.

The Group has over 30 years' experience in the IP Pop Collectibles industry (i.e. the manufacturing and trading of figures and toys) and provides value-added services through the sale of animation-derived products featuring a wide range of popular third-party owned animation characters. Over the years, the Group has accumulated extensive experience, resources, and reputation in the animation industry, enabling it to fully develop its IP Pop Collectibles business. It enjoys long-term and solid business relationships with its distributors and manufacturers, as well as close cooperative relationships with many world-leading IP brands, including "Transformers" in the United States, SEGA Sonic the Hedgehog and Initial D, etc.

Additionally, the Group has established VR eSports and VR O2O game model and is regarded as one of the leaders in the VR eSports industry in the PRC.

According to the audited annual results of the Group for the years ended 31 March 2024 to 2026, the Group's financial performances in the last three years are as follows:

	For the years ended 31 March		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	364,028	366,959	360,441
Gross profit	55,376	89,143	121,108
Loss for the year	(170,311)	(40,912)	(78,728)

As mentioned in the paragraphs above, the Group's business has been recovering steadily. It recorded revenue of approximately HK$364.03 million for the year ended 31 March 2024, revenue of approximately HK$366.96 million for the year ended 31 March 2025 and revenue of approximately HK$360.44 million for the year ended 31 March 2026, representing a generally steady level.

The Group recorded a net loss for the year of approximately HK$170.31 million for the year ended 31 March 2024. This loss narrowed notably to approximately HK$40.91 million for the year ended 31 March 2025 and approximately HK$78.73 million for the year ended 31 March 2026. The table below illustrates the performance of the Group's operations by segment:

	For the years ended 31 March		
	2024	**2025**	**2026**
	HK$'000	*HK$'000*	*HK$'000*
Theme park	(15,843)	113,136	77,604
Sales of animation derivative products	(5,068)	(12,176)	(17,999)
Multimedia animation entertainment	(8,608)	9,180	6,868
Segment profit/(loss)	(29,519)	110,140	66,473

As shown in the table above, the Group's theme park and multimedia animation entertainment businesses turned from loss-making in the year ended 31 March 2024 to profitable in the years ended 31 March 2025 and 31 March 2026.

According to the audited annual results of the Group for the year ended 31 March 2026, the Group recorded a net liability position of approximately HK$1,173.13 million as at 31 March 2026.

As at the date of this announcement, the Company has completed the Proposed Restructuring, which include, among other things, the completion of the Subscription Agreements and the Creditors' Scheme becoming effective (the "**Completion**"). For details of the Proposed Restructuring, please refer to the Circular dated 27 April 2026 and the announcement jointly issued by the Investor and the Company on 14 August 2026.

To facilitate the completion of the Subscriptions and ensure compliance by the Company with the minimum public float requirement under the Listing Rules, both Bright Rise Enterprises Limited and Fortress Strength Limited completed the disposal of all their respective equity interests in the Company, comprising an aggregate of 16,327,300 New Shares, representing approximately 2.31% of the enlarged issued share capital of the Company as enlarged by the Subscription Shares and Scheme Shares to Independent Third Parties. As a result of the above, and as illustrated in the announcement jointly issued by the Investor and the Company on 14 August 2026, at least 25% of the Company's total issued share capital is currently held by the public thereby complying with the minimum public float requirement under the Listing Rules.

The successful implementation of the Creditors' scheme has significantly reduced the Company's existing indebtedness. The Subscriptions has injected substantial new capital into the Group, thereby (i) enabling it to expand its business operations more effectively; and (ii) improving its net asset position and overall financial stability. The Group retains its existing assets upon Completion while gaining improved financial resources. This combination results in assets of sufficient value to support continued listing.

The net liability position of the Group has improved significantly upon Completion as stated in the Company's circular dated 27 April 2026, resulting in the Group's current assets increasing from approximately HK$121.7 million to approximately HK$179.6 million upon Completion, and reducing its current liabilities from approximately HK$1,354.4 million to approximately HK$178.9 million upon Completion, based on the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 30 September 2025. Reference is made to Appendix II of the Circular dated 27 April 2026 "the Unaudited Pro Forma Financial Information of the Group as at 30 September 2025", which indicated that the Group is expected to improve from net current liabilities position of HK$1,232.7 million as at 30 September 2025 to net current assets position of approximately HK$717,000 as at 30 September 2025 as a result of the implementation and the Completion of the Creditors' scheme, the Subscriptions, the Special Deals and the extension on certain borrowings and interest payables.

The Group's current liabilities do not impose immediate risks to the Group as they are mostly negotiable with their respective lenders as the Group has achieved Completion. The indebtedness of the Group that will become due and cannot be negotiated and extended will be settled from its current assets. The Group's current assets principally comprise trade receivables arising from its continuing licensing business, prepayments that are expected to be realized shortly after delivery and subsequent sales of goods and available internal resources. Even before the Group has achieved Completion, the Group's business (i.e. theme parks and IP-related development) has been ongoing and improving as illustrated above. In fact, the Group's upcoming construction costs for new theme parks are also prepaid and will not require cash outflow which further enhances the Group's level of operations.

In terms of the Group's non-current liabilities, a substantial portion of it consists of long-term obligations that are not due for settlement within two years with lenders indicating potential extensions based on the Group's restructuring development and circumstances. As the Group's business continues to recover upon Completion, the remaining liabilities will be covered by its operations from the financial years ending 31 March 2027 and 2028 driven primarily by revenue growth and reduced administrative and interest expenses.

Following the passing of the resolutions at the EGM held on 27 May 2026, the Company has obtained approval to proceed with the Proposed Restructuring. The joining of the Investor to the Group is now proceeding in accordance with the terms approved by the Shareholders.

The Investor has indicated an open attitude and willingness to discuss the actions that can relieve the Group's indebtedness and/or provision of further financial assistance to the Group if required after Completion. This reflects the Investor's ongoing support and confidence in the Group's future prospect.

The Group's business model is primarily focused on leveraging intellectual property (IP) and industry expertise rather than heavy investment in physical assets. The Group specializes in developing and commercializing IP, which it can either monetise through outright sales or integrate into theme park projects and games. This model is inherently asset-light and capital efficient.

The Group has demonstrated capability in IP creation and development. Once developed, these IPs become valuable intangible assets of the Group. With the injection of new working capital from the Subscriptions, the Group will be better positioned to accelerate IP development, which can then be converted into revenue-generating assets through licensing, co-operation with theme park operators, or integration into games and entertainment projects.

Although the Group does not require substantial fixed assets, the combination of its existing IP portfolio, industry know-how, and the expected new capital injection will provide it with assets (particularly intangible assets) of sufficient value and growth potential. The well-established brand "Joypolis" and the IP obtained from "Sega" as well as the additional working capital will enable the Group to capture more collaboration opportunities with theme park operators and investors. The COVID-19 pandemic, as one of the primary reasons that caused the Group to face financial distress, has already ended, and the tourism industry has been recovering steadily. There are currently no foreseeable major external factors that would significantly hinder the future growth of the Group's business in the cultural technology and entertainment sector. The Completion and the resumption of trading will further allow the Group to actively pursue its core strategy of partnering with theme park operators and different investors, thereby resuming and expanding its business operations to a level sufficient to support continued listing.

Taking into account the recovering business performance, the improvement in the Group's financial position, as well as the positive impact of the addition of the Investor to the Board and the enhancement in investors' confidence and business performance following Completion, the Group will, among other benefits, be able to negotiate more favorable extension terms and/or have sufficient financial resources, whether generated internally or obtained externally, to meet its long-term liabilities as and when they fall due.

In light of the above, the Board is of the view that the Group complies with the requirement under Rule 13.24 of the Listing Rules.

Resumption Guidance (f) — Inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position

Since its trading suspension on 21 November 2024, the Company has published quarterly update announcements pursuant to the Resumption Guidance and Rules 13.09(2)(a) and 13.24A of the Listing Rules.

The Company has continued to disclose material information in connection with, among others, (i) the annual results of the Group for the year ended 31 March 2025, (ii) the interim results of the Group for the six months ended 30 September 2025, (iii) the annual results of the Group for the year ended 31 March 2026, and (iv) the status on fulfilment of the Resumption Guidance to the public by issuing announcements in a timely manner.

The Board believes that the Company has announced all material information it considers necessary and appropriate for the Company's shareholders and investors to appraise the Company's position.

RESUMPTION OF TRADING

As illustrated above, the Company is of the view that it has remedied the issues causing the trading suspension and it has fulfilled all the requirements set out in the Resumption Guidance and fully complied with the Listing Rules to the Stock Exchange's satisfaction.

Trading in shares in the Company was suspended from 9:00 a.m. on 21 November 2024 at the request of the Company. As all the Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Company's shares with effect from 9:00 a.m. on 17 August 2026 on the Stock Exchange.

The Company and the Directors emphasise that the resumption is without prejudice to any action which may be taken by the Stock Exchange on the issues and/or conduct identified in this announcement.

Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 14 August 2026

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