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QINGHUA
擎華控股

Qing Hua Holding Group Company Limited
擎華控股集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8082)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board of directors (the “Directors”) presents the consolidated results Qing Hua Holding Group Company Limited (formerly known as Sunny Side Up Culture Holdings Limited) (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Revenue	5	123,457	148,899
Cost of sales		<u>(118,899)</u>	<u>(81,103)</u>
Gross profit		4,558	67,796
Other income and gains		1,233	1,656
Selling, marketing and distribution expenses		(1,772)	(5,690)
General and administrative expenses		(48,138)	(68,520)
Other expenses, net	7	(2,854)	(18,408)
Finance costs		(4,115)	(2,176)
Share of losses of joint ventures		<u>(24)</u>	<u>(560)</u>
Loss before tax		(51,112)	(25,902)
Income tax credit/(expense)	6	<u>102</u>	<u>(1,894)</u>
Loss for the year	7	<u>(51,010)</u>	<u>(27,796)</u>
Other comprehensive loss:			
Items that may be reclassified to profit or loss:			
Realisation of foreign currency translation reserves from deregistration/disposal of subsidiaries		(122)	1,382
Exchange differences on translation of foreign operations		<u>362</u>	<u>(589)</u>
Total comprehensive loss for the year		<u>(50,770)</u>	<u>(27,003)</u>
Loss for the year attributable to:			
Owners of the Company		(49,206)	(26,137)
Non-controlling interests		<u>(1,804)</u>	<u>(1,659)</u>
		<u>(51,010)</u>	<u>(27,796)</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Total comprehensive loss for the year attributable to:			
Owners of the Company		(48,966)	(25,256)
Non-controlling interests		<u>(1,804)</u>	<u>(1,747)</u>
		<u>(50,770)</u>	<u>(27,003)</u>
Basic and diluted loss per share (HK cents)	<i>9</i>	<u>(1.92)</u>	<u>(1.10)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		269	387
Right-of-use assets		437	823
Intangible assets		493	2,286
Investments in joint ventures		1,238	1,300
Investments in an associate		—	—
		<u> </u>	<u> </u>
Total non-current assets		2,437	4,796
Current assets			
Investments in concert, other entertainment event, film and TV drama production projects		10,713	41,123
Trade receivables	<i>10</i>	15,133	10,407
Prepayments, deposits and other receivables		15,429	23,950
Cash and cash equivalents		40,037	43,273
		<u> </u>	<u> </u>
Total current assets		81,312	118,753
Current liabilities			
Trade payables, other payables, accruals and other financial liabilities	<i>11</i>	54,591	72,245
Other borrowings		65,000	35,000
Lease liabilities		235	699
Income tax payables		395	1,358
		<u> </u>	<u> </u>
Total current liabilities		120,221	109,302
Net current (liabilities)/assets		(38,909)	9,451
		<u> </u>	<u> </u>
Total assets less current liabilities		(36,472)	14,247
		<u> </u>	<u> </u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	<u>217</u>	<u>165</u>
Total non-current liabilities	<u>217</u>	<u>165</u>
Net (liabilities)/assets	<u>(36,689)</u>	<u>14,082</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	66,072	62,900
Reserves	<u>(97,189)</u>	<u>(44,612)</u>
	(31,117)	18,288
Non-controlling interests	<u>(5,572)</u>	<u>(4,206)</u>
Total equity	<u>(36,689)</u>	<u>14,082</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 12 July 2001 and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda.

The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at 17th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

Pursuant to a special resolution passed at a annual general meeting of the Company during the year, the English name of the Company was changed from Sunny Side Up Culture Holdings Limited to Qing Hua Holding Group Company Limited and the Chinese name was changed from 「光尚文化控股有限公司」 to 「擎華控股集團有限公司」.

During the year, the Group was primarily involved organisation/production of and investments in concert, other entertainment event, film and TV drama production projects, and other media and entertainment related businesses.

2. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately HK\$49,206,000 for the year ended 31 December 2025 and, as at 31 December 2025, the Group had net current liabilities and net liabilities of HK\$38,909,000 and HK\$36,689,000, respectively. Besides, the Group had a net operating cash outflow of approximately HK\$34,617,000 for the year ended 31 December 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration of the followings:

- (i) A major subsidiary's director has agreed to provide adequate funds for the Group to meet its liabilities as they fall due;
- (ii) The Group will actively negotiate with various potential investors or lenders to secure new financing arrangement to meet the Group's working capital and financial requirements in the near future. The Group will also actively seek opportunities to carry out fund raising activities including but not limited to the placing of new shares of the Company or rights issue as alternative sources of funding; and

- (iii) The Group has been endeavouring to improve the Group's operating performance and cash flows through cost control measures and working capital management to maintain sufficient liquidity.

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the Directors are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financing requirements. The Directors believe that the aforementioned measures will be successful, based on the continuous efforts by the management of the Group.

However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise.

3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 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, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is engaged in a single business unit of media and entertainment for the current year under review. In prior year, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the media and entertainment segment primarily engages in the organisation/production of and investments in concert, other entertainment event, film and TV drama production projects and other media and entertainment related businesses; and
- (b) the cremation and funeral services segment primarily engages in the provision of cremation and funeral services and deathcare related business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that finance costs, share-based payment expense and head office and corporate expenses are excluded from such measurement. No other discrete financial information is provided other than the Group's results and financial position as a whole for the year ended 31 December 2025. Therefore, no information about reportable segment profit or loss, assets and liabilities is presented for the year ended 31 December 2025. Accordingly, only geographical information and major customers are presented for the year ended 31 December 2025.

Segment assets exclude certain property, plant and equipment, club membership and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude other borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
Revenue from contracts with external customers	127,728	6,022	133,750
Other revenue	10,967	4,182	15,149
	<u>138,695</u>	<u>10,204</u>	<u>148,899</u>
Segment results			
	3,812	(16,820)	(13,008)
<u>Reconciliation:</u>			
Corporate and other unallocated expenses, net			(10,718)
Finance costs			(2,176)
Loss before tax			<u>(25,902)</u>
Segment assets			
	117,530	566	118,096
<u>Reconciliation:</u>			
Corporate and other unallocated assets			5,453
Total assets			<u>123,549</u>
Segment liabilities			
	(65,860)	(1,963)	(67,823)
<u>Reconciliation:</u>			
Corporate and other unallocated liabilities			(41,644)
Total liabilities			<u>(109,467)</u>
Other segment information			
Share of losses of joint ventures	560	–	560
Depreciation and amortisation	1,472	1,705	3,177
Finance costs	941	7	948
Loss on disposal/write-off of property, plant and equipment	–	1,141	1,141
(Reversal of impairment)/impairment of trade and other receivables, net	(535)	4	(531)
Additions to property, plant and equipment	219	702	921
Investments in joint ventures	1,300	–	1,300

Geographical information

(a) Revenue from contracts with external customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	20,303	47,791
Mainland China	1,714	7,023
Macau	52,808	70,099
Thailand	1,102	3,670
United Kingdom	5,802	–
Australia	4,456	–
Taiwan	26,257	460
Others	4,891	4,707
	<u>117,333</u>	<u>133,750</u>

The revenue information above is based on the locations where the relevant sales, concerts or other entertainment events took place/underlying services were rendered.

(b) Non-current assets

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	1,150	3,157
Others	49	339
	<u>1,199</u>	<u>3,496</u>

The non-current asset information above is based on the locations of the assets/underlying assets and excludes financial instruments, investments in joint ventures, amounts due from joint ventures and investments in an associate.

Information about major customers

No individual customer exceed 10% of the total revenue of the Group during the years ended 31 December 2025 and 2024.

5. REVENUE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from contracts with customers		
Provision of cremation and funeral services and sale of related goods	–	6,022
Concert and other entertainment event income and sale of related goods	111,878	122,109
Artiste management and performance services income	5,455	5,619
	<u>117,333</u>	<u>133,750</u>
Revenue from other sources		
Rendering of cremation services*	–	4,182
Gain on investments in concert, other entertainment event, film and TV drama production projects, net	6,124	10,967
	<u>6,124</u>	<u>15,149</u>
	<u>123,457</u>	<u>148,899</u>

* Being government subsidies received for the rendering of cremation services in certain location in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

Revenue from contracts with customers

(i) *Disaggregated revenue information*

For the year ended 31 December 2025

Segment	Media and entertainment <i>HK\$'000</i>
Types of goods or services	
Sale of goods	671
Concert and other entertainment event organisation	110,967
Sponsorship	240
Artiste management and performance	<u>5,455</u>
Total revenue from contracts with customers	<u><u>117,333</u></u>
Timing of revenue recognition	
At a point in time	671
Over time	<u>116,662</u>
Total	<u><u>117,333</u></u>

For the year ended 31 December 2024

Segments	Media and entertainment <i>HK\$'000</i>	Cremation and funeral services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Types of goods or services			
Sale of goods	235	101	336
Cremation and funeral services	–	5,921	5,921
Concert and other entertainment event organisation	108,660	–	108,660
Sponsorship	13,214	–	13,214
Artiste management and performance	5,619	–	5,619
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>
Geographical markets			
Hong Kong	47,791	–	47,791
Mainland China	1,001	6,022	7,023
Macau	70,099	–	70,099
Thailand	3,670	–	3,670
Others	5,167	–	5,167
	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>
Timing of revenue recognition			
At a point in time	235	101	336
Over time	127,493	5,921	133,414
	<hr/>	<hr/>	<hr/>
Total	<u>127,728</u>	<u>6,022</u>	<u>133,750</u>

6. INCOME TAX

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	–	1,172
(Over-provision)/under-provision in prior years	<u>(102)</u>	<u>117</u>
	<u>(102)</u>	<u>1,289</u>
Current tax – Overseas		
Provision for the year	<u>–</u>	<u>605</u>
	<u>–</u>	<u>605</u>
	<u>(102)</u>	<u>1,894</u>

The income tax provision of the Group in respect of operations in Hong Kong is provided at 8.25% on assessable profits up to HK\$2,000,000, and the applicable tax rate is 16.5% on any part of assessable profits over HK\$2,000,000 based on the assessable profits for the years ended 31 December 2025 and 2024.

The income tax provision of the Group in respect of operations in the PRC was calculated at the tax rate of 25% on the assessable profits for the years ended 31 December 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The income tax provision of the Group in respect of operations in the PRC were qualified as “Small Low-Profit Enterprise” for the years ended 31 December 2025 and 2024 and were entitled to a preferential income tax rate. From 1 January 2023 to 31 December 2027, the profits no more than RMB3 million are taxed 5%.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% PRC withholding tax.

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to losses of the consolidated entities as follows:

	2025	2024
	HK\$'000	HK\$'000
Loss before tax	<u>(51,112)</u>	<u>(25,902)</u>
Tax credit at the Hong Kong statutory tax rate of 16.5% (2024:16.5%)	(8,433)	(4,274)
Tax effect of tax rate at lower tax regime	–	(165)
Effect of difference in tax rate for specific locations or enacted by local authority	(95)	47
Income not subject to tax	(115)	(303)
Expenses not deductible for tax	1,505	3,388
Tax losses not recognised	7,138	3,416
PRC withholding tax	–	551
Tax effect of one-off reduction	–	(2)
Tax effect of utilisation of tax losses not previously recognised	–	(881)
(Over-provision)/under-provision in prior years	<u>(102)</u>	<u>117</u>
Tax (credit)/charge at the Group's effective rate	<u>(102)</u>	<u>1,894</u>

The Group has tax losses arising in Hong Kong of approximately HK\$186,307,000 (2024: HK\$143,043,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits arising in Hong Kong of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have mainly arisen in subsidiaries that have been loss-making for some time or due to the unpredictable future taxable profit streams of the relevant entities and, in the opinion of the Company's directors, it is currently not considered probable that taxable profits will be available against which the tax losses can be utilised.

7. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of inventories sold	413	300
Depreciation of property, plant and equipment	247	1,872
Depreciation of right-of-use assets	749	1,128
Amortisation of intangible assets	223	223
Auditor's remuneration		
–Audit services	1,100	1,100
–Non-audit services	47	47
	1,147	1,147
Employee benefit expense (including directors' and chief executive's remuneration):		
–Salaries, bonuses and other benefits	24,367	34,850
–Equity-settled share-based payment (credit)/expense, net	(1,567)	343
–Pension scheme contributions (defined contribution schemes)	722	681
	23,522	35,874
Equity-settled share-based payment expense to a consultant	930	–
(Gain)/loss on disposal/write-off of property, plant and equipment	(328)	1,141
Loss on disposal of subsidiaries	370	9,595
Loss on deregistration of subsidiaries	111	–
Gain on early termination of right-of-use assets	(2)	–
Impairment/(reversal of impairment) of trade receivables, net	725	(1,929)
(Reversal of impairment)/impairment of other receivables, net	(307)	1,398
Fair value losses, net:		
Financial liabilities at fair value through profit or loss		
– designated as such upon initial recognition*	2,854	11,994
Amortization of prepayment for other share-based payment arrangement*	–	6,414
	2,854	18,408
Foreign exchange differences, net	(76)	486
Amortisation of deferred income in respect of government grants	–	(445)

* Included in “Other expenses, net” in the consolidated statement of profit or loss and other comprehensive income.

8. DIVIDENDS

The board of directors of the Company does not recommend the payment of any dividend in respect of the year (2024: Nil).

9. LOSS PER SHARE

Basic loss per share

The basic loss per share for the years ended 31 December 2025 and 2024 is calculated based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss attributable to owners of the Company:	<u>(49,206)</u>	<u>(26,137)</u>
	2025 <i>'000</i>	2024 <i>'000</i>
Weighted average number of ordinary shares for the year ended 31 December	<u>2,561,048</u>	<u>2,373,793</u>

Diluted loss per share

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary sharing during the years ended 31 December 2025 and 2024.

10. TRADE RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	23,196	17,745
Provision for loss allowance	<u>(8,063)</u>	<u>(7,338)</u>
Carrying amount	<u>15,133</u>	<u>10,407</u>

The Group's trading terms for media and entertainment related businesses, other than ticket sales and certain sponsorship arrangements whereby payments in advance are normally required, the credit period is generally 30 to 60 days from the date of billing, while ticketing agencies and/or other relevant parties normally settle the corresponding amounts received by them attributable to the Group within 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or equivalent and net of loss allowance, is as follows:

	2025	2024
	HK\$'000	HK\$'000
Within 30 days	8,282	4,146
31 to 60 days	420	896
61 to 90 days	72	1,706
Over 90 days	6,359	3,659
	<u>15,133</u>	<u>10,407</u>

The movements in the loss allowance of trade receivables are as follows:

	2025	2024
	HK\$'000	HK\$'000
At 1 January	7,338	10,804
Impairment/(reversal of impairment), net	725	(1,929)
Amounts written off	–	(1,463)
Disposal of subsidiaries	–	(74)
	<u>–</u>	<u>(74)</u>
At 31 December	<u>8,063</u>	<u>7,338</u>

An impairment analysis is performed at each reporting date using a probability of default approach to measure expected credit losses. The probabilities of default are estimated based on actual credit loss experience. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information/forecasts of future economic conditions. As at 31 December 2025, the probability of default applied ranged from 2.57% to 100% (2024: 2.86% to 100%) and the loss given default was estimated to range from 67.08% to 100% (2024: 63.91% to 100%).

11. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND OTHER FINANCIAL LIABILITIES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	3,116	2,698
Contract liabilities	<i>(b)</i>	2,039	674
Other payables and accruals	<i>(c)</i>	33,950	35,954
Other tax payables		11,099	9,594
Financial liabilities at fair value through profit or loss	<i>(d)</i>	4,387	23,325
		54,591	72,245

Notes:

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date or equivalent, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	823	529
31 to 60 days	105	–
61 to 90 days	152	–
Over 90 days	2,036	2,169
	3,116	2,698

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

- (b) Details of contract liabilities are as follows:

	31 December 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>	1 January 2024 <i>HK\$'000</i>
Short-term advances received from customers:			
Funeral services	–	–	4
Media and entertainment related services	2,039	674	1,151
	2,039	674	1,155
Contract receivables (included in trade receivables)	15,133	10,407	11,818

	2025	2024
	HK\$'000	HK\$'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:		
–2025	N/A	674
–2026	<u>2,039</u>	<u>–</u>
	<u>2,039</u>	<u>674</u>
Year ended 31 December	2025	2024
	HK\$'000	HK\$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year	<u>674</u>	<u>1,155</u>
Significant changes in contract liabilities during the year:		
Increase due to operations in the year	64,309	45,635
Transfer of contract liabilities to revenue	<u>62,944</u>	<u>46,116</u>

- (c) Included in the Group's other payables are amounts due to a joint venture and related companies of approximately HK\$64,000 (2024: Nil) and HK\$73,000 (2024: HK\$73,000), respectively, which are unsecured, non-interest-bearing and repayable on demand. A non-controlling shareholder of indirect subsidiary of the Company is a beneficial owner of the related companies. Except for the above, other payables are unsecured, non-interest-bearing and repayable within 1 year.
- (d) The amounts mainly represent investments made by certain investors in projects relating to concerts and other entertainment events organised/to be organised by the Group. In accordance with the terms of the respective agreements, the investors are entitled to the rights to recoup their investment amounts as appropriate and to share the net profit or loss of the respective concert and other entertainment event projects. The financial liabilities were designated upon initial recognition as at fair value through profit or loss, as such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise and/or the financial liabilities form part of a group of financial assets or financial liabilities or both, which are managed and their performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis. The net changes in fair values of these financial liabilities during the year of HK\$2,854,000 were debited to profit or loss (2024: HK\$11,994,000 debited to profit or loss).

EXTRACT FROM THE INDEPENDENT AUDITOR’S REPORT PREPARED BY THE AUDITOR OF THE COMPANY

The Company would like to provide an extract from the independent auditor’s report prepared by ZHONGHUI ANDA CPA Limited (“ZHONGHUI ANDA”) on the Group’s consolidated financial statements for the year ended 31 December 2025 as set out below:

Material Uncertainty Relating to Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to owners of the Company of approximately HK\$49,206,000 for the year ended 31 December 2025 and, as at 31 December 2025, the Group had current liabilities and net liabilities of approximately HK\$38,909,000 and HK\$36,689,000, respectively. Besides, the Group had a net operating cash outflow of approximately HK\$34,617,000 for the year ended 31 December 2025. These conditions indicate a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the total revenue of the Group arising from media and entertainment businesses (2024: arising from (i) media and entertainment businesses; and (ii) cremation and funeral services businesses) was approximately of HK\$123,457,000 which was 17.09% lower than the corresponding period of last year of approximately of HK\$148,899,000. Gross profit decreased from approximately of HK\$67,796,000 to HK\$4,558,000. The decrease in revenue and gross profit was attributable to (i) unexpected performance of concerts organised or invested by the Group during the current year; and (ii) the revenue and gross profit contributed by the cremation and funeral services businesses in corresponding period of last year, but nil for current year upon completion of disposal.

Other income and gains

Other income and gains decreased from approximately of HK\$1,656,000 to approximately of HK\$1,233,000.

Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2025 were approximately of HK\$1,772,000, which was 68.86% lower than the amount of corresponding period of last year of approximately of HK\$5,690,000. Such expenses as a percentage of revenue for the year was approximately 1.44% (2024: 3.82%). The decrease in selling, marketing and distribution expenses was in line with the decrease in revenue for the current year.

General and administrative expenses

General and administrative expenses for the year ended 31 December 2025 amounted to approximately of HK\$48,138,000 which was 29.75% lower than with the amount for the corresponding period of last year of approximately HK\$68,520,000. The substantial decrease was mainly attributable to (i) lower employee benefit expenses during the current year as the cremation and funeral services businesses was disposed in August 2024; and (ii) the loss on disposal of subsidiaries recorded HK\$370,000 for the current year, while it amounted to approximately of HK\$9,595,000 in corresponding period of last year.

Other expenses, net

Other expenses mainly consist of co-investors' share of net income/net loss from entertainment events organised by the Group of approximately HK\$2,854,000 for the current year.

OPERATION REVIEW

Media and entertainment businesses

During the year ended 31 December 2025, the total revenue from media and entertainment businesses was approximately HK\$123,457,000, which was 10.99% lower than that of the corresponding period of last year of approximately HK\$138,695,000. During the year, revenues were mainly derived from organisation of concert and other entertainment events, sponsorship income, and artiste management and performance, while offset by negative return on investments in concert, other entertainment event, film and TV drama production projects. The Group organised 17 concerts (2024: 12 concerts); invested 32 concerts (2024: 49 concerts); invested 1 drama (2024: 1 drama) during the year. While the number of concerts organised by the Group was increased during the current year, it recorded a decrease in revenue. It was mainly due to poor market performance of concerts invested or organised by the Group.

Cremation and funeral services businesses

During the year ended 31 December 2024, cremation, funeral and related business operations recorded revenue of approximately HK\$10,204,000. The cremation and funeral services businesses was sold to an independent third party on 12 July 2024. The disposal was completed on 13 August 2024. Upon completion of disposal, the financial performance of the cremation and funeral services businesses will no longer be consolidated into the consolidated financial statements of the Group. Details of the disposal are set out in the announcements of the Company dated 12 July 2024 and 13 August 2024.

Prospects

The Group engages in the media and entertainment businesses, which mainly include the operation of concerts, exhibitions and live entertainment events. During the year, the global business environment remained highly complex and volatile, with multiple challenges. Factors such as the impact of US tariff policies and escalating geopolitical risks created an intensified market landscape and a cautious consumption sentiment which highly affected our performance on concert box office. Nevertheless, the Group had participated in numerous events across the border including the Taeyeon Concert The Tense in Macau and Hong Kong, Ian Chan “Tears” In My Sight Solo Concert Tour 2025, Fish Leong When We Talk About Love, etc.

In light of the upcoming market and financial challenges, the Group will take appropriate measures, including more cautiously selection of investment projects, internal optimization and adjustment, as well as effective cost-reduction and efficiency-enhancement to maintain the Group financial stability and cash flow. Further, the Group strives to further develop its business in order to improve the Group’s business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group’s existing business portfolio, broaden its source of income and enhance value to the shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$40,037,000 (31 December 2024: HK\$43,273,000) and the total assets of the Group were approximately HK\$83,749,000 (31 December 2024: HK\$123,549,000). As at 31 December 2025, the net current liabilities of the Group were approximately HK\$38,909,000 (31 December 2024: the net current assets of HK\$9,451,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 0.68 times (31 December 2024: 1.09 times). The gearing ratio of the Group as at 31 December 2025 is not presented (31 December 2024: 598.57%) and it is calculated by total liabilities over equity attributable to owners of the Company.

As at 31 December 2025, the Group borrowed loan with outstanding principal amount of HK\$35,000,000 at interest rate of 3.5% per annum from an independent third party of the Company. Another loan with outstanding principal amount of HK\$30,000,000 at interest rate of 12% per annum from an independent third party of the Company.

INVESTMENT POSITION AND PLANNING

The Group will continuously undertake researches and identify potential media and entertainment business and investment opportunities, and related business investment opportunities to enhance its business portfolio.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the consolidated financial statements, there were no other significant investments held by the Group during the year. Save as disclosed in the consolidated financial statements, there were no other material acquisitions or disposals of subsidiaries of the Group during the year.

CURRENCY RISK EXPOSURE

The Group has certain operations in Taiwan, whose net assets might be exposed to foreign currency exchange risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations. Otherwise, the Group has no material exposure to foreign currency risk as the majority of the assets and liabilities of the Group's operating units are denominated in their respective functional currency of either Hong Kong Dollars, or New Taiwan Dollars.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 47 (31 December 2024: 50) employees and including Directors. During the year ended 31 December 2025, short term employee benefits, which represented a key component of the total staff costs for the year ended 31 December 2025, included salaries, wages, bonuses and allowances, Directors' remuneration and share-based payments. The Group's employee remuneration packages are mainly determined on the basis of individual performance and experience and also having industry expertise, which include basic wages and bonuses. The Group also provides provident fund schemes and medical insurance scheme for its employees. The Company also grants share awards to eligible persons under the Company's share award scheme and grants share options to the Directors and eligible employees.

CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES

There were no charges on the Group's assets and the Group did not have any significant contingent liabilities as at 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is committed to achieving a high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in part 2 of the CG Code to the GEM Listing Rules during year ended 31 December 2025.

DIRECTORS' SECURITIES TRANSACTIONS

Securities transactions by Directors

The Company has established written guidelines for the required standard of dealings in securities by Directors of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquiries of all Directors, the Directors confirmed that they have fully complied with the requirements under the Required Standard of Dealings and there was no other event of non-compliance during the year ended 31 December 2025.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The audit committee of the Company reviewed the Group's annual results announcement for the year ended 31 December 2025.

Scope of work of ZHONGHUI ANDA

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group's auditors, ZHONGHUI ANDA, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA on the preliminary announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The results announcement of the Group for the year ended 31 December 2025 is published on the website of the Exchange at www.hkexnews.hk (the "Stock Exchange Website") and the website of the Company at www.8082.com.hk. The 2025 Annual Report of the Company will be published on the above websites in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all the staff and management team for their contribution during the period. I would also like to express my appreciation to the continuous support of our shareholders and investors.

On behalf of the board of
Qing Hua Holding Group Company Limited
Xiong Guorui
Executive Director

Hong Kong, 31 March 2026

As at the date of this announcement, the board comprises an executive Director, namely Mr. Xiong Guorui; three non-executive Directors, namely Mr. Ma Xinying, Mr. Ye Chao and Ms. Yuan Xiaomei; and three independent non-executive Directors, namely Dr. Ip Wai Hung, Mr. Chan Wai Man and Mr. Siu Hi Lam, Alick. This announcement will remain on the “Latest Listed Company Information” page of the of the Stock Exchange website at www.hkexnews.hk for at least 7 days from the day of its publication and on the website of the Company at www.8082.com.hk.