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## CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00343)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

#### INTERIM RESULTS

The Board of Directors (the “**Directors**”) of Culturecom Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 September 2025 together with the comparative figures for the corresponding period of 2024 are as follows:

#### 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
	NOTES	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Revenue	3	8,953	7,792
Cost of sales		<u>(5,259)</u>	<u>(4,265)</u>
Gross profit		3,694	3,527
Other income	5	232	277
Other gains or losses	6	(114)	638
Impairment loss under expected credit loss model, net of reversal		(182)	378
Other impairment losses	7	(21,172)	(2,412)
Selling expenses		(6)	—
Administrative expenses		(11,867)	(11,935)
Other expenses	9	(2,133)	(2,252)
Finance costs	8	(206)	(58)
Share of loss of an associate		<u>(45)</u>	<u>(96)</u>
Loss before tax	9	(31,799)	(11,933)
Income tax (expense) credit	10	<u>(300)</u>	<u>313</u>
<b>Loss for the period</b>		<u><b>(32,099)</b></u>	<u><b>(11,620)</b></u>

		<b>Six months ended</b>	
		<b>30 September</b>	
		<b>2025</b>	<b>2024</b>
	<i>NOTE</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Other comprehensive income (expense)</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		<b>639</b>	3,873
Fair value loss of financial assets at fair value through other comprehensive income		<b>(61)</b>	(5)
		<u><b>578</b></u>	<u>3,868</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		—	(1,182)
Reclassification of cumulative translation reserve upon deregistration of a subsidiary		—	(1,475)
		<u>—</u>	<u>(2,657)</u>
Other comprehensive income for the period		<u><b>578</b></u>	<u>1,211</u>
Total comprehensive expense for the period		<u><b>(31,521)</b></u>	<u>(10,409)</u>
Loss for the period attributable to:			
— owners of the Company		<b>(30,703)</b>	(11,384)
— non-controlling interests		<b>(1,396)</b>	(236)
		<u><b>(32,099)</b></u>	<u>(11,620)</u>
Total comprehensive expense for the period attributable to:			
— owners of the Company		<b>(29,803)</b>	(9,822)
— non-controlling interests		<b>(1,718)</b>	(587)
		<u><b>(31,521)</b></u>	<u>(10,409)</u>
<b>Loss per share</b>			
Basic and diluted (HK cents)	<i>12</i>	<u><b>(1.8)</b></u>	<u>(0.7)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
*AT 30 SEPTEMBER 2025*

		<b>30 September 2025</b>	31 March 2025
		<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>NOTES</i>	<b>(unaudited)</b>	(audited)
<b>Non-current assets</b>			
Property and equipment		91	113
Right-of-use assets		1,118	777
Interests in an associate		53	98
Intangible assets		12,218	29,761
Deposits	13	529	485
Financial assets at fair value through profit or loss		168	187
Financial assets at fair value through other comprehensive income		356	414
Loan receivables		–	4,344
Deferred tax assets		181	456
		<b>14,714</b>	36,635
<b>Current assets</b>			
Inventories		29,526	30,697
Trade receivables	13	4,139	3,666
Other receivables, deposits and prepayments	13	1,492	6,233
Loan receivables	14	4,650	685
Amount due from an associate		750	750
Financial assets at fair value through profit or loss		928	696
Cash and cash equivalents		18,672	18,429
Tax recoverable		44	70
		<b>60,201</b>	61,226
<b>Current liabilities</b>			
Trade payables	15	1,049	899
Other payables and accrued charges	15	11,296	8,891
Contract liabilities		911	893
Loans from a director		3,000	3,000
Lease liabilities		1,759	2,131
Provisions		1,597	1,565
		<b>19,612</b>	17,379
<b>Net current assets</b>		<b>40,589</b>	43,847
<b>Total assets less current liabilities</b>		<b>55,303</b>	80,482

	<b>30 September 2025 HK\$'000 (unaudited)</b>	31 March 2025 HK\$'000 (audited)
<b>Non-current liabilities</b>		
Lease liabilities	<u>511</u>	<u>363</u>
<b>Net assets</b>	<u><u>54,792</u></u>	<u><u>80,119</u></u>
<b>Capital and reserves</b>		
Share capital	16,687	16,687
Share premium and reserves	<u>45,188</u>	<u>68,797</u>
Equity attributable to owners of the Company	61,875	85,484
Non-controlling interests	<u>(7,083)</u>	<u>(5,365)</u>
<b>Total equity</b>	<u><u>54,792</u></u>	<u><u>80,119</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statement (“Interim Financial Statements”) have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) of The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to HKFRS Accounting Standards, the accounting policies and methods of computation used in the Interim Financial Statements for the six months ended 30 September 2025 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2025.

### **Application of amendments to HKFRS Accounting Standards**

In the current interim period, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2025 for the preparation of the Interim Financial Statements:

Amendments to HKAS 21

Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current interim period has had no material impact on the Group’s financial position and performance for the current and/or prior periods and/or on the disclosure set out in the Interim Financial Statement.

The Group has not applied any new and amendments to HKFRS Accounting Standards that have been issued but not yet effective for the current accounting period.

### 3. REVENUE

#### *Disaggregation of revenue from contracts with customers*

	For the six months ended 30 September 2025				
	Publishing and intellectual properties ("IPs") licensing HK\$'000 (unaudited)	Digital marketing HK\$'000 (unaudited)	Retailing and wholesales HK\$'000 (unaudited)	Natural language processing HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Timing of revenue recognition:</b>					
At a point in time:					
— Comic books sales	6,112	—	—	—	6,112
— Royalty income from IPs licensing	1,671	—	—	—	1,671
— Sale of wine	—	—	1,170	—	1,170
Total	<u>7,783</u>	<u>—</u>	<u>1,170</u>	<u>—</u>	<u>8,953</u>
<b>Geographical markets:</b>					
Hong Kong (place of domicile)	7,783	—	1,170	—	8,953
The People's Republic of China (the "PRC")	—	—	—	—	—
Total	<u>7,783</u>	<u>—</u>	<u>1,170</u>	<u>—</u>	<u>8,953</u>
	For the six months ended 30 September 2024				
	Publishing and IPs licensing HK\$'000 (unaudited)	Digital marketing HK\$'000 (unaudited)	Retailing and wholesales HK\$'000 (unaudited)	Natural language processing HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>Timing of revenue recognition:</b>					
At a point in time:					
— Comic books sales	6,358	—	—	—	6,358
— Royalty income from IPs licensing	1,322	—	—	—	1,322
Over time:					
— Social media marketing	—	112	—	—	112
Total	<u>7,680</u>	<u>112</u>	<u>—</u>	<u>—</u>	<u>7,792</u>
<b>Geographical markets:</b>					
Hong Kong (place of domicile)	7,680	—	—	—	7,680
PRC	—	112	—	—	112
Total	<u>7,680</u>	<u>112</u>	<u>—</u>	<u>—</u>	<u>7,792</u>

#### 4. SEGMENT INFORMATION

Information reported to the executive directors, being the Group's chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the operating and reportable segments of the Group under HKFRS 8 Operating Segments are as follows:

- Publishing and IPs licensing: publication of comic books and royalty income from licensing IPs of comics.
- Digital marketing: providing digital marketing and communication, IPs digitalisation and agency of IPs services in the PRC.
- Retailing and wholesales: retailing of wine.
- Natural language processing: AI speech technology with real-time human interaction, including design and implementation in both software and embedded chipset domains.

#### Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by operating and reportable segments.

#### For the six months ended 30 September 2025 (unaudited)

	Publishing and IPs licensing <i>HK\$'000</i>	Digital marketing <i>HK\$'000</i>	Retailing and wholesales <i>HK\$'000</i> <i>(Note)</i>	Natural language processing <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue					
External sales	<u>7,783</u>	<u>—</u>	<u>1,170</u>	<u>—</u>	<u>8,953</u>
Segment results	<u>1,501</u>	<u>(723)</u>	<u>(499)</u>	<u>(24,058)</u>	<u>(23,779)</u>
Unallocated expenses					(8,256)
Unallocated income					7
Other gains and losses					<u>229</u>
Loss before tax					<u>(31,799)</u>

For the six months ended 30 September 2024 (unaudited)

	Publishing and IPs licensing <i>HK\$'000</i>	Digital marketing <i>HK\$'000</i>	Retailing and wholesales <i>HK\$'000</i> <i>(Note)</i>	Natural language processing <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue					
External sales	<u>7,680</u>	<u>112</u>	<u>—</u>	<u>—</u>	<u>7,792</u>
Segment results	<u>872</u>	<u>(538)</u>	<u>(275)</u>	<u>(1,151)</u>	(1,092)
Unallocated expenses					(11,494)
Unallocated income					50
Other gains and losses					<u>603</u>
Loss before tax					<u>(11,933)</u>

*Note:* Premium wines with a carrying amount of approximately HK\$28,875,000 (31 March 2025: HK\$30,045,000) were held by the Group as at 30 September 2025. There is no impairment loss on the inventory recognised in the profit or loss after considered the relevant cost such as storage cost, insurance and marketing cost etc.

Segment result represents the loss before tax incurred by each segment without the allocation of certain other income, gain (loss) on fair value change of financial assets at fair value through profit or loss (“FVTPL”), impairment loss of right-of-use assets, and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

As the Group’s assets and liabilities are only reviewed by the CODM as a whole and hence no analysis of the Group’s assets and liabilities by operating segments is disclosed.

## 5. OTHER INCOME

For the six months ended 30 September 2025, other income mainly included imputed interest income from loan receivables of HK\$127,000 (six months ended 30 September 2024: HK\$140,000), bank interest income of approximately HK\$45,000 (six months ended 30 September 2024: HK\$44,000), dividend income from financial assets at FVTPL of approximately HK\$6,000 (six months ended 30 September 2024: HK\$5,000) and investment income from financial assets at fair value through other comprehensive income (“FVTOCI”) of approximately HK\$33,000 (six months ended 30 September 2024: HK\$38,000).



## 6. OTHER GAINS OR LOSSES

	Six months ended	
	30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Gains on fair value change of financial assets at FVTPL		
— held for trading	—*	202
— others	213	195
Written off of other payables	15	—
Gain on disposal of property and equipment	—*	—
Gain on early termination of lease	9	
Written off of other receivables	(498)	
Written off of deposit received	285	—
Net foreign exchange (losses) gains	(138)	241
	<u>(114)</u>	<u>638</u>

\* It represents the amount less than HK\$1,000.

## 7. OTHER IMPAIRMENT LOSSES

	Six months ended	
	30 September	
	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Impairment loss recognised in respect of:		
— right-of-use assets	—	2,412
— intangible assets ( <i>Note</i> )	16,313	—
— deposits paid for intangible assets ( <i>Note 13b</i> )	4,859	—
	<u>21,172</u>	<u>2,412</u>

*Note:* During the six months ended 30 September 2025, the Group assessed the recoverability of its intangible asset related to proprietary technology. Due to the intense competition in the current smart/Artificial intelligence (“AI”) product market and considering the unfavorable market conditions for the Group’s entry into the Chinese smart products sector, the Group has reconsidered its assumptions regarding future market share and anticipated margins on these products.

The recoverable amount of proprietary technology has been determined with reference to the value-in-use calculation based on cash flow forecast from approved budgets covering a period of the expected useful life from 3 to 5 years estimated by management. Such an income approach is an appropriate valuation method that reflects the value of cash flows generated by the continuous operation of the assets, and it is consistent with the requirements under HKAS 36 for determining the value-in-use of cash-generating units.

The key assumptions for the value-in-use calculation are discount rates, growth rates and budgeted gross margin. The discount rates used in the impairment assessment of proprietary technology as at 30 September 2025 were 11.45%. The discount rate reflects the specific risks related to the business and industry in which the cash generating unit operates.

Another key assumption used in the value-in-use calculation was the budgeted gross margin of ranged from 34% to 66%, which is determined based on the management's expectations for market development. The directors of the Company are not currently aware of any other probable changes that would necessitate adjustments to its key estimates.

Based on the results of the assessment, the recoverable amount is lower than the carrying amount, an impairment loss of approximately HK\$16,313,000 (six months ended 30 September 2024: HK\$Nil) was recognised in the condensed consolidated statement of profit or loss and other comprehensive income as other impairment losses expenses during the six months ended 30 September 2025.

## 8. FINANCE COSTS

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(unaudited)
Interests on lease liabilities	<b>61</b>	58
Interests on other borrowing	<b>145</b>	—
	<b>206</b>	58

## 9. LOSS BEFORE TAX

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Loss for the period has been arrived at after charging:		
Staff costs, including directors' emoluments	<b>7,119</b>	8,369
Auditor's remuneration		
— Audit service	<b>500</b>	675
— Non-audit service	<b>175</b>	230
Cost of inventories recognised as expense	<b>4,496</b>	3,510
Costs to fulfill the contracts with customers	<b>763</b>	755
Amortisation of intangible assets	<b>1,671</b>	244
Depreciation of property and equipment	<b>21</b>	27
Depreciation of right-of-use assets	<b>494</b>	830
Impairment loss on right-of-use assets	<b>—</b>	2,412
Impairment loss on deposits paid for intangible assets	<b>4,859</b>	—
Impairment loss on intangible assets	<b>16,313</b>	—
Legal, consultancy and other professional fees (included in other expenses) ( <i>Note</i> )	<b>1,317</b>	1,710
Research cost (included in other expenses) (including staff costs of approximately HK\$639,000 (six months ended 30 September 2024: HK\$466,000))	<b>816</b>	542
Expenses relating to short term leases	<b>283</b>	367
Share-based payment arising from the issuance of non-listed warrants	<b>143</b>	—
	<b><u>          </u></b>	<b><u>          </u></b>

*Note:* The amounts represent fees paid to lawyers and consultants providing legal services and professional advices on business operations and presented under “other expenses”.

## 10. INCOME TAX (EXPENSE) CREDIT

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in Bermuda for both interim periods.

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profits for both interim periods.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both interim periods.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
Current tax		
— Hong Kong Profits Tax	<b>(25)</b>	(21)
Deferred tax		
— Deferred tax (expense) credit	<u><b>(275)</b></u>	<u>334</u>
Income tax (expense) credit	<u><b>(300)</b></u>	<u>313</u>

## 11. DIVIDEND

No dividend was paid, declared or proposed during both interim periods. The directors of the Company have determined that no dividend will be paid in respect of the interim period.

## 12. LOSS PER SHARE

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Loss for the period attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	<b><u>(30,703)</u></b>	<b><u>(11,384)</u></b>
	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2025</b>	<b>2024</b>
	<b>'000</b>	<b>'000</b>
Weighted average number of shares for the purpose of basic and diluted loss per share	<b><u>1,668,657</u></b>	<b><u>1,668,657</u></b>

The computation of diluted loss per share does not assume the exercise of the outstanding share options/warrant since the assumed conversion would result in a decrease in loss per share for the six months ended 30 September 2025 and 2024.

### 13. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

#### (a) Trade receivables

	<b>30 September 2025 HK\$'000 (unaudited)</b>	31 March 2025 HK\$'000 (audited)
Trade receivables	4,140	3,889
Less: allowance for credit losses	<u>(1)</u>	<u>(223)</u>
	<b><u>4,139</u></b>	<b><u>3,666</u></b>

The Group allows the general credit period of ranging from 0 to 120 days to customers of publishing and IPs licensing, retailing and wholesales and digital marketing segments. The following is the aged analysis of trade receivables net of allowance for credit losses presented based on the date of billing at the end of reporting period.

	<b>30 September 2025 HK\$'000 (unaudited)</b>	31 March 2025 HK\$'000 (audited)
0 — 60 days	1,960	1,706
61 — 90 days	486	701
91 — 180 days	1,605	1,108
Over 180 days	<u>88</u>	<u>151</u>
	<b><u>4,139</u></b>	<b><u>3,666</u></b>

**(b) Other receivables, deposits and prepayments**

	<b>30 September 2025 HK\$'000 (unaudited)</b>	31 March 2025 HK\$'000 (audited)
Other receivables	178	170
<i>Less:</i> allowance for credit losses	<u>(120)</u>	<u>(120)</u>
	<u>58</u>	<u>50</u>
Deposits and prepayments ( <i>Note</i> )	1,965	6,670
<i>Less:</i> allowance for credit losses	<u>(2)</u>	<u>(2)</u>
	<u>1,963</u>	<u>6,668</u>
Total other receivables, deposits and prepayments	2,021	6,718
<i>Less:</i> amounts that will be settled or utilised within one year	<u>(1,492)</u>	<u>(6,233)</u>
Amount that will be settled or utilised for more than one year	<u>529</u>	<u>485</u>

*Note:* As of 30 September 2025, the balance primarily consists of deposits paid for intangible assets, amounting to HK\$Nil (31 March 2025: HK\$4,859,000), which were made to an independent third party under the natural language processing business. Given that these deposits pertain to AI technology, and considering the highly competitive environment of the current smart and AI product market, as well as the unfavorable market conditions for the Group's entry into the Chinese smart products sector, the prospects for this investment continue to be viewed with caution. An impairment loss of approximately HK\$4,859,000 has been recognized (six months ended 30 September 2024: HK\$Nil).

**(c) Impairment assessment of financial assets under expected credit loss model**

The basis of determining the inputs and assumptions and the estimation techniques used in the Interim Financial Statements for the six months ended 30 September 2025 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2025. Therefore, net reversal of impairment loss under expected credit loss for trade receivables, other receivables and deposits amounted to approximately HK\$180,000 (six months ended 30 September 2024: HK\$362,000), is recognised in profit or loss during six months ended 30 September 2025.

#### 14. LOAN RECEIVABLES

	<b>30 September 2025</b>	31 March 2025
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
Loan receivables from independent third parties	<b>6,787</b>	6,736
Less: allowance for credit losses	<b>(2,137)</b>	(1,707)
	<b>4,650</b>	5,029

During the year ended 31 March 2024, the Group has entered into loan agreements with an independent third parties.

During the year ended 31 March 2025, the Group had agreed to extend the loan maturity date with all borrowers and certain corresponding borrowings had been reclassified and presented as non-current. As at 30 September 2025, carrying amount of loan receivables of approximately HK\$4,650,000 (net of allowance of approximately HK\$2,137,000) (31 March 2025: HK\$5,029,000, net of allowance of approximately HK\$1,707,000) were considered past due despite the extension of repayment due date.

The loan receivables were unsecured, interest-free and repayable within one year. Fair value of the loan receivables on initial recognition is determined based on effective interest rate ranging from 3.15% to 3.71% (31 March 2025: 3.15% to 3.71%) per annum. The difference between the principal amount of the loan and its fair value determined on initial recognition amounting to approximately HK\$634,000 (31 March 2025: HK\$518,000).



## 15. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period.

	<b>30 September 2025 HK\$'000 (unaudited)</b>	31 March 2025 HK\$'000 (audited)
0 — 60 days	790	649
61 — 90 days	259	231
Over 90 days	—	19
	<u>1,049</u>	<u>899</u>

The average credit period on purchases of goods ranges from 15 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 30 September 2025, other payables and accrued charges mainly included deposit received approximately HK\$200,000 (31 March 2025: HK\$485,000), accrued operating expenses approximately HK\$6,570,000 (31 March 2025: HK\$5,064,000) and accrued salaries approximately HK\$2,686,000 (31 March 2025: HK\$1,494,000) and accrued staff termination cost approximately HK\$1,560,000 (31 March 2025: HK\$1,560,000).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

The Group's consolidated net loss attributable to the owners of the Company during the six months ended 30 September 2025 increased by approximately 169.7% to HK\$30,703,000 or HK\$1.8 cents per share as of 30 September 2025 (30 September 2024: loss of HK\$11,384,000 or HK\$0.7 cents per share).

The analysis of condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2025 is as follows:

#### 1. Revenue

For the six months ended 30 September 2025, the Group's overall revenue from operations increased by approximately 14.9% from HK\$7,792,000 to HK\$8,953,000 of which approximately HK\$7,783,000 and HK\$1,170,000 (2024: HK\$7,680,000 and HK\$Nil) were attributable to our business of publishing and IPs licensing, and retailing and wholesales respectively.

The revenue for publishing and IPs licensing business slightly increased by approximately 1.3%, as an increase of revenue from more publication of comic book and IPs licensing during the interim period.

The revenue from the digital marketing business decreased from approximately HK\$112,000 in the six months ending 30 September 2024 to HK\$Nil in the same period of 2025. This decrease in revenue was influenced by the downsizing of operations. In response to the digital marketing business's downward trajectory, the Group has prioritized cash and working capital conservation. The Group continues to the voluntary winding up of the indirect non-wholly owned subsidiaries (details see description below).

The revenue of retailing and wholesales segment records the sales of premium wine of approximately HK\$1,170,000 for the period ended 30 September 2025 (2024: HK\$Nil). With the recovery of Hong Kong's economy, though slowing, the Company is seeking opportunities to sell the premium wine in lot. The Group is continuously working with the consultant to develop sales and distribution channels for its premium wine.

## **2. Gross profit and gross profit margin**

The Group recorded a gross profit of approximately HK\$3,694,000 with gross profit margin of 41.3% for the six months ended 30 September 2025 as compared to the same period of 2024, which recorded a gross profit of HK\$3,527,000 with a gross profit margin of 45.3%. The decrease of margin percentage was mainly due to the production cost of publication of comics books increased during the interim period.

## **3. Selling expenses**

The selling expenses increased approximately HK\$6,000 for the six months ended 30 September 2025.

## **4. Administrative expenses**

For the six months ended 30 September 2025, the Group reported total administrative expenses from operations of about HK\$11,867,000 (2024: HK\$11,935,000).

The main expense components for this period included staff costs of approximately HK\$7,119,000 (2024: HK\$8,369,000), audit and non-audit services fee of approximately HK\$675,000 (2024: HK\$905,000), entertainment of approximately HK\$183,000 (2024: HK\$168,000), advertising and promotion expenses of approximately HK\$207,000 (2024: HK\$129,000), and listing and corporate services fee of approximately HK\$503,000 (2024: HK\$280,000).

## **5. Other impairment losses**

An impairment loss on right-of-use assets of approximately HK\$Nil (2024: HK\$2,412,000) has been recognised due to the assessment of the assets' recoverability.

During the period, impairment losses were recognised on intangible assets of approximately HK\$16,313,000 (2024: HK\$Nil) and deposits paid for intangible assets of approximately HK\$4,859,000 (2024: HK\$Nil) respectively.

## **6. Other expenses**

In the current interim period, approximately HK\$1,317,000 was spent on legal, consultancy, and other professional fees (2024: HK\$1,710,000). This amount was used to pay for legal services from lawyers and professional advice on business operations and development from consultants. The research cost for the development of the natural language processing and digital marketing business was approximately HK\$816,000 (2024: HK\$542,000).

## **7. Loss for the period**

The Group recorded a loss from operations of approximately HK\$32,099,000 (2024: HK\$11,620,000).

Also, as of 30 September 2025, the Group has a net asset of approximately HK\$54,792,000 (31 March 2025: HK\$80,119,000) and net asset value per share of HK\$0.03 (31 March 2025: HK\$0.05).

## **LIQUIDITY AND FINANCIAL RESOURCES**

As of 30 September 2025, the Group had cash and bank balances with financial institutions in aggregate of approximately HK\$18,672,000 and a total of financial assets at fair value through profit or loss of approximately HK\$1,096,000.

The Group has no significant exposure to foreign exchange rate fluctuation except for the transactions that are denominated in United States dollars (“USD”), Australian dollars (“AUD”) and HK\$ relative to RMB.

As of 30 September 2025, the Group had a net current asset of approximately HK\$40,589,000 (31 March 2025: HK\$43,847,000) and a current ratio of approximately 3.1 (31 March 2025: 3.5). The Group’s total liabilities as of 30 September 2025 amounted to approximately 20,123,000 (31 March 2025: HK\$17,742,000) and the gearing ratio of the Group represented approximately 32.5% (31 March 2025: 20.8%) to equity attributable to owners of the Company.

In conclusion, the Directors are confident that the Group will have sufficient liquidity to finance its daily operations. As always, we remain prudent and conservative in managing our financial position to maintain maximum financial flexibility.

## **DEPOSITS PAID FOR INTANGIBLE ASSET**

As mentioned in Note 13, the Group had deposits paid for the natural language processing technology development and production of software and chipset, approximately HK\$Nil (31 March 2024: HK\$4,859,000) in total for the period ended 30 September 2025. Such intangible asset is for the design and implementation in both software and embedded chipset domains and to produce kinds of offline Chinese language voice recognition chips that can be broadly applied to various electronic devices or application environments.

## **EMPLOYMENT AND REMUNERATION POLICIES**

As of 30 September 2025, the Group had a total of 46 employees of which 30 are based in Hong Kong and 16 in the PRC. Total staff costs from operations incurred for the six months ended 30 September 2025 amounted to approximately HK\$7,119,000 (30 September 2024: HK\$8,369,000). The management periodically reviews remuneration packages to ensure they remain competitive. Certain directors and employees may receive discretionary bonuses and incentive share options based on the Group performance and their individual merit and performance.

## **VOLUNTARY LIQUIDATION OF ONE NON-WHOLLY OWNED SUBSIDIARY**

On 15 June 2023, the Group announced that the shareholders of Beijing Star Engine Information Technology Co., Ltd. (北京星河引擎信息科技有限公司) (“**Beijing Star Engine**”), have passed resolution to set up liquidation group to liquidate Beijing Star Engine in accordance with the applicable laws and regulations in the PRC. The voluntary liquidation has not been completed as of the reporting date.

## **CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As of 30 September 2025, the Group did not have any significant capital commitment and contingent liabilities (31 March 2025: Nil).

## **BUSINESS REVIEW**

The overall economy has not yet recovered in recent years, and coupled with unstable geopolitical factors, the Group continues to face a highly challenging operating environment. The Group continues to focus on conserving resources, restructuring operations and taking actions to control and reduce costs and expenses, which helps the Group to preserve its resources. During the six months ended 30 September 2025, total revenue has increased 14.9% from HK\$7,792,000 in 2024 to HK\$8,953,000 in 2025.

## **Publishing and IPs Licensing Business**

The publishing and IPs licensing business is stable. Revenue from this segment, were HK\$7,783,000 in 2025 and HK\$7,680,000 in 2024 respectively. The Company is putting more effort into publication sales of owned IPs or under licenses, and to broaden the scope of licensing business. With the advancement of AI technology and market development, the Group is actively exploring the potential of AI technology to expand traditional publishing operations, including enhancing production quality and cost control through AI applications.

## **Digital Marketing**

After the voluntary winding up and restructuring, the revenue from the business of digital marketing segment reduced from HK\$112,000 in 2024 to HK\$Nil in 2025.

For our non-wholly owned subsidiary, Beijing Star Engine, which was engaged in providing technical support and services of our digital marketing team to our customers, the process of voluntarily winding up are still in progress.

## **Retailing and Wholesales Business**

The Group's premium wine is primarily for consumption by high-end consumer groups or restaurants, mainly sold on a wholesale basis. Overall, sales are stable but subject to market demand, resulting in irregular income. Currently, the Group is also focused on selling the wine in large lots to generate positive cash flow and moving the inventory.

## **Natural Language Processing**

Due to the intense competition in the current smart/AI product market, and considering that it's not a good timing for the Company to enter into Chinese smart products market, the management has adopted a prudent approach to made impairment loss on intangible assets of HK\$16,313,000. Nevertheless, the Group still believes the AI speech recognition chips (i.e. language chips), being one of the core components of IoT interactions, will be applied in the market research in digital marketing as an analysis tool and will be broadly used in mobile phones, smart homes and IoT.

The Group has been concentrating on improving AI speech technology during the current fiscal year, with an emphasis on developing and improving software on facilitating real-time interaction with humans. During the six months ended 30 September 2025, the net operating expenses amounted to approximately HK\$24,058,000. This was primarily due to the costs associated with personnel and business promotion and impairment loss on intangible assets. Headcount employed for this business segment now stands at 15 and the Group will continue to hire professionals in building a technical and business development team.

## **PROSPECT**

We are mindful of the pivotal changes taking place in the business, and while striving to maintain the sustainable development level of the existing business segments, we hope the natural language processing segment will be put into the market as soon as possible and generate profits for the Group. In total, the manpower as of 30 September 2025 is 46 as compared to 45 on 31 March 2025.

The Group continues to strengthen its cooperation with iFlytek Co., Ltd (科大訊飛股份有限公司) (“iFlytek”) and Information Brain Technology (Shenzhen) Co., Ltd (仿腦科技(深圳)有限公司) (the “IBT”) in the development of AI speech real-time human-computer interaction technology, which has already entered the stage of product application, products such as the Feilong Master human-computer interaction mobile phone and IoT application products will be gradually launched into the market.

In terms of the Company’s IPs revitalization business, IPs licensing will become a key strength of the Group in the future AI market. AI technology has also unlocked tremendous opportunities in content creation, licensing and derivative applications. Moving forward, the Group will focus on expanding its IPs revitalization business, including the “fragmentation” of its portfolio of over 200 IPs through AI technology by converting into animation, short drama and short video content. Furthermore, the Group will establish an AI talent agency for its IP characters to further revitalize IP resources and enhance the potential value.

## **REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor its subsidiaries have purchased, sold and redeemed any of the listed securities in the Company during the six months ended 30 September 2025.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with all the code provisions of the Corporate Governance Code (the “CG Code”) set out in Appendix C1 of the Listing Rules throughout the six months ended 30 September 2025.

## **MATTERS RELATING TO RULE 13.92 OF THE LISTING RULES**

Pursuant to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. Following the appointment of Ms. Chan Shuk Man Lora as independent non-executive Director on 25 November 2025, the Company has complied with the requirement of diversity of board members under Rule 13.92 of the Listing Rules.

## AUDIT COMMITTEE

The Audit Committee of the Company, with written terms of reference in line with the code provision set out in the CG Code, currently comprises of three independent Non-executive Directors, namely Mr. Wong Kwan Kit, Mr. Mung Yat Lik and Ms. Chan Shuk Man Lora. The Audit Committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters including the review of unaudited interim results for the six months ended 30 September 2025.

## MODEL CODE OF SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the Directors (the “**Model Code**”). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code during the six months ended 30 September 2025.

## PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

This interim results announcement is published on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.culturecom.com.hk](http://www.culturecom.com.hk). The interim report will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

By Order of the Board  
**Culturecom Holdings Limited**  
**Kwan Kin Chung**  
*Managing Director*

Hong Kong, 27 November 2025

*As at the date hereof, the Board comprises of Mr. Kwan Kin Chung (being Managing Director and executive Director) and Mr. Fung Ting Ho (being executive Director); Mr. Wong Kon Man Jason (being Chairman and non-executive Director); and Mr. Wong Kwan Kit, Mr. Mung Yat Lik and Ms. Chan Shuk Man Lora (all being independent non-executive Directors).*

\* *for identification purposes only*