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Litian Pictures Holdings Limited

力天影業控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9958)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2025

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 31 December 2025 increased by 275% to RMB37.6 million from RMB10.1 million for the six months ended 30 June 2024.
- Gross profit for the six months ended 31 December 2025 was RMB6.9 million as compared to the gross profit of RMB3.7 million for the six months ended 30 June 2024.
- Loss attributable to equity shareholders of the Company for the six months ended 31 December 2025 increased by 9.72% to RMB11.5 million from RMB10.5 million for the six months ended 30 June 2024.
- Basic and diluted loss per share for the six months ended 31 December 2025 and six months ended 30 June 2024 were RMB0.03 and RMB0.03 respectively.
- The Board resolved not to declare the payment of interim dividends for the six months ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Litian Pictures Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited consolidated interim results of the Group for the six months ended 31 December 2025, together with the comparative figures for the six months ended 30 June 2024. These results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2025 – unaudited
(Expressed in Renminbi (“RMB”))

	Notes	Six months ended	
		31 December 2025 RMB’000 (Unaudited)	30 June 2024 RMB’000 (Unaudited)
Revenue	4	37,641	10,058
Cost of sales		(30,780)	(6,353)
Gross profit		6,861	3,705
Other income		1,248	517
Selling and marketing expenses		(1,094)	(178)
Administrative expenses		(12,148)	(7,823)
Reversal/(provision) of impairment loss on trade and other receivables		4,036	(1,216)
Loss from operations		(1,097)	(4,995)
Finance costs	5(a)	(10,422)	(5,492)
Loss before taxation	5	(11,519)	(10,487)
Income tax	6	–	(12)
Loss attributable to equity shareholders of the Company for the period		(11,519)	(10,499)
Other comprehensive income for the period (after tax):			
Items that may be reclassified subsequently to profit or loss:			
– Exchange differences on translation of the financial statements denominated in foreign currencies into the Group’s presentation currency		(598)	(13)
Total comprehensive loss attributable to equity shareholders of the Company for the period		(12,117)	(10,512)
Loss per share			
Basic and diluted (RMB)	7	(0.03)	(0.03)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025 – unaudited

(Expressed in RMB)

		At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
Non-current assets			
Property and equipment	8	291	1,107
Deferred tax assets		–	–
		<u>291</u>	<u>1,107</u>
Current assets			
Drama series copyrights	9	59,693	84,693
Trade and bills receivables	10	38,249	6,804
Prepayments, deposits and other receivables	11	11,062	3,122
Restricted cash		4,559	5,060
Cash at bank and on hand	12	3,683	4,008
		<u>117,246</u>	<u>103,687</u>
Current liabilities			
Trade payables	13	218,706	214,892
Other payables and accrued expenses	14	235,695	205,692
Contract liabilities	15	28,021	30,792
Bank and other loans	16	151,221	160,094
Lease liabilities		4,593	4,299
Current taxation		7,107	4,713
		<u>645,343</u>	<u>620,482</u>
Net current liabilities		<u>(528,097)</u>	<u>(516,795)</u>
NET LIABILITIES		<u>(527,806)</u>	<u>(515,688)</u>
CAPITAL AND RESERVES			
Share capital	17	3,296	3,296
Reserves		(531,252)	(519,134)
TOTAL DEFICIENCY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u>(527,956)</u>	<u>(515,838)</u>
Non-controlling interests		<u>150</u>	<u>150</u>
TOTAL EQUITY-DEFICIT		<u>(527,806)</u>	<u>(515,688)</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

(Expressed in RMB unless otherwise indicated)

1 CORPORATE INFORMATION

Litian Pictures Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 17 June 2019 as an exempted company with limited liability under the Companies Act of the Cayman Islands. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 22 June 2020 (the “**Listing Date**”). The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in the production, distribution and licensing of broadcasting rights of drama series.

2 BASIS OF PREPARATION

The interim financial statements has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (the “**IASB**”). It was authorised for issue on 27 February 2026.

The interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025/2026 final financial statements. Details of any changes in accounting policies are set out in Note 3.

The preparation of an interim financial statements in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The unaudited consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRS Accounting Standards as issued by the IASB.

The financial information relating to the as of 30 June 2025 that is included in the interim financial statements as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The Group incurred a net loss of RMB11,519,000 during the six months ended 31 December 2025. The Group expects to pay financial liabilities of RMB645,343,000 as and when they fall due within one year. However, the total current assets of RMB117,246,000 as at 31 December 2025, and majority of the current assets were drama series copyrights of RMB59,693,000, which may not be realised in full within one year. The Group’s cash at bank and on hand only amounted to RMB3,683,000 as at 31 December 2025. The Group will be unable to meet its liabilities in full when they fall due unless the Group is able to generate sufficient cash flow from future operations and/or other sources.

The Group has been experiencing liquidity pressure in view of the slow recovery of the entertainment industry and more intensified competition in the drama series market, resulted in the tightening of the procurement budgets of broadcast platforms. These have led to delays in drama series production and their licensing and broadcasting, which has affected the Group’s ability to realise cash from its drama series copyrights, settle trade and other payables, produce and acquire drama series, and repay bank and other loans. The Group’s drama series operations remain under pressure in the near term, which may consequently result in the Group being unable to meet its working capital and financial requirements in the next twelve months.

In addition, as disclosed in Note 19, certain subsidiaries of the Group is under various litigations initiated by certain creditors and lenders. Of the above claim amount, principals and interest accrued thereof of RMB103,719,000 have been recognised as liabilities as at 31 December 2025. Depending on the outcome of the proceedings, the Group may be required to settle the claims on demand in future.

These events or conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking a number of measures to mitigate the Group's liquidity pressure, which include, but not limited to, the following:

- For self-produced drama series where advances had been received from broadcast platforms (i.e. the Group's contract liabilities), the Group will continue to negotiate with these platforms to accelerate the broadcasting of these drama series in order to accelerate their recognition as the Group's revenue, and in doing so, obtaining the rights to collect the remaining proceeds for such broadcasts;
- For all other completed self-produced drama series, the Group will continue to price them commensurately during negotiations with the various broadcast platforms with a view to accelerate their broadcastings, which includes the sale of the broadcasting rights of these drama series for a longer period, in order to accelerate their recognition as the Group's revenue and expedite the recovery of the costs of the drama series;
- To expedite the sale of outright-purchased drama series to broadcast platforms;
- Subject to availability of liquidity to the Group, to further develop new and existing script copyrights while cooperating with broadcast platforms, such that with more certainty to progress them into the production stage and their eventual broadcasting; or to consider the sale of existing script copyrights to other producers;
- To increase the Group's efforts in expediting the collection of outstanding debtors from the distribution and licensing of broadcasting rights of drama series in prior periods;
- To continue to negotiate with creditors and lenders in restructuring the terms and settlement schedules of existing payables and borrowings with a view to alleviate the liquidity pressure of the Group;
- To monitor the progress of outstanding claims and litigations with an aim to reach an amicable solution with the claimants/plaintiffs as soon as possible; and/or
- The ultimate controlling parties, Mr Yuan Li and Ms Tian Tian, have undertaken to provide continuing financial support and also to assist the Group in obtaining additional sources of financing from banks and other financial institutions, as and when needed, to ensure the Group's continuing operation for a period of at least twelve months from 31 December 2025.

Based on the cash flow forecast of the Group prepared by the management and assuming success of the above measures, the directors of the Company are of the opinion that the Group would have adequate funds to meet its liabilities as and when they fall due at least twelve months from the end of the reporting period. Accordingly, the directors of the Company consider it is appropriate to prepare the consolidated financial statements on a going concern basis.

3 APPLICATION OF NEW AND REVISED HKFRSs

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group.

None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The Group is principally engaged in the production, distribution and licensing of broadcasting rights of drama series. All of the Group's revenue was recognised at a point in time.

Further details regarding the Group's principal activities are disclosed in Note 4(b).

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended	
	31 December	30 June
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from the distribution and licensing of broadcasting rights of self-produced drama series	37,638	3,911
Revenue from the distribution and licensing of broadcasting rights of outright-purchased drama series	2	3,906
Revenue from the distribution and licensing of broadcasting rights under co-financing arrangements and others	–	2,241
	37,641	10,058

(b) Segment reporting

The Group manages its businesses by products and services. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments.

- Self-produced drama series: this segment includes primarily the production, distribution and licensing of broadcasting rights of self-produced drama series.
- Outright-purchased drama series: this segment includes primarily the acquisition, distribution and licensing of broadcasting rights of outright-purchased drama series.
- Others: this segment includes miscellaneous revenue streams such as distribution and licensing of broadcasting rights of drama series under co-financing arrangements, acquisition and sale of script copyrights, provision producing services of drama series and others.

(i) **Segment results**

For the purposes of assessing segment performance and allocating resources, the Group's most senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment result is gross profit. No inter-segment sales have occurred for the six months ended 31 December 2025 and 30 June 2024. Assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The Group's other operating income and expenses, such as other income, selling and marketing expenses, administrative expenses, finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 31 December 2025 and 30 June 2024 is set out below.

	Six months ended 31 December 2025 (Unaudited)			
	Self- produced drama series RMB'000	Outright- purchased drama series RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	<u>37,638</u>	<u>2</u>	<u>–</u>	<u>37,641</u>
Reportable segment gross profit	<u>6,858</u>	<u>2</u>	<u>–</u>	<u>6,861</u>
	Six months ended 30 June 2024 (Unaudited)			
	Self- produced drama series RMB'000	Outright- purchased drama series RMB'000	Others RMB'000	Total RMB'000
Revenue from external customers	<u>3,911</u>	<u>3,906</u>	<u>2,241</u>	<u>10,058</u>
Reportable segment gross profit	<u>1,700</u>	<u>1,865</u>	<u>140</u>	<u>3,705</u>

(ii) **Reconciliation of reportable segment profit or loss**

	Six months ended	
	31 December 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Reportable segment gross profit	6,861	3,705
Other income	1,248	517
Selling and marketing expenses	(1,094)	(178)
Administrative expenses	(12,148)	(7,823)
Impairment loss on trade and other receivables	4,036	(1,216)
Finance costs	(10,422)	(5,492)
Consolidated loss before taxation	<u>(11,519)</u>	<u>(10,487)</u>

(iii) **Geographic information**

All of the Group's customers are located in the PRC and the Group's non-current assets are substantially located in the PRC, and accordingly, no analysis of geographic information is presented.

5 **LOSS BEFORE TAXATION**

Loss before taxation is arrived at after charging/(crediting):

(a) **Finance costs**

	Six months ended	
	31 December 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Interest expenses on:		
– bank and other loans	10,420	5,456
– lease liabilities	2	36
	<u>10,422</u>	<u>5,492</u>

(b) **Other items**

	Six months ended	
	31 December 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Cost of drama series copyrights (Note 9)	<u>30,780</u>	<u>6,353</u>

6 INCOME TAX

	Six months ended	
	31 December 2025 RMB'000 (Unaudited)	30 June 2024 RMB'000 (Unaudited)
Current taxation		
Provision for the period	–	12

Notes:

- (i) The Company and the subsidiaries of the Group incorporated in the British Virgin Islands (the “BVI”) are not subject to any income tax pursuant to the rules and regulations of their respective countries of incorporation.
- (ii) The Company and the subsidiary of the Group incorporated in Hong Kong did not have assessable profits which are subject to Hong Kong Profits Tax for the six months ended 31 December 2025 and 30 June 2024.
- (iii) The subsidiaries of the Group established in the PRC (excluding Hong Kong) are subject to PRC Corporate Income Tax rate of 25% for the six months ended 31 December 2025 (six months ended 30 June 2024: 25%).
- (iv) In accordance with the income tax rules and regulations in the PRC, entities established in the Xinjiang Kashi/Horgos special economic areas before 31 December 2021 can enjoy full exemption on PRC Corporate Income Tax for five years starting from the year in which revenue was generated. The Group has established subsidiaries in the Xinjiang Kashi/Horgos special economic areas in 2017, 2018 and 2020, and accordingly, these subsidiaries are entitled to full exemption on PRC Corporate Income Tax from the calendar year of their respective establishments to the calendar year of 2021, 2022 and 2024, respectively.

7 LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company for the six months ended 31 December 2025 of RMB11,519,000 (six months ended 30 June 2024: RMB10,499,000) and the weighted average of 360,000,000 ordinary shares (six months ended 30 June 2024: 300,000,000 shares) in issue during the interim period.

(b) Diluted earnings per share

There were no dilutive potential shares outstanding during the six months ended 31 December 2025 and 30 June 2024.

8 PROPERTY AND EQUIPMENT

During the six months ended 31 December 2025, the Group acquired equipment with a cost of RMBNil (six months ended 30 June 2024: Nil).

9 DRAMA SERIES COPYRIGHTS

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Self-produced drama series with production completed (<i>Note (i)</i>)	121,083	146,083
Outright-purchased drama series	7,897	7,897
Co-financed drama series with production completed (<i>Note (ii)</i>)	46,965	46,965
Script copyrights (<i>Note (iii)</i>)	179,526	179,526
	<hr/>	<hr/>
Less: impairment losses	355,471 (295,778)	380,471 (295,778)
	<hr/>	<hr/>
	59,693	84,693
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (i) The Group acts either as sole investor or executive producer under co-financing arrangements.
- (ii) The Group acts as non-executive producers under these co-financing arrangements.
- (iii) The carrying amount of script copyrights represents the payment on obtaining the literature patent and the cost incurred in relation to adaptation of these intellectual properties.

Movements of drama series copyrights are set out below:

	Six months ended	
	31 December 2025 <i>RMB'000</i> (Unaudited)	30 June 2024 <i>RMB'000</i> (Unaudited)
At beginning of the period	84,693	550,222
Additions	5,780	21,313
Recognised in cost of sales (<i>Note 5(b)</i>)	(30,780)	(6,353)
	<hr/>	<hr/>
At end of the period	59,693	556,182
	<hr/> <hr/>	<hr/> <hr/>

10 TRADE AND BILLS RECEIVABLES

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Trade receivables	245,389	216,295
Less: loss allowance	<u>(208,340)</u>	<u>(212,376)</u>
	37,049	3,919
Bills receivables	<u>1,200</u>	<u>2,885</u>
	<u><u>38,249</u></u>	<u><u>6,804</u></u>

All of the trade and bills receivables are expected to be recovered within one year.

(a) Ageing analysis

The ageing analysis of trade and bills receivables, based on the dates of revenue being recognised and net of loss allowance, of the Group is as follows:

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Within 6 months	38,249	3,919
6 to 12 months	<u>–</u>	<u>2,885</u>
	<u><u>38,249</u></u>	<u><u>6,804</u></u>

- (b) The Group has discounted certain bills it received from customers at banks. Upon the above discounting, the Group has not derecognised the bills receivables as the Group remains to have a significant exposure to the credit risk of these bills receivables. At 31 December 2025, the carrying amounts of the associated bank loans, and trade and other payables amounted to RMB1,200,000 (30 June 2025: RMB2,865,000).

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
VAT recoverable	8,573	2,771
Others	<u>3,005</u>	<u>867</u>
	11,578	3,638
Less: loss allowance	<u>(516)</u>	<u>(516)</u>
	<u><u>11,062</u></u>	<u><u>3,122</u></u>

12 CASH AT BANK AND ON HAND

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Cash at bank	8,241	9,058
Cash on hand	1	10
	<hr/>	<hr/>
Less: Restricted cash	8,242 4,559	9,068 5,060
	<hr/>	<hr/>
Cash at bank and on hand included in the consolidated statement of financial position	<u>3,683</u>	<u>4,008</u>

The Group's operations in the PRC (excluding Hong Kong) conducted its business in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC (excluding Hong Kong) is subject to the exchange restrictions imposed by the PRC government.

13 TRADE PAYABLES

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Payables for productions and acquisitions of drama series	<u>218,706</u>	<u>214,892</u>

All of the trade payables are expected to be settled within one year or are repayable on demand.

The ageing analysis of trade payables, based on the transaction date, is as follows:

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Within 6 months	3,814	1,834
6 to 12 months	1,834	922
1 to 2 years	9,606	17,368
More than 2 years	203,452	194,768
	<hr/>	<hr/>
	<u>218,706</u>	<u>214,892</u>

14 OTHER PAYABLES AND ACCRUED EXPENSES

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Payables to co-investors of drama series under co-financing arrangements	140,639	132,485
Interest payables	71,926	61,506
Payables for staff related costs	1,209	3,714
Payables for other taxes	2,174	3,763
Payables for professional services	748	2,611
Others	18,999	1,613
	<u>235,695</u>	<u>205,692</u>

All of the other payables and accrued expenses are expected to be settled within one year or are repayable on demand.

15 CONTRACT LIABILITIES

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Receipts in advance from customers	<u>28,021</u>	<u>30,792</u>

All of the contract liabilities are expected to be recognised as income within one year.

16 BANK AND OTHER LOANS

The Group's short-term bank and other loans are analysed as follows:

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Bank loans:		
– Secured by bills receivables	1,200	2,865
– Guaranteed by the controlling parties	–	86
	<u>1,200</u>	<u>2,951</u>
Other loans from third parties:		
– Guaranteed by the controlling parties	68,700	87,200
– Unsecured and unguaranteed	70,182	69,514
	<u>138,882</u>	<u>156,714</u>
Other loans from related parties:		
– Unsecured and unguaranteed	<u>11,139</u>	<u>429</u>
	<u>151,221</u>	<u>160,094</u>

17 CAPITAL, RESERVES AND DIVIDENDS

Dividends

The directors of the Company did not recommend an interim dividend for the six months ended 31 December 2025 (six months ended 30 June 2024: RMBNil).

18 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as of 31 December 2025 and 30 June 2025.

19 CONTINGENT LIABILITIES

As of 31 December 2025, certain subsidiaries of the Group were sued by creditors of the Group to settle the considerations of drama series acquired by the Group in prior years, and by a lender of the Group to settle a short-term other loan granted to the Group. The total amount of the above claims, including principals, interest and add-ons, amounted to RMB127,501,000. Of the above claim amount, principals and interest accrued thereof of RMB103,719,000 have been recognised as liabilities as at 31 December 2025. The directors of the Company continue to deny any liability in respect of the remaining claim amount, and do not believe the court will find against these subsidiaries. No provision has therefore been made in respect of the remaining claim amount.

20 MATERIAL RELATED PARTY TRANSACTIONS

Transactions and balances with the controlling parties and senior management of the Company during the period

	At 31 December 2025 <i>RMB'000</i> (Unaudited)	At 30 June 2025 <i>RMB'000</i> (Audited)
Loans from controlling parties at the end of the reporting period	11,139	429
Guarantees received from controlling parties for bank and other loans at the end of the reporting period	<u>93,740</u>	<u>93,740</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

We are a drama series distribution company in the PRC. The Group was established in 2013, and is primarily engaged in the business of licensing the broadcasting rights of self-produced and outright-purchased drama series. For the six months ended 31 December 2025, we distributed a total 6 drama series, which were mainly comprised of self-produced drama series and outright-purchased drama series we purchased outright from third-party copyright owners/licensors.

During the year, we focused the vast majority of our efforts on the licensing of broadcasting rights for our self-produced drama series, with the business of licensing broadcasting rights for outright-purchased drama series and cooperation with third-party copyright owners/licensors scaled down. We concentrated our resources on optimizing the quality and distribution of our self-produced works, and recommended our self-produced drama series tailored to our customers' specific needs and audience preferences.

In 2026, we will try our best to continuously film our planned self-produced drama series, with a focus on creating high-quality works that integrate mainstream values and commercial appeal. In consideration of the rise of the online short drama in the PRC as well as overseas markets, we are also exploring to develop such markets by utilizing our existing drama and script copyrights in order to line up with the industry's direction. We will also expedite the distribution and licensing of broadcasting rights of existing self-produced drama series, expanding our reach to both domestic mainstream channels and emerging overseas markets.

FINANCIAL REVIEW

Revenue

The following table sets forth a breakdown of our revenue by business segments for the periods indicated:

	Six months ended	
	31 December 2025 RMB'000	30 June 2024 RMB'000
Revenue from the distribution and licensing of broadcasting rights of self-produced drama series	37,638	3,911
Revenue from the distribution and licensing of broadcasting rights of outright-purchased drama series	–	3,906
Revenue from the distribution and licensing of broadcasting rights under co-financing arrangements and others	2	2,241
Total	37,641	10,058

Our revenue increase by approximately 275% from approximately RMB10.1 million for the six months ended 30 June 2024 to approximately RMB37.6 million for the six months ended 31 December 2025. The increase was mainly due to an increase of approximately RMB33.7 million in revenue from the distribution and licensing of broadcasting rights of self-produced drama series.

Revenue by Business Segments

(i) *Distribution and licensing of broadcasting rights of self-produced drama series*

Revenue generated from the licensing of broadcasting rights of self-produced drama series increase by approximately 862% from approximately RMB3.9 million for the six months ended 30 June 2024 to approximately RMB37.6 million for the six months ended 31 December 2025, primarily attributable to the total of 6 self-produced drama series licensed for the six months ended 31 December 2025.

(ii) *Distribution and licensing of broadcasting rights of outright-purchased drama series*

Revenue generated from the distribution and licensing of broadcasting rights of outright-purchased drama series decreased from approximately RMB3.9 million for the six months ended 30 June 2024 to approximately RMBNil for the six months ended 31 December 2025, resulted from the shifting of business focus towards self-produced drama series.

(iii) *Revenue from the distribution and licensing of broadcasting rights under co-financing arrangements and others*

Revenue generated from the distribution and licensing of broadcasting rights under co-financing arrangements and others decreased from approximately RMB2.2 million for the six months ended 30 June 2024 to approximately RMB2,000 for the six months ended 31 December 2025, resulted from the shifting of business focus towards self-produced drama series.

Cost of Sales

The following table sets forth our cost of sales by business segment for the periods indicated:

	Six months ended	
	31 December	30 June
	2025	2024
	RMB'000	RMB'000
Costs of the distribution and licensing of broadcasting rights of self-produced drama series	30,780	2,211
Costs of the distribution and licensing of broadcasting rights of outright-purchased drama series	–	2,041
Costs of the distribution and licensing of broadcasting rights under co-financing arrangements and others	–	2,101
Total	<u>30,780</u>	<u>6,353</u>

Our cost of sales increase by approximately 384% from approximately RMB6.3 million for the six months ended 30 June 2024 to approximately RMB30.7 million for the six months ended 31 December 2025, primarily due to the increase in the costs relating to the distribution and licensing of broadcasting rights of self-produced drama series.

Our cost of the distribution and licensing of broadcasting rights of self-produced drama series increase by approximately 1,292% from approximately RMB2.2 million for the six months ended 30 June 2024 to approximately RMB30.7 million for the six months ended 31 December 2025, primarily attributable to the total of 5 self-produced drama series distributed for the six months ended 31 December 2025.

For the business segment of distribution and licensing of broadcasting rights of outright-purchased drama series, the costs of sales decreased from approximately RMB2.0 million for the six months ended 30 June 2024 to approximately RMBNil million for the six months ended 31 December 2025, resulted from the shifting of business focus towards self-produced drama series.

For the business segment of distribution and licensing of broadcasting rights under co-financing arrangements and others, the costs of sales decreased from approximately RMB2.1 million for the six months ended 30 June 2024 to approximately RMBNil million for the six months ended 31 December 2025, which is in line with the decrease in revenue from the distribution and licensing of broadcasting rights under co-financing arrangements and others.

Gross Profit and Gross Profit Margin

The following table sets forth a breakdown of our gross profit and gross profit margin by business segments for the periods indicated:

	Six months ended			
	31 December 2025		30 June 2024	
	Gross profit	Gross profit	Gross profit	Gross profit
	RMB'000	Margin	RMB'000	Margin
		%		%
The distribution and licensing of broadcasting rights of self-produced drama series	6,858	18.2	1,700	43.5
The distribution and licensing of broadcasting rights of outright-purchased drama series	–	–	1,865	47.7
The distribution and licensing of broadcasting rights under co-financing arrangements and others	2	100.0	140	6.2
Total	6,861	18.2	3,705	36.8

(i) Gross Profit

Our gross profit was approximately RMB6.9 million for the six months ended 31 December 2025, as compared to gross profit of approximately RMB3.7 million for the six months ended 30 June 2024, primarily due to an increase in gross profit from the distribution and licensing of the broadcasting rights of self-produced drama series.

(ii) Gross Profit margin

Our gross profit margin was approximately 18.2% for the six months ended 31 December 2025, as compared to gross profit margin of approximately 36.8% for the six months ended 30 June 2024, mainly because of the aforementioned business focus shift towards self-produced drama series for the six months ended 31 December 2025.

In addition, our gross profit margin of the distribution and licensing the broadcasting rights of self-produced drama series was approximately 43.5% for the six months ended 30 June 2024 as compared to a gross profit margin was 18.2% for the six months ended 31 December 2025 as we priced our drama series commensurately with broadcast platforms and sub-distributors to increase our competitiveness.

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of (i) staff costs relating to our sales and marketing employees; (ii) travel and transportation expenses of our marketing staff; and (iii) publicity expenses relating to booth displays for television conferences and festivals we attended.

Our selling and marketing expenses increased by approximately 514.6% from approximately RMB0.2 million for the six months ended 30 June 2024 to approximately RMB1.1 million for the six months ended 31 December 2025, primarily due to the increase in publicity related expenses.

Administrative Expenses

Administrative expenses primarily consist of (i) staff costs relating to our administrative department; (ii) rental fees, which includes the rental expenses and property management fees in connection with our leased properties; (iii) depreciation and amortisation; (iv) office expenses; (v) consultancy fees, which mainly represents professional services fees, such as legal consulting fees, in connection with our business operations; (vi) transportation fees; (vii) travel expenses; (viii) entertainment expenses; (ix) taxes and surcharges, which primarily consist of construction tax, stamp duty and other education surcharges; and (x) bank charges, which primarily represent bank transaction fees.

Administrative expenses increased by approximately 55.3% from approximately RMB7.8 million for the six months ended 30 June 2024 to approximately RMB12.1 million for the six months ended 31 December 2025, primarily due to the increase in our headquarters related expenses.

Finance Costs

Finance costs primarily consist of (i) interest expenses on bank and other loans, which primarily includes interest on the investments made by passive investors in drama series that allow the investors (who may or may not participate in the production and/or distribution of such drama series) to receive the fixed contractual cash flows regardless of the sales performance of such drama series, which is partially capitalized, and interest on other loans; and (ii) interest on lease liabilities.

Our finance costs increased by approximately 89.8% from approximately RMB5.5 million for the six months ended 30 June 2024 to approximately RMB10.4 million for the six months ended 31 December 2025, primarily due to the increase in interest expenses on bank and other loans.

Income Tax

Income tax expenses represent the tax expenses arising from the assessable profit generated by the Group in the PRC. The Company and subsidiaries are incorporated in different jurisdictions with different taxation requirements.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Group entities established under the International Business Companies Acts of BVI are exempted from BVI income taxes. Pursuant to the PRC Income Tax Law and respective regulations, the Group operating income are subject to enterprise income tax (“EIT”) at a rate of 25% on the taxable income. No provision for Hong Kong profits tax was made as the Group had no assessable profit subject to Hong Kong profits tax for the six months ended 30 June 2024 and 31 December 2025.

In addition, according to the Notice on Preferential EIT Policies in Relation to Kashgar and Horgos as Two Special Economic Development Zones in Xinjiang (《關於新疆喀什霍爾果斯兩個特殊經濟開發區企業所得稅優惠政策的通知》) promulgated by the Ministry of Finance and the State Taxation Administration of the PRC on 29 November 2011, an enterprise established in Horgos between 1 January 2010 to 31 December 2020 and falling within the scope of the Catalog of EIT Incentives for Industries Particularly Encouraged in Underprivileged Areas of Xinjiang for Development (《新疆困難地區重點鼓勵發展產業企業所得稅優惠目錄》) shall be exempted from the EIT entirely for five years beginning from the first year in which operational income is earned. According to the preferential filing record of EIT (企業所得稅優惠事項備案表) of our consolidated affiliated entities, Horgos Yuema Film Co., Ltd* (霍爾果斯躍馬影業有限公司), Horgos Baima Film Co., Ltd. (霍爾果斯白馬影業有限公司) and Horgos Zhizhen Film Co., Ltd. (霍爾果斯至臻影視有限公司) are entitled to EIT exemption from January 2020 to December 2024.

The following table sets forth the major components of our income tax expense for the periods indicated:

	Six months ended	
	31 December 2025 RMB'000	30 June 2024 RMB'000
Current taxation		
Provision for the period	–	12
Deferred taxation		
Origination and reversal of temporary differences	–	–
	<u>–</u>	<u>12</u>

Loss Attributable to Equity Shareholders of the Company for the Period

As a result of the foregoing, our loss attributable to equity shareholders of the Company was approximately RMB11.5 million for the six months ended 31 December 2025, representing an increase of approximately 9.7% as compared to loss attributable to equity shareholders of the Company of approximately RMB10.5 million for the six months ended 30 June 2024.

Trade and Bills Receivables

The Group's trade and bills receivables as at 31 December 2025 amounted to RMB38.2 million, representing an increase of RMB31.4 million or 462.2% as compared to RMB6.8 million as at 30 June 2025, primarily as a result of the increase in the trade receivables.

Trade Payables

Trade payables slightly increase from RMB214.9 million as at 30 June 2025 to RMB218.7 million as at 31 December 2025.

Other Payables and Accrued Expenses

Other payables and accruals increased from RMB205.7 million as at 30 June 2025 to RMB235.7 million as at 31 December 2025.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's capital expenditure, daily operations and investments are mainly funded by cash generated from its operations, bank loans and proceeds from other forms of financing.

As of 31 December 2025, we had cash at bank and on hand of approximately RMB3.7 million as compared to cash at bank and on hand of approximately RMB4.0 million as of 30 June 2025, which were predominantly denominated in RMB.

As of 31 December 2025, we had net current liabilities of approximately RMB528.1 million as compared to the net current liabilities of approximately RMB516.8 million as of 30 June 2025.

The Group primarily obtains borrowings from banks and other third parties to finance its business operations and to fulfil working capital requirements. In addition, we had total bank and other loans of approximately RMB151.2 million as of 31 December 2025 as compared to total bank and other loans of approximately RMB160.1 million as of 30 June 2025.

As of 31 December 2025, we had bank loans of RMB1.2 million, none of which were guaranteed by controlling parties. In addition, we had loans from third party non-executive producers amounted to approximately RMB138.9 million as of 31 December 2025 with fixed repayment terms and interest at a rate of 15% per annum.

Key Financial Ratios

Current ratio

The Group's current ratio remain steady at approximately 0.2 times as of 30 June 2024 and 31 December 2025.

Current ratio equals our current assets divided by current liabilities as of the end of the relevant period.

Gearing ratio

The Group's gearing ratio were approximately 28.7% as of 31 December 2025 and approximately 31.0% as of 30 June 2025, respectively.

Gearing ratio equals total debt divided by total equity as of the end of the relevant period. Total debt includes all interest bearing bank loans and other borrowings.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy and so to maintain the liquidity position for the six months ended 31 December 2025. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL EXPENDITURES

We have no capital expenditures for the six months ended 30 June 2024 and six months ended 31 December 2025.

FOREIGN EXCHANGE EXPOSURE

The Group operates in the PRC and the functional currency is RMB. The majority of the Group's revenue and expenditures are denominated in RMB. As of 31 December 2025, only minimal bank balances were denominated in HKD.

The Group currently does not have any foreign currency hedging policies. The management will continue to monitor the Group's foreign exchange risk exposure and consider adopting prudent measures as appropriate.

CONTINGENT LIABILITIES

As of 31 December 2025, certain subsidiaries of the Group were sued by creditors of the Group to settle the considerations of drama series acquired by the Group in prior years, and by a lender of the Group to settle a short-term other loan granted to the Group. The total amount of the above claims, including principals, interest and add-ons, amounted to RMB127,501,000. Of the above claim amount, principals and interest accrued thereof of RMB103,719,000 have been recognised as liabilities as at 31 December 2025. The directors of the Company continue to deny any liability in respect of the remaining claim amount, and do not believe the court will find against these subsidiaries. No provision has therefore been made in respect of the remaining claim amount.

HUMAN RESOURCES AND REMUNERATION POLICY

As of 31 December 2025, the Group had 42 employees (45 as of 30 June 2025). As required by the PRC laws and regulations, the Group participates in various employee social security plans for our employees that are administered by local governments, including housing, pension, medical insurance, maternity insurance and unemployment insurance. The remuneration policies of the Group are determined based on prevailing market levels and performance of the Group as well as the individual employees. These policies are reviewed on a regular basis. In addition to salary, the Group also offers to its employees other fringe benefits, including year-end bonus, discretionary bonus, share options to be granted under the Company's share option scheme, contributory provident fund, social security fund and medical benefits. We also provide suitable technical training according to the needs of different positions in order to improve their abilities. The Group believes that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes during the six months ended 31 December 2025.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

For the six months ended 31 December 2025, the Group did not have any significant investment and material acquisition or disposal of subsidiaries, associates and joint ventures.

PUBLIC FLOAT

Based on the information publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float of 25% of its total issued share capital as required by the Listing Rules during the six months ended 31 December 2025 and up to the date of this announcement.

FUTURE PLANS FOR MAJOR INVESTMENTS

The Company did not have any material plan for material investment as of the date of this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company ("**Shareholders**"). The Company has studied relevant regulations thoroughly as stipulated in the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") and introduced corporate governance practices appropriate for its operation and management. The Board believes that good corporate governance is one of the essential factors leading to the success and sustainability of the Group.

Throughout the six months ended 31 December 2025, the Company has adopted and complied with all applicable code provisions under the Corporate Governance Code in Appendix C1 to the Listing Rules ("**Corporate Governance Code**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set forth in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions of the Directors. Having made specific enquiry with all Directors, all Directors confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 31 December 2025.

EVENTS AFTER THE REPORTING PERIOD

On 14 January 2026, a placing agent and the Company entered into a placing agreement, pursuant to which the placing agent has conditionally agreed to act as the placing agent of the Company for the purpose of procuring, on a best effort basis, the placing of up to a maximum of 72,000,000 placing shares at the placing price of HK\$0.20 per placing share to not less than six placees who and whose ultimate beneficial owners are independent third parties.

The market price of the shares of the Company on 14 January 2026 was HK\$0.20.

The placing was completed on 4 February 2026 and an aggregate of 72,000,000 placing shares have been successfully placed to not less than six placees. The net proceeds (after deduction of placing commission and other expenses of the placing) from the placing was approximately HK\$14.0 million. The Directors intended to use the net proceeds from the placing the payment for production costs of drama series. Details of the placing were set out in the announcements dated 14 January 2026 and 4 February 2026.

AUDIT COMMITTEE

The Company established the Audit Committee which currently comprises three independent non-executive Directors, Mr. Chen Tong, Mr. Xie Taoquan and Mr. Jing Quanliang. Mr. Chen Tong, is the chairman of the Audit Committee. The primary duties of the Audit Committee include but not limited to supervising our internal control, risk management, financial information disclosure and financial reporting matters. The Audit Committee’s composition and written terms of reference are in line with the Corporate Governance Code.

The Audit Committee, together with the management of the Company, has reviewed the interim results of the Group for the six months ended 31 December 2025. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group.

The Audit Committee considered that the preparation of the relevant financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities throughout the six months ended 31 December 2025.

INTERIM DIVIDEND

The Board resolved not to recommend the payment of any interim dividends for the six months ended 31 December 2025 (six months ended 30 June 2024: Nil).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.litian.tv). The interim report of the Company for the six months ended 31 December 2025 will be despatched to the Shareholders and published on the respective websites of the Stock Exchange and the Company in due course.

If there is any inconsistency between the Chinese names of PRC nationals, entities, departments, facilities, certificates, titles, etc. and their English translations, the Chinese names shall prevail. The English translation of PRC nationals, entities, departments, facilities, certificates, titles, etc. which are marked with “*” is for identification purpose only.

By order of the Board
Litian Pictures Holdings Limited
Yuan Li
Chairman

Hong Kong, 27 February 2026

As at the date of this announcement, the Board includes Mr. Yuan Li, Ms. Tian Tian, Mr. Huang Zhiqiang, Mr. Lin Mingwei and Ms. Huang Meiyuan as executive directors, and Mr. Chen Tong, Mr. Xie Taoquan and Mr. Jing Quanliang as independent non-executive directors.