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Huashi Group Holdings Limited

华视集团控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1111)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Huashi Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results for the year ended 31 December 2025 (“**FY2025**” or the “**Reporting Period**”) of the Company and its subsidiaries (collectively, the “**Group**” or “**We**”), together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”) as follows:

FINANCIAL SUMMARY

	FY2025	FY2024	Year-on-Year Changes
	<i>(RMB,000,000, except for percentage)</i>		
Revenue	290.9	288.5	0.8%
Gross profit	180.0	159.5	12.9%
Profit before income tax expense	94.9	100.2	(5.3%)
Profit for the year	71.4	80.6	(11.4%)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Revenue	3	290,937	288,526
Cost of services		<u>(110,918)</u>	<u>(128,979)</u>
Gross profit		180,019	159,547
Other net income	4	1,694	8,919
Selling and marketing expenses		(26,362)	(18,496)
Administrative and other operating expenses		(48,601)	(45,077)
(Provision for)/reversal of expected credit loss on financial and contract assets, net		(7,663)	365
Finance costs		<u>(4,226)</u>	<u>(5,083)</u>
Profit before income tax expense		94,861	100,175
Income tax expense	5	<u>(23,505)</u>	<u>(19,540)</u>
Profit and total comprehensive income for the year		<u>71,356</u>	<u>80,635</u>
Profit and total comprehensive income for the year attributable to:			
– Owners of the Company		<u>71,356</u>	<u>80,635</u>
Earnings per share attributable to owners of the Company			
– Basic and diluted (<i>RMB cents</i>)	7	<u>9.26</u>	<u>10.46</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Assets			
Non-current assets			
Plant and equipment		94,974	49,073
Right-of-use assets		4,278	6,089
Intangible assets		464	1,238
Deferred tax assets		6,799	3,231
Prepayments		1,603	626
		<u>108,118</u>	<u>60,257</u>
Current assets			
Trade receivables	8	384,256	203,236
Deposits, prepayments and other receivables		42,249	158,761
Restricted bank deposit		5,000	–
Cash and cash equivalents		120,277	100,398
		<u>551,782</u>	<u>462,395</u>
Total assets		<u>659,900</u>	<u>522,652</u>

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Liabilities			
Current liabilities			
Trade payables	9	57,280	29,581
Accruals and other payables		12,346	12,235
Amount due to a shareholder		993	–
Contract liabilities		19,888	6,122
Lease liabilities		2,512	2,400
Borrowings		112,560	93,920
Current tax liabilities		<u>6,766</u>	<u>6,458</u>
		<u>212,345</u>	<u>150,716</u>
Net current assets		<u>339,437</u>	<u>311,679</u>
Total assets less current liabilities		<u><u>447,555</u></u>	<u><u>371,936</u></u>
Non-current liabilities			
Borrowings		19,950	14,000
Lease liabilities		4,928	7,440
Deferred tax liabilities		<u>8,077</u>	<u>7,252</u>
		<u>32,955</u>	<u>28,692</u>
Total liabilities		<u><u>245,300</u></u>	<u><u>179,408</u></u>
NET ASSETS		<u><u>414,600</u></u>	<u><u>343,244</u></u>
Equity attributable to owners of the Company			
Share capital		276,515	276,515
Reserves		<u>138,085</u>	<u>66,729</u>
TOTAL EQUITY		<u><u>414,600</u></u>	<u><u>343,244</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. GENERAL INFORMATION

The Company was incorporated as an exempted company in the Cayman Islands on 18 February 2021 with limited liability under the Companies Act (as revised) of the Cayman Islands. The Company's registered office is located at 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands. The Company's principal place of business is located in the People's Republic of China (the "PRC").

The principal activity of the Company is investment holding. The Group is principally engaged in provision of branding, advertising and marketing services and advertisement placement services in the PRC.

The Directors of the Company consider the ultimate beneficial owner and immediate holding company of the Company are Mr. Chen Jicheng and Jaiyi Culture Media Limited, a company incorporated in the British Virgin Islands, respectively.

2. BASIS OF PREPARATION

The consolidated results set out in this announcement do not constitute the consolidated financial statements of the Group for the year ended 31 December 2025, but are extracted from those consolidated financial statements.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations (collectively "HKFRS Accounting Standards") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure provisions of the Hong Kong Companies Ordinance (Chapter 622 of the laws of Hong Kong). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The preparation of financial statements in compliance with adopted HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies.

i. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

ii. Functional and presentation currency

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the Company's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

iii. New standards, interpretations and amendments adopted from 1 January 2025

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates)
- Disclosure about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37)

Adoption of these amendments to HKFRS Accounting Standards had no material impact on the Group's consolidated financial statements.

iv. New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the HKICPA that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures)
- Contracts Referencing Nature-dependent Electricity (Amendments to HKFRS 9 Financial Instruments and HKFRS 7 Financial Instruments: Disclosures)
- Annual Improvements to HKFRS Accounting Standards – Volume 11

The following new standards are effective for the annual reporting period beginning 1 January 2027:

- HKFRS 18 Presentation and Disclosure in Financial Statements;
- HKFRS 19 Subsidiaries without Public Accountability: Disclosures;
- Translation to a Hyperinflationary Presentation Currency (Amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates); and
- Amendments to HK Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The following amendment's effective date is to be determined by the HKICPA

- Amendments to HKFRS 10 and HKAS 28, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The adoption of HKFRS 19 is optional. HKFRS 19 specifies the disclosure requirements that an entity is permitted to apply to substitute the disclosure requirements in other HKFRS Accounting Standards. The Company's shares are listed and traded in The Stock Exchange of Hong Kong Limited. Therefore, it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare its financial statements.

The Group has substantially completed of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a material impact on the consolidated financial statements except for HKFRS 18 as stated above.

3. REVENUE

The Group's revenue is mainly generated from the provision of branding, advertising and marketing services and advertisement placement services. An analysis of the Group's revenue by category for the years ended 31 December 2025 and 2024 were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers		
Branding services	116,672	100,205
Event execution and production services	65,152	59,158
Online media advertising services	17,596	60,539
Advertisement placement services	71,428	50,928
Rebates from Media Partner	20,089	17,696
	<u>290,937</u>	<u>288,526</u>
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Timing of revenue recognition		
Services transferred over time	188,940	180,782
Services transferred at a point in time	101,997	107,744
	<u>290,937</u>	<u>288,526</u>

4. OTHER NET INCOME

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest income	51	696
Sundry income	139	89
Government grants (<i>Note</i>)	1,408	7,470
Exchange gain	96	664
	<u>1,694</u>	<u>8,919</u>

Note: Government grants represented the financial support received from local government as an incentive for business development and there are no unfulfilled conditions attached to the government grants.

5. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Tax for the current year	28,690	19,494
Over-provision in respect of prior years	<u>(2,439)</u>	<u>–</u>
	<u>26,251</u>	<u>19,494</u>
Deferred tax		
(Credited)/charged to profit or loss for the year	<u>(2,746)</u>	<u>46</u>
	<u>23,505</u>	<u>19,540</u>

Under the Law of the PRC on Enterprise Income Tax (“EIT”) and Implementation Regulations of the EIT Law, the tax rate of the Company’s PRC subsidiaries is 25%.

Provision for the EIT for the year then ended was made based on the estimated assessable profits calculated in accordance with the relevant income tax laws, and regulations applicable to the subsidiaries operated in the PRC.

Huashi Zhonguang International Media (Wuhan) Company Limited, one of the subsidiaries of the Company, is entitled to a preferential income tax rate of 15% for the years ended 31 December 2025 and 2024, as it was awarded high-technology status by tax authority.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits arising in Hong Kong during the years ended 31 December 2025 and 2024.

OECD's Pillar Two model rules

The Group operates in the PRC where the Pillar Two Rules are not yet enacted. As the Group's consolidated annual revenue is less than EUR750 million, the management of the Group considered the Group is not liable to top-up tax under the Pillar Two Rules.

The income tax expense for the years can be reconciled to the profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before income tax expense	<u>94,861</u>	<u>100,175</u>
Tax calculated at a tax rate of 25%	23,715	25,044
Tax effects of different tax rates applicable to different subsidiaries of the Group	(5,160)	(7,939)
Tax effect of expenses not deductible for tax purposes	7,726	2,500
Over-provision in prior year	(2,439)	–
Tax effect of income not taxable	(337)	–
Tax effect of other temporary differences recognised	–	46
Utilisation of tax losses previously not recognised	<u>–</u>	<u>(111)</u>
Income tax expense	<u><u>23,505</u></u>	<u><u>19,540</u></u>

6. DIVIDEND

No dividend was paid or declared by the Company during the years ended 31 December 2025 and 2024.

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2025	2024
Profit for the year attributable to owners of the Company (<i>RMB'000</i>)	71,356	80,635
Weighted average number of shares in issue	<u>770,650,000</u>	<u>770,650,000</u>
Basic earnings per share (<i>RMB cents</i>)	<u><u>9.26</u></u>	<u><u>10.46</u></u>

Note:

Diluted earnings per share presented is the same as the basic earnings per share as there was no dilutive potential ordinary share outstanding during the years ended 31 December 2025 and 2024.

8. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	408,064	217,717
Less: allowance for impairment loss on trade receivables	<u>(23,808)</u>	<u>(14,481)</u>
	<u>384,256</u>	<u>203,236</u>

As at 31 December 2025 and 2024, the trade receivables was denominated in RMB, and the fair value of trade receivables approximated its carrying amounts.

As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on due date were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Not past due	383,851	200,152
Within 90 days	380	2,519
91-180 days	25	496
181-365 days	<u>-</u>	<u>69</u>
	<u>384,256</u>	<u>203,236</u>

As at 31 December 2025 and 2024, the ageing analysis of the trade receivables based on invoice date were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	383,851	200,152
91-180 days	380	2,519
181-365 days	25	565
	<u>384,256</u>	<u>203,236</u>

9. TRADE PAYABLES

As at 31 December 2025 and 2024, the ageing analysis of the trade payables based on services received were as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 30 days	48,938	20,485
31-60 days	8,342	3,127
61-90 days	-	2,703
Over 90 days	-	3,266
	<u>57,280</u>	<u>29,581</u>

CHAIRMAN’S STATEMENT

The Group is a branding, advertising and marketing service provider located in Hubei Province, the PRC, by partnering with various media resource providers to provide services throughout the value chain from market research (through partnering with research institutions) to branding, advertising and marketing project execution, and assists brand owners, advertisers and advertising agencies to develop and implement effective service solutions to achieve their promotional demand and marketing targets, thereby further enhancing the reputation of their brands among the targeted people and increase the competitiveness and market share of their products or services.

In 2025, the international situation was complex and volatile, and affected by geopolitical tensions and fluctuating tariff policies, the momentum of global economic growth slowed down. Trade protectionism was dampening business investment and consumer confidence, and the advertising and marketing industry was facing similar pressures. In the face of external uncertainties, relevant Chinese authorities have implemented a number of measures to promote the industry’s stable and healthy development. The State Administration for Market Regulation issued the “Combinatorial” Enterprise Assistance Policy Guidelines for the Advertising Industry (《廣告產業「組合式」助企政策指引》), carried out the rectification of the advertising market order, reduced burdens and empowered advertising operating entities to promote the healthy development of the advertising industry; the State Council issued the Guiding Opinions on Deepening the Implementation of the “Artificial Intelligence+” Action (《關於深入實施「人工智能+」行動的意見》) to promote the application of Artificial Intelligence (“AI”) in advertising creativity and precise placement. According to the data on the operation of the national economy in 2025 released by the National Bureau of Statistics of the PRC, in 2025, China’s gross domestic product (GDP) grew by 5.0% year-on-year, while total retail sales of consumer goods for the year grew by 3.7% year-on-year, maintaining a stable and positive trend in economic development.

Facing changes in the overall industry environment, the Group continuously improved its core business capabilities and adhered to steady operations. Relying on years of industry accumulation, we deeply explored high-quality customer resources and omni-channel media resources, consolidated long-term stable relationships with industry chain partners, and adopted flexible marketing strategies to provide customers with full-process one-stop marketing solutions, helping customers to enhance their brand value. During the Reporting Period, the Group entered into new strategic cooperation agreements with several key customers to carry out strategic cooperation in diverse fields, with a cooperation coverage comprising digital economy, urban brand IP, smart government affairs, and smart cultural tourism, broadening the boundaries of cooperation.

We leveraged the advantages of various professional qualifications including CNAA 1 first-class advertising enterprise and high and new technology enterprise, to continuously create industry benchmark service projects. During the Reporting Period, the “Caidian District 2025 Cultural Tourism Consumption Season Launch Ceremony (蔡甸區二零二五年文化旅遊消費季啟動儀式)” organized and executed by us achieved considerable cross-platform communication volume and offline traffic; the “Daye Urban Cultural Tourism IP Creation” project, for which we were fully responsible, won the Silver Award at the 9th DMAA Digital Marketing Annual Awards, demonstrating that our professional service capabilities have gained authoritative recognition in the industry.

The Group also continuously explored effective paths to drive high-quality business development with new technologies. During the Reporting Period, the Group deeply integrated AI technology into business aspects such as content generation, scenario design, and user experience optimization, effectively improving creative efficiency and service response capabilities. We built the “Huashi Shanbao (華視·閃BAO)” AI product matrix, and related products successively made their debut at important industry exhibitions such as the “2025 China Culture & Tourism Industries Expo (二零二五年中國文化旅遊產業博覽會)” and the “2025 International (Wuhan) Intelligent Construction Industry Expo (二零二五國際(武漢)智能建造產業博覽會)”, well received by market by virtue of their high integration and stable interactive performance. The “Huashi Shanbao” digital human solution achieved positive feedback in practical scenario applications, demonstrating good industry adaptability and commercial potential.

During the Reporting Period, through refined management and technological innovation, the Group’s service quality and delivery capabilities continuously improved. We focused on the construction of organizational capability and professional talent pipeline, expanded our technical and marketing teams, improved the long-term talent training mechanism, and enhanced employees’ professional skills and cross-field collaboration capabilities. At the same time, we expanded the geographical scope of our business presence, optimized our customer structure, and developed partners in diverse fields. During the Reporting Period, the Group’s operating quality remained stable, recording total revenue of RMB290.9 million and the total contract value signed with customers was RMB1,509.6 million, of which 99.2% (approximately RMB1,498.1 million) of services had been provided to customers.

The Group firmly believes that digitalization and intelligence will become the development opportunities and growth momentum of industry. Standing at a new starting point in the AI era, we will closely follow policy directions and industry trends, adhere to innovation-driven development, and continue to advance our exploration of transforming into an AI-driven enterprise based on our own advantages. In 2026, we launched a number of AI initiatives, successfully established and operated the AI 7S flagship store, and successfully built the Qingchuan Robotics autonomous ecosystem. We also launched the Qingchuan Robotics Band, marking a significant milestone in our AI business as we transitioned from product development to ecosystem co-creation.

We will continue to focus on core principal businesses such as branding services to continuously consolidate our competitive advantages; closely monitor media resource opportunities under new consumption scenarios; explore AI business, continuously enrich the AI product matrix, deepen ecological cooperation; accelerate the scenario-based penetration of AI technology across the entire marketing chain, drive service model upgrades through technological iteration, and enhance business resilience in fierce market competition.

On behalf of the Board, I would like to express my sincere gratitude to all our employees, our customers and partners. At the same time, I would like to express my sincere gratitude to our shareholders and stakeholders for their continued support and trust.

Chen Jicheng

Chairman and Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

2025 Business Review

Branding Services

The Group is deeply engaged in the branding services industry, and conduct in-depth analysis of the changes in industry trend and business model, providing highly tailored-made brand service solutions. The scope of our services includes: (i) conducting in-depth research and analysis of the brand market in which our customers operate with precise brand insights; (ii) planning of brand development strategies for our customers, and advice on core values of brands, brand positioning and its target customers; (iii) design of brand image; and (iv) formulation of products and/or services marketing and promotional plans. During the year, the Group's revenue from branding services business was RMB116.7 million, representing a 16.5% increase year-on-year.

The Group continues to deepen the integration of brand services with new quality productive forces, enhancing competitive advantages through technological and scenario innovation. We empower our brand services business with AI technology, exploring its application in brand strategy generation and creative planning to boost production efficiency and service quality. Simultaneously, we persistently research emerging sectors like low-altitude cultural tourism, exploring the application value of aerial media scenarios in cultural tourism brand communication. We are building a multidimensional communication matrix to expand new scenarios for brand services. During the Reporting Period, we assisted Macheng Guifeng Mountain Scenic Area in Huanggang City, Hubei Province, in successfully securing national 5A-level tourist scenic area status and our "Daye Urban Cultural Tourism IP Creation" project won the Silver Award at the 9th DMAA Digital Marketing Annual Awards. Leveraging deep industry insights and precise customer targeting, combined with creative design, digital marketing, and resource integration capabilities, the Group has accumulated extensive government-enterprise collaboration resources across multiple sectors, maintaining steady growth in its brand services business.

Online Media Advertising Services

The online media advertising services provided by the Group mainly include understanding the marketing needs of customers, analysing the behaviour and preference of consumers, providing suggestions on the forms of advertisements, analysing and selecting the online platforms, obtaining the resources and executing the advertisement placement and effectiveness monitoring and evaluation. The Group offers two major forms of online media advertising as follows: (i) display advertising; and (ii) search engine advertising. As our collaboration with leading Chinese internet companies continues to deepen, our media resource matrix provides extensive coverage of major regions across China and consumers of all age groups. During the year, the revenue from online media advertising services business amounted to RMB17.6 million, representing a 70.9% decrease year-on-year.

According to the “2025 China Advertiser Marketing Trends Survey Report” (《2025中國廣告主營銷趨勢調查報告》) released by CTR Market Research Co., Ltd. (“CTR”, a market research and media research company based in China), AIGC penetration among advertisers has surpassed 50%, with 70% of advertisers recognizing AI’s critical role in enhancing operational efficiency. The rapid iteration of AIGC and large models is driving the digital and intelligent upgrade of online media advertising services. During the Reporting Period, the Group deepened the application of AI in advertising strategy formulation, graphic and video creation, campaign execution, and performance monitoring. Concurrently, we actively engaged in exchanges and collaborations with industry partners to explore AI digital human technology and business scenarios. By researching industry characteristics and analyzing user preferences, we developed customized AI digital human products.

Event Execution and Production Services

The event execution and production services provided by the Group are designed to help customers promote brand concepts, enhance brand awareness, build brand image, and achieve marketing objectives and effects. It covers all phases of an organisation’s marketing campaigns, including (i) formulating campaign strategies; (ii) devising design of the programmes, work plans and rundown of events; (iii) execution of the projects through procuring materials and engaging third-party service providers; (iv) assisting with project management and supervising the execution of marketing campaigns; and (v) evaluating the effectiveness of the marketing campaigns through public opinion. During the year, revenue from events execution and production services amounted to RMB65.2 million, representing a 10.1% increase year-on-year.

The core value of hybrid scenario marketing depends on the integration of real-world event settings with digital interactive marketing, empowered by the AI technology through whole process, thus breaking the temporal and spatial constraints of traditional events and delivering dual enhancements in brand value and business performance for customers. Based on this insight, the Group leveraged its comprehensive media resource matrix to achieve efficient integration between on-site events and online dissemination and advanced the practical application of AI technology across event creativity, scenario design, and interactive experiences. Concurrently, we optimized event execution strategies and supply chain management to enhance project delivery efficiency and cost control capabilities. During the Reporting Period, our execution of the “Caidian District 2025 Cultural Tourism Consumption Season Launch Ceremony (蔡甸區二零二五年文化旅遊消費季啟動儀式)” and the “2025 China Cultural & Tourism Industries Expo Xinzhou Exhibition Hall (2025 中國文化旅遊產業博覽會新洲展廳)” leveraged hybrid scenario marketing and AI-driven digital innovation to create immersive interactive experiences for consumers, thereby elevating regional cultural tourism brand value.

Advertisement Placement Services

The Group provides advertisement placement services, which comprises formulation of online advertisement plan, maintaining the accounts of the customers opened at the advertising platform of the Media Partners ^(Note 1) and arranging advertisement placement on the designated online media platforms of the Media Partners according to the requests of our customers. As an ancillary service, we also design and produce short advertisement videos based on the request of our customers. The Media Partners would charge us primarily based on a mixed basis of CPC, CPT and CPM ^(Note 2), while we would charge our customers a fee comprising (i) the cost for placing the advertisement on the online media platforms charged by the Media Partners based on the above pricing mechanism (i.e. CPC, CPT and CPM); (ii) our service fee for advertisement placement and other related services, which is equivalent to a certain percentage of the costs of advertisement placement on the online media platforms of the Media Partners; and (iii) the rebates we offered to our customers. During the year, revenue from the advertisement placement services business reached RMB71.4 million, representing a 40.3% increase year-on-year.

The Group embraces extensive media resource reserves and highly efficient campaign execution capabilities. During the Reporting Period, we continuously optimized our placement strategies. By leveraging data-driven approaches, we enhanced the efficiency of our placement portfolios and improved the precision of budget allocation. This enabled us to deliver cross-platform, cross-scenario precision placement solutions for our customers, effectively boosting conversion rates and return on investment. Concurrently, we actively expanded collaborations with leading media platforms to broaden our channel coverage. This strengthened our resource integration capabilities and bargaining power, providing customers with more comprehensive and flexible placement options.

Notes:

1. The “Media Partners” are several Chinese internet technology companies which operate various popular online media platforms in the PRC.
2. “CPC” refers to Cost Per Click, a pricing model where advertising is paid on the basis of each click of the advertisement; “CPM” refers to Cost Per Mille, a pricing model where advertising is paid based on one thousand impressions of the advertisement. “CPT” refers to Cost Per Time, a time-based pricing model where advertising is paid at a fixed price for a given period.

The Ministry of Finance and the Ministry of Commerce jointly issued the “Notice on Launching Pilot Programs for New Consumption Formats, Models, and Scenarios (《關於開展消費新業態新模式新場景試點工作的通知》)” promoting the development of integrated consumption scenarios and creating new growth opportunities for advertising planning and brand services. Concurrently, the Group continues to monitor new opportunities AI brings to the media industry. We are researching the application prospects of AI digital humans, screen-based robots, and humanoid robots in scenarios such as brand display, interactive experiences, and intelligent navigation, while exploring synergies with our existing business systems. Considering the Group’s future development plans, we will continue to focus on core businesses such as branding services and online media advertising services, continuously consolidating competitive advantages in these areas. Simultaneously, we will closely follow policy directions and industry trends to explore AI business opportunities while maintaining vigilance for media resource prospects within emerging consumption scenarios.

FINANCIAL REVIEW

The Group generated revenue primarily from the following services, which include the provision of (i) branding services; (ii) online media advertising services; (iii) event execution and production services; and (iv) advertisement placement services (including rebates from Media Partners) to our customers. For FY2025, we recorded total revenue of RMB290.9 million, representing an overall increase of RMB2.4 million and an increase rate of 0.8% over the previous year.

Revenue Breakdown by Service Type

The table below sets forth the breakdown of our revenue and percentage contribution to our total revenue by business segments for the periods indicated:

	FY2025		FY2024	
	Approximate % of total revenue		Approximate % of total revenue	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Branding services	116,672	40.1	100,205	34.7
Event execution and production services	65,152	22.4	59,158	20.5
Advertisement placement services (i)	71,428	24.6	50,928	17.7
Rebates from Media Partners (i)	20,089	6.9	17,696	6.1
Online media advertising services (ii)	17,596	6.0	60,539	21.0
Total	<u>290,937</u>	<u>100</u>	<u>288,526</u>	<u>100</u>

For FY2025, revenue from “branding services”, “event execution and production services”, “advertisement placement services”, and “rebates from Media Partners” businesses, all saw significant year-over-year growth, driven by the Group’s proactive expansion of its business and the establishment of solid cooperative relationships with more new customers. Revenue from the “rebates from Media Partners” business increased year-over-year, primarily due to year-over-year growth in the “advertisement placement services” business, which in turn drove a continuous increase in the volume of advertisements placed by the Company on the various online media platforms of Media Partners, resulting in a corresponding increase in rebates granted to the Group by Media Partners. Revenue from “online media advertising services” decreased year-over-year due to the Group’s strategic shift to focus on developing its “advertisement placement services” business.

- (i) For our “advertisement placement services” (including rebates from Media Partners), we recognised revenue on a net basis.
- (ii) For the relevant advertising agents under “online media advertising services”, we recognised revenue on a net basis. In accordance with HKFRS 15, in FY2024 and FY2025, the direct costs incurred for our “online media advertising services” provided to the relevant advertising agents had been deducted from the gross revenue to derive the revenue from these services on a net basis. Other than the above-mentioned costs paid to the suppliers, no other direct costs were incurred by us in relation to the “online media advertising services” provided to the relevant advertising agents.

Cost of Services

The Group’s cost of services decreased from RMB129.0 million for FY2024 to RMB110.9 million for FY2025, primarily attributable to an increase in revenue recognized on a net basis from “advertisement placement services” and “online media advertising services” resulting in a decrease in the cost of those services.

Gross Profit and Gross Profit Margin

The Group’s overall gross profit and gross profit margin for FY2024 and FY2025 were affected by our cost of services, which were project-specific and affected by our service mix, customised services we provided and the scale of each project. As a result, the Group’s gross profit and gross profit margin may vary from project to project.

The Group’s gross profit increased from RMB159.5 million in FY2024 to RMB180.0 million in FY2025, and the gross profit margin increased from 55.3% in FY2024 to 61.9% in FY2025, mainly due to the revenue recognition of “advertisement placement services” on a net basis, and the increase in revenue year on year.

Other Net Income

The Group’s other net income decreased from RMB8.9 million in FY2024 to RMB1.7 million in FY2025, primarily attributable to the receipt of a government subsidy of RMB7.0 million from the local government in FY2024 for successfully listing in Hong Kong and no such subsidies in FY2025.

Selling and Marketing Expenses

The Group's selling and marketing expenses increased from RMB18.5 million for FY2024 to RMB26.4 million for FY2025, mainly due to (i) an increase in salaries and reimbursement of daily expenses resulting from the expansion of our sales team and media operations team; and (ii) an increase in depreciation expenses of equipment due to the acquisition of additional office equipment in connection with our business expansion.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses increased from RMB45.1 million in FY2024 to RMB48.6 million in FY2025, primarily due to the expansion of business operations, which led to an increase in the size of the administrative team, resulting in higher salaries and reimbursement of daily expenses.

Liquidity and Capital Resources

As at 31 December 2025, the Group's cash and cash equivalents amounted to RMB120.3 million (denominated in RMB, HK\$ and US\$), representing an increased of RMB19.9 million as compared with RMB100.4 million (denominated in RMB, HK\$ and US\$) as at 31 December 2024, primarily due to (i) an increase in bank borrowings; and (ii) collections of trade receivables.

During the Reporting Period, we financed our operation needs primarily through cash flows from operating activities and borrowings. We derived our cash flows from operating activities principally from the revenue from our principal activities. We monitor our working capital positions from time to time to ensure maintaining sufficient cash resources for daily operations and capital expenditure needs.

Income Tax Expense

The Group's PRC corporate income tax expense increased from RMB19.5 million in FY2024 to RMB26.3 million in FY2025. Income tax expense increased from RMB19.5 million in FY2024 to RMB23.5 million in FY2025, which was mainly due to two different income tax rates applied to subsidiaries within the Group, namely, a standard rate of 25% and a preferential rate of 15%. During the Reporting Period, the proportion of business conducted by subsidiaries within the Group subject to the 15% preferential income tax rate was lower than in FY2024.

	FY2025 RMB'000	FY2024 <i>RMB'000</i>
Current year – PRC corporate income tax	28,690	19,494
Over-provision in respect of prior year	<u>(2,439)</u>	<u>–</u>
	<u>26,251</u>	<u>19,494</u>
Deferred tax	<u>(2,746)</u>	<u>46</u>
Total	<u>23,505</u>	<u>19,540</u>

Profit for the Year

As a result of the foregoing, for FY2024 and FY2025, (i) the Group's profit for the year was RMB80.6 million and RMB71.4 million, respectively; and (ii) the net profit margin (i.e. profit for the year divided by revenue) was 27.9% and 24.5%, respectively.

Capital Structure

As at 31 December 2025 and up to the date of this announcement, the authorised share capital of the Company was US\$50,000,000 divided into 1,000,000,000 shares of US\$0.05 each, and the issued share capital of the Company was US\$38,532,500 divided into 770,650,000 shares of US\$0.05 each. During the Reporting Period, there were no changes in the authorised share capital and issued share capital of the Company.

Gearing Ratio

As at 31 December 2025, the Group's total borrowings were RMB132.5 million (loans were denominated in RMB). Among those borrowings, 15.1% of which were classified as non-current liabilities, and 84.9% of which were classified as current liabilities.

As at 31 December 2025, the gearing ratio of the Group (being the sum of total bank and other borrowings, lease liabilities and amount due to a shareholder divided by total equity multiplied by 100%) decreased to 34.0% from 34.3% as at 31 December 2024. The decrease was primarily due to no additional leases of the Group during FY2025, and the decrease in lease liabilities.

Pledge of Assets

As at 31 December 2025, the Group had no pledged assets.

Foreign Exchange Risk Management

Foreign exchange risk refers to the risk of loss due to changes in foreign currency exchange rates. The Group's business is principally operated in the PRC and most of the transactions are denominated and settled in RMB. The Group will closely monitor the situation and take certain measures when necessary to ensure that the foreign exchange risk is within the controllable range. During FY2025, the Group did not use any financial instruments for hedging purposes.

Employees

As of 31 December 2025, the Group had 256 full-time employees, all of whom are located in the PRC. The Group enters into a standard employment contract with each of our full-time employees with terms covering, among other things, position, salaries, employment term, working hours, leave arrangements and other benefits. The remuneration packages the Group offers to our employees include basic salary and discretionary bonuses. In general, we determine our employees' salaries based on, amongst others, their qualifications, seniority, working hours, performance, our financial performance and market wages. We generally review the performance of our employees, which forms the basis of our decisions with respect to salary adjustments, bonuses and promotions annually. During FY2025, the total staff remuneration expenses (including Directors' emoluments) amounted to RMB29.7 million (FY2024: RMB25.7 million).

Capital Expenditure

During FY2025, the Group incurred capital expenditures for software platform development. The Group's capital expenditure increased from RMB29.7 million in FY2024 to RMB56.7 million in FY2025, which was primarily due to an increase in the expenditures of software platform development. The Group financed its capital expenditure mainly through internal resources and bank borrowings.

Contingent Liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities.

Material Acquisitions, Disposals of Subsidiaries, Associates and Joint Ventures and Significant Investments

In FY2025, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures and did not hold any significant investments.

Use of The Net Proceeds from the Global Offering

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 10 November 2023. The Company issued 125,000,000 shares in the Global Offering (as defined in the prospectus of the Company dated 31 October 2023) at the offer price of HK\$1.04 per share. The Group received net proceeds from the Global Offering (after deducting underwriting fees and commissions and other expenses payable by the Group in connection with the Global Offering) of approximately HK\$72.1 million.

For details regarding the breakdown of the use of net proceeds and the expected timeline for the use of unutilized funds, please refer to the Company’s Annual Report for FY2025, which will be published in due course.

Future Plans for Significant Investments or Capital Assets

As at the date of this announcement, the Group had no detailed future plans for any significant investments or capital assets.

Events after the Reporting Period

There have been no significant matters subsequent to the Reporting Period and up to the date of this announcement.

Final Dividend

The Board does not recommend the payment of any final dividend for FY2025. There is no arrangement under which any shareholder has waived or agreed to waive any dividend.

Closure of Register of Members

The annual general meeting of the Company (the “**AGM**”) will be held on Friday, 26 June 2026. A notice convening the AGM will be issued and published in due course.

In order to determine the entitlement of shareholders to attend and vote at the AGM on Friday, 26 June 2026, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 22 June 2026 (Hong Kong time).

Code of Corporate Governance

The Group is committed to maintaining high standards of corporate governance to protect the interests of shareholders and enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of governance.

For FY2025, except for deviations from Code Provision C.1.8, C.2.1 and C.5.1 of the CG Code, the Company has complied with all applicable code provisions set out in the CG Code.

Under Code Provision C.1.8 of the CG Code, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not have insurance cover for legal action against its Directors. Every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto pursuant to the Articles of Association of the Company. However, as the Company considered its risk management and internal control systems are effective and constantly under review, and as all the executive Directors and management are familiar with the operation of the Group, the Company believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Company is of the view that the benefits of the insurance may not outweigh the cost.

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separated and shall not be performed by the same individual. During FY2025, Mr. Chen Jicheng (“**Mr. Chen**”) is the chairman and chief executive officer of the Company and therefore the Company had not complied with the Code Provision C.2.1 of the CG Code.

In view of the fact that Mr. Chen has been responsible for the day-to-day operation and management of the Group since February 2011, and has accumulated extensive experience and knowledge in our business, the Board believes that Mr. Chen can undertake effective management and business development in both roles, which is in the best interests of the Group. Accordingly, the Directors are of the opinion that the deviation from Code Provision C.2.1 of the CG Code is appropriate under such circumstance. The Board considers that this management structure is effective for the business operation of the Group and can form sufficient checks and balances.

Pursuant to Code Provision C.5.1 of the CG Code, the Board should meet regularly and Board meetings are held at least four times a year at approximately quarterly intervals.

During FY2025, the Board held two Board meetings instead of the four meetings as required by Code Provision C.5.1 of the CG Code. Regular meetings of the Board were held to consider and approve, among other things, the annual results of the Group for 2024 and the interim results for 2025. The Company does not publish quarterly results and hence does not consider the holding of quarterly meetings as necessary. Nevertheless, the members of the Board Committees have regularly communicated with each other and will continue to hold regular meetings thereafter to keep up-to-date on the affairs of the Company.

The Group will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Model Code for Securities Transactions

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by all Directors and related employees (as defined in the Model Code). Having made specific enquiry of all Directors, each of the Directors has confirmed that they have complied with the required standard set out in the Model Code during FY2025.

Purchase, Sale or Redemption of Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries nor any of its consolidated affiliated entities purchased, sold or redeemed any of the Company’s listed securities (including sale of treasury shares). As of 31 December 2025, the Company did not hold any treasury shares (as defined under the Listing Rules).

Audit Committee

The Board has established the Audit Committee (“**Audit Committee**”) pursuant with Rules 3.21 and 3.22 of the Listing Rules and Code Provision D.3 of the CG Code with written terms of reference adopted. The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company respectively. The primary duty of the Audit Committee is to, *inter alia*, review and supervise the Company’s financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. All members of the Audit Committee are appointed by the Board.

During the Reporting Period, the Audit Committee comprises three independent non-executive Directors (i.e. Dr. He Weifeng, Mr. Peng Litang and Mr. Li Guangdou). Dr. He Weifeng is currently the chairman of the Audit Committee and has the appropriate professional qualifications.

The Audit Committee has reviewed the consolidated annual results of the Group for FY2025 including the applicable accounting policies and accounting standards adopted by the Group, and is of the opinion that these statements have been prepared in compliance with the applicable Listing Rules. The Audit Committee is satisfied that these financial statements have been prepared in accordance with the applicable accounting standards and present fairly the financial position and results of the Group for the Reporting Period.

Scope of Work for Auditors

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 this annual results announcement have been agreed by the Group's auditors, BDO Limited ("BDO"), to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditors on this annual results announcement.

Publication of Annual Results and 2025 Annual Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.youmeimu.com), and the annual report of the Company for FY2025 containing all the information required by the Listing Rules will be despatched to the shareholders (if requested) and published on the above websites in due course.

By Order of the Board
Huashi Group Holdings Limited
Chen Jicheng
Chairman and Chief Executive Officer

Wuhan, the PRC, 27 March 2026

As at the date of this announcement, the Board comprises Mr. Chen Jicheng, Ms. Chen Jizhen, Mr. Zhang Bei and Ms. Xue Yuchun as executive Directors, and Dr. He Weifeng, Mr. Peng Litang and Mr. Li Guangdou as independent non-executive Directors.