CHINA NATIONAL CULTURE GROUP LIMITED
中國國家文化產業集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 745)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2026

The board of directors (the "Board") of China National Culture Group Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2026, together with the comparative figures, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2026

	Notes	**2026** *HK$'000*	2025 *HK$'000*
Revenue	4	**49,968**	43,708
Cost of sales		**(38,065)**	(39,761)
Gross profit		**11,903**	3,947
Administrative expenses		**(6,275)**	(4,567)
Other gains and losses, net	5	**15,217**	(9,459)
(Provision for)/reversal of impairment losses on trade receivables, net		**(8,042)**	6,668
Provision for impairment losses on other receivables		**(201)**	(1,371)
Profit/(loss) before tax	6	**12,602**	(4,782)
Income tax expense	7	**–**	–
Profit/(loss) for the year attributable to the owners of the Company		**12,602**	(4,782)
		HK cents	*HK cents*
Earnings/(loss) per share – Basic and diluted	9	**5.38**	(4.84)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2026

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) for the year	**12,602**	(4,782)
Other comprehensive income/(expense)		
Item that may be reclassified subsequently to profit or loss:		
– Reclassification adjustment for the cumulative exchange reserve upon disposal of foreign operations	**–**	18,489
Item that will not be reclassified to profit or loss:		
– Fair value gain/(loss) on investment in equity instruments at fair value through other comprehensive income ("FVTOCI")	**1,659**	(1,186)
Other comprehensive income for the year, net of income tax	**1,659**	17,303
Total comprehensive income for the year attributable to the owners of the Company	**14,261**	12,521

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

	Notes	**2026**	2025
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Intangible assets		**–**	–
Equity instruments at FVTOCI		**2,740**	1,081
		2,740	1,081
Current assets			
Inventories		**5,087**	–
Trade receivables	10	**50,397**	16,478
Prepayments and other receivables		**4,676**	2,151
Financial assets held for trading		**32,291**	17,124
Cash and cash equivalents		**5,248**	15,042
		97,699	50,795
Total assets		**100,439**	51,876
EQUITY			
Capital and reserves			
Share capital		**2,344**	2,344
Reserves		**56,492**	42,231
Total equity		**58,836**	44,575

	Notes	**2026** *HK$'000*	2025 *HK$'000*
LIABILITIES			
Current liabilities			
Trade payables	11	**36,857**	3,202
Other payables and accruals		**4,746**	4,099
		41,603	7,301
Total liabilities		**41,603**	7,301
Total equity and liabilities		**100,439**	51,876
Net current assets		**56,096**	43,494
Total asset less current liabilities		**58,836**	44,575
Net assets		**58,836**	44,575

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

China National Culture Group Limited (the "Company") was incorporated as an exempted company with limited liability in the Cayman Islands on 27 August 2002 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit A, 29/F, United Centre, 95 Queensway, Admiralty, Central District, Hong Kong.

In the opinion of the Directors of the Company, the Company has no immediate and ultimate holding Company or ultimate controlling party.

The principal activities of the Company and its subsidiaries (the "Group") are provision of design and advertising services, sale of mobile products, trading and production of films and provision of other film related services and investment holding.

The consolidated financial statements are prepared in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following Amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on 1 April 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.2 New and Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following news and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements[2]
HKFRS 19 and its amendments	Subsidiaries without Public Accountability: Disclosure[2]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[1]
Amendments to HKFRS 9 and HKFRS 7	Contract Referencing Nature-dependent Electricity[1]
Amendments to HKAS 28 and HKFRS 10	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency[2]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[1]

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual periods beginning on or after 1 January 2027
3 No mandatory effective date yet determined but available for adoption

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 replaces HKAS 1 Presentation of Financial Statements, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations, and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which is renamed as HKAS 8 Basis of Preparation of Financial Statements. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 Statement of Cash Flows, HKAS 33 Earnings Per Share and HKAS 34 Interim Financial Reporting. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

3. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For the purposes of resources allocation and performance assessment, information is reported to the CODM, based on the following operating and reportable segments:

(a) Advertising segment – provision of design and advertising services;

(b) E-commerce segment – sales of mobile products; and

(c) Movie segment – trading and production of films and provision of other film related services.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

	Revenue		Results	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Advertising	**16,228**	13,686	**12,625**	9,357
E-commerce	**33,740**	30,022	**(6,450)**	(1,384)
	49,968	43,708	**6,175**	7,973
Other unallocated gains/(expenses), net			**6,427**	(12,755)
Profit/(loss) before tax			**12,602**	(4,782)
Income tax expense			**–**	–
Profit/(loss) for the year			**12,602**	(4,782)

There were no inter-segment sales during the year ended 31 March 2026 (2025: Nil). Segment results represent the profit earned without allocation of central administration costs including directors' emoluments, other revenue, impairment loss in respect of financial assets, net, finance costs and income tax expense. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Geographical information

The Group's revenue from external customers by location of operations and information about segment assets and liabilities, other than equity instruments at FVTOCI, by location of assets are detailed below:

	Revenue from external customers		Non-current assets	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**49,968**	43,708	**–**	–

The following is an analysis of the Group's assets and liabilities by operating segment:

	Assets		Liabilities	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Advertising	**20,216**	9,290	**6,288**	3,356
E-commerce	**39,587**	9,301	**33,507**	2,089
	59,803	18,591	**39,795**	5,445
Unallocated	**40,636**	33,285	**1,808**	1,856
Consolidated total	**100,439**	51,876	**41,603**	7,301

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than equity instruments at FVTOCI, financial assets held for trading and unallocated head office and corporate assets.

- all liabilities are allocated to reportable segments other than unallocated head office and corporate liabilities.

Other segment information

The following other segment information included in reports provided regularly to CODM.

For the year ended 31 March 2026

	Advertising	**E-commerce**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Provision of impairment loss on trade receivables, net	**2,454**	**5,588**	**–**	**8,042**
Provision of impairment loss on other receivables	**9**	**183**	**9**	**201**

For the year ended 31 March 2025

	Advertising	E-commerce	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
(Reversal of)/provision for impairment loss on trade receivables, net	(7,773)	1,105	–	(6,668)
Provision of impairment loss on other receivables	–	1,363	8	1,371

Revenue from its major services

The Group's revenue from its major services/products was as follows:

	2026	2025
	HK$'000	*HK$'000*
Advertising	**16,228**	13,686
E-commerce	**33,740**	30,022
	49,968	43,708

Information about major customers

There is no single customer contributing over 10% of total revenue of the Group for the year ended 31 March 2025. Revenue from customers for the year ended 31 March 2026 contributing over 10% of the total revenue of the Group are as follows:

	2026	2025
	HK$'000	*HK$'000*
Customer A^	**6,138**	N/A
Customer B^	**5,869**	N/A
Customer C^	**5,751**	N/A
Customer D^	**4.571**	N/A

^ Revenue relating to e-commerce segment.

* The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. REVENUE

Disaggregation of revenue from contracts with customers

	2026	2025
	HK$'000	*HK$'000*
Revenue:		
– Advertising	**16,228**	13,686
– E-commerce	**33,740**	30,022
Revenue from contracts with customers	**49,968**	43,708

	2026	2025
	HK$'000	*HK$'000*
Timing of revenue recognition		
Point in time	**33,740**	30,022
Over time	**16,228**	13,686
	49,968	43,708

Performance obligations for contracts with customers

a) Advertising

Revenue from advertising is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

b) E-commerce

Revenue from E-commerce is recognised at a point in time when the goods is delivered to customers, being at the point that the customer obtains the control of the goods and the Group has present right to payment and collection of the consideration is probable.

Transaction price allocated to remaining performance obligation for contract with customers

As at 31 March 2026, there is no aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts (2025: Nil).

5. OTHER GAINS AND LOSSES, NET

	2026 *HK$'000*	2025 *HK$'000*
Fair value changes on financial assets held for trading	**15,430**	3,210
Loss on disposal of subsidiaries	**–**	(12,669)
Impairment loss on inventories	**(213)**	–
	15,217	(9,459)

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging:

	2026 *HK$'000*	2025 *HK$'000*
Cost of sale		
– E-commerce	**32,375**	28,520
– Advertising	**5,690**	11,241
Auditors' remuneration		
– audit services	**645**	620
– non-audit services	**–**	50
Staff costs (excluding directors' emoluments)		
– Wages and salaries	**1,832**	1,180
– Pension scheme contributions	**62**	62
	1,894	1,242
Expenses related to short-term lease:		
– office premises	**–**	4
Legal and professional fee	**753**	1,318
Company secretary fee	**622**	381
Insurance	**88**	93
Service charge expenses	**757**	–

7. INCOME TAX EXPENSE

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

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime of Hong Kong Profits Tax as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

For the years ended 31 March 2026 and 2025, no provision for Hong Kong Profits Tax has been made as the Group's has either available tax loss to offset assessable profit or no estimated assessable profits arising in Hong Kong.

A reconciliation of the tax expense applicable to profit/(loss) before tax using the statutory rates for the countries in which the Company and its subsidiaries, are domiciled to the tax expense at the effective tax rates, and a reconciliation of tax at the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss) before tax	**12,602**	(4,782)
Tax at applicable tax rate	**2,079**	(789)
Tax effect of income not taxable of tax purpose	**–**	(1,283)
Tax effect of expenses not deductible of tax purpose	**542**	3,052
Tax effect of unrecognised temporary difference	**–**	–
Utilisation of tax loss previously not recognised	**(2,621)**	(980)
Tax credit at the Group's effective rate	**–**	–

8. DIVIDENDS

No dividend was declared or paid by the Company to its shareholders during the year ended 31 March 2026 (2025: Nil), nor has any dividend been declared since the end of the reporting period (2025: Nil).

9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following:

	2026	2025
	HK$'000	*HK$'000*
Profit/(loss)		
Profit/(loss) for the year and attributable to the owners of the Company	**12,602**	(4,782)

	2026	2025
	'000	*'000*
Number of shares		
Weighted average number of shares for the purpose of basic and diluted earnings/(loss) per share	**234,366**	98,749

The weighted average number of ordinary shares for the year ended 31 March 2025 has been adjusted for the bonus element of the Right Issue in March 2025 as if it had been effective on 1 April 2024.

Diluted earnings per share is equal to the basic earnings per share as there was no dilutive potential shares for the year ended 31 March 2026.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price of shares for the year ended 31 March 2025.

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables at the end of the reporting period which based on the date of recognition of revenue, is as follows:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**32,969**	2,734
31-60 days	**1,050**	1,994
61-90 days	**939**	2,418
91-365 days	**12,363**	5,590
Over 365 days	**26,732**	43,007
	74,053	55,743
Less: Allowances for credit losses	**(23,656)**	(39,265)
	50,397	16,478

As at 31 March 2026, included in the Group's trade receivables (net of impairment losses) balance are receivables with aggregates carrying amounts of approximately HK$11,936,000 (2025: HK$9,403,000), which are past due at the end of the reporting period. Out of the past due balances, HK$3,593,000 (2025: HK$3,630,000) (net of impairment losses) has been past due 1 year or more and is not considered as in default because of no recent history of default and the directors are in opinion of these balances are still considered as collectible.

The credit period granted to customers up to 90 days.

11. TRADE PAYABLES

An ageing analysis of the trade payables at the end of the reporting period, is presented based on the invoice dates as follows:

	2026	2025
	HK$'000	*HK$'000*
0-30 days	**32,267**	1,643
31-60 days	**–**	142
61-365 days	**2,890**	1,417
Over 365 days	**1,700**	–
	36,857	3,202

The credit period granted by suppliers up to 30 days (2025: 30 days).

12. EVENTS AFTER REPORTING PERIOD

On 28 April 2026, the Company entered into four (4) subscription agreements with four (4) independent third-parties subscribers, pursuant to which the subscribers have conditionally agreed to (on their own behalf or through their designated entity) subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 46,800,000 warrants at the issue price of HK$0.10. The warrant will be allotted and issued pursuant to the specific mandate to be sought from the shareholders of the Company at the extraordinary general meeting of the Company ("EGM"). Up to the date of this announcement, the EGM has not yet convened.

Other than those disclosed in the consolidated financial statements, the Group has no material events after the reporting period which are required to be disclosed.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 March 2026, the Group recorded a revenue of approximately HK$49,968,000 (2025: HK$43,708,000), representing an increase of 14.3% as compared with last year. The increase in turnover in the current year mainly due to the increase in turnover generated from both advertising segment and e-commerce segment. The Group recorded a gross profit of approximately HK$11,903,000 for the year ended 31 March 2026 as compared with a gross profit of approximately HK$3,947,000 for the year ended 31 March 2025. The gross profit margin increased to 23.8% for the year ended 31 March 2026 from 9.0% for the year ended 31 March 2025. The increase was mainly due to the portion of revenue generated from advertising segment, which has a higher profit margin, increased.

Profit attributable to the owners of the Company amounted to approximately HK$12,602,000 for the year ended 31 March 2026 as compared with a loss attributable to the owners of the Company amounted to approximately HK$4,782,000 for the year ended 31 March 2025. The turnaround results mainly due to the net effect of increase in gross profit and other gains or losses and provision for impairment losses on trade receivables.

Financial Review

As at the end of the year, non-current assets increased to approximately HK$2,740,000 (2025: HK$1,081,000) due to fair value gain recognised on equity instruments at FVTOCI during the year. Current assets increased due to the increase in financial assets held for trading. Total current liabilities were increased due to the increase in accounts payable.

SIGNIFICANT INVESTMENTS

Financial assets held for trading as at 31 March 2026:

Name of investee	As at 1 April 2025	Realised and unrealised fair value (loss)/gain	As at 31 March 2026	Percentage to the Group's audited total assets as at 31 March 2026	Number of shares held by the Group as at 1 April 2025	Percentage of shareholding held by the Group as at 1 April 2025	Number of shares held by the Group as at 31 March 2026	Percentage of shareholding held by the Group as at 31 March 2026
	HK$'000	*HK$'000*	*HK$'000*	%		%		%
Significant investments								
Capital VC Limited ("Capital VC") (stock code: 2324.HK) *(note a)*	1,838	1,606	3,444	3.4%	14,471,000	3.44%	28,942,000	3.21%
Asia Grocery Distribution Limited ("Asia Grocery") (stock code: 8413.HK) *(note b)*	948	602	1,366	1.4%	10,080,000	0.87%	8,380,000	0.72%
Sub-total	2,786	2,208	4,810	4.8%				
Other listed securities	14,338	13,222	27,481	27.4%				
Total	17,124	15,430	32,291	32.2%				

Note: (a) Capital VC is engaged in investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China. Based on Capital VC's annual report for the year ended 30 September 2025, turnover and profit of Capital VC were approximately HK$125.3 million and HK$131.1 million respectively.

(b) Asia Grocery is engaged in trading and distribution of food and beverage grocery products in Hong Kong. Based on Asia Grocery's interim report for the six months ended 30 September 2025, turnover and loss of Asia Grocery were approximately HK$137.1 million and HK$0.4 million respectively.

The future performance of the listed securities may be influenced by the Hong Kong stock market. In this regard, the Group will continue to maintain a diversified investment portfolio and closely monitor the performance of its investments and the market trends to adjust its investment strategies.

Except the significant investments disclosed above, at 31 March 2026, there was no investment held by the Group the value of which was more than 5% of the total assets of the Group.

Equity instruments of FVTOCI as at 31 March 2026

Name of investee	As at 1 April 2025	Realised and unrealised fair value gain/(loss)	As at 31 March 2026	Percentage to the Group's audited total assets as at 31 March 2026	Number of shares held by the Group as at 1 April 2025	Percentage of shareholding held by the Group as at 1 April 2025	Number of shares held by the Group as at 31 March 2026	Percentage of shareholding held by the Group as at 31 March 2026
	HK$'000	*HK$'000*	*HK$'000*	*%*		*%*		*%*
Luxxu Group Limited ("LUXXU") (stock code: 1327) *(note)*	562	1,358	1,920	1.9%	17,142,800	3.18%	3,428,560	1.59%
Other listed securities	519	301	820	0.8%				
Total	1,081	1,659	2,740	2.7%				

Note: LUXXU is principally engaged in the manufacture and sales of own-branded watches and jewelleries, including but not limited to diamond watches, tourbillion watches and luxury jewellery accessories, OEM watches and third-party watches. Based on LUXXU annual report for the year ended 31 December 2025, revenue and loss of LUXXU were approximately RMB42.1 million and RMB21.7 million respectively.

The Group's investment strategy is to deliver a diversified and flexible investment portfolio that will maximize sustained long-term returns and strive to achieve high growth, while the traditional business of the Group will continue its stable growth.

No impairment loss was recognised in relation to the equity instruments of FVTOCI by reference to the market price of the equity instruments of FVTOCI as at 31 March 2026.

Except the equity instruments of FVTOCI disclosed above, at 31 March 2026, there was no equity instruments of FVTOCI held by the Group the value of which was more than 5% of the total assets of the Group.

INVESTMENT POLICY

The Company has adopted an internal investment policy (the "Investment Policy") which sets out, among other things, the objectives, guidelines, management and responsibilities of investment activities conducted by the Group. Set out below are details of the infrastructure of the Group's investments.

Investment objectives

The investment objectives of the Group are to enhance the efficiency in the utilisation of idle funds and generate stable return to the Group within an acceptable risk level with a view to broaden its revenue streams and to provide necessary financial support for the development of the Group's long-term investment projects, which in turn enhance value for its shareholders.

Investment strategy

The Company will allocate corporate resources efficiently by maintaining an appropriate investment scale and optimising the structure and diversification of its investment portfolio. At the same time, the Company prioritises thorough investment risk assessment and control, adhering to the principle of economic benefits as the foremost consideration in all investment decisions.

Investment scope

The Company's investment activities encompass both long-term and short-term investments, depending on its strategic needs and the prevailing market conditions. Long-term investments focus on growth and strategy, while short-term investments prioritise liquidity, operational support and capital stability.

Permissible and prohibited investments

Under the Investment Policy, the Company may invest in a range of assets including shares, bonds, investment funds, insurance products and bank deposits. The Company is prohibited from using excessive leverage, investing in unlisted securities, or engaging in speculative derivative trading.

Defined risk limits and counterparty risk

While there is no general threshold or restriction in relation to the risk limits or counterparty risk of its investments, the Group is required to adhere to its investment strategy to maintain its investments within an acceptable risk level. In particular, the Company is required to evaluate the counterparty risks of each investment taking into consideration, inter alias, credit ratings of the investment (if any), size and reputation of the issuer, and whether or not the counterparty is a licensed corporation in Hong Kong or overseas.

Liquidity management

It is the top priority of the Company to ensure that it has sufficient cash and bank deposits to meet its working capital requirement. While there is no specific threshold set under the Investment Policy, the Company seeks to maintain a balanced liquidity profile within its cash, bank deposits and investments. In addition, the use of borrowed funds or those required for ongoing operations for investment purposes is prohibited. All of the existing investments of the Group were or will be funded by internal resources of the Group.

Investment decisions

Investment decisions of the Company are made through a multi-layered governance structure. An investment management team (the "Investment Management Team"), comprising two executive Directors (namely Ms. Sun Wei and Ms. Man Qiaozhen), assisted by the Group financial manager, is responsible for identifying suitable investment opportunities available on the market and the execution of the investments. Pursuant to the Investment Policy, the Investment Management Team may approve investments (or a series of investments) with an amount below 5% of the market capitalisation and/or total assets of the Group from time to time. Any proposed investment exceeding such threshold must be reviewed and approved by the Board.

Ongoing risk management and control measures

The Group maintains comprehensive internal control and risk management processes, including regular performance reviews, stringent approval workflows and periodic monitoring of all investment projects. The Investment Management Team is responsible for ongoing monitoring of the investments made by the Group, the preparation of half-yearly reports in relation to the performance of the investments and regular re-evaluations of counterparties and/or investment targets. The Investment Management Team is also responsible for ensuring that records of all investment proposals, documentation and accounting records are properly kept. The Investment Management Team should promptly report to the Board in the event of any material adverse changes in the Group's investments, which are determined on a case by-case basis depending on the nature and size of the specific investment. Generally, the Investment Management Team is required to report to the Board if, among other things, (i) the investment has recorded ongoing and irrecoverable losses; or (ii) there is any material change in the circumstances or terms of the investment so that it no longer conforms with the Company's investment strategy (for example, increase in risk level due to macroeconomics changes).

Capital structure

Authorised share capital

As at 31 March 2026, the authorised share capital of the Company ("Authorised Share Capital") was HK$1,490,000,000 divided into 100,000,000,000 shares ("Shares") of HK$0.01 each and 14,000,000,000 non-voting convertible preference shares of HK$0.035 each.

Issued share capital

As at 31 March 2026, the number of Shares in issue was 234,366,456 Shares of HK$0.01 each. Except for the changes mentioned below, the issued share capital of the Company had no other changes during the year ended 31 March 2026.

Use of proceeds

On 25 March 2025, the Company completed a rights issue. The gross proceeds raised from the rights issue were approximately HK$15.6 million and the net proceeds after deducting the related expenses were approximately HK$15.1 million. The Company intends to apply the net proceeds from the rights issue as to (i) approximately HK$11.3 million for the development of the Group's e-commerce business by strengthening its e-commerce platform to improve the consumers' online shopping experience, expanding and refining its product portfolio by enlarging the Group's pool of suppliers and enlarging the product portfolio available for customer's selection and settling the deposit and payment to suppliers; and (ii) approximately HK$3.8 million for general working capital of the Group.

Up to 31 March 2026, all of the proceed was used as intended.

Liquidity and financing

The Group had total cash and bank balances of approximately HK$5,248,000 as at 31 March 2026 (2025: HK$15,042,000). The Group recorded total current assets of approximately HK$97,699,000 as at 31 March 2026 (2025: HK$50,795,000) and total current liabilities of approximately HK$41,603,000 as at 31 March 2026 (2025: HK$7,301,000).

There were no bank borrowings as at 31 March 2026 (2025: Nil). The Group's gearing ratio, remained as zero (2025: zero).

Treasury policies

Cash and bank deposits of the Group are mainly in Hong Kong dollars. The Group conducts its core business transaction mainly in Hong Kong dollars or Renminbi such that the Group did not use any derivative instruments to hedge its foreign currency exposure as the Group considered its foreign currency exposure is insignificant. However, management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Pledge of assets

As at 31 March 2026, no asset of the Group was being pledged as there is no external financing (2025: Nil).

Capital commitment

As at 31 March 2026, the Group had no capital expenditure contracted for but not provided for in the financial statements (2025: HK$Nil).

Contingent liabilities

As at 31 March 2026, the Group had no material contingent liabilities (2025: Nil).

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries, and Future Plans for Material Investments or Acquisition of Capital Assets

Save for those disclosed in this announcement, there were no other significant investments held, material acquisitions or disposals of subsidiaries during the year ended 31 March 2026. Apart from those disclosed in this announcement, there was no plan approved by the Board for other material investments or acquisition of capital assets as at the date of this announcement.

No Material Changes

Saved as disclosed in this announcement, there are no material changes affecting the Company's performance that needs to be disclosed under paragraphs 32 and 40(2) of Appendix 16 to the Listing Rules for the year ended 31 March 2026.

Share Option Schemes

The Company operated a share option scheme which became effective on 29 August 2014 (the "Old Share Option Scheme") and, unless otherwise cancelled or amended, will remain in force for 10 years from that date for the purpose of providing incentives and rewards to eligible participants for their contributions to the Group. The Old Share Option Scheme was expired on 28 August 2024.

On 18 September 2025, the Company adopted a new share option scheme (the "New Share Option Scheme").

The purpose of the New Share Option Scheme is to reward Participants who have contributed to the Group and to provide incentives to Participants to work towards the success of the Company.

The Directors may at their absolute discretion grant options to (a) any full-time or part-time employee of any member of the Group; (b) any consultant or adviser of any member of the Group; (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group; (d) any shareholder of any member of the Group; or (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, to be determined absolutely by the Board. If options are granted to Participants, regards will be had as to, inter alia, the relationship of the grantee to the Group, the length of time of relationship, the contribution made or to be made to the Group, etc.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is equivalent, upon their exercise, to 10% of total number of shares of the Company in issue at 18 September 2025. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes, must not in aggregate exceed 10% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The exercise period of the share options granted is determinable by the directors, which period may commence from the date of the offer of the share options, and ends on a date which is not later than ten years from the date of grant of the share options subject to the provisions for early termination thereof. The vesting period in respect of any option granted to any eligible participant shall not be less than 12 months from the date of grant. Participants of the New Share Option Scheme are required to pay the Company HK$1.0 upon acceptance of the grant within 30 days from the offer date.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and (iii) the nominal value of a share of the Company.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

At 31 March 2025, the number of shares in respect of which options had been granted and remained outstanding under the scheme was 5,888,400, representing 2.51% of the shares of the Company in issue at that date.

23,436,645 ordinary shares in the share capital of the Company, representing 10% of the issued share capital are available for issue under the New Share Option Scheme as at 31 March 2026. No service provider sub-limit was set under the New Share Option Scheme.

The following table summaries the movements in the Company's share options during the years ended 31 March 2026 and 31 March 2025.

	Grant date	At 1 April 2024	Adjustment during the year	At 31 March 2024 and 1 April 2025	Lapsed during the year	At 31 March 2026	Exercise period	Exercise price per share (after share consolidation) *HK$*
Executive Directors								
Sun Wei	21 August 2019	490,700	–	490,700	(490,700)	–	21 August 2019 – 20 August 2025	4.00
	11 August 2021	588,800	(588,800)	–	–	–	11 August 2021 – 10 August 2024	1.61
	12 August 2022	731,000	(731,000)	–	–	–	12 August 2022 – 11 August 2024	1.59
Man Qiaozhen	21 August 2019	490,700	–	490,700	(490,700)	–	21 August 2019 – 20 August 2025	4.00
	11 August 2021	588,800	(588,800)	–	–	–	11 August 2021 – 10 August 2024	1.61
	12 August 2022	731,000	(731,000)	–	–	–	12 August 2022 – 11 August 2024	1.59
Independent Non-executive Directors								
Wang Miaojun	18 August 2020	490,700	–	490,700	(490,700)	–	18 August 2020 – 17 August 2025	0.76
	12 August 2022	731,000	(731,000)	–	–	–	12 August 2022 – 11 August 2024	1.59
Wang Yujie	18 August 2020	490,700	–	490,700	(490,700)	–	18 August 2020 – 17 August 2025	0.76
	12 August 2022	731,000	(731,000)	–	–	–	12 August 2022 – 11 August 2024	1.59
Other eligible employees	21 August 2019	2,944,200	–	2,944,200	(2,944,200)	–	21 August 2019 – 20 August 2025	4.00
	11 August 2021	1,177,600	(1,177,600)	–	–	–	11 August 2021 – 10 August 2024	1.61
	12 August 2022	4,386,000	(4,386,000)	–	–	–	12 August 2022 – 11 August 2024	1.59
Consultants	21 August 2019	981,400	–	981,400	(981,400)	–	21 August 2019 – 20 August 2025	4.00
		15,553,600	(9,665,200)	5,888,400	(5,888,400)	–		
Weighted average exercise price		2.30	1.59	3.46	3.46	N/A		
Exercisable at end of the year		15,553,600		5,888,400		N/A		

Notes:

(1) The share options granted on 21 August 2019, 18 August 2020, 11 August 2021 and 12 August 2022 were fully vested immediately.

(2) The weighted average remaining contractual life of the share options outstanding is 0.39 years as at 31 March 2025.

The fair value of the share options granted on 21 August 2019, 18 August 2020, 11 August 2021 and 12 August 2022 are measured based on the Binomial option pricing model with the following assumptions:

	12 August 2022	**11 August 2021**	**18 August 2020**	**21 August 2019**
Price per share at date of grant	HK$0.159	HK$0.155	HK$0.075	HK$0.3
Exercise price per share	HK$0.1558	HK$0.161	HK$0.076	HK$0.4
Annual risk-free interest rate	2.768%	0.273%	0.220%	1.830%
Historical volatility	78.813%	90.427%	77.867%	79.273%
Life of options	2.00 years	3.00 years	5.00 years	6.00 years
Vesting period	6 months	–	–	–

Historical volatility measures the volatility of the underlying asset over a certain historical period of time (the "Past Volatility"). It is assumed that the Past Volatility can be extrapolated directly to the future volatility.

In respect of the share options exercised during the year ended 31 March 2023, the weighted average share price at the dates of exercise was HK$0.136.

The Group recognised the total expense of HK$4,698,000 for the year ended 31 March 2023 in relation to share options granted by the Company.

Employee Information

As at 31 March 2026, the Group had 19 (2025: 17) employees whom are employed in Hong Kong and the PRC. They are remunerated at market level with benefits such as medical, retirement benefit and share option scheme.

Prospects

Looking ahead, the Board remains cautiously optimistic about the Group's future prospects. The convergence of media, entertainment, technology and digital commerce continues to create new business possibilities, and the Group intends to capture these opportunities through a combination of operational enhancement, strategic partnerships and disciplined business expansion. In particular, the Board believes that the Group is well positioned to benefit from collaborations that can strengthen its presence in content development, intellectual property commercialisation, digital entertainment and related cultural industry applications.

Subsequent to the end of the reporting period, the Company announced on 28 April 2026 that it had entered into subscription agreements with, among others, Mr. Chiau Sing Chi, Bingo Group Holdings Limited and other subscribers in relation to the proposed issue of warrants under a specific mandate. The Board considers this development highly encouraging. Subject to completion and future exercise, such cooperation and capital support may broaden the Group's shareholder base, enhance market confidence and create strategic opportunities for the Group to explore synergies in film, entertainment, creative content, new media and related cultural and technology-driven initiatives. The Board believes that this potential strategic participation may serve as a meaningful catalyst for the Group's next phase of development.

The Board will continue to pursue a balanced strategy of prudent risk management and proactive business development. We will closely monitor market developments, strengthen internal governance, improve capital efficiency and remain attentive to investment and collaboration opportunities that can deliver sustainable value to the Company and its shareholders as a whole.

Finally, on behalf of the Board, I would like to express my sincere gratitude to our shareholders, business partners, customers and the management team and staff of the Group for their continued trust, support and dedication. With a stronger strategic focus and emerging opportunities ahead, we are confident that the Group will continue to move forward with resilience and determination.

OTHER INFORMATION

Dividend

The Board does not recommend the payment of any dividend for the year ended 31 March 2026.

Purchase, Sale or Redemption of Listed Securities

During the year ended 31 March 2026, neither the Company nor its subsidiaries purchased, sold or redeemed any of its listed securities.

Compliance With Provisions of Corporate Governance Code

The Group has adopted and met all the Code Provisions set out in the Corporate Governance Code (the "CG Code") in Appendix C1 of the Listing Rules throughout the year ended 31 March 2026.

Code provision A.4.1 of the CG Code stipulates that the non-executive directors should be appointed for a specific term and subject to re-election. None of the existing non-executive Directors is appointed for a specific term. However, the non-executive Directors are subject to retirement by rotation under the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices in this respect are no less exacting than those of the CG Code.

Model Code for Securities Transactions by Directors

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 March 2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2026, the interests and short positions of the Directors, chief executive and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

LONG POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2026, none of the Directors or chief executives had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO; or interest and short positions required to be recorded in the register kept by the Company pursuant to Section 352 of the SFO; or interests and short positions which fall to be disclosed to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as stipulated in the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

During the year ended 31 March 2026, the Company or any of its subsidiaries did not make any arrangements to enable any Directors or their respective spouse or minor children to obtain benefits by means of the acquisition of shares of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 March 2026, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, there is no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group.

Major Events after the Reporting Period

As at 31 March 2026, the Group has no material events after reporting period which are required to be disclosed.

Disclosure of Information on the Stock Exchange's Website

All the financial and other related information of the Company as required by the Listing Rules will be published on the Stock Exchange's website and the Company's website in due course. Printed copies of 2026 annual report of the Company will be despatched to shareholders of the Company and available on the aforesaid websites in due course.

SCOPE OF WORK OF THE COMPANY'S AUDITOR

The figures above in the preliminary announcement of the Group's result for the year ended 31 March 2026 have been agreed with the Company's auditor, Infinity CPA Limited ("Infinity CPA"), to the amounts set out in the Group's consolidated financial statements for the year.

The work performed by Infinity CPA 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 Infinity CPA on the preliminary announcement.

APPRECIATION

The Directors would like to take this opportunity to thank our shareholders, the management and our staff members for their dedication and support.

On behalf of the Board
China National Culture Group Limited
SUN Wei
Executive Director

Hong Kong, 30 June 2026

As at the date of this announcement, the Board comprises Ms. SUN Wei, Mr. WANG Shidi and Ms. MAN Qiaozhen as Executive Directors, and Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie as Independent Non-Executive Directors.