華夏文化科技集團
CA CULTURAL TECHNOLOGY GROUP

Interim Report
2025/26

華夏文化科技集團有限公司
CA Cultural Technology Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1566)

CONTENTS

CORPORATE INFORMATION

Registered Office
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong
Room 2905, 29/F
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Principal Place of Business in China
China Animation Creative Industry Park
(華夏動漫創意產業園)
Youyi Road, Longcheng Street
Longgang District
Shenzhen
The People's Republic of China ("**PRC**")

Company's Website
www.animatechina.com

Executive Directors
Mr. CHONG Heung Chung Jason (莊向松)
(formerly known as Mr. ZHUANG Xiangsong (庄向松))
Ms. LIU Moxiang (劉茉香)

Independent Non-executive Directors
Mr. NI Zhenliang (倪振良)
Mr. WANG Guozhen (王國鎮)
Mr. HUNG Muk Ming (洪木明)

Audit Committee of our Board
Mr. HUNG Muk Ming (洪木明) *(Chairman)*
Mr. WANG Guozhen (王國鎮)
Mr. NI Zhenliang (倪振良)

Remuneration Committee of our Board
Mr. WANG Guozhen (王國鎮) *(Chairman)*
Mr. HUNG Muk Ming (洪木明)
Mr. NI Zhenliang (倪振良)

Nomination Committee of our Board
Mr. CHONG Heung Chung Jason (莊向松) *(Chairman)*
Mr. HUNG Muk Ming (洪木明)
Mr. NI Zhenliang (倪振良)

Investment Committee of our Board
Mr. CHONG Heung Chung Jason (莊向松) *(Chairman)*
Ms. LIU Moxiang (劉茉香)
Mr. NI Zhenliang (倪振良)
Mr. WANG Guozhen (王國鎮)
Mr. HUNG Muk Ming (洪木明)

Authorised Representatives
Mr. CHONG Heung Chung Jason (莊向松)
Mr. LUK Sik Tat (陸適達) *FCCA*

Company Secretary
Mr. LUK Sik Tat (陸適達) *FCCA*

Hong Kong Share Registrar
Computershare Hong Kong Investor Services Limited
Shops 1712–1716 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
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Principal Share Registrar and Transfer Office
Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Auditor
KTC Partners CPA Limited
Room 1305–07, 13/F.
New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East
Kowloon, Hong Kong

Principal Bankers
The Hongkong and Shanghai Banking Corporation Limited
Tsim Sha Tsui CVC Branch
82–84 Nathan Road
Kowloon, Hong Kong

Hang Seng Bank Limited
Chung On Street Branch
38 Chung On Street
Tsuen Wan, New Territories
Hong Kong

Bank of China (Hong Kong) Limited
56 and 58, Sai Kung Town Centre
22–40 Fuk Man Road, Sai Kung
New Territories
Hong Kong

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2025

	Notes	Six months ended 30 September 2025 (Unaudited) HK$'000	Six months ended 30 September 2024 (Unaudited) HK$'000
Revenue	4	**164,947**	192,622
Cost of sales and services		**(127,508)**	(151,418)
Gross profit		**37,439**	41,204
Other income		**341**	288
Other gains and losses	5	**41**	42,762
Selling and distribution expenses		**(19,743)**	(12,968)
Administrative expenses		**(28,678)**	(32,376)
Research and development expenses		**(5,254)**	(4,693)
Share of loss of associates		**–**	(10)
Finance costs		**(52,252)**	(45,763)
Reversal of impairment loss under expected credit loss model, net of provision		**2,419**	15,052
(Loss)/profit before taxation		**(65,687)**	3,496
Taxation	6	**(196)**	(179)
(Loss)/profit for the period	7	**(65,883)**	3,317
Other comprehensive (expense)/income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign subsidiaries		**276**	(2,196)
Fair value loss on financial assets at fair value through other comprehensive income		**(7)**	(4)
Other comprehensive income/(expense) for the period		**269**	(2,200)
Total comprehensive (expense)/income for the period		**(65,614)**	1,117
(Loss)/profit for the period attributable to:			
Owners of the Company		**(66,245)**	(1,887)
Non-controlling interests		**362**	5,204
		(65,883)	3,317
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(65,898)**	(3,726)
Non-controlling interests		**284**	4,843
		(65,614)	1,117
Loss per share	9		
– Basic (HK cents)		**(5.60)**	(0.16)
– Diluted (HK cents)		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	**30 September 2025 (Unaudited) HK$'000**	31 March 2025 (Audited) HK$'000
Non-current assets			
Property, plant and equipment	10	**38,323**	42,440
Right-of-use assets		**113,408**	118,367
Goodwill		**2,425**	2,425
Intangible assets	11	**–**	–
Interest in associates	12	**–**	–
Interest in a joint venture	13	**–**	–
Financial assets at fair value through other comprehensive income	14	**3,297**	3,304
Deposits for acquisition of property, plant and equipment		**72,112**	72,112
Deposit for a theme park development project		**50,000**	50,000
Rental deposits		**11,776**	11,676
		291,341	300,324
Current assets			
Inventories		**7,871**	6,657
Trade receivables	15	**52,648**	57,681
Other receivables, deposits and prepayments	16	**48,193**	49,489
Restricted bank balance		**–**	2,240
Bank balances and cash		**12,964**	11,384
		121,676	127,451
Current liabilities			
Trade payables	17	**3,506**	4,026
Other payables and accruals		**381,058**	338,175
Amount due to a director	18	**247**	82
Contract liabilities		**14,557**	19,496
Lease liabilities		**9,728**	10,942
Tax payable		**25,562**	25,652
Bonds	19	**722,094**	721,755
Guaranteed note	20	**25,000**	25,000
Bank borrowings and other borrowings	21	**172,653**	162,565
		1,354,405	1,307,693
Net current liabilities		**(1,232,729)**	(1,180,242)
Total assets less current liabilities		**(941,388)**	(879,918)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

	Notes	**30 September 2025 (Unaudited) HK$'000**	31 March 2025 (Audited) HK$'000
Non-current liabilities			
Bank and other borrowings	21	**53,131**	48,915
Lease liabilities		**94,758**	98,464
Contract liabilities		**28,028**	24,579
Provision for reinstatement costs for rented premises		**26,039**	25,854
Obligation arising from a put option to non-controlling interests		**10,900**	10,900
		212,856	208,712
Net liabilities		**(1,154,244)**	(1,088,630)
Capital and reserves			
Share capital	22	**118,204**	118,204
Reserves		**(1,257,124)**	(1,191,226)
Equity attributable to owners of the Company		**(1,138,920)**	(1,073,022)
Non-controlling interests		**(15,324)**	(15,608)
Total capital deficiency		**(1,154,244)**	(1,088,630)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2025

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Translation reserve HK$'000	Investments revaluation reserve HK$'000	Other reserve HK$'000	Retained profits HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 April 2024	118,204	768,937	8,611	(117,815)	(94,468)	(1,721,511)	(1,038,042)	(7,303)	(1,045,345)
(Loss)/profit for the period	–	–	–	–	–	(1,887)	(1,887)	5,204	3,317
Other comprehensive expense for the period	–	–	(1,835)	–	–	–	(1,835)	(361)	(2,196)
Fair value loss on financial assets at fair value through other comprehensive income	–	–	–	(4)	–	–	(4)	–	(4)
Total comprehensive (expense)/income for the period	–	–	(1,835)	(4)	–	(1,887)	(3,726)	4,843	1,117
At 30 September 2024 (unaudited)	118,204	768,937	6,776	(117,819)	(94,468)	(1,723,398)	(1,041,768)	(2,460)	(1,044,228)
At 1 April 2025	**118,204**	**768,937**	**7,528**	**(117,941)**	**(95,196)**	**(1,754,554)**	**(1,073,022)**	**(15,608)**	**(1,088,630)**
(Loss)/profit for the period	**-**	**-**	**-**	**-**	**-**	**(66,245)**	**(66,245)**	**362**	**(65,883)**
Other comprehensive expense for the period	**-**	**-**	**354**	**-**	**-**	**-**	**354**	**(78)**	**276**
Fair value loss on financial assets at fair value through other comprehensive income	**-**	**-**	**-**	**(7)**	**-**	**-**	**(7)**	**-**	**(7)**
Total comprehensive (expense)/income for the period	**-**	**-**	**354**	**(7)**	**-**	**(66,245)**	**(65,898)**	**284**	**(65,614)**
At 30 September 2025 (unaudited)	**118,204**	**768,937**	**7,882**	**(117,948)**	**(95,196)**	**(1,820,799)**	**(1,138,920)**	**(15,324)**	**(1,154,244)**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2025

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	**(4,641)**	37,640
INVESTING ACTIVITIES		
Interest received	**12**	1
Proceeds on disposal of property, plant and equipment	**–**	1,889
Purchase of property, plant and equipment	**(516)**	(321)
Proceeds on disposal of financial assets at fair value through profit or loss	**–**	821
Withdrawal of restricted bank deposits	**2,240**	781
NET CASH FROM INVESTING ACTIVITIES	**1,736**	3,171
FINANCING ACTIVITIES		
Advance from a director	**148**	–
New bank and other loans raised	**21,196**	36,596
New leased raised	**366**	–
Repayment of lease liabilities	**(7,623)**	(16,332)
Interest paid	**(1,987)**	(1,388)
Repayment of bank and other loans	**(7,639)**	(42,784)
NET CASH USED IN FINANCING ACTIVITIES	**4,461**	(23,908)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,556**	16,903
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**11,384**	11,685
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	**24**	238
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD, REPRESENTING BANK BALANCES AND CASH	**12,964**	28,826

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

1. General

CA Cultural Technology Group Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability on 25 September 2013. The registered office of the Company is at Cricket Square, Hutchins Drive, PO BOX 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is Room 2905, 29th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and have been suspended for trading since 21 November 2024.

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the trading of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment. The Company and its subsidiaries are collectively referred to as the "Group".

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

2. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

3. Principal Accounting Policies

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as appropriate.

Save as described below, the accounting policies applied to prepare this unaudited condensed consolidated interim financial information for the six months ended 30 September 2025 are consistent with the Group's annual financial statements for the year ended 31 March 2025, which has been prepared in accordance Hong Kong Financial Reporting Standards ("**HKFRSs**"):

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2025 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The application of the new and revised standards in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set in these condensed consolidated financial statements.

4. Revenue and Segment Information

Revenue represents revenue arising from sales of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment in Hong Kong, Japan and the PRC during the six months ended 30 September 2025.

Information reported to the chief executive of the Company, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments currently are: (i) sales of animation derivative products; (ii) establishment and operation of indoor theme parks; and (iii) multimedia animation entertainment. The CODM considers the Group has three operating and reportable segments which are based on the internal organisation and reporting structure. This is the basis upon which the Group is organised.

(i) Revenue from contract with customers within the scope of HKFRS 15

(a) Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Sales of animation derivative products	**69,273**	81,532
Sales of admission tickets	**94,362**	103,544
Sales of theme park machineries	**371**	5,828
Licensing income of indoor theme parks	**837**	1,001
Licensing income from multimedia animation entertainment	**2**	–
Sales of other products	**102**	380
Revenue from provision of theme park design and consultancy services	**–**	337
	164,947	192,622

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
At point in time	**164,114**	191,656
Over time	**833**	966
	164,947	192,622

4. Revenue and Segment Information (Continued)

(i) Revenue from contract with customers within the scope of HKFRS 15 (Continued)

(b) Performance obligations for contracts with customers

Sales of animation derivative products

Revenue from sales of animation derivative products is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (i.e. upon delivery). Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Sales of admission tickets

Customers obtain control of the services when the tickets are accepted and surrendered by the customers upon entering the theme parks. Revenue from tickets sold for use at a future date is deferred and recognised as contract liability until the tickets are surrendered or have expired, which amounted to approximately HK$2,918,000 as at the period ended 30 September 2025 (31 March 2025: HK$4,244,000). There is generally only one performance obligation.

Licensing income of indoor theme parks/multimedia animation entertainment

Licensing income is recognised over time in accordance with the terms of the license agreements. There is generally only one performance obligation. Invoices are usually payable within 90 days to 365 days.

The licensing income is included in the segment revenue of multimedia animation entertainment and establishment and operation of theme park.

Sales of theme park machineries

Revenue from sales of theme park machineries is recognized when control of the goods has transferred, being when the goods have been accepted by the customers. Following the delivery and acceptance, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibilities when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

The income from sales of theme park machineries is included in the segment of establishment and operation of theme park.

Provision for theme park design and consultancy services

The Group provides integrated theme park design and consultancy services to customers under fixed-price contracts. The performance obligation of the Group includes delivery of theme park design and business plan in a single reporting package. Revenue from the provision for theme park design and consultancy service is recognised at a point in time when the customer has accepted and approved the reporting package.

The service income is included in the segment revenue of establishment and operation of theme park.

4. Revenue and Segment Information (Continued)

(i) Revenue from contract with customers within the scope of HKFRS 15 (Continued)

(c) Transaction price allocated to the remaining unsatisfied performance obligation for contracts with customers:

	Establishment and operation of indoor theme park	
	Six months ended 30 September	
	2025 (Unaudited) HK$'000	2024 (Unaudited) HK$'000
Within one year	**1,637**	1,665
More than one year but not more than two years	**1,637**	1,665
More than two years	**4,775**	6,523
	8,049	9,853

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contracts for sales of animation derivative products, sales of admission tickets of indoor theme parks, provision for theme park design and consultancy services and sales of indoor theme park machineries such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the aforesaid contracts that had an original expected duration of one year or less.

(ii) Segment information

(a) Segment revenue and results

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

For the six months ended 30 September 2025 (unaudited)

	Sales of animation derivative products HK$'000	Establishment and operation of indoor theme parks HK$'000	Multimedia animation entertainment HK$'000	Total HK$'000
Segment revenue	69,274	95,570	103	164,947
Segment profit	(2,928)	10,799	2,443	10,314
Unallocated expenses				(25,535)
Unallocated other income, other gains and losses				18
Finance costs				(50,484)
Profit before taxation				(65,687)

4. Revenue and Segment Information (Continued)

(ii) Segment information (Continued)

(a) Segment revenue and results (Continued)

For the six months ended 30 September 2024 (unaudited)

	Sales of animation derivative products HK$'000	Establishment and operation of indoor theme parks HK$'000	Multimedia animation entertainment HK$'000	Total HK$'000
Segment revenue	81,912	110,710	–	192,622
Segment profit	3,919	69,269	1,918	75,106
Unallocated expenses				(29,192)
Unallocated other income, other gains and losses				68
Finance costs				(42,486)
Profit before taxation				3,496

(b) Segment assets and liabilities

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

Segment assets

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
Sales of animation derivative products	**75,031**	83,241
Establishment and operation of indoor theme parks	**312,803**	317,649
Multimedia animation entertainment	**4,716**	4,828
Total segment assets	**392,500**	405,718
Property, plant and equipment	**38**	38
Other receivables, deposits and prepayments	**1,743**	2,666
Goodwill	**2,425**	2,425
Financial assets at fair value through other comprehensive income	**3,297**	3,304
Restricted bank balance	**–**	2,240
Bank balances and cash	**12,964**	11,384
Consolidated assets	**413,017**	427,775

4. Revenue and Segment Information (Continued)

(ii) Segment information (Continued)

(b) Segment assets and liabilities (Continued)

Segment liabilities

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
Sales of animation derivative products	**2,167**	2,717
Establishment and operation of indoor theme parks	**203,000**	213,633
Total segment liabilities	**205,167**	216,350
Other payables and accruals	**352,507**	305,186
Amount due to a director	**247**	82
Bank borrowings and other borrowings	**225,784**	211,480
Tax payable	**25,562**	25,652
Bonds	**722,094**	721,755
Guaranteed note	**25,000**	25,000
Obligation arising from a put option to non-controlling interest	**10,900**	10,900
Consolidated liabilities	**1,567,261**	1,516,405

Segment assets represent certain property, plant and equipment, right-of-use assets, intangible assets, deposits for acquisition of property, plant and equipment, deposits for a theme park development project, interest in associates, inventories, trade receivables, certain other receivables, rental deposits, and deposits and prepayments which are directly attributable to the relevant operating and reportable segments.

Segment liabilities represent trade and notes payables, certain other payables and accruals, contract liabilities, certain lease liabilities, deferred tax liabilities, retirement benefit obligations, provision for reinstatement costs for rented premises, tax payable, obligation arising from a put option to a non-controlling interest and put option derivatives which are directly attributable to the relevant operating and reportable segments.

These are the measures reported to the CODM for the purpose of resources allocation and assessment of segment performance.

4. Revenue and Segment Information (Continued)

(ii) Segment information (Continued)

(c) Other segment information

	Sales of animation derivative products HK$'000	Establishment and operation of indoor theme parks HK$'000	Multimedia animation entertainment HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Six months ended 30 September 2025 (unaudited)						
Amounts included in the measurement of segment profit or loss and segment assets:						
Addition to right-of-use assets	**-**	**368**	**-**	**368**	**-**	**368**
Additions to property, plant and equipment	**-**	**516**	**-**	**516**	**-**	**516**
Depreciation of property, plant and equipment	**2,225**	**2,048**	**17**	**4,290**	**95**	**4,385**
Depreciation of right-of-use assets	**293**	**5,747**	**-**	**6,040**	**-**	**6,040**
Impairment loss/(reversal of impairment loss) under expected credit loss model, net of reversal	**(103)**	**(75)**	**(2,241)**	**(2,419)**	**-**	**(2,419)**
Research and development costs	**-**	**5,254**	**-**	**5,254**	**-**	**5,254**
Finance costs	**-**	**1,642**	**-**	**1,642**	**50,610**	**52,252**
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Taxation	**-**	**(196)**	**-**	**(196)**	**-**	**(196)**
Six months ended 30 September 2024 (unaudited)						
Amounts included in the measurement of segment profit or loss and segment assets:						
Addition to right-of-use assets	–	775	–	775	–	775
Additions to property, plant and equipment	–	321	–	321	–	321
Depreciation of property, plant and equipment	53	11,880	3	11,936	81	12,017
Depreciation of right-of-use assets	293	10,046	–	10,339	–	10,339
Share of (loss)/profit of associates	–	–	–	–	(10)	(10)
Impairment loss/(reversal of impairment loss) under expected credit loss model, net of reversal	3,716	(16,849)	(1,918)	(15,051)	(1)	(15,052)
Research and development costs	–	4,693	–	4,693	–	4,693
Finance costs	–	3,277	–	3,277	42,486	45,763
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss:						
Taxation	–	(179)	–	(179)	–	(179)

Segment profit (loss) represents the profit (loss) earned (incurred) by each segment without allocation of certain administrative expenses, other gains and losses, finance costs and certain other income and expenses. This is the measure reported to CODM for the purpose of resource allocation and performance assessment.

All the segment revenue reported above is from external customers.

4. Revenue and Segment Information (Continued)

(ii) Segment information (Continued)

(d) Geographical information

The Group's operations are located in Hong Kong, Japan, Cambodia and the PRC.

Information about the Group's revenue from external customers is presented based on the destination of shipment for sales of products or location of services rendered/operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

Revenue from external customers

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PRC	**2,406**	2,961
Hong Kong	**38,201**	66,602
Japan	**124,340**	123,059
	164,947	192,622

Non-current assets by geographical location

	30 September 2025	31 March 2025
	(Unaudited)	(Audited)
	HK$'000	HK$'000
PRC*	**142,644**	144,979
Hong Kong	**50**	50
Japan	**127,539**	133,987
Cambodia	**6,034**	6,328
	276,267	285,344

Note: Non-current assets excluded financial assets at FVTOCI and rental deposits.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group, which was mainly derived from sales of animation derivative products and sales of theme park machineries, are as follows:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Customer A[1]	**37,180**	48,635
Customer B[1]	**18,822**	22,504

1. Revenue from sales of animation derivative products.

5. Other Gains and Losses

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net exchange gain	**45**	21
Gain on waiver of lease payable	**–**	46,372
Loss on disposal of fixed assets	**(4)**	(3,281)
Other loss	**–**	(350)
	41	42,762

6. Taxation

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
The tax charge comprises:		
Hong Kong Profits Tax	**–**	–
The PRC Enterprise Income Tax ("**EIT**") — Overprovision in prior years	**–**	–
The Japan Corporate Tax	**196**	179
	196	179

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

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Corporate tax in Japan is calculated at 23.25% (31 March 2025: 23.25%) on the estimated assessable profit. Pursuant to relevant laws and regulations in Japan, withholding tax is imposed at 20.42% (31 March 2025: 20.42%) and 5% (31 March 2025: 5%) on dividends declared to local investors and foreign investors, respectively, in respect of profit generated by subsidiaries incorporated in Japan.

6. Taxation (Continued)

In current and prior years, the Hong Kong Profits Tax amounting to approximately HK$3,897,000 of a subsidiary of the Company in respect of the years of assessment 2016/17 to 2018/19 were under inquiries by the IRD and the IRD has issued tax assessment in respect of the years of assessment 2016/17 to 2018/19 amounting to approximately HK$3,897,000. The Group lodged objections against the assessments and the IRD had held over the payment of the profit tax and an equal amount of tax reserve certificate were required. Total amount of approximately HK$90,000 tax reserve certificates was purchased.

Sufficient tax provision has been made in respect of the years of assessment 2016/17 to 2017/18 and an additional tax provision of HK$1,188,000 is made in respect of year of assessment 2018/19 during the year ended 31 March 2024.

Save as disclosed above, the directors of the Company are of the opinion that the Group is not subject to taxation in any other jurisdictions.

7. (Loss)/profit for the Period

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
(Loss)/profit for the period has been arrived at after charging:		
Staff costs:		
Directors' emoluments	**1,531**	1,543
Other staff costs		
Salaries and other benefits	**28,765**	28,941
Retirement benefits scheme contributions	**2,954**	4,311
Defined benefits costs	**464**	232
	33,714	35,027
Cost of inventories recognised as expenses	**70,086**	78,749
Depreciation of property, plant and equipment	**4,385**	12,017
Depreciation of right-of-use assets	**6,040**	10,344

Note: The operating lease rentals for indoor theme parks are determined as the higher of a fixed rental or a predetermined percentage on revenue of respective indoor theme parks pursuant to the terms and conditions that are set out in the respective rental agreements.

8. Dividends

During the current interim period, no final dividend in respect of the year ended 31 March 2025 (31 March 2024: Nil) was declared to the owners of the Company.

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

9. Loss Per Share

(a) Basic loss per share

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

	Six months ended 30 September	
	2025 (Unaudited) HK$'000	2024 (Unaudited) HK$'000
Loss:		
Loss for the purpose of calculating basic and diluted loss per share (loss for the period attributable to owners of the Company)	**(66,245)**	(1,887)
	'000	'000
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	**1,182,042**	1,182,042

(b) Diluted loss per share

For the six months ended 30 September 2025 and 2024, diluted loss per share attributable to owners of the Company were the same as the basic loss per share because the computation of diluted loss per share does not assume the exercise of the Company's share options as the exercise price of those share options was higher than the average market price of the Company's shares for both six months ended 30 September 2025 and 2024.

10. Movements in Property, Plant and Equipment

During the current interim period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK$4,000 (30 September 2024: HK$5,170,000).

During the current interim period, the Group paid approximately HK$516,000 (30 September 2024: HK$321,000) for the acquisition of property, plant and equipment to expand its operations.

11. Intangible Assets

	Film rights and applications HK$'000 (Note i)	Animation characters HK$'000 (Note ii)	Indoor theme park right HK$'000 (Note iii)	Trademark HK$'000 (Note iv)	Total HK$'000
COST					
At 31 March 2025 and 30 September 2025	192,788	112,270	2,279	25,793	333,130
At 31 March 2024	192,788	112,270	2,279	28,793	333,130
Charge for the period	–	–	–	–	–
At 31 March 2025 and 30 September 2025	192,788	112,270	2,279	25,793	333,130
CARRYING VALUES					
At 30 September 2025 (unaudited)	–	–	–	–	–
At 31 March 2025 (audited)	–	–	–	–	–

Notes:

(i) Film rights and applications represent the acquisition of film rights and applications from production parties for the distribution of films and gaming applications in various videogram formats, film exhibition, licensing and sub-licensing of film titles and mobile phone gaming applications. Film rights and applications are stated at cost less accumulated amortisation and accumulated impairment losses. The costs of film rights and applications are amortised on a straight-line basis over their estimated useful lives starting from the completion of films and applications.

(ii) Animation characters represent the acquired intellectual properties in the form of trademarks and copyrights of various animation brands and related characters under the ownership of the Group. The animation character brand name entitle the Group to generate licensing income for 5 to 10 years from the date of acquisition. The net carrying amount will therefore be amortised over the remaining useful lives of 5 to 10 years.

(iii) Indoor theme park right represents the acquired intellectual property rights in the form of trademarks and know-how under a licensing agreement (the "**Licensing Agreement**") with SEGA Corporation, a Japanese corporation. The term of the Licensing Agreement is 10 years from the date of the Licensing Agreement which is renewable subject to negotiation among the parties concerned.

(iv) Trademark acquired on acquisition of CA Sega Group under Trademark Licence Agreement (the "**Trademark Licence Agreement**") with SEGA Holdings Co., Ltd. for a non-transferrable and non-exclusive right to use and sub-license the JOYPOLIS trademark for the establishment and operation of indoor theme parks with JOYPOLIS worldwide. The term of the Trademark Licence Agreement is 5 years from the date of the Trademark Licence Agreement which is renewable for another 5 years subject to negotiation among the parties concerned.

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over the useful lives:

Film rights and applications	2–5 years
Animation characters	5 years
Indoor theme park right	10 years
Trademark	5 years

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2025

12. Interest in Associates

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
Cost of unlisted investment	**201,375**	201,375
Share of post-acquisition profit and other comprehensive income	**(198,644)**	(198,649)
	2,731	2,731
Less: Impairment loss	**(2,731)**	(2,731)
Carrying amount of the Group's interest in associates	**–**	–

13. Interest in a Joint Venture

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
Cost of investment in a joint venture	**100,120**	100,120
Share of post-acquisition loss and other comprehensive expense	**(97,964)**	(97,964)
	2,156	2,156
Less: Impairment loss	**(2,156)**	(2,156)
Carrying amount of the Group's investment in Success View	**–**	–

Details of the Group's joint venture as at 30 September 2025 and 31 March 2025 are as follows:

Name of joint venture	Place of establishment	Paid up registered capital	Proportion of equity interest held by the Group		Proportion of voting rights held by the Group		Principal activity
			30 September 2025	31 March 2025	30 September 2025	31 March 2025	
Success View Global Limited ("**Success View**")	BVI	USD25,770,100	50%	50%	50%	50%	Multimedia animation entertainment business

13. Interest in a Joint Venture (Continued)

The summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts extracted from the joint venture's financial statements prepared under HKFRSs. The joint venture is accounted for using the equity method in these consolidated financial statements.

	30 September 2025 HK$'000	31 March 2025 HK$'000
Success View		
Current assets	**1**	1
Current liabilities	**(138)**	(138)
Revenue	**–**	–
Loss for the year	**–**	–
Other comprehensive expense for the period/year	**–**	–
Total comprehensive expense for the period/year	**–**	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	30 September 2025 HK$'000	31 March 2025 HK$'000
Net liabilities of Success View	**(137)**	(137)
Proportion of the Group's ownership interest in Success View	**50%**	50%
The Group's interest in Success View	**(69)**	(69)
Unrecognised share of loss	**69**	69
Carrying amount of the Group's interest in Success View	**–**	–

14. Financial Assets at Fair Value through Other Comprehensive Income

The amount represented listed equity securities listed in Hong Kong. These investments are not held for trading, instead, they are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The fair value of the listed equity securities is based on their current bid prices in active markets, and therefore classified under level 1 of fair value hierarchy.

15. Trade Receivables

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
Trade receivables	**286,940**	292,585
Less: accumulated impairment losses	**234,292**	234,904
	52,648	57,681

The Group generally allows a credit period ranging from 30 days to 90 days to its customers of sales of animation derivative products except certain major customers with a good track record which may be granted a longer credit period of 180 days.

For customers of licensing income, the Group allows a credit period ranging from 90 to 365 days.

The following is an analysis of trade receivables by age, presented based on the invoice dates, which approximated the revenue recognition dates:

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
0 to 90 days	**33,482**	56,890
91 to 180 days	**19,002**	352
181 to 365 days	**164**	439
Over 365 days	**–**	–
	52,648	57,681

16. Other Receivables, Deposits and Prepayments

	Note	**30 September 2025 (Unaudited) HK$'000**	31 March 2025 (Audited) HK$'000
Rental deposit		**107**	742
VAT recoverable		**660**	649
Other receivables		**31**	27
Prepayments	(i)	**47,196**	47,525
Interest receivable		**–**	342
Deposit paid		**199**	204
		48,193	49,489

16. Other Receivables, Deposits and Prepayments (Continued)

Note:

(i) As at 30 September 2025, included in the balance of prepayments is a prepayment for purchase of animation derivative products made to the main supplier of the Group, amounting to approximately HK$40,575,000 (31 March 2025: HK$40,291,000).

17. Trade Payables

The average credit period on purchases of goods ranges from 0 to 30 days. The following is an analysis of trade payables and notes payable by age, presented based on the invoice dates at the end of the reporting period:

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
0 to 30 days	**231**	796
31 to 60 days	**–**	–
61 to 90 days	**–**	–
Over 90 days	**3,275**	3,230
	3,506	4,026

18. Amount due to a Director

	30 September 2025 (Unaudited) HK$'000	31 March 2025 (Audited) HK$'000
Mr. Chong Heung Chung Jason	**247**	82

The amount is unsecured, interest-free and repayable on demand.

19. Bonds

During the period ended 30 September 2025, the Company did not issue any bond (31 March 2025: Nil). The Bonds outstanding are denominated in HK$ and are unlisted. The Bonds are unsecured and carry interest at a nominal rate ranging from 0% to 24% per annum (31 March 2025: 0% to 24% per annum), payable monthly, semi-annual and annual in arrears with a maturity period ranging from 0 to 0.8 years (31 March 2025: 0 to 1.3 years). The Group's bonds payable with aggregate principal amounts of approximately HK$715,400,000 (31 March 2025: HK$712,400,000) were overdue for repayment as at 30 September 2025 and together with the overdue interests thereon of approximately HK$253,908,000 (31 March 2025: HK$219,052,000) were not repaid as at 30 September 2025.

20. Guaranteed Note

On 24 September 2021, the Company issued HK$20,000,000 of 8% secured guaranteed note (the "**Guaranteed Note**"), which is secured by the Company's shares held by the substantial shareholder of the Company. The proceeds were utilized for general corporate purpose.

During the year ended 31 March 2022, the Company had breached certain default clause stipulated in the note purchase agreement (the "**Agreement**") of the Guaranteed Note, which triggered the holder of the Guaranteed Note (the "**Note Holder**") to demand for immediate payment of the principal and accrued interest from the Company. On 27 May 2022, the Note Holder filed a winding-up petition (the "**Petition**") against the Company in the High Court of Hong Kong, see Note 26(a).

As at 30 September 2025, the Guaranteed Note with principal amount of HK$25,000,000 (31 March 2025: HK$25,000,000) was overdue for repayment and together with the overdue interests thereon was not repaid.

21. Bank and Other Borrowings

During the period, the Group has not drawn any new bank borrowings (six months ended 30 September 2024: HK$2,659,000). The bank and other borrowings carry interest at fixed rates ranging from 0.20% to 3.60% (31 March 2024: 0.20% to 3.60%) per annum and are repayable on demand or having maturity from 2025 to 2031. The Group repaid bank borrowings of HK$5,479,000 during the six months ended 30 September 2025 (six months ended 30 September 2024: HK$23,794,000).

Included in the bank borrowings balance as at 30 September 2025 are secured bank borrowings of approximately HK$9,058,000 (31 March 2025: HK$8,900,000) which were secured by a property jointly owned by Mr. CHONG and his spouse.

During the period ended 30 September 2025, the Group has drawn an other borrowing amounting to RMB12,350,000 (31 March 2025: RMB12,350,000) from Mr. CHONG, at fixed rate of 3.2% per annum and having maturity in 2027. Mr. CHONG has obtained the fund from a bank borrowing in his own name for the Group, with a security of a property jointly owned by Mr. CHONG and his spouse. The terms of the Group's other borrowing from Mr. CHONG is equivalent to the terms of that bank borrowing in the name of Mr. CHONG.

Included in the other borrowings balance as at 30 September 2025 are borrowings of approximately HK$65,250,000 (31 March 2025: HK$65,250,000) at fixed rate ranging from 8% to 10%, which was secured by the Company's shares held by Bright Rise Enterprises Limited (wholly-owned by Mr. CHONG).

22. Share Capital

	Number of shares of HK$0.1 each	Share capital HK$'000
Authorised:		
At 31 March 2025, 1 April 2025 and 30 September 2025	5,000,000,000	500,000
Issued and fully paid:		
At 31 March 2025, 1 April 2025 and 30 September 2025	1,182,042,000	118,204

Note:

(i) All the shares issued ranked pari passu in all respects with the then existing shares in issue.

23. Related Party Disclosures

(a) Related and connected party transactions

During the current interim period, the Group entered into following transactions with related parties, certain of which is also deemed to be connected parties pursuant to the Listing Rules. Significant transactions with these parties during the period as follows:

		Six months ended 30 September 2025 (Unaudited) HK$'000	2024 (Unaudited) HK$'000
Controlling Shareholder	Rental expense for premises	**105**	106
SEGA Holdings	Royalty expense for trademark licence	**940**	1,089

(b) Guarantees provided by related parties and pledges over assets of related parties

Details of personal guarantees provided by related parties and details of pledges over assets of related parties in connection with the guaranteed note and other borrowings are set out in note 20 and 21.

(c) Details of the outstanding balances with other related parties are set out in note 18 and 21.

23. Related Party Disclosures (Continued)

(d) Compensation of key management personnel

The remuneration of key management personnel which represent the executive directors and key executives of the Company during the period was as follows:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Salaries and other benefits	**2,540**	2,548
Retirement benefit schemes contributions	**74**	77
	2,614	2,625

(e) Other related party transaction

Remuneration of approximately HK$300,000 (six months ended 30 September 2024: HK$300,000) was paid to the spouse of the Controlling Shareholder during the period ended 30 September 2025.

24. Share-Based Payments

Equity-settled share option scheme of the Company

The Company's share option scheme (the "**Scheme**") was adopted pursuant to a resolution passed on 16 February 2015 for the primary purpose of attracting and retaining the best available personnel, providing additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers ("**Eligible Participants**") of the Group and promoting the success of the business of the Group and will remain in force for a period of ten years commencing on the adoption date and shall expire at 15 February 2025. The board of directors of the Company may grant options to Eligible Participants to subscribe for shares in the Company.

The total number of shares of each Eligible Participant in respect of which options that may be granted under the Scheme is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not exceed 10% of the issued share capital of the Company from time to time. Options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the closing price of the Company's shares as stated in the daily quotation sheet issued by the Stock Exchange at the date of the grant) in excess of HK$5 million, within any 12-month period up to and including the date of grant, are subject to shareholders' approval in advance in a general meeting.

Options granted must be taken up within 30 days from the date of grant, upon payment of a nominal consideration of HK$1 in total by each grantee. Options may be exercised at any time for a period determined by its directors which shall not be later than the day immediately preceding the tenth anniversary of the date of grant. The exercise price of the share options must be at least the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the Stock Exchange on the date of grant of the share options; (ii) the average closing price of the Company's shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of grant; and (iii) the nominal value of an ordinary share on the date of grant.

24. Share-Based Payments (Continued)

Equity-settled share option scheme of the Company (Continued)

At 30 September 2023, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 42,910,000, representing 3.6% of the shares of the Company in issue at that date. As at the year ended 31 March 2024 and the period ended 30 September 2024, all the share options granted under the Scheme were lapsed.

25. Litigation

(a) ACCP Global Limited (HCA1618/2021)

On 1 September 2021, ACCP Global Limited (the "**Subscriber**") entered into a share subscription agreement ("**SSA**") with the Company pursuant to which the Company conditionally agreed to allot and issue 86,000,000 shares of the Company at a subscription price of HK$2.50 per share to the Subscriber. On 29 September 2021, the shares of the Company were allotted and issued to the Subscriber in two batches with the first one consisting of 40,000,000 and the second one comprising 46,000,000 of the shares of the Company. However, the Subscriber refused to pay the full consideration for the Shares at the subscription price pursuant to the SSA on the grounds that the Company allegedly misrepresented that it was in good financial health and standing and was not in default of any of its existing liabilities, despite being in default of multiple bond payables upon the date of SSA. On that basis, the Subscriber claimed that the SSA had been repudiated and was not obliged to perform its obligations pursuant to the SSA. On 26 October 2021, the Subscriber filed a writ of summons (HCA1618/2021) against the Company and Mr. Chong, the chairman and executive director of the Company, to claim for the damages, cost, interest on the damages and further or/and other relief resulting from the alleged fraudulent misrepresentations made by the Company.

In response, the Company denied the alleged misrepresentations and on 18 August 2022, filed a Defence to Counterclaim against ACCP Global, Lau Wang Chi Barry being the ultimate beneficial owner of ACCP Global and Well Link Securities Limited, the referral agent whom introduced ACCP Global to the Company and, as suspected by the Company, helped ACCP Global to breach the terms of the ACCP Subscription Agreement (being the other 2 concert parties of ACCP Global) for damages to be assessed, an account of profits and payment of sums found due, cost, interest and further or/and other relief.

Having evaluated the merits of the Company's case, the Directors believe that the Subscriber's claim for the alleged misrepresentation is groundless. In view of the aforesaid, the Directors consider that no provision for this claim is necessary.

On 24 April 2023, the High Court of Hong Kong has made a winding-up order against ACCP Global under HCCW 466/2022 so Lau Wang Chi Barry and Well Link Securities Limited shall have to bear the legal consequences of the case to indemnify the Group the damages resulted from the ACCP Subscription.

A hearing of the case took place on 15th July 2024 and the proceedings against ACCP Global will continue pending the leave to be granted by the High Court.

As at the last hearing, no decision has been made and the next hearing scheduled to be held on 27 August 2026. The Company will continue its action against the Subscriber, Lau Wang Chi Barry, being the ultimate beneficial owner of the Subscriber and Well Link Securities Limited, the referral agent whom introduced the Subscriber to the Company.

For details of the share subscription, please refer to the announcements of the Company dated 1 September 2021 and 8 December 2021.

25. Litigation (Continued)

(b) Claims from bond and other loan holders

Up to 30 September 2025, several demand letters and statutory demands were served on the Company by bond and other loan holders of the Company (the "**Holders**"), are on-hold depending on completion of the Creditors' scheme.

Save as disclosed above, as at 30 September 2025, to the best of the knowledge, information and belief of the Directors, neither the Company nor any member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

(c) Claim from a service provider

In March 2025, a servicer provider (the "**Service Provider**") of the Company commenced civil proceeding against the Company in the District Court. The Service Provider has made a claim against the Company for the sum of approximately HK$1,860,000 for professional services rendered by the Service Provider. The Company has filed a defence in September 2025 and the Company has received a writ of summon from the District Court in October 2025 in relation to the legal proceeding.

The Group has already made a full provision for such claim, which is recorded in "Other payables and accruals" as at 30 September 2025.

(d) Claim from a supplier

In prior years, Shenzhen Wald Animation Technology Company Ltd ("**Wald**"), a subsidiary of the Company, has purchased certain theme park machineries from a supplier (the "**Supplier**") but did not settle the purchase consideration. In October 2024, the Supplier initiated a legal proceeding against Wald for a total sum of approximately RMB2.7 million (approximately HK$2.9 million), being an alleged outstanding payment owed to the Supplier.

In March 2025, through the mediation by the Longgang District People's Court of Shenzhen Municipality (the "**Court**"), the above case was settled and pursuant to a mediation order from the Court, Wald has paid RMB527,000 (approximately HK$566,000) to the Supplier as final settlement of the above case and thereafter the Supplier would not claim against Wald further in relation to the above case.

The amount claimed by the Supplier is recorded in the "Trade payables" as at 30 September 2025 and 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a multimedia entertainment group in China which is engaged in three main business segments, including:

1) expansion of the world's No.1 indoor theme park CA SEGA JOYPOLIS brand through asset-light licensing model;

2) animation-derived products trading business, meanwhile on this basis, to explore the IP Pop Toy Collectibles related business;

3) Multimedia animation entertainment business focusing on animation IP and VR (including eSports).

CA SEGA JOYPOLIS LTD. (formerly known as "**SEGA Live Creation Inc.**") is the world's No.1 indoor theme park brand company acquired by the Group from SEGA Holding in 2017. The Group cooperated with different business partners through asset-light licensing model to promote theme park brand. Currently, the Group directly operates two large-scale theme parks CA SEGA JOYPOLIS in Tokyo and Sendai, Japan, a licensed CA SEGA JOYPOLIS indoor theme park in Guangzhou and licensed Wonder Forest kids amusement parks in first-tier and second-tier cities in China. The Joypolis Sports Park, which is invested and established by an external investor and licensed by the Group, was opened in December 2024. It becomes the Group's first theme park in Hong Kong at the Kai Tak Sports Park, which makes an additional contribution to our performance growth.

The Group has over 30 years' experience in the IP pop toy industry (mainly IP pop toy manufacturing business), engaging in the trading business as well as relevant value-added services of sales of animation-derived products (mainly toys) featuring a wide range of popular third-party owned animation characters in the Japanese market. Most of the customers of the Group are companies in Japan sourcing animation-derived products for leading toys companies and for leading outdoor theme parks in Japan. The Group maintained a long term and solid relationships with such companies. The Group has accumulated years of experience, resources, and reputation in the animation industry to fully develop the IP pop toy business.

The Group owns the license rights to many famous animation IPs, including two global top 10 national cartoon characters — "Han Ba Gui" and "Violet," as well as characters from movies and animated dramas such as "The King of Tibetan Antelope", "Animal Conference on the Environment" and "Amazing UU". China's first virtual artist "Violet" created by the Group has held 3D Holographic Concerts in Shenzhen and Hong Kong since 2015. The Group also established close cooperative relationships with many world-leading IP brands such as "Transformers" in the US, SEGA Sonic the Hedgehog, and Initial D, etc. The Group also participated in the co-investment and coproduction of the animated series "The Reflection" with internationally famous partners such as Studio Deen from Japan and Stan Lee "Father of Marvel" which was broadcasted over 38 countries and regions.

The Group established VR eSports and VR O2O game model, and became one of the leaders in the VR eSport industry. The Group is the organizer of the eSports tournament in the "World Conference on VR industry 2019" authorized by the China Information Industry Trade Association and the Ministry of Industry and Information Technology. The Group launched its groundbreaking and self-innovated VR eSports game "Huang Yangjie Battle黃洋界保衛戰" to promote red cultural tourism, which was awarded prestigious industry awards named the "Chinese Information Consumption Innovation award 2018 (2018中國信息消費創新獎)" and the "Gold Award of Chinese eSports Innovative Software 2019 (2019中國電子競技創新獎軟件金獎)" presented by China Information Industry Trade Association (中國信息產業協會). It was also awarded the "Outstanding Award of Global Digital Technology Creative Design Competition 2021" (2021年全球數字科技創意設計大賽傑出獎).

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Review

Indoor Theme Park Business

In 2025, the indoor park industry shows a rapid development trend, which is mainly reflected in the following aspects:

1. **Market size and growth**

   The number of indoor theme parks has already exceeded 100,000 and is expected to reach about RMB200 billion by 2026. This indicates that the industry is undergoing significant expansion and transformation.

2. **Characteristics of consumer groups**

   Parent-child families are still the main consumer group of indoor theme parks, especially the parents of the post-80s and post-90s, who pay more attention to experience and interaction when choosing amusement places.

3. **The convergence of technology and experience**

   As technology advances, indoor theme parks are incorporating new technologies such as virtual reality (VR) and augmented reality (AR) to provide a more immersive and interactive experience. This trend not only appeals to children, but also meets the high demands of adult consumers for content and experience.

4. **Industry development trends**

   Indoor theme parks are developing towards multi-functional and integrated, combining amusement, leisure, sports and other experiences, and becoming an important part of shopping malls.

   In the future, children's indoor amusement parks will pay more attention to personalization and technology integration, and provide customized play experiences through data analysis and artificial intelligence.

5. **Social and economic environmental impacts**

   With the changing needs of family entertainment and the evolution of children's educational concepts, indoor amusement parks are gradually transforming into interactive spaces that integrate educational elements, emphasizing the experience of entertainment and education.

   The indoor theme park industry in 2025 is in a stage of rapid development and transformation, with huge market potential, increasingly diversified consumer needs, and the application of technology has also brought new opportunities to the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

Gaming Industry

Below are a few key trends in the gaming industry in 2025:

1. **Market size and growth**
   The gaming industry continues to grow rapidly, and the global market size is expected to reach more than USD200 billion. The rise of mobile gaming and cloud gaming is a major factor driving the growth.

2. **Technological innovation**
   The popularity of VR and AR technologies has made gaming experiences more immersive and interactive. Many game developers are actively exploring these technologies and launching new game products.

3. **Changes in user base**
   The user base is becoming more and more diverse, and it is no longer limited to young players. The rising proportion of middle-aged and older gamers, especially in social and casual games, is driving further expansion of the market.

4. **The rise of social gaming**
   The importance of social elements in games is increasing, and many games have begun to focus on interaction and cooperation between players to enhance user stickiness.

5. **The impact of esports**
   The esports industry is booming, and the scale and audience of the event continue to grow, attracting a lot of investment and sponsorship, and promoting the development of related industry chains.

6. **Sustainability and social responsibility**
   With the increasing emphasis on sustainable development, more and more game companies have begun to pay attention to environmental protection and social responsibility, and have launched green games and public welfare projects.

7. **Regulatory policy**
   Increasingly stringent regulatory policies on the gaming industry, especially in the areas of youth protection and gaming content, pose certain challenges to game development and market operations.

   In 2025, the gaming industry shows strong vitality in terms of technological innovation, market expansion, and user diversity, while also facing new challenges in regulation and social responsibility.

Toys Product Industry

In 2025, the toy product industry shows an active development trend, which is mainly reflected in the following aspects:

1. **Market size and growth**
   The global toy market is expected to reach more than $200 billion, with significant growth in the Asia-Pacific and North American markets, driving the expansion of the overall industry.

2. **Consumer trends**
   Consumers are increasingly concerned about the educational and safety of toys, especially for infants and children. Parents tend to choose products that promote intellectual development and social skills.

3. **Technology and innovation**
   The rise of smart toys has become a major highlight. These toys use artificial intelligence and interactive technology to provide a personalized play experience, attracting the attention of a large number of young parents.

4. **Environmental awareness**
   With the increasing environmental awareness, many toy companies are adopting renewable materials and biodegradable packaging to meet consumer demand for sustainable products.

5. **The rise of e-commerce channels**
   Online shopping has become the main purchase channel, especially after the pandemic, and many consumers are accustomed to buying toys through e-commerce platforms, which is driving digital marketing and online brand building.

6. **Product diversification**
   A growing variety of toys, from traditional bricks and puzzles to high-tech robots and VR toys, to suit all ages and interests.

7. **Globalization and localization**
   Despite the obvious trend of globalization, the cultural and educational needs of toys in various regional markets are also prompting companies to adapt locally to better adapt to the market.

8. **Regulatory and safety standards**
   Increasingly stringent safety standards and regulatory policies for toys, companies need to continuously improve product quality and safety to comply with relevant regulations.

   The toy products industry in 2025 shows strong growth potential in terms of market demand, technological innovation, and environmental awareness, while also facing regulatory and market competition challenges.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Period under review, the overall performance of the Group is as follows:

1. **Trading business of animation derivatives: Pop Toy and IP culture facilitates number of orders and revenue**

   Global inflation is heating up and results in the rise of operating and trading costs of animation derivatives, but the popularity of Pop Toy and IP culture drove the number of orders in the entire animation derivatives market as a whole. However, due to keen market competition, many industry peers attracted customers by cutting their prices. During the Period under review, the Group retained stable, progressive pace in its trading business by adjusting its sales strategy and providing high-quality value-added services, and continually reviewed operating costs and efficiency so as to make progress and maintain stability in the tough and challenging market environment.

2. **Indoor theme park business: NEW JOYPOLIS SPORTS PARK, to be located in Kai Tak, Hong Kong**

   During the Period under Review, the Group cooperated with an investor for the establishment of new theme park — JOYPOLIS SPORTS PARK has been grand opened in December 2024 in Kai Tak, Hong Kong. It has received great reviews and has become a local landmark. The Group's CA SEGA brand theme parks, including SEGA JOYPOLIS in Tokyo and Sendai in Japan and Shanghai JOYPOLIS in China, as well as kids amusement parks in different regions, have been fully recovered after the release of restrictive measure. However, the Group still have to cope with the challenging global economic instability.

3. **Multimedia animation entertainment business:**

   During the Period under review, the Group's business partners had resumed their IP projects and in business negotiation to explore different surrounding derivatives, including but not limited to theme parks, online live broadcasts and virtual platforms.

Business Prospects

The Company is an investment holding company and the Group is principally engaged in the trading of animation derivative products, establishment and operation of indoor theme parks and multimedia animation entertainment in the PRC, Hong Kong and Japan. The Group's operations and income generated from the theme parks and animation derivatives products businesses have been fully recovered after the Covid-19 pandemic. However, the global economic instability which still affect the Group's expansion in certain extent.

After the Creditors Scheme was sanctioned without modification by the High Court of Hong Kong on 19 March 2024, the Group believes that after the completion of the scheme of arrangement together with the Group's development in online business on Meta JOYPOLIS, virtual theme park, big data platform, online social media, Pop Toy platform and upgrading the operating and gaming system of CA SEGA JOYPOLIS. The Group can restart to meet any future challenge.

Although the Group is facing unprecedented challenges, the Group will continue to actively seek stability and progress in the face of uncertainties. The Group will continue to develop and launch different types of CA SEGA JOYPOLIS theme parks (including Metaverse-themed virtual reality parks) and present them to tourists through different real and virtual scenes. Moreover, the Group will launch IP theme parks and different types of amusement facilities through the Group's rich animation IP resources to cater for different target groups, so as to explore more surrounding derivatives consumption areas to increase income sources.

Following the fully release of restrictive measures after the epidemic, the Group resume its theme park projects gradually, which will bring considerable revenue to the Group and enhance the brand power of CA SEGA indoor theme park.

In order to strengthen the synergy and operation efficiency of different business segments of the Group, the Group plans to introduce offline traffic of the park to online Pop Toy Collectibles platform via APP. IP Pop Toy special booth will be set up in the indoor parks to host IP events including IP parades, KOL live streaming and more, to attract more animation IP lovers to visit theme parks to experience, at the same time, encourage more followers and sales of the online platform.

"CA SEGA JOYPOLIS indoor theme park + Pop Toy Collectible e-commerce platform" will be the dual driving force of the Group. Next, the Group will implement the cooperation intentions which was made during the Period under Review to welcome the growing indoor theme park market and online IP pop toy platform market.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The following sets forth a summary of the performance of the Group for the six months ended 30 September 2025 with comparative unaudited figures for the corresponding period last year as follows:

	For the six months ended 30 September	
	2025	2024
Revenue (HK$'000)	**164,947**	192,622
Gross profit (HK$'000)	**37,439**	41,204
Gross profit margin (%)	**22.7**	21.4
Loss attributable to owners of the Company (HK$'000)	**(67,498)**	(1,887)

Revenue

The revenue decreased by HK$27.7 million, or approximately 14.4%, from HK$192.6 million for the six months ended 30 September 2024 to HK$164.9 million for the six months ended 30 September 2025. The decrease was primarily due to an decrease in sales of animation derivative products of HK$12.6 million and an decrease in the revenue from establishment and operation of indoor theme parks of HK$15.1 million.

Sales of animation derivative products

The revenue from sales of animation derivative products decreased by approximately 15.4%, from HK$81.9 million for the six months ended 30 September 2024 to HK$69.3 million for the six months ended 30 September 2025, primarily due to that purchase orders placed by the customers were decreased.

Establishment and operation of indoor theme parks

The revenue from establishment and operation of indoor theme parks decreased by approximately 13.6% from HK$110.7 million for the six months ended 30 September 2024 to HK$95.6 million for the six months ended 30 September 2025. The number of visitors to the indoor theme park in Japan based on ticket sales decreased by approximately 18.2% from 0.44 million for the six months ended 30 September 2024 to 0.36 million for the six months ended 30 September 2025.

The analysis of the number of visitors is set out below:

	2025	2024
	'000	'000
PRC	**–**	132
Japan	**355**	439
	355	571

Multimedia animation entertainment

The Group recorded revenue from multimedia animation entertainment of HK$103,000 during the current reporting period (six months ended 30 September 2024: Nil). The revenue from multimedia animation entertainment included revenue generated from licensing income, ticket sales for VR games and event activities.

Cost of sales and services

The cost of sales and services decreased by HK$23.9 million, or approximately 15.8%, from HK$151.4 million for the six months ended 30 September 2024 to HK$127.5 million for the six months ended 30 September 2025. The decrease was primarily due to the decrease in the depreciation and amortisation expenses and the decrease in cost of sales of animation derivative products.

Gross profit and gross profit margin

The Group's gross profit decreased by HK$3.8 million, or approximately 9.2%, from HK$41.2 million for the six months ended 30 September 2024 to HK$37.4 million for the six months ended 30 September 2025. The Group's gross profit margin increased from approximately 21.4% for the six months ended 30 September 2024 to approximately 22.7% for the six months ended 30 September 2025. The decrease in the gross profit was mainly due to the decrease in cost of service of theme park business due to the decrease in depreciation and amortisation expenses.

Other gains and losses

Other gains and losses is absent for the six months ended 30 September 2025, compared to a gain of approximately HK$42.8 million for the six months ended 30 September 2024. The gain was mainly due to an one-time gain from the waiver of lease payable resulted from the ending of operation of a theme park of the Group in Shanghai, the PRC.

Selling and distribution expenses

The selling and distribution expenses increased by HK$6.7 million, or approximately 51.5%, from HK$13.0 million for the six months ended 30 September 2024 to HK$19.7 million for the six months ended 30 September 2025. The Group's selling and distribution expenses as a percentage of revenue increased from approximately 6.7% for the six months ended 30 September 2024 to approximately 11.9% for the six months ended 30 September 2025. The increase was primarily because of the spending in promotion activities in operating of theme park business.

Research and development expenses

The research and development expenses increased by HK$0.6 million from HK$4.7 million for the six months ended 30 September 2024 to HK$5.3 million for the six months ended 30 September 2025. The research and development expenses remained steady since the Group continued to invest on its research and development in theme park amusement.

Administrative expenses

The administrative expenses decreased by HK$1.1 million from HK$32.4 million for the six months ended 30 September 2024 to HK$31.3 million for the six months ended 30 September 2025. The administrative expenses remained steady during the period.

Loss attributable to owners of the Company

Loss attributable to owners of the Company increased by HK$67.7 million from HK$1.9 million for the six months ended 30 September 2024 to HK$69.6 million for the six months ended 30 September 2025. The increase was primarily due to: (i) the decrease in gross profit in the amount of approximately HK$3.8 million from the establishment and operation of indoor theme parks during the period under review; (ii) the absent in other gains in amount of approximately HK$43.8 million mainly from one-time gain from the waiver of lease payable; (iii) the decrease in reversal of impairment loss under expected credit loss model, net of provision, in the amount of approximately HK$12.3 million; and (iv) the increased in finance costs in amount of approximately HK$7.5 million.

Capital Structure, Liquidity and Financial Resources

As at 30 September 2025, the authorised share capital of the Company was HK$500.0 million divided into 5,000,000,000 shares of HK$0.1 each and the issued share capital of the Company was approximately HK$118.2 million divided into 1,182,042,000 shares of HK$0.1 each.

As at 30 September 2025, the cash and bank balances of the Group were HK$13.0 million (31 March 2025: HK$11.4 million). The cash and bank balances remained steady during the period.

As at 30 September 2025, the Group had a gearing ratio (calculate as bank and other borrowings, lease liabilities, guaranteed note and bonds, divided by total assets) of approximately 257.4% (31 March 2025: approximately 249.6%).

During the six months period ended 30 September 2025, the Company did not issue any bond.

Treasury Policies

The Group has adopted a prudent treasury policy throughout the six months ended 30 September 2025. The Group strives to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Future Plans, Material Investments and Capital Assets

The Group will continue to develop the indoor amusement theme parks globally and develop online business and digital content and also launch of new theme park product line. Moreover, the Group will continue to develop VR technology projects including setting up partnerships with an independent third party for selling of VR equipment, development of VR game contents and VR eSports with the integration of new technology and so on.

The Company has identified an investor on the proposed subscription in the shares of the Company and has deposited the escrow money. The Scheme has been approved by the requisite majorities of creditors of the Company on a scheme meeting (the "**Scheme Meeting**") held on 27 June 2023. The Creditors' scheme was sanctioned without modification by the order of the High Court of Hong Kong on 19 March 2024.

Foreign Exchange Exposure

There has been no significant change in the Group's policy in terms of exchange rate risks. The Group's transactions are mainly denominated in Hong Kong dollar, Renminbi, Japanese Yen or US dollar. The Management of the Group is closely monitoring foreign exchange risks and would consider the use of hedging instruments as and when appropriate.

Environmental Policy

The Group is committed to the protection of the environment. The Group adheres to the principle of recycling and energy saving. The Group has encouraged and motivated our staff to be environmentally friendly in the office including the use of recycled papers for printing and photocopying and to reduce electricity consumption by switching off idle lighting and electrical appliances when they are not in use.

Employees and Remuneration Policies

As at 30 September 2025, the Group had 117 employees (30 September 2024: 116 employees). For the six months ended 30 September 2025, employees' remuneration and benefits in kind and contribution to the pension scheme (including the Directors' remuneration and benefits in kind and contribution to the pension scheme) amounted to HK$33.7 million (six months ended 30 September 2024: HK$35.0 million). The decrease was mainly attributable to the decrease of HK$1.4 million in retirement benefits scheme contributions. The Group's remuneration package is determined with reference to the experience and qualification of the individual employees and the general market conditions. The Group also ensures that all employees are provided with adequate training and continued professional opportunities according to their needs.

Purchase, Sale or Redemption of Shares

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the six months ended 30 September 2025.

Audit Committee and Review of Interim Financial Results

Pursuant to Rule 3.21 of the Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the Corporate Governance Code as stated in Appendix 14 of the Listing Rules (the "**CG Code**"). The Audit Committee comprises three independent non-executive Directors, namely Mr. HUNG Muk Ming (Chairman), Mr. WANG Guozhen, and Mr. NI Zhenliang.

The Audit Committee has discussed with the management of the Group and reviewed the unaudited interim financial results of the Group for the six months ended 30 September 2025, including the accounting principles and practices adopted by the Group, and discussed financial related matters.

Interim Dividend

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 September 2025 (six months ended 30 September 2024: Nil).

Compliance with Code on Corporate Governance Practices

The Company has complied with the code provisions set out in the CG Code throughout the period, except for the following deviation:

Code provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. CHONG Heung Chung Jason is the Chairman of the Board and the Chief Executive Officer of the Company. As Mr. CHONG Heung Chung Jason is the founder of the Group and has extensive experience in corporate operations and management, the Directors believe that it is in the best interest of the Group to have Mr. CHONG Heung Chung Jason taking up both roles for effective management and business development.

Compliance with Model Code for Securities Transaction

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set forth in Appendix 10 of the Listing Rules (the "**Model Code**") as its own code of conduct regarding securities transaction by the Directors. Having made specific enquiry with the Directors, all Directors confirmed that they have fully complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2025.

Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this interim results announcement, the Company has maintained sufficient prescribed public float of the issued shares as required under the Listing Rules.

Directors' Interests and Short Positions in the Shares, Underlying Shares or Debentures

As of 30 September 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), were set forth below:

Long positions in the shares and underlying share of the Company

Name of Directors	Capacity/nature of interest	Name of the controlled corporations	Number of shares	Approximate percentage of shares in issue
CHONG Heung Chung Jason	Interest of controlled corporation (Note 1)	Bright Rise Enterprises Limited	134,538,000 (L)	11.38%
	Spouse interest (Note 2)	–	28,735,000 (L)	2.43%

Notes:

1. All issued shares of Bright Rise Enterprises Limited are held by Mr. CHONG Heung Chung Jason.

2. Ms. LEE Sui Fong Fiona is the spouse of Mr. CHONG Heung Chung Jason. Mr. CHONG Heung Chung Jason is deemed to be interested in the Shares interested by Ms. LEE Sui Fong Fiona under the SFO.

Save as disclosed above, as at 30 September 2025, none of the Directors or chief executive or their respective associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

Substantial Shareholders

As of 30 September 2025, the following persons or corporations, other than the Directors or chief executive of the Company, had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

	Name of Shareholders	Capacity	Number of shares	Shareholding percentage of shares in issue (%)
Long position	Bright Rise Enterprises Limited	Beneficial owner	134,538,000	11.38
	Mr. CHONG Heung Chung Jason	Interest in a controlled corporation(1)	134,538,000	11.38
		Spouse interest(2)	28,735,000	2.43
	Fortress Strength Limited	Beneficial owner	28,735,000	2.43
	Ms. LEE Sui Fong Fiona	Interest in a controlled corporation(3)	28,735,000	2.43
		Spouse interest(4)	134,538,000	11.38
Short position	Nil	Nil	Nil	Nil

Notes:

(1) Mr. CHONG Heung Chung Jason is the sole beneficial owner of all issued shares of Bright Rise Enterprises Limited who is the registered and beneficial owner of 134,538,000 Shares.

(2) Mr. CHONG Heung Chung Jason is the spouse of Ms. LEE Sui Fong Fiona and he is deemed to be interested in the Shares interested by Ms. LEE Sui Fong Fiona under the SFO.

(3) Ms. LEE Sui Fong Fiona is the sole beneficial owner of all issued shares of Fortress Strength Limited who is the registered and beneficial owner of 28,735,000 Shares.

(4) Ms. LEE Sui Fong Fiona is the spouse of Mr. CHONG Heung Chung Jason and she is deemed to be interested in the Shares interested by Mr. CHONG Heung Chung Jason under the SFO.

Save as disclosed above, as of 30 September 2025, the Directors were not aware of any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

By order of the Board

CHONG Heung Chung Jason
Chairman and Executive Director
Hong Kong, 20 March 2026