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華夏控股

CATHAY GROUP HOLDINGS INC.

華夏集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1981)

CONNECTED TRANSACTION THE LOAN AGREEMENT

On 20 October 2026, Bicheng Art (a wholly-owned subsidiary of the Company), as lender, and Mr. Pu, as borrower, entered into the Loan Agreement, pursuant to which Bicheng Art agreed to provide Mr. Pu with an unsecured loan in the principal amount of up to RMB45 million for a term of 12 months from the Drawdown Date at an interest rate of 3.3% per annum.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. Pu is an executive Director and a Controlling Shareholder of the Company, and therefore, Mr. Pu is a connected person of the Company under Chapter 14A of the Listing Rules and the entering into of the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Cathay Media Holding, being a Controlling Shareholder of the Company, is also a connected person of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Loan Agreement are more than 0.1% but less than 5%, the entering into of the Loan Agreement falls within the ambit of Rule 14A.76(2)(a) of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE LOAN AGREEMENT

The Board announces that, on 20 October 2026, Bicheng Art, as lender, and Mr. Pu, as borrower, entered into the Loan Agreement, pursuant to which Bicheng Art agreed to provide Mr. Pu with an unsecured loan in the principal amount of up to RMB45 million for a term of 12 months from the Drawdown Date at an interest rate of 3.3% per annum. Set out below is a summary of the principal terms of the Loan Agreement:

Date	:	20 October 2026
Parties	:	(i) Bicheng Art (as lender); and (ii) Mr. Pu (as borrower)
Loan amount	:	Up to RMB45 million
Drawdown	:	The Loan shall be advanced to the bank account designated by Mr. Pu on the Drawdown Date.
Term	:	12 months commencing from the Drawdown Date and ending on the Maturity Date. The term may be extended to such date as the parties may agree in writing. If the Maturity Date falls on a statutory holiday or public rest day, the repayment date shall be postponed to the next working day, and interest shall continue to accrue during the postponed period at the agreed rate.
Interest payment and pricing policies	:	The interest rate on the Loan shall be 3.3% per annum, which was determined after arm's length negotiations with reference to quotes from certain PRC banks for personal loans. Interest shall accrue on the principal actually drawn from the date on which Mr. Pu receives the Loan, calculated on the basis of the actual number of days elapsed and a 360-day year. The interest amount shall be paid together with the repayment of the principal amount in accordance with the repayment terms set out below. If Mr. Pu fails to repay the principal when due, default interest shall accrue on the overdue amount from the due date at the contractual interest rate increased by 10% for the first 30 days (inclusive), by 20% for the period from the 31st day to the 60th day (inclusive), and by 30% thereafter.
Repayment	:	Within 10 working days after the Maturity Date, Bicheng Art and Mr. Pu shall confirm the amount of the Loan actually advanced, following which Mr. Pu shall repay such amount, together with all accrued interest, to the account designated by Bicheng Art.

Mr. Pu may, with the agreement of Bicheng Art, prepay the Loan in whole or in part, in which case interest on the prepaid amount shall be calculated based on the actual period of borrowing at the agreed interest rate.

- Purpose of the Loan** : The Loan shall be used solely for Mr. Pu's personal financial arrangements, and shall not be used for (i) any illegal activities; (ii) the direct or indirect purchase of Shares; (iii) the provision of loans, guarantees or financial assistance to any third party; or (iv) any purpose in breach of the Listing Rules or regulatory requirements. The Group shall have the right to monitor Mr. Pu's use of the Loan.
- Security** : The Loan is unsecured. If the parties agree that security is required, separate security documents shall be entered into covering the principal, interest, overdue interest, liquidated damages and all costs incurred by Bicheng Art in enforcing its rights. In connection with the Loan, Mr. Pu and Cathay Media Holding have entered into the Letter of Undertaking, details of which are set out in the section headed "Risk Control Measures" below.
- Mandatory prepayment** : Bicheng Art is entitled to require Mr. Pu to immediately repay all outstanding principal, interest and liquidated damages (or, with the written consent of Bicheng Art, to perform a separately agreed repayment plan) upon the occurrence of the following events, including: (i) misuse of the Loan, or failure to provide information on its use upon written request; (ii) a material debt default by Mr. Pu, Mr. Pu being listed as a dishonest judgment debtor, material litigation, arbitration or enforcement proceedings against his assets, or any other material adverse change in his financial condition that may affect his ability to repay; (iii) the freezing or judicial disposal of the Shares held or controlled by Mr. Pu, the cessation of Mr. Pu as the Controlling Shareholder or any material change in his position with Bicheng Art or as Director or senior management of the Company that may affect his ability to repay; or (iv) any other breach of the Loan Agreement resulting in failure to repay on time.

The Loan will be funded from the Group's internal resources.

RISK CONTROL MEASURES

The Directors (including the independent non-executive Directors) consider that the following risk control measures adopted by the Company are adequate to cover the risks involved in the provision of financial assistance pursuant to the Loan Agreement:

- (i) Bicheng Art is entitled to request Mr. Pu to provide any documents relating to his financial position, to assess his repayment capacity and credit risk;

- (ii) the Loan may only be used for Mr. Pu's personal financial arrangements, may not be used for (a) any illegal activities; (b) the direct or indirect purchase of Shares; (c) the provision of loans, guarantees or financial assistance to any third party; or (d) any purpose in breach of the Listing Rules or regulatory requirements, and the Group is entitled to monitor its use;
- (iii) Bicheng Art may demand immediate repayment of all outstanding amounts upon the occurrence of any mandatory prepayment event described above, including any material adverse change in Mr. Pu's financial condition; and
- (iv) Mr. Pu and Cathay Media Holding have entered into the Letter of Undertaking on 20 October 2026, pursuant to which Mr. Pu and Cathay Media Holding irrevocably authorized and instructed the Company to pay any dividends otherwise payable to Cathay Media Holding directly to Bicheng Art to settle the outstanding principal and interest under the Loan, and undertook to the Company that they shall continue to be the Controlling Shareholder. Any breach of the Letter of Undertaking shall constitute a material default under the Loan Agreement and Bicheng Art shall become entitled to require Mr. Pu to immediately repay all of the outstanding principal, interest and any related costs and expenses under the Loan Agreement.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE LOAN AGREEMENT

The Group has surplus cash resources and the provision of the Loan will not affect the Group's daily operations and cash flow. The terms of the Loan Agreement, including the interest rate, were determined after arm's length negotiations between Bicheng Art and Mr. Pu, having regard to quotes from certain PRC banks for personal loans. The Loan Agreement will generate interest income for the Group which is expected to provide a better return on the Group's surplus cash resources and is beneficial to the Group and the Shareholders as a whole.

Although the provision of the Loan is not in the ordinary and usual course of business of the Group, the Directors (including the independent non-executive Directors) consider that the terms of the Loan Agreement are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Pu is considered to have a material interest in the Loan Agreement and the Letter of Undertaking. Accordingly, Mr. Pu and Ms. Jacqueline Luo (an executive Director and the spouse of Mr. Pu) abstained from voting on the relevant Board resolutions. Save as disclosed above, no Director has a material interest in the Loan Agreement or the Letter of Undertaking or was required to abstain or abstained from voting on such resolutions. In approving the Loan, the Directors (excluding Mr. Pu and Ms. Jacqueline Luo) have also considered Mr. Pu's personal financial position and repayment ability, including the Letter of Undertaking, his personal resources and his remuneration from the Group.

INFORMATION ON THE PARTIES

The Group is principally engaged in higher education (media and arts), vocational education and international education as well as entertainment and livestreaming e-commerce in the PRC.

Bicheng Art is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. Bicheng Art is principally engaged in investment holding and consulting. Mr. Pu is the legal representative and director of Bicheng Art.

Mr. Pu, the founder and the chief executive officer of the Company, is an executive Director and the chairperson of the Board and the Controlling Shareholder. As at the date of this announcement, Mr. Pu, through Cathay Media Holding (a company wholly-owned by Winning Global which is controlled by Mr. Pu through a discretionary trust), holds 1,208,000,000 Shares, representing approximately 72.99% of the issued share capital of the Company.

IMPLICATIONS UNDER THE LISTING RULES

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As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Loan Agreement are more than 0.1% but less than 5%, the entering into of the Loan Agreement falls within the ambit of Rule 14A.76(2)(a) of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Bicheng Art”	Bicheng Art Consulting (Nanjing) Co., Ltd. (碧城藝術諮詢(南京)有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Cathay Media Holding”	Cathay Media Holding Inc., a company incorporated in the British Virgin Islands (company number 1932310) and principally engaged in investment holding, and the Controlling Shareholder of the Company
“China” or “PRC”	the People's Republic of China
“Company”	Cathay Group Holdings Inc. (華夏集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 4 January 2017
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Drawdown Date”	the date on which the Loan is paid into Mr. Pu's designated bank account, which is expected to be 21 October 2026
“Group”	the Company, its subsidiaries and the consolidated affiliated entities from time to time

“Letter of Undertaking”	the letter of undertaking and authorisation dated 20 October 2026 executed by Mr. Pu and Cathay Media Holding in favour of Bicheng Art and the Company in connection with the Loan
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the unsecured loan in the principal amount of up to RMB45 million provided by Bicheng Art to Mr. Pu under the Loan Agreement
“Loan Agreement”	the loan agreement dated 20 October 2026 entered into between Bicheng Art and Mr. Pu
“Maturity Date”	the date falling 12 months from the Drawdown Date (subject to any extension agreed in writing)
“Mr. Pu”	Mr. Pu Shulin, the chairperson of the Board, an executive Director and the Controlling Shareholder
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Winning Global”	Winning Global Ventures Limited, a company incorporated in the British Virgin Islands which is controlled by Mr. Pu as a settlor through a discretionary trust
“%”	per cent

By order of the Board
Cathay Group Holdings Inc.
Pu Shulin
Chairperson and executive Director

China, 20 October 2026

As at the date of this announcement, the executive Directors are Mr. Pu Shulin, Ms. Jacqueline Luo, Mr. Wu Ye, and Mr. Lau Chi Hung; and the independent non-executive Directors are Mr. Zhang Jizhong, Mr. Lee Cheuk Yin Dannis and Mr. Huang Yu.