CULTURECOM HOLDINGS LIMITED

文化傳信集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00343)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2026

RESULTS

The Board of Directors (the "**Directors**") of Culturecom Holdings Limited (the "**Company**") are pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2026 together with the comparative figures for the corresponding year of 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	NOTES	**2026** *HK$'000*	2025 *HK$'000*
Revenue	*3*	**16,705**	17,328
Cost of sales		**(11,053)**	(9,701)
Gross profit		**5,652**	7,627
Other income	*5*	**463**	565
Other gains or losses	*6*	**(616)**	(1,743)
Impairment loss under expected credit loss ("**ECL**") model, net of reversal		**(1,020)**	(888)
Other impairment losses	*7*	**(28,105)**	(2,241)
Administrative expenses		**(24,158)**	(26,391)
Other expenses	*9*	**(3,032)**	(5,400)
Finance costs	*8*	**(233)**	(133)
Share of loss of an associate		**(45)**	(124)
Loss before tax	*9*	**(51,094)**	(28,728)
Income tax (expense) credit	*10*	**(224)**	328
Loss for the year		**(51,318)**	(28,400)

	NOTES	**2026** **HK$'000**	2025 HK$'000
Other comprehensive (expense) income			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**698**	879
Fair value (loss) gain of financial assets at fair value through other comprehensive income ("**FVTOCI**")		**(319)**	5
Measurement of long service payment provision		**(818)**	–
		(439)	884
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**–**	431
Reclassification of cumulative translation reserve upon deregistration of a subsidiary		**–**	(1,475)
		–	(1,044)
Other comprehensive expense for the year		**(439)**	(160)
Total comprehensive expense for the year		**(51,757)**	(28,560)
Loss for the year attributable to:			
– Owners of the Company		**(49,918)**	(27,963)
– Non-controlling interests		**(1,400)**	(437)
		(51,318)	(28,400)
Total comprehensive expense attributable to:			
– Owners of the Company		**(50,039)**	(28,303)
– Non-controlling interests		**(1,718)**	(257)
		(51,757)	(28,560)
Loss per share			
Basic and diluted (HK cents)	*12*	**(3.0)**	(1.7)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2026

	NOTES	**2026** **HK$'000**	2025 HK$'000
Non-current assets			
Property and equipment		**71**	113
Right-of-use assets		**394**	777
Interest in an associate		**53**	98
Intangible assets	*13*	**3,997**	29,761
Deposits	*15*	**508**	485
Financial assets at fair value through profit or loss ("**FVTPL**")		**140**	187
Financial assets at FVTOCI		**97**	414
Loan receivables	*16*	**–**	4,344
Deferred tax assets		**181**	456
		5,441	36,635
Current assets			
Inventories		**27,568**	30,697
Trade receivables	*14*	**3,343**	3,666
Other receivables, deposits and prepayments	*15*	**1,630**	6,233
Loan receivables	*16*	**4,302**	685
Amount due from an associate		**332**	750
Financial assets at FVTPL		**678**	696
Cash and cash equivalents		**14,763**	18,429
Tax recoverable		**134**	70
		52,750	61,226

	NOTES	2026 HK$'000	2025 HK$'000
Current liabilities			
Trade payables	*17*	**1,313**	899
Other payables, deposit refund and accrued charges	*17*	**16,926**	8,891
Contract liabilities		**–**	893
Amount due to a shareholder		**500**	–
Loan from a director		**2,500**	3,000
Lease liabilities		**1,016**	2,131
Provisions	*18*	**–**	1,565
		22,255	17,379
Net current assets		**30,495**	43,847
Total assets less current liabilities		**35,936**	80,482
Non-current liabilities			
Lease liabilities		**511**	363
Other non-current liabilities		**869**	–
		1,380	363
Net assets		**34,556**	80,119
Capital and reserves			
Share capital		**16,687**	16,687
Share premium and reserves		**24,952**	68,797
Equity attributable to owners of the Company		**41,639**	85,484
Non-controlling interests		**(7,083)**	(5,365)
Total equity		**34,556**	80,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and by disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The functional currency of the Company is Hong Kong dollars ("**HK$**"). For the convenience of the financial statements users, the consolidated financial statements are presented in HK$, as the Company's shares are listed on The Stock Exchange of Hong Kong Limited.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the accounting period beginning on 1 April 2025

The HKICPA has issued the following amendments to an HKFRS Accounting Standard that are first effective for the current accounting period of the Group:

Amendments to HKAS 21	Lack of Exchangeability

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

3. REVENUE

Disaggregation of revenue from contracts with customers

	Year ended 31 March 2026				
	Publishing and Intellectual properties ("IPs") licensing *HK$'000*	**Digital marketing** *HK$'000*	**Retailing and wholesales** *HK$'000*	**Natural language processing** *HK$'000*	**Total** *HK$'000*
Timing of revenue recognition:					
At a point in time:					
– Comic books sales	**12,465**	**–**	**–**	**–**	**12,465**
– Royalty income from IPs licensing	**1,903**	**–**	**–**	**–**	**1,903**
– Sales of wine	**–**	**–**	**2,337**	**–**	**2,337**
Over time:					
– Social media marketing	**–**	**–**	**–**	**–**	**–**
Total	**14,368**	**–**	**2,337**	**–**	**16,705**
Geographical markets:					
Hong Kong (place of domicile)	**14,368**	**–**	**2,337**	**–**	**16,705**
The People's Republic of China (the "**PRC**")	**–**	**–**	**–**	**–**	**–**
Total	**14,368**	**–**	**2,337**	**–**	**16,705**

	Year ended 31 March 2025				
	Publishing and IPs licensing *HK$'000*	Digital marketing *HK$'000*	Retailing and wholesales *HK$'000*	Natural language processing *HK$'000*	Total *HK$'000*
Timing of revenue recognition:					
At a point in time:					
– Comic books sales	12,971	–	–	–	12,971
– Royalty income from IPs licensing	3,019	–	–	–	3,019
– Sales of wine	–	–	1,227	–	1,227
Over time:					
– Social media marketing	–	111	–	–	111
Total	15,990	111	1,227	–	17,328
Geographical markets:					
Hong Kong (place of domicile)	15,990	–	1,227	–	17,217
The PRC	–	111	–	–	111
Total	15,990	111	1,227	–	17,328

4. SEGMENT INFORMATION

Information reported to the executive directors, being the Group's chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's operating and reportable segments under HKFRS 8 Operating Segments are as follows:

– Publishing and IPs licensing: publication of comic books and royalty income from licensing IPs of comics.

– Digital marketing: providing digital marketing and communication, IPs digitalisation and agency of IPs services in the PRC.

– Retailing and wholesales: retailing of wine.

– Natural language processing: AI speech technology with real-time human interaction, including design and implementation in both software and embedded chipset domains.

Segment revenue and results

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

For the year ended 31 March 2026

	Publishing and IPs licensing *HK$'000*	**Digital marketing** *HK$'000*	**Retailing and wholesales** *HK$'000*	**Natural language processing** *HK$'000*	**Consolidated** *HK$'000*
Revenue					
External sales	**14,368**	**–**	**2,337**	**–**	**16,705**
Segment results	**(566)**	**(935)**	**(856)**	**(32,675)**	**(35,032)**
Unallocated expenses					**(15,885)**
Unallocated income					**15**
Other gains and losses					**(192)**
Loss before tax					**(51,094)**

For the year ended 31 March 2025

	Publishing and IPs licensing *HK$'000*	Digital marketing *HK$'000*	Retailing and wholesales *HK$'000*	Natural language processing *HK$'000*	Consolidated *HK$'000*
Revenue					
External sales	15,990	111	1,227	–	17,328
Segment results	1,738	(916)	(767)	(8,605)	(8,550)
Unallocated expenses					(20,645)
Unallocated income					59
Other gains and losses					408
Loss before tax					(28,728)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent the loss before tax incurred by each segment without the allocation of certain other income, gain (loss) on fair value change of financial assets at FVTPL, impairment loss of right-of-use assets and unallocated corporate expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

As the Group's assets and liabilities are only reviewed by the CODM as a whole and hence no analysis of the Group's assets and liabilities by operating segments is disclosed.

Other segment information

For the year ended 31 March 2026

	Publishing and IPs licensing *HK$'000*	Digital marketing *HK$'000*	Retailing and wholesales *HK$'000*	Natural language processing *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or loss:							
Amortisation of intangible assets	488	–	–	2,854	3,342	–	3,342
Bank interest income	(80)	(4)	–*	(75)	(159)	(1)	(160)
Depreciation of property and equipment	29	–*	–	–	29	13	42
Depreciation of right-of-use assets	494	–	–	–	494	724	1,218
Finance costs	29	–	–	–	29	204	233
Impairment loss under ECL model, net of reversal	32	–	2	986	1,020	–	1,020
Impairment loss on interest in an associate	–	–	–	–	–	–	–
Impairment loss on right-of-use assets	–	–	–	–	–	–	–
Impairment loss on intangible asset	–	–	–	22,833	22,833	–	22,833
Impairment loss on deposits paid for intangible assets	–	–	–	–	4,882	–	4,882
Impairment loss on inventories	–	–	–	–	–	390	390
Share of loss of an associate	45	–	–	–	45	–	45
Provisions for legal claim	–	–	–	–	–	–	–
Amounts regularly provide to CODM							
Addition to non-current assets	–	–	–	–	–	–	–

For the year ended 31 March 2025

	Publishing and IPs licensing *HK$'000*	Digital marketing *HK$'000*	Retailing and wholesales *HK$'000*	Natural language processing *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment profit or loss:							
Amortisation of intangible assets	488	–	–	2,834	3,322	–	3,322
Bank interest income	(94)	(13)	–*	–*	(107)	(13)	(120)
Depreciation of property and equipment	–	5	–	4	9	14	23
Depreciation of right-of-use assets	470	–	–	–	470	1,454	1,924
Finance costs	41	–	–	–	41	92	133
Impairment loss under ECL model, net of reversal	(721)	–*	–*	1,611	890	(2)	888
Impairment loss on interest in an associate	–*	–	–	–	–*	–	–*
Impairment loss on right-of-use assets	–	–	–	–	–	1,689	1,689
Impairment loss on intangible asset	552	–	–	–	552	–	552
Impairment loss on deposits paid for intangible assets	–	–	–	–	–	–	–
Impairment loss on inventories	–	–	–	–	–	–	–
Share of loss of an associate	124	–	–	–	124	–	124
Provisions for legal claim	–	–	–	1,579	1,579	–	1,579
Amounts regularly provide to CODM							
Addition to non-current assets	1,234	–	–	28,341	29,575	2,888	32,463

* *It represents the amount less than HK$1,000.*

Geographic information

The Group's operations are located in the PRC, including Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of goods physically delivered to or location of services provided to the customers and information about its non-current assets is based on geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2026	2025	**2026**	2025
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**16,705**	17,217	**4,516**	5,461
The PRC	**–**	111	**–**	25,288
	16,705	17,328	**4,516**	30,749

Note: Non-current assets excluded those relating to deferred tax assets and financial instruments including financial assets at FVTPL, financial assets at FVTOCI, loan receivables and deposits.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of total sales of the Group are as follows:

	2026	2025
	HK$'000	*HK$'000*
Customer A[1]	**6,401**	5,748
Customer B[1]	**3,858**	4,973
Customer C[2]	**2,336**	N/A[3]

[1] Revenue from publishing and IPs licensing segment.

[2] Revenue from retailing and wholesales segment.

[3] The corresponding revenue did not contribute over 10% of the Group's total revenue in the respective year.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	2026	2025
	HK$'000	*HK$'000*
Comic books	**12,465**	12,971
Premium wine	**2,337**	1,227
Royalty income	**1,903**	3,019
Digital marketing	**–**	111
	16,705	17,328

5. OTHER INCOME

	2026	2025
	HK$'000	*HK$'000*
Bank interest income	**160**	120
Dividend income from financial assets at FVTPL	**6**	5
Imputed interest income from loan receivables	**219**	268
Investment income from financial assets at FVTOCI	**70**	77
Subsidies	**5**	19
Sundry income	**3**	76
	463	565

6. OTHER GAINS OR LOSSES

	2026	2025
	HK$'000	*HK$'000*
Gain (loss) on fair value change of financial assets at FVTPL		
– Held for trading	**(65)**	447
Gain on early termination of lease	**9**	–
Impairment loss reversed in profit or loss of property and equipment	**–**	49
Loss on written off of property and equipment	**–**	(1)
Net foreign exchange losses	**(505)**	(580)
Written off of other receivables	**(498)**	(281)
Written off of other payables	**15**	202
Written off of deposits received	**285**	–
Share-based payment arising from the issuance of non-listed warrants	**143**	–
Provisions for legal claim *(Note 18)*	**–**	(1,579)
	(616)	(1,743)

7. OTHER IMPAIRMENT LOSSES

	2026	2025
	HK$'000	*HK$'000*
Impairment losses recognised in respect of		
– Intangible assets *(Note 13)*	**22,833**	552
– Deposits paid for intangible assets *(Note 15)*	**4,882**	–
– Right-of-use assets	**–**	1,689
– Inventories	**390**	–
	28,105	2,241

8. FINANCE COSTS

	2026	2025
	HK$'000	*HK$'000*
Interests on lease liabilities	**74**	133
Interests on other borrowings	**159**	–
	233	133

9. LOSS BEFORE TAX

	2026	2025
	HK$'000	*HK$'000*
Loss before tax has been arrived at after charging (crediting):		
Staff costs		
Directors' emoluments	**2,914**	3,282
Other staff costs:		
– Retirement benefit scheme contributions	**374**	500
– Salaries and other benefits	**11,539**	12,537
– Long services payment expense	**51**	117
	14,878	16,436
Auditor's remuneration		
– Audit services	**1,000**	1,000
– Non-audit services	**151**	230
Cost of inventories recognised as expenses	**2,279**	1,378
Costs to fulfil the contracts with customers	**8,774**	8,323
Depreciation of property and equipment	**42**	23
Depreciation of right-of-use assets	**1,218**	1,924
Amortisation of intangible assets	**3,342**	3,322
Impairment loss on right-of-use assets	**–**	1,689
Impairment loss on deposits paid for intangible assets	**4,882**	–
Impairment loss on intangible assets	**22,833**	552
Impairment loss on inventories	**390**	–
Legal, consultancy and other professional fees (included in other expenses) *(Note)*	**2,467**	3,919
Research cost (included in other expenses) (including staff costs of approximately HK$368,000 (2025: HK$1,333,000))	**565**	1,481
Expenses relating to short-term leases	**1,064**	666
Share-based payment arising from the issuance of non-listed warrants	**143**	–

Note: The amounts represent fees paid to lawyers and consultants providing legal services and professional advices on business operations and presented under "other expenses".

10. INCOME TAX EXPENSE (CREDIT)

	2026	2025
	HK$'000	*HK$'000*
Current tax		
– Hong Kong Profit tax	**25**	88
Deferred tax		
– Deferred tax expense (credit)	**199**	(416)
Income tax expense (credit)	**224**	(328)

Pursuant to the rules and regulations of Bermuda, the Company is not subject to any income tax in Bermuda for both years.

Hong Kong Profits Tax is calculated at 16.5% (2025: 16.5%) on the estimated assessable profits for both years.

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

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% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

11. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2026, nor has any dividend been proposed since the end of reporting period (2025: HK$Nil).

12. LOSS PER SHARE

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

	2026	2025
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purpose of calculating basic and diluted loss per share	**(49,918)**	(27,963)

	2026	2025
	'000	*'000*
Weighted average number of shares for the purposes of basic and diluted loss per share	**1,668,657**	1,668,657

The computation of diluted loss per share does not assume the exercise of the outstanding share options/warrants since the assumed conversion would result in a decrease in loss per share for the years ended 31 March 2026 and 2025.

13. INTANGIBLE ASSETS

	Club memberships	Software	Intellectual property rights	Proprietary technology	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST					
At 1 April 2024	1,385	3,044	4,880	–	9,309
Addition	–	–	–	28,341	28,341
Exchange realignment	–	(97)	–	(257)	(354)
At 31 March 2025	1,385	2,947	4,880	28,084	37,296
Exchange realignment	–	–	–	566	566
At 31 March 2026	1,385	2,947	4,880	28,650	37,862
ACCUMULATED AMORTISATION AND IMPAIRMENT					
At 1 April 2024	–	3,044	740	–	3,784
Charge for the year	–	–	488	2,834	3,322
Impairment loss recognised for the year	–	–	552	–	552
Exchange realignment	–	(97)	–	(26)	(123)
At 31 March 2025	–	2,947	1,780	2,808	7,535
Charge for the year	–	–	488	2,854	3,342
Impairment loss recognised for the year	–	–	–	22,833	22,833
Exchange realignment	–	–	–	155	155
At 31 March 2026	–	2,947	2,268	28,650	33,865
CARRYING VALUES					
At 31 March 2026	1,385	–	2,612	–	3,997
At 31 March 2025	1,385	–	3,100	25,276	29,761

14. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables	**3,558**	3,889
Less: allowance for credit losses	**(215)**	(223)
	3,343	3,666

The Group allows the general credit period of ranging from 0 to 120 days to customers of publishing and IPs licensing, retailing and wholesales and digital marketing segments. The following is the aged analysis of trade receivables net of allowance for credit losses presented based on the date of billing at the end of reporting period.

	2026	2025
	HK$'000	*HK$'000*
0-60 days	**2,783**	1,706
61-90 days	**431**	701
91-180 days	**129**	1,108
Over 180 days	**–**	151
	3,343	3,666

As at 31 March 2026, included in the Group's trade receivables balance are debtors with aggregate gross amount of approximately HK$336,000 (2025: HK$386,000) which are past due and also past due over 90 days as at the reporting date, of which approximately HK$207,000 (2025: HK$222,000) are considered credit impaired. Included in the past due balances for 90 days or more, allowance for credit losses of approximately HK$207,000 (2025: HK$222,000) has been provided as of 31 March 2026.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2026	2025
	HK$'000	*HK$'000*
Other receivables	**424**	170
Less: allowance of credit losses	**(136)**	(120)
	288	50
Deposits and prepayments	**1,927**	6,670
Less: allowance for credit losses	**(77)**	(2)
	1,850	6,668
Total other receivables, deposits and prepayments	**2,138**	6,718
Less: amounts that will be settled or utilised within one year	**(1,630)**	(6,233)
Amounts that will be utilised for more than one year	**508**	485

16. LOAN RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Loan receivables from independent third parties	**6,903**	6,736
Less: allowance of credit losses	**(2,601)**	(1,707)
	4,302	5,029
Analysed as:		
– Non-current	**–**	4,344
– Current	**4,302**	685
	4,302	5,029
The contractual maturity dates of the Group's loan receivables are as follows:		
Within one year	**4,302**	685
In more than one year but not more than two years	**–**	4,344
	4,302	5,029

During the year ended 31 March 2024, the Group has entered into certain loan agreements with independent third parties.

During the year ended 31 March 2026, the Group had agreed to extend the loan maturity date with all borrowers and certain corresponding borrowings had been reclassified and presented as current. As at 31 March 2026, carrying amount of loan receivables of HK$4,302,000 (net of allowance of HK$2,601,000) (2025: HK$5,029,000, net of allowance of HK$1,707,000) were considered past due despite the extension of repayment due date.

All of the Group's loan receivables are denominated in RMB.

17. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED CHARGES

The following is an aged analysis of trade payables presented based on the invoice dates at the end of the reporting period.

	2026	2025
	HK$'000	*HK$'000*
0-60 days	**907**	649
61-90 days	**281**	231
Over 90 days	**125**	19
	1,313	899

The average credit period on purchases of goods ranges from 15 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

As at 31 March 2026, other payables and accrued charges included deposit received approximately HK$Nil (2025: HK$485,000), accrued operating expenses approximately HK$10,608,000 (2025: HK$5,064,000), accrued salaries approximately HK$4,435,000 (2025: HK$1,494,000) and accrued staff termination cost HK$1,560,000 (2025: HK$1,560,000).

18. PROVISIONS

	2026	2025
	HK$'000	*HK$'000*
Legal claim	**–**	1,565

Movements in provision during the financial year are set out below:

	2026	2025
	HK$'000	*HK$'000*
Carrying amount at beginning of the year	**1,565**	–
Charged to profit or loss	**–**	1,579
Transfer to other payables, deposit refund and accrued charges	**(1,565)**	–
Exchange realignment	**–**	(14)
Carrying amount at end of the year	**–**	1,565

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification was considered to provide a more appropriate presentation of the state of affairs of the Group.

20. EVENTS AFTER THE REPORTING PERIOD

On 29 April 2026, the Company and two subscribers entered into subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have conditionally agreed to subscribe for an aggregate of 65,418,972 subscription shares at the price of HK$0.107 per share.

Completion of the subscription took place on 22 May 2026 in accordance with the terms and conditions of the subscription agreements. An aggregate of 65,418,972 Shares have been allotted and issued to the subscribers.

The net proceeds from the subscription after deduction of expenses, amounted to approximately HK$6.89 million. The Company intended to apply the net proceeds from the subscription as the Company's working capital.

Details of the subscription are set out in the announcements of the Company dated 29 April 2026, 11 May 2026 and 22 May 2026.

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the year ended 31 March 2026 (2025: Nil).

No dividend was paid or proposed during the years of 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

FINANCIAL RESULTS

The Group's consolidated net loss attributable to the owners of the Company for the year ended 31 March 2026 increased by approximately 78.5% to HK$49,918,000 or HK3.0 cents per share (2025: loss of HK$27,963,000 or HK1.7 cents per share). The analysis of consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2026 is as follows:

1. Revenue

For the year ended 31 March 2026, the Group's overall revenue from operations decreased by approximately 3.7% from HK$17,328,000 to HK$16,705,000 of which approximately HK$14,368,000, HK$Nil, and HK$2,337,000 (2025: HK$15,990,000, HK$111,000 and HK$1,227,000) were attributable to our business of publishing and intellectual properties ("**IPs**") licensing, digital marketing, and retailing and wholesales respectively.

The revenue for publishing and IPs licensing business decreased by of approximately 10.1%, as a decrease of revenue from publication of comic book and IPs licensing during the year.

No revenue for the digital marketing business was recorded for the year ended 31 March 2026 (2025 : HK$111,000). The downsizing of operations has influenced this decrease in revenue. The Group has prioritized cash and working capital conservation in response to the business's downward trajectory. The Group continues with the voluntary winding up of the indirect non-wholly owned subsidiaries (details see description below).

The revenue of retailing and wholesales segment records the sales of premium wine of approximately HK$2,337,000 for the year ended 31 March 2026 (31 March 2025: HK$1,227,000). Despite the recovery of Hong Kong's economy, the pace is slowing. Currently, there were no good opportunities to sell the premium wine in lot. The Group is continuously working with the consultant to develop sales and distribution channels for its premium wine.

2. Gross profit and gross profit margin

The Group recorded a gross profit of approximately HK$5,652,000 with gross profit margin of 33.8% for the year ended 31 March 2026 as compared to the same period of 2025, which recorded a gross profit of HK$7,627,000 with a gross profit margin of 44.0%.

The decrease in margin percentage was due to the decrease in revenue for publishing and IPs licensing business.

3. Administrative expenses

The Group recorded an aggregate administrative expense from operations of approximately HK$24,158,000 for the year ended 31 March 2026 (2025: HK$26,391,000).

The major expenses components for the year ended 31 March 2026 were staff cost of approximately HK$14,878,000 (2025: HK$16,436,000), depreciation of right-of-use assets of approximately HK$1,218,000 (2025: HK$1,924,000), audit fee of approximately HK$1,000,000 (2025: HK$1,000,000), listing and corporate services fee of approximately HK$1,280,000 (2025: HK$1,186,000), advertising and promotion expenses of approximately HK$324,000 (2025: HK$602,000), and directors' emoluments of approximately HK$2,914,000 (2025: HK$3,282,000). The decrease in administrative expenses from operations was mainly due to reduced business activities in digital marketing business segment and streamlining of operations by continuous effort of cost control.

4. Other impairment losses

An impairment loss on right-of-use assets of approximately HK$Nil (2025: HK$1,689,000) has been recognised due to the assessment of the assets' recoverability.

During the year ended 31 March 2026, an impairment loss of approximately HK390,000 (2025:Nil) was recognised in respect of inventories.

For the year ended 31 March 2026, an impairment loss on intangible assets of approximately HK$22,833,000 (2025: HK$552,000) was recognised. The impairment relates to the Group's natural language processing business (the "**NLP Business**") and was primarily attributable to the commercial failure of its first mass-production application – the「飛龍大師」(Fei Long Da Shi) AI mobile phone project. The initial production units could not be delivered, and the relevant processing contract was subsequently terminated by court judgment. As a result, master agency agreements did not result in actual purchase orders, and the competitive environment continued to be challenging. An independent valuation conducted by BMI Appraisals Limited concluded that the value in use of the NLP Business as at 31 March 2026 was nominal.

Impairment loss of approximately HK$4,882,000 (2025: HK$Nil) recognised in respect of deposits paid for intangible assets relating to the same NLP Business, as the prospects for the investment remain viewed with caution.

5. Other expenses

The other expenses from operations recorded the research cost of approximately HK$565,000 (2025: HK$1,481,000) for the development of the natural language processing business. In 2026, legal, consultancy and other professional fees of approximately HK$2,467,000 (2025: HK$3,919,000) were paid to lawyers for providing legal services and paid to consultants for providing professional advices on business operations and development.

The reduction in other expenses from operations was mainly due to the streamlining of operations through ongoing cost control efforts.

6. Loss for the year

The Group recorded a loss from operations of approximately HK$51,318,000 for the year ended 31 March 2026 (2025: HK$28,400,000). The Group will continue to take actions to reduce costs and improve our profitability going forward.

Also, as at 31 March 2026, the Group had net assets of approximately HK$34,556,000 (31 March 2025: HK$80,119,000) and net asset value per share of HK$0.02 (31 March 2025: HK$0.05).

LIQUIDITY AND FINANCIAL RESOURCES

As of 31 March 2026, the Group had cash and bank balances with financial institutions in aggregate of approximately HK$14,763,000 and a total of financial assets at fair value through profit or loss of approximately HK$140,000.

The Group has no significant exposure to foreign exchange rate fluctuation except for the transactions that are denominated in Euro ("**€**") and HK$ relative to RMB.

As of 31 March 2026, the Group had a net current asset of approximately HK$30,495,000 (31 March 2025: HK$43,847,000) and a current ratio of approximately 2.37 (31 March 2025: 3.52). The Group's total liabilities as of 31 March 2026 amounted to approximately HK$23,635,000 (31 March 2025: HK$17,742,000) and the gearing ratio of the Group represented approximately 56.8% (31 March 2025: 20.8%) to equity attributable to owners of the Company.

The increase in gearing ratio from 20.8% to 56.8% is primarily due to the significant impairment losses recognised during the year, which reduced the Group's equity base, as well as an increase in accrued expenses and other payables. The Group continues to monitor its liquidity position closely and has taken steps to improve its working capital management.

EMPLOYMENT AND REMUNERATION POLICIES

As of 31 March 2026, the Group had a total of 45 employees of which 30 are based in Hong Kong and 15 in the PRC. Total staff costs from operations amounted to approximately HK$14,878,000 (31 March 2025: HK$16,436,000) for the year ended 31 March 2026 respectively. The management periodically reviews remuneration packages to ensure they remain competitive. Certain directors and employees may receive discretionary bonuses and incentive share options based on the Group performance and their individual merit and performance.

PLACING OF NON-LISTED WARRANTS UNDER SPECIFIC MANDATE

On 16 April 2025, the Company entered into the Warrant Placing Agreement with the Placing Agent in connection with the placing of non-listed warrants (the "**Warrants**"), pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 200,000,000 Warrants conferring rights to subscribe for up to 200,000,000 Warrants Share at the initial Warrant Exercise Price of HK$0.3 per Warrant Share (subject to adjustment).

Completion of the placing took place on 2 September 2025. An aggregate of 200,000,000 Warrants had been successfully placed and issued to not less than six placees at the placing price of HK$0.031 each. The net proceeds from the issue of the Warrants of approximately HK$5,450,000 are intended to be used for general working capital of the Group, including the payment of salary, rental expenses, IT services and other office overhead of the Group. The holders of the Warrants shall have the rights to subscribe for up to 200,000,000 Shares at the exercise price of HK$0.30 per Share (subject to adjustment) during the period of 24 months commencing from 2 September 2025.

Details of the Warrants are set out in the announcements of the Company dated 16 April 2025 and 3 July 2025 and the circular of the Company dated 12 June 2025.

Set out below are details of the planned use of the net proceeds, actual use of proceeds during the year ended 31 March 2026 and the remaining balance as at 31 March 2026.

	Planned use of proceeds (net of related expenses) *HK$'000*	**Actual use of proceeds up to 31 March 2026** *HK$'000*	**Remaining balance as at 31 March 2026** *HK$'000*	**Expected timeline of fully utilization of the balance**
General working capital of the Group, including the payment of salary, rental expenses, IT services and other office overhead of the Group	5,450	5,450	–	Fully utilized
	5,450	5,450	–	

Save as disclosed, the Group has not conducted any equity fund raising activities during the year ended 31 March 2026.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As of 31 March 2026, the Group did not have any significant capital commitment and contingent liabilities (31 March 2025: nil).

EVENTS AFTER YEAR END

On 29 April 2026, the Company and two subscribers entered into subscription agreements, pursuant to which the Company has conditionally agreed to allot and issue, and the subscribers have conditionally agreed to subscribe for an aggregate of 65,418,972 subscription shares at the price of HK$0.107 per share.

Completion of the subscription took place on 22 May 2026 in accordance with the terms and conditions of the subscription agreements. An aggregate of 65,418,972 Shares have been allotted and issued to the subscribers.

The net proceeds from the subscription after deduction of expenses, amounted to approximately HK$6.89 million. The Company intended to apply the net proceeds from the subscription as the Company's working capital.

Details of the subscription are set out in the announcements of the Company dated 29 April 2026, 11 May 2026 and 22 May 2026.

BUSINESS REVIEW

Against the challenging business and economic environment, coupled with unstable geopolitical factors, the Group remains focus on conserving resources, restructuring operations, and taking actions to control and reduce costs and expenses, helped the Group to preserve its resources. Total revenue decreased by 3.7% from HK$17,328,000 for the year ended 31 March 2025 to HK$16,705,000 for the year ended 31 March 2026.

Publishing and IPs Licensing Business

The publishing and IPs licensing business is stable. Revenue from this segment, were HK$14,368,000 in 2026 and HK$15,990,000 in 2025. The Company is putting more effort on publication book sales of IPs' owned or under licenses, and to broaden the scope of licensing business. Other than IPs licensing, the Group is planning to expand including publishing and distribution of certain comic title in the last season of this financial year.

Digital Marketing

The digital marketing business has been substantially scaled down, with revenue declining to HK$Nil in 2026 (2025: HK$111,000). The voluntary liquidation of Beijing Star Engine remains ongoing, and the Group expects to receive cash from the net asset value distribution upon completion.

Retailing and Wholesales Business

The Group's premium wine is primary for consumption by high-end consumer groups or restaurants and are mainly sold on a wholesale basis. Revenue from this segment increased by 90.5% to HK$2,337,000 in 2026 (2025: HK$1,227,000), driven by increased sales of premium wine. The Group continues to focus on selling wine in large lots to generate positive cash flow and improve inventory liquidity.

Natural Language Processing

The Group's first mass-production application for the NLP Business was the「飛龍大師」(Fei Long Da Shi) AI mobile phone project. However, the project experienced commercial failure as the initial production units could not be delivered, and the relevant processing contract was subsequently terminated by court judgment during the financial year. Consequently, master agency agreements, which provided the basis for capitalising the development costs in the prior year, did not result in actual purchase orders.

Given the commercial failure of the project and the intensely competitive environment in the AI product market, the Group engaged BMI Appraisals Limited, a RICS-regulated professional valuation firm, to conduct an independent valuation of the NLP Business. Based on the value-in-use calculation as at 31 March 2026, the recoverable amount was determined to be nominal. As a result, impairment losses of approximately HK$22.8 million on intangible assets were recognised during the year.

PROSPECT

We strive to maintain sustainable development levels in existing business segments, especially publishing and intellectual properties (IP) licensing. Under the leadership of new management, the Group has comprehensively upgraded its copyright protection mechanisms to preserve the lasting appeal of classic IPs, and transform historical content into long-term cultural values that can be passed down sustainably. Drawing on the new management's profound experience in Macau's cultural promotion and the establishment of Hong Kan (《紅刊》) and associated cultural entities, we anticipate sustained advancement and expansion within the Group's publishing and IP licensing business, delivering promising results for the Group.

Looking forward, the Group will fuel cultural and creative industrial transformation with innovation, broaden cultural dissemination through cross-industry collaboration, and further strengthen our Chinese cultural and creative brands, thereby continuously supporting high-end cultural development in the Greater Bay Area and the global outreach of Chinese culture.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor its subsidiaries have repurchased, sold or redeemed any of the listed securities in the Company during the year ended 31 March 2026.

AUDIT COMMITTEE

The Audit Committee of the Company, with written terms of reference in line with the code provision set out in the Corporate Governance Code (the "**Code**") as stipulated in Appendix C1 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), currently comprises of two independent non-executive Directors, namely Mr. Wong Kwan Kit and Mr. Mung Yat Lik. This does not comply with the requirement under Rule 3.21 of the Listing Rules which stipulates that the audit committee must comprise a minimum of three members. The Company will use its best endeavors to identify a suitable candidate for appointment as an independent non-executive Director and a member of Audit Committee.

The Audit Committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters including the review of audited financial statements for the year ended 31 March 2026.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

For the period from 1 April 2025 to 31 March 2026, the Company has adopted the code provisions set out in the Code set out in the Appendix C1 to the Listing Rules as its own code on corporate governance practice. During the year, the Company has been in compliance with all code provisions set out in the Code except the following deviation:

According to code provision B.3.5 of the Code, the listed issuer must appoint at least one director of a different gender to the nomination committee. Subsequent to the resignation of Ms. Chan Shuk Man Lora ("**Ms. Lora Chan**") on 26 February 2026, the Company failed to meet such requirement and up to the year ended 31 March 2026.

Thereafter, the Board has on 29 April 2026 appointed Ms. Chan Monica Yee Man ("**Ms. Monica Chan**") as an independent non-executive Director and a member of the Nomination Committee. Code provision B.3.5 of the Code was complied from 29 April 2026 up to the resignation of Ms. Monica Chan on 4 June 2026.

The Board will use its best endeavors to identify a suitable female candidate for appointment as an independent non-executive Director within three months from 4 June 2026 to ensure compliance with the Listing Rules and the Code.

CHANGES IN DIRECTORS' INFORMATION

The changes in the information of the Directors as notified to the Company since the Company latest published interim report are as follows:

1. Ms. Lora Chan resigned as an independent non-executive Director and she ceased to be a member of each of the Nomination Committee and Audit Committee with effect from 25 February 2026.

2. Mr. Lee Simpson had been appointed as an executive Director and a member of the Nomination Committee with effect from 26 March 2026. Mr. Lee subsequently resigned on 18 May 2026.

3. Mr. Huang Guangyu ("**Mr. Huang**") had been appointed as an executive Director and chairman of the Board as well as a member of each of Remuneration Committee, Nomination Committee and Corporate Governance Committee (the "**CG Committee**") with effect from 29 April 2026. Mr. Huang had been appointed as the chairman of the Nomination Committee and CG Committee with effect from 4 June 2026.

4. Ms. Monica Chan had been appointed as an independent non-executive Director, a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 29 April 2026. Ms. Monica Chan subsequently resigned on 4 June 2026.

5. Mr. Wong Kon Man Jason ("**Mr. Wong**") resigned as the chairman of the Board and had been appointed as a vice chairman of the Board with effect from 29 April 2026. Mr. Wong subsequently resigned on 21 May 2026.

6. Mr. Fung Ting Ho resigned as an executive Director with effect from 29 April 2026.

7. Mr. Kwan Kin Chung ("**Mr. Kwan**") ceased to be the chairman of the CG Committee and remained as a member of the CG Committee with effect from 4 June 2026. Mr. Kwan resigned as a member of the Remuneration Committee with effect from 4 June 2026.

8. Mr. Mung Yat Lik ceased to be the chairman of the Nomination Committee and remained as a member of the Nomination Committee with effect from 4 June 2026.

NON-COMPLIANCE WITH LISTING RULES

A. Following the resignation of Ms. Lora Chan on 25 February 2026, the Board comprised of five Directors, of which two were executive Director, one was non-executive Director and two were independent Directors. The Company did not comply with the following requirements under the Listing Rules:

    (i) the requirement under Rule 3.10(1) of the Listing Rules which stipulates that the board must include at least three independent non-executive directors;

    (ii) the requirement under Rule 3.21 of the Listing Rules which stipulates that the audit committee must comprise a minimum of three members; and

(iii) the requirement under Rule 13.92 of the Listing Rules which stipulates that the board must have directors of different genders.

Subsequently, the Board appointed Ms. Monica Chan on 29 April 2026, the Company complied with the requirements under Rules 3.10(1), 3.21 and 13.92 of the Listing Rules.

B. Following the resignation of Ms. Monica Chan on 4 June 2026, the Board comprised of four Directors, of which two were executive Directors and two were independent Directors. The Company does not comply with the following requirements under the Listing Rules:

(i) the requirement under Rule 3.10(1) of the Listing Rules which stipulates that the board must include at least three independent non-executive directors;

(ii) the requirement under Rule 3.21 of the Listing Rules which stipulates that the audit committee must comprise a minimum of three members; and

(iii) the requirement under Rule 13.92 of the Listing Rules which stipulates that the board must have directors of different genders.

The Board will use its best endeavors to identify a suitable female candidate for appointment as an independent non-executive Director within three months from 4 June 2026 in order to ensure the compliance with the Listing Rules.

MINIMUM NUMBERS OF CORPORATE GOVERNANCE COMMITTEE

According to the written terms of reference, the CG Committee should comprise of 4 members. The CG Committee currently comprises of three members, namely, Mr. Huang Guangyu, Mr. Kwan Kin Chung and Mr. Yue Chi Wing respectively. The Board will commence a process to identify replacement so as to full the written terms of reference of CG Committee.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix C3 to the Listing Rules as its own code for dealing in securities of the Company by the Directors (the "**Model Code**"). Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard as set out in the Model Code during the year ended 31 March 2026.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.culturecom.com.hk. The annual report will be despatched to the shareholders of the Company and will be published on the above websites in due course.

By Order of the Board
Culturecom Holdings Limited
Kwan Kin Chung
Executive Director

Hong Kong, 30 June 2026

As at the date hereof, the Board comprises of Mr. Huang Guangyu (being the Chairman and executive Director) and Mr. Kwan Kin Chung (being Managing Director and executive Director); and Mr. Wong Kwan Kit and Mr. Mung Yat Lik (both being independent non-executive Directors).

* *for identification purpose only*