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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)

POSITIVE PROFIT ALERT

This announcement is made by Cathay Group Holdings Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Reporting Period**”) and information currently available, it is expected that the Group will record an unaudited consolidated profit for the Reporting Period of not less than RMB50.0 million, as compared to an unaudited consolidated loss of RMB109.9 million for the six months ended 30 June 2023. The expected turnaround from a net loss for the six months ended 30 June 2023 to a net profit for the Reporting Period was primarily due to decreases in impairment losses on trade and other receivables and write-down of inventories from the Group’s TV/film production and investment business.

Revenue from the Group’s livestreaming e-commerce and artist management business for the Reporting Period is expected to increase significantly as compared to that for the six months ended 30 June 2023. The Group commenced its livestreaming e-commerce and artist management business in May 2023 and hence there were only two-month operations for the six months ended 30 June 2023, whereas there were six-month operations for the Reporting Period.

The Company is still in the process of finalising the condensed consolidated financial statements for the Reporting Period. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the Reporting Period and information currently available, which have not been audited or reviewed by the Company’s auditors or audit committee and are subject to changes and adjustments. Shareholders and potential investors are advised to refer to the unaudited interim results announcement of the Group for the Reporting Period which is expected to be published on 29 August 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Cathay Group Holdings Inc.
Pu Shulin
Chairperson and Executive Director

China, 22 August 2024

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.