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華夏視聽

CATHAY MEDIA AND EDUCATION GROUP INC.

華夏視聽教育集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1981)

VOLUNTARY ANNOUNCEMENT – BUSINESS UPDATE

This announcement is made by Cathay Media and Education Group Inc. (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, the “**Group**”) on a voluntary basis.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that in May 2023, the Company, through its consolidated affiliated entities, Huaxia Youpin (Beijing) Culture Communication Co., Ltd. (華夏優品(北京)文化傳播有限公司) (“**Huaxia Youpin**”) and Dongyang Huaxia Audio-Visual Film Culture Co., Ltd. (東陽華夏視聽影視文化有限公司) (“**Dongyang Huaxia**”), entered into an exclusive cooperation agreement (the “**Exclusive Cooperation Agreement**”) with an independent third party entity (the “**Management Company**”), Ms. Qi Wei (戚薇) and two individuals (the “**Agents**”), pursuant to which the parties agreed to exclusive cooperation in the artist management (including but not limited to television and film (“**TV/film**”) and performing activities) and livestreaming e-commerce management of Ms. Qi Wei (戚薇) and her spouse (together, the “**Relevant Artists**”) for a cooperation fee of RMB43.8 million. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, each of the Management Company, the Relevant Artists and the Agents is an independent third party.

Pursuant to the terms and conditions of the Exclusive Cooperation Agreement, the Agents and the Group have also entered into a capital increase agreement, pursuant to which the registered capital of Huaxia Youpin will be increased and the Agents agreed to provide capital contribution of an aggregate amount of RMB0.45 million to Huaxia Youpin. Upon completion of the increase in registered capital, Huaxia Youpin shall be held as to 70% by Dongyang Huaxia and 30% by the Agents. Each of the Agents has become the general manager and deputy general manager of Huaxia Youpin, respectively, and the original livestreaming e-commerce team of the Agents has been integrated into that of Huaxia Youpin.

Ms. Qi Wei (戚薇) is a well-known actress and singer in the People’s Republic of China (the “**PRC**”), and currently has nearly 20 million followers on a social media platform. Ms. Qi Wei (戚薇) is one of the artists who entered the livestreaming e-commerce industry in the early stage and once cooperated with many famous e-commerce platforms in China as well as brands, which brought more commercial value to the relevant e-commerce platforms and brands. The Agents, who are experienced in artist management and livestreaming e-commerce operations, have been working with Ms. Qi Wei (戚薇) for more than 15 years. The Management Company is a company incorporated in the PRC and is principally engaged in artist management and livestreaming e-commerce management.

In view of the challenges and uncertainties currently faced by the TV/film industry in China, the Group is striving to expand its higher education (media and arts) and vocational education as well as TV/film production business to the livestreaming e-commerce business. Accordingly, this collaboration with the Relevant Artists is an important milestone for the Group, and is expected to bring new growth drivers to the Group. By leveraging the advantages of the current talent resources of more than 28,000 students and teachers in our university (南京傳媒學院) and our business network in TV/film production, we will actively develop our livestreaming e-commerce business, and strive to provide high-quality livestreaming contents and become a leader in diversified livestreaming e-commerce. Moreover, the Group's livestreaming e-commerce business will better promote our strategy of the integration of industry and education, and we believe that this collaboration with the Relevant Artists will enhance the advantages of our university in its livestreaming e-commerce major and the new business may create more internship and employment opportunities for our students in the future.

The Board is confident that the exclusive cooperation between Ms. Qi Wei (戚薇), her team and the Group in live streaming e-commerce business, together with our solid higher education (media and arts) and vocational education business, may increase the return for the Company's shareholders in the long run.

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

China, 31 May 2023

As at the date of this announcement, the executive Directors are Mr. Pu Shulin, Mr. Wu Ye, Mr. Yan Xiang and Mr. Lau Chi Hung, and the independent non-executive Directors are Mr. Zhang Jizhong, Mr. Lee Chuek Yin Dannis and Mr. Huang Yu.