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CNCG

CHINA NATIONAL CULTURE GROUP LIMITED

中國國家文化產業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 745)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE

**MEMORANDUM OF UNDERSTANDING IN RELATION TO
A PROPOSED STRATEGIC COLLABORATION ON
AN AI MUSIC PLATFORM, ARTIST CO-CREATION
AND LIVE CONCERTS**

This announcement is made by China National Culture Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis in order to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

THE MOU

The board of directors (the “**Board**”) of the Company announces that on 8 September 2026 (after trading hours), Chic Culture Corporation Limited (“**Chic Culture**”), an indirect wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with FIREVERSE Ventures Limited (“**Fireverse**”) in relation to a proposed strategic collaboration in the fields of AI-generated music, artist sourcing and co-creation, and live concert and performance business (the “**Proposed Collaboration**”).

The principal terms of the MOU are summarised below:

Date	8 September 2026
Parties	(i) Chic Culture, as Party A; and (ii) Fireverse, as Party B
Purpose	To establish a strategic alliance between the parties combining their respective technological capabilities and operational expertise in the AI music and digital entertainment market.

Scope of collaboration	The parties intend to collaborate across three business pillars: (a) Co-launch of an AI-generated music content platform (the “Platform”) – Chic Culture would take the lead on operational execution, marketing, user acquisition, brand positioning, commercialisation and financial management and budgeting of the Platform, while Fireverse would engineer, host, maintain and supply the core AI music technology of the Platform, including technical development, system scalability, distribution pipeline support and algorithmic optimisation; (b) Artist sourcing and AI co-creation – Fireverse would identify, engage and support the onboarding of artists, producers and creators, and the parties would facilitate co-creation projects combining human artist talent with AI music generation technology, including live and virtual performances, interactive music experiences and digital intellectual property releases; and (c) Concert and live performance business – the parties would jointly organise, produce and promote concert experiences integrating AI-driven music content, immersive visual technology and live music production.
Commercial terms	No commercial terms have been agreed as at the date of this announcement. The MOU provides that the commercial terms, including revenue sharing, equity or capital contributions, intellectual property ownership, licensing fees, operational budget allocations and performance indicators, are to be discussed, finalised and executed within three (3) months from the date of the MOU. No consideration is payable by, and no financial or operational commitment has been assumed by, either party under the MOU.
Intellectual property	Each party retains sole ownership of intellectual property owned by it prior to, or developed independently of, the MOU. Ownership of intellectual property newly created from the collaboration is to be determined in the formal definitive agreement(s) to be entered into between Chic Culture and Fireverse in respect of the Proposed Collaboration (the “Definitive Agreement”) by reference to the parties’ respective economic and creative contributions.
Confidentiality	Each party is to hold in strict confidence the technical, financial and business information disclosed by the other party during the term of the MOU, and not to disclose the same to any third party without prior written consent.

Term and termination	The MOU takes effect on 8 September 2026 and remains in effect for six (6) months, or until superseded by the Definitive Agreement. Either party may terminate the MOU at any time on thirty (30) days' written notice.
Legal effect	Save for the provisions as to confidentiality, term and termination, and governing law and dispute resolution, the MOU is not legally binding and does not create any legally binding financial or operational obligation on either party unless and until the Definitive Agreement is entered into. The parties have agreed to negotiate in good faith during the three-month negotiation window referred to above.
Governing law	The MOU is governed by the laws in Hong Kong. Disputes are to be resolved through negotiation between senior representatives of the parties.

INFORMATION ON THE PARTIES

The Group

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Group is principally engaged in (i) the provision of design services and advertising through mobile devices; (ii) e-commerce through the sale of products over the internet; and (iii) the trading and production of films and the provision of other film-related services.

Chic Culture

Chic Culture is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company, the financial results of which are consolidated into the accounts of the Group. Chic Culture is principally engaged in intellectual property management, music and entertainment marketing, brand operation and related commercial structuring.

Fireverse

Fireverse is a company incorporated in British Virgin Islands with limited liability which is principally engaged in the development of AI music production algorithms, software platform development and digital music distribution. To the best of the Directors' knowledge, the major beneficial owner of Fireverse is Miss Tang Yu Chung.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save that Miss Tang Yu Chung, the major beneficial owner of Fireverse, holds 7,020,000 warrants of the Company issued pursuant to the subscription agreements dated 28 April 2026 through Data Hash Group Limited, which (assuming full exercise) would represent approximately 2.49% of the issued share capital of the Company as enlarged thereby, Fireverse and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

As disclosed in the announcement of the Company dated 28 April 2026 and the circular of the Company dated 22 May 2026 in relation to, among other things, the proposed issuance of unlisted warrants under specific mandate, the Group intends to develop and strengthen its existing advertising and e-commerce businesses, including through entertainment-related projects, short video-on-demand and AI-generated music, video and gaming.

The Board considers that the Proposed Collaboration is consistent with, and represents a further step in the implementation of, that strategy. In particular, the Board is of the view that (i) the Proposed Collaboration would allow the Group to access AI music generation technology and a technology platform without the Group having to develop the same in-house, thereby reducing development lead time and technology risk; (ii) the Group's existing capabilities in design, digital advertising, marketing and e-commerce operations are complementary to the technology capabilities of Fireverse and may be applied to user acquisition, brand positioning and monetisation of the proposed platform; and (iii) the artist sourcing, co-creation and live performance elements of the Proposed Collaboration may create additional content and revenue opportunities which are complementary to the Group's film and entertainment-related business.

The MOU sets out the parties' preliminary understanding only. It does not impose any financial or operational commitment on the Group and no consideration is payable under it. The terms of the MOU were arrived at after arm's length negotiations between Chic Culture and Fireverse. The Directors (including the independent non-executive Directors) are of the view that the terms of the MOU are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the MOU is not legally binding (save as to the provisions as to confidentiality, term and termination, and governing law and dispute resolution) and does not create any binding obligation on the Group to acquire or dispose of any asset or to make any investment, the entering into of the MOU does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules or a connected transaction of the Company under Chapter 14A of the Listing Rules.

In the event that the Definitive Agreement is entered into, the transactions contemplated thereunder may constitute a notifiable transaction and/or a connected transaction of the Company. The Company will comply with the applicable requirements under the Listing Rules, including the announcement, reporting and (where applicable) independent shareholders' approval requirements, as and when appropriate.

This announcement is made by the Company on a voluntary basis. The Board will keep the Shareholders and potential investors informed of any material development in relation to the Proposed Collaboration by way of further announcement(s) in accordance with Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as and when appropriate.

WARNING

The MOU is not legally binding save as to the provisions referred to above. As at the date of this announcement, no Definitive Agreement has been entered into, and the commercial terms of the Proposed Collaboration, including revenue sharing, capital contributions, intellectual property ownership and licensing arrangements, have not been agreed. Accordingly, there is no assurance that the Definitive Agreement will be entered into, or that the Proposed Collaboration will be implemented in the manner contemplated by the MOU, or at all. The Proposed Collaboration, if implemented, may not generate any revenue or profit for the Group. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Any Shareholder or potential investor who is in any doubt about his/her/its position or as to the action to be taken is recommended to consult his/her/its own professional adviser.

The Company will make further announcement(s) in respect of any material development in relation to the Proposed Collaboration in accordance with the Listing Rules as and when appropriate.

By order of the Board
China National Culture Group Limited
SUN Wei
Executive Director

Hong Kong, 8 September 2026

As at the date of this announcement, the executive Directors are Mr. WANG Shidi, Ms. SUN Wei and Ms. MAN Qiaozhen; and the independent non-executive Directors are Mr. LIU Kwong Sang, Ms. WANG Miaojun and Ms. WANG Yujie.