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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)**

### POSITIVE PROFIT ALERT

This announcement is made by Cathay Media and Education Group 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 a preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Reporting Period**”) and information currently available, it is expected that the Group will record an increase in unaudited condensed consolidated profit for the Reporting Period (the “**Unaudited Consolidated Profit**”) of at least 70%, as compared to that of RMB91.5 million for the six months ended 30 June 2021.

The expected increase in the Unaudited Consolidated Profit was primarily attributable to the recognition of a profit from the discontinued operation during the Reporting Period arising mainly from a gain on disposal of the entire equity interest (the “**Disposal**”) in Beijing Shuimu Huaxia Education & Technology Co., Ltd. (“**Shuimuyuan**”), whereas the discontinued operation of Shuimuyuan recorded a loss for the six months ended 30 June 2021. The gain on the Disposal was primarily due to a one-off derecognition of contingent consideration of RMB56 million in relation to the acquisition of Shuimuyuan (which was recorded as financial liabilities at fair value through profit or loss as at 31 December 2021).

The Company is still in the process of finalising the Unaudited Consolidated Profit. 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. The unaudited interim results announcement of the Group for the Reporting Period is expected to be published on 31 August 2022.

**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 Media and Education Group Inc.**  
**Pu Shulin**  
*Chairperson and Executive Director*

China, 28 August 2022

*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 Cheuk Yin Dannis and Mr. Huang Yu.*