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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)

PROFIT WARNING

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 2023 (the “**Reporting Period**”) and information currently available, it is expected that the Group will record an unaudited consolidated loss for the Reporting Period of not more than RMB120 million, as compared to an unaudited consolidated profit of RMB164.5 million for the six months ended 30 June 2022.

The expected unaudited consolidated loss for the Reporting Period was mainly attributable to (i) increases in impairment losses on certain long outstanding trade and other receivables and write-down of inventories from our TV/film production and investment business, and (ii) an increase in impairment losses on other receivables in relation to the acquisition of Olympic College primarily due to a change in fair value of Olympic College. However, the increases in impairment losses on trade and other receivables and write-down of inventories as mentioned in items (i) and (ii) above had no impact on the Group’s cash and cash equivalents as at 30 June 2023. For the six month ended 30 June 2022, the Group recorded a gain from the disposal of the discontinued operation.

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 neither been audited or reviewed by the Company's auditors nor reviewed by the audit committee of the Company 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 2023.

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.
Jacqueline Luo
Executive Director

China, 22 August 2023

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.