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歡喜傳媒集團有限公司*
HUANXI MEDIA GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1003)

**(1) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE;
(2) THE ENTERING INTO OF A STRATEGIC COOPERATION AND
JOINT VENTURE FRAMEWORK AGREEMENT;
AND
(3) THE ENTERING INTO OF A LARGE MODEL API SERVICES
FRAMEWORK AGREEMENT**

(1) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 19 May 2026 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with Phancy International Limited (the “**Subscriber**”), which is a wholly-owned subsidiary of Phancy Group Co., Ltd. (“**Phancy Group**”), pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Subscriber, 731,294,472 Subscription Shares at the Subscription Price of HK\$0.275 per Subscription Share.

The 731,294,472 Subscription Shares represent (i) approximately 16.68% of the total number of issued Shares as at the date of this announcement and (ii) approximately 14.30% of the total issued Shares as enlarged by the Subscription (assuming that there will be no change in the number of issued shares of the Company between the date of this announcement and Completion save for the issuance of the Subscription Shares). The Subscription Shares will be allotted and issued under the General Mandate.

* For identification purposes only

The Subscription Price of HK\$0.275 per Subscription Share represents: (i) the same as the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the date of entering into the Subscription Agreement; and (ii) a premium of approximately 10.44% over the average closing price of approximately HK\$0.249 per Share as quoted on the Stock Exchange for the last five full trading days of the Shares immediately prior to the date of the Subscription Agreement.

The gross proceeds and net proceeds (after deducting all the applicable costs and expenses) to be raised from the Subscription will be HK\$201,160,000 and approximately HK\$200,300,000, respectively. The net price to be received by the Company for the issuance of each Subscription Share will be approximately HK\$0.274.

(2) THE ENTERING INTO OF A STRATEGIC COOPERATION AND JOINT VENTURE FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 19 May 2026 (after trading hours of the Stock Exchange), the Company and Phancy Group entered into a strategic cooperation and joint venture framework agreement, pursuant to which the parties to the agreement (the “**Parties**”) intend to establish a strategic partnership, through the establishment of a joint venture as a cooperation platform, by combining the Company’s industrial strengths in the film and television sector with Phancy Group’s expertise in AI. This collaboration will focus on data cooperation and joint exploration of large model technologies in areas such as film and television production, interactive entertainment, game development, and intellectual property-related derivative products.

The Parties will potentially cooperate in the following areas: (i) Data Cooperation: The Company shall provide relevant data for AI solutions and model training in the film and television sector; (ii) Model and Agent Research and Development: Development of large models and Agents for the film and television sector; (iii) Scenario Collaboration: Explore the implementation of AI solutions in the new cultural and entertainment sector; (iv) Co-Production and Creation: Utilise AI technology for joint production and creation of film and television content, as well as diversified derivative development of related intellectual properties; (v) Resources Cooperation: Explore in-depth resources collaboration; and (vi) Large Model API Services: The company intends to use the license rights of the Large Model API on the Phancy Group’s platform and pay Phancy Group a fee based on the amount of Tokens consumed. Within three years of the Strategic Cooperation and Joint Venture Framework Agreement taking effect, the total target service amount for which fees will be paid to Phancy Group based on Tokens consumption is expected to be no less than US\$200 million. Detailed terms shall be subject to separate and binding large model API services framework agreements to be signed by both Parties.

(3) LARGE MODEL API SERVICES

The Board is pleased to announce that on 19 May 2026 (after trading hours), the Company entered into the first Service Agreement with Phancy International Limited (the “**Service Provider**”) for the Large Model Application Programming Interface (“**API**”) services. Pursuant to the agreement, the Service Provider will provide the Group with various Large Model API services at a total price of US\$20,000,000 (equivalent to approximately HK\$157,000,000), calculated based on the amount of Tokens consumed by the Group when applying AI in film and television production. The agreement is valid for two years.

The agreement above is the first formal procurement cooperation agreement between the two parties. The two parties will negotiate and enter into subsequent procurement agreements as appropriate, based on the actual consumption of Tokens and the progress of business.

Implications under the Listing Rules

As the highest applicable percentage ratio (as defined in the Listing Rules) of the proposed transaction under the Services Agreement exceeds 5% but is less than 25%, the Large Model API Services constitute a disclosable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that Completion is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

(1) SUBSCRIPTION FOR NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 19 May 2026 (after trading hours of the Stock Exchange), the Company entered into the Subscription Agreement with Phancy International Limited (the “**Subscriber**”), which is a wholly-owned subsidiary of Phancy Group Co., Ltd. (“**Phancy Group**”), pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Subscriber, 731,294,472 Subscription Shares at the Subscription Price of HK\$0.275 per Subscription Share.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber is an independent third party and is not connected with the Company or its connected persons.

The Subscription Agreement

The principal terms of the Subscription Agreement are as follows:

Parties to the Subscription Agreement

- (1) the Company (as the issuer of the Subscription Shares); and
- (2) Phancy International Limited (as the subscriber of the Subscription Shares).

Number of Subscription Shares

The 731,294,472 Subscription Shares represent (i) approximately 16.68% of the total number of issued Shares as at the date of this announcement and (ii) approximately 14.30% of the total issued Shares as enlarged by the Subscription (assuming that there will be no change in the number of issued shares of the Company between the date of this announcement and Completion save for the issuance of the Subscription Shares). The Subscription Shares will be allotted and issued under the General Mandate.

Subscription Price and use of proceeds

The Subscription Price of HK0.275 per Subscription Share represents: (i) the same as the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on the date of entering into the Subscription Agreement; and (ii) a premium of approximately 10.44% over the average closing price of approximately HK\$0.249 per Share as quoted on the Stock Exchange for the last five full trading days of the Shares immediately prior to the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and Phancy Group with reference to the recent trading price and volume of the Shares. The Directors consider that the terms and conditions of the Subscription Agreements (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The gross proceeds and net proceeds (after deducting all the applicable costs and expenses) to be raised from the Subscription will be HK\$201,106,000 and approximately HK\$200,300,000, respectively. The net price to be received by the Company for the issuance of each Subscription Share will be approximately HK\$0.274. The aggregate nominal value of the Subscription Shares to be allotted and issued will be HK\$7,312,944.72. The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company as at the date of the Subscription Agreement including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of completion of the Subscription.

Details of the use of proceeds and the expected timeline for utilisation of the net proceeds from the Subscription are set out below:

Use of net proceeds	Planned use of the net proceeds <i>Approximately HK\$</i>	Planned proportion of the net proceeds	Expected timeline on utilisation
(i) Investments in enhancing the Company's capabilities to use advanced technologies			
– Use of the Large Model API Services to make use of artificial intelligence for the development of film and television productions	157,000,000	78.38%	Within 2026
(ii) General working capital			
– General working capital, such as payment of staff salaries, settlement of professional fees, accounts and other payables, rental expenses, corporate utilities and expenses	43,300,000	21.62%	Within 2026
	_____	_____	
Total	<u>200,300,000</u>	<u>100%</u>	

Conditions Precedent

The Company will issue and allot the Subscription Shares to the Subscriber (or its nominee) within three Business Days of the satisfaction or waiver of the conditions set forth in the Subscription Agreement, which are:

- (a) there not having occurred at any time before Completion,
 - (i) any material adverse change, or any development reasonably likely to have a material adverse effect, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company and its subsidiaries taken as a whole; or
 - (ii) any event or the existence of any circumstance which renders any of the Warranties untrue, inaccurate or misleading;

- (b) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange (save for any temporary suspension in trading pending the release of an announcement in connection with this Agreement);
- (c) the listing of, and permission to deal in, all the Subscription Shares having been granted by the Stock Exchange and such listing and permission not subsequently being revoked prior to Completion;
- (d) the Company having complied with and fulfilled in all material respect of its obligations under this Agreement prior to the Completion;
- (e) all the authorisations, approvals, consents, waivers and permits of the relevant authorities of and filings with the relevant jurisdictions (including without limitation the Stock Exchange) which are necessary for the entering into of this Agreement and/or the performance of the obligations herein or otherwise to give effect to the Subscription as required by Applicable Laws having been granted, received, obtained and completed, and all such authorisations, approvals, consents, waivers and permits remaining in full force and effect and the Company not having received any statement or notification to revoke or not to renew any such authorisations, approvals, consents, waivers and permits at or prior to Completion; and
- (f) the Subscriber having completed its due diligence review of the Company, and the results of such due diligence review being satisfactory to the Subscriber.

The completion of the Subscription shall take place on the third Business Day after satisfaction or waiver of the last in time of the conditions precedent. In the event that the conditions of the Subscription are not fulfilled or waived within 60 days after entering the Subscription Agreement (on or before 18 July 2026) or such later date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement will be terminated. The Subscriber may in its absolute discretion, waive the above conditions precedent (other than the conditions precedent (b), (c) and (e)).

Issue of the Subscription Shares under General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Board at the Annual General Meeting. Under the General Mandate, the Board is authorised to allot and issue up to 731,294,472 new Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The Subscription will utilise 100% of the General Mandate, therefore no additional shareholders' approval is required for the Subscription.

Reasons for the Subscription

The Company is an investment holding and film investment company and its subsidiaries are principally engaged in media and entertainment related businesses, including development and investment in films and TV programmes rights, as well as operation of an online video platform. The Board believes that the Subscription will introduce Phancy Group (the parent company of the Subscriber) as a strategic partner, broaden the Company's shareholder base, and provide the Group with sufficient capital. The collaboration between the Company and Phancy (a leading artificial intelligence ("AI") company incorporated in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6682), which primarily engaged in operations of AI platform, and provision of application programming interface and agentic AI services in the PRC and certain overseas countries and regions) will enable the Company to participate in and benefit from China's rapidly digitalizing entertainment industry.

(2) THE ENTERING INTO OF A STRATEGIC COOPERATION AND JOINT VENTURE FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 19 May 2026 (after trading hours of the Stock Exchange), the Company and Phancy Group entered into a strategic cooperation and joint venture framework agreement, pursuant to which the parties to the agreement (the "**Parties**") intend to establish a strategic partnership, through the establishment of a joint venture as a cooperation platform, by combining the Company's industrial strengths in the film and television sector with Phancy Group's expertise in AI. This collaboration will focus on data cooperation and joint exploration of large model technologies in areas such as film and television production, interactive entertainment, game development, and intellectual property-related derivative products.

The Parties will potentially cooperate in the following areas:

- (i) **Data Cooperation:** The Company shall provide relevant data for AI solutions and model training in the film and television sector;
- (ii) **Model and Agent Research and Development:** Development of large models and agents for the film and television sector;
- (iii) **Scenario Collaboration:** Explore the implementation of AI solutions in the new cultural and entertainment sector;
- (iv) **Co-Production and Creation:** Utilise AI technology for joint production and creation of film and television content, as well as diversified derivative development of related intellectual properties;

- (v) Resources Cooperation: Explore in-depth resources collaboration; and
- (vi) Large Model API Services: The company intends to use the license rights of the Large Model API on the Phancy Group’s platform and pay Phancy Group a fee based on the amount of Tokens consumed. Within three years of the Strategic Cooperation and Joint Venture Framework Agreement taking effect, the total target service amount for which fees will be paid to Phancy Group based on Tokens consumption is expected to be no less than US\$200 million. Detailed terms shall be subject to separate and binding large model API services framework agreements to be signed by both Parties.

It is expected that the strategic cooperation will enable the Group and Phancy Group to achieve business synergy in various aspects. If the Parties enter into any binding agreements on a series of cooperation arrangements, the Company will publish further announcements in accordance with the requirements of the listing rules.

(3) LARGE MODEL API SERVICES

The Board is pleased to announce that on 19 May 2026 (after trading hours), the Company entered into the first Service Agreement with Phancy International Limited (the “**Service Provider**”) for the Large Model Application Programming Interface (“**API**”) services. Pursuant to the agreement, the Service Provider will provide the Group with various Large Model API Services at a total price of US\$20,000,000 (equivalent to approximately HK\$157,000,000), calculated based on the amount of Tokens consumed by the Group when applying AI in film and television productions. The agreement is valid for two years.

The agreement above is the first formal procurement cooperation agreement between the two parties. The two parties will negotiate and enter into subsequent procurement agreements as appropriate, based on the actual consumption of Tokens and the progress of business.

The Service Agreement

Details of the Service Agreement are as follows:

- Date: 19 May 2026
- Parties: (i) Phancy International Limited (as the Service Provider);
and
(ii) The Company (as the Purchaser)

Services Content: The Service Provider grants the Group access to the large model API on the Service Provider's platform. The services are not limited to providing the Group with large model inference services, model access permissions, and related technical support through a standard API interface.

Delivery Method: The service is provided via a standard RESTful API interface. The Group can access the Service Provider's platform through key authentication and pay fees based on the Tokens consumption.

Metering Method: Billing is based on the Tokens consumption.

Token consumption is calculated according to the Service Provider's platform's general metering rules.

Pricing Method: Based on the unit price standards disclosed on the Service Provider's platform's official website.

Total Contract Sum: US\$20,000,000 (equivalent to approximately HK\$157,000,000), payable by the Company to the Service Provider as follows:

- (1) Within five (5) business days from the date the Service Provider's designated entity issues a written payment notice, the Company shall prepay the full service fee of US\$20 million (US\$20,000,000) or the equivalent in Renminbi by bank transfer to the Service Provider's designated entity; and
- (2) Upon receiving the prepayment, the Service Provider's designated entity shall credit the corresponding amount to the Company's account opened on the Service Provider's platform. During the service process, the Service Provider's designated entity will deduct fees from the prepayment balance based on the Company's actual usage.

The pricing and measurement were determined through fair negotiation by the contracting parties, taking into account (i) the pricing and measurement methods, which are in line with market rates and trading practices; and (ii) the Service Provider's service quality and industry reputation.

Resale Authorisation: The Service Provider authorises the Group to resell the services under the Service Agreement to its partner studios and end-users with whom it has signed formal agreements, provided that the services are used solely for the Group’s film and television-related project productions.

Term of Services: The Service Agreement is valid for two years, commencing on the date of signing.

Information Regarding the Service Provider

The Service Provider is primarily engaged in providing AI platform services. The Service Provider is a wholly-owned subsidiary of Phancy Group, which is the subscriber of the Subscription Shares and is an independent third party as of the date of this announcement. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Service Provider and its ultimate beneficial owner are independent third parties of the Company and its connected persons.

Reasons and Benefits of the Large Model API Services

As part of the Group’s business plan, the Group plans to apply AI to film and television production in 2026. The Group will select strategic partners with high service quality and industry reputation to provide the Large Model API Services to achieve the goal of producing high-quality film and television content and reducing production costs. The Directors believe that the terms of the Large Model API Services are entered into on normal commercial terms, are fair and reasonable, and that the transactions contemplated under the Service Agreement are in the overall interests of the Company and its shareholders.

Implications under the Listing Rules

As the highest applicable percentage ratio (as defined in the Listing Rules) of the proposed transaction under the Services Agreement exceeds 5% but is less than 25%, the Large Model API Services constitute a disclosable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

PREVIOUS ISSUANCES IN THE PRECEDING 12 MONTHS

On 21 April 2026, the Company has allotted and issued 727,638,000 Subscription Shares pursuant to the Subscription Specific Mandate to C River Limited, at a subscription price of approximately HK\$0.30 per Subscription Share (the “**Previous Subscription**”). On 21 April 2026, the Company has issued 731,294,472 warrants to C River Limited, at the issue price of HK\$0.01 per warrant. The exercise price is HK\$0.44 per warrant. The warrant shares to be issued upon exercise of the warrants will be allotted and issued pursuant to the subscription mandate granted to the Directors by the Shareholders at a general meeting dated 8 January 2026. The aggregate of net proceeds from the Previous Subscription and the warrant subscription amounts to approximately HK\$225,100,000.

For details, please refer to the Company’s announcements dated 11 November 2025, 12 November 2025, 8 January 2026 and 21 April 2026, and the Company’s circular dated 22 December 2025.

Details of the use of proceeds and the expected timeline for utilisation of the aggregate of net proceeds from the Previous Subscription and the warrant subscription amounts to approximately HK\$225,100,000 are set out below:

Use of net proceeds	Planned use of the net proceeds <i>Approximately</i> <i>HK\$</i>	Actual	Unused	Expected timeline on utilisation
		use of net proceeds as of 30 April 2026 <i>Approximately</i> <i>HK\$</i>	net proceeds as of 30 April 2026 <i>Approximately</i> <i>HK\$</i>	
(i) Investments in enhancing the Company’s capabilities to use advanced technologies				
– Make investment in an artificial intelligence team to conduct research and analysis the application of the artificial intelligence in the areas existing business of the Company such as film and television production	60,000,000	–	60,000,000	Within 2026
– Procurement of equipment, such as advanced computer hardware for artificial intelligence development	20,000,000	–	20,000,000	Within 2026
– Development of software and applications to applying for the film and television production	20,000,000	–	20,000,000	Within 2026
Sub-total	<u>100,000,000</u>	<u>–</u>	<u>100,000,000</u>	Within 2026

Use of net proceeds	Planned use of the net proceeds	Actual use of net proceeds as of 30 April 2026	Unused net proceeds as of 30 April 2026	Expected timeline on utilisation
	<i>Approximately HK\$</i>	<i>Approximately HK\$</i>	<i>Approximately HK\$</i>	
(ii) Investment in film and TV programme rights business				
– Invest in at least one film and TV programme rights which the production base is located in the PRC and the initial target market is focused on the PRC local market	50,000,000	(1,374,000)	48,626,000	Within 2026
(iii) General working capital				
– General working capital, such as payment of staff salaries, settlement of professional fees, accounts and other payables, rental expenses, corporate utilities and expenses	75,100,000	(21,654,000)	53,446,000	Within 2026
	_____	_____	_____	
Total	<u>225,100,000</u>	<u>(23,028,000)</u>	<u>202,072,000</u>	

EFFECT OF THE ISSUANCE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The illustrative shareholding structure of the Company as at the date of this announcement and immediately after the Completion of the Subscriptions is as follows (assuming that there will be no change in the number of issued shares of the Company between the date of this announcement and the Completion, save for the issuance of the Subscription Shares):

Shareholders	As at the date of this announcement		Immediately after the Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
C River Limited (Note 1)	727,638,000	16.60%	727,638,000	14.22%
Newwood Investments Limited (Notes 2 and 3)	265,171,082	6.05%	265,171,082	5.18%
Numerous Joy Limited (Notes 2 and 3)	92,342,216	2.11%	92,342,216	1.81%
Highrise Castle Limited (Notes 2 and 3)	800,000	0.02%	800,000	0.02%
Mr. Dong Ping (Notes 2 and 3)	43,750,000	1.00%	43,750,000	0.86%
Pacific Wits Limited (Notes 2 and 4)	438,625,528	10.00%	438,625,528	8.57%
Tairong Holdings Limited (Notes 2 and 5)	438,625,528	10.00%	438,625,528	8.57%
Panfaith Investments Limited (Note 6)	15,060,000	0.34%	15,060,000	0.29%
Ms. Hu Hui (Note 7)	8,480,000	0.19%	8,480,000	0.17%
Mr. Wang Hong (Note 8)	200,000	0.00%	200,000	0.00%
Bilibili Inc. (Note 9)	328,366,954	7.49%	328,366,954	6.42%
Maoyan Entertainment (Note 10)	207,430,000	4.73%	207,430,000	4.06%
Phancy Group	–	0%	731,294,472	14.30%
Other public Shareholders	<u>1,817,621,054</u>	<u>41.46%</u>	<u>1,817,621,054</u>	<u>35.53%</u>
Total	<u>4,384,110,362</u>	<u>100.00%</u>	<u>5,115,404,834</u>	<u>100.00%</u>

Notes (defined terms contained in these notes shall apply only to these notes):

1. C River Limited, an investment management company, which held 731,294,472 warrants issued by the Company.

2. On 14 April 2015, Mr. Dong Ping (the former Chairman of the Company and a former executive Director, “**Mr. Dong**”), Newwood Investments Limited (“**Newwood**”), Pacific Wits Limited (“**Pacific Wits**”), Mr. Ning Hao (a non-executive Director, “**Mr. Ning**”), Tairong Holdings Limited (“**Tairong**”) and Mr. Xu Zheng (a non-executive Director, “**Mr. Xu**”) entered into a shareholders agreement (the “**Shareholders Agreement**”), which sets forth certain rights and obligations of each of the parties in respect of the governance of the Company. Newwood is therefore deemed to be interested in all the Shares in which Mr. Dong, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
3. Newwood, Numerous Joy Limited and Highrise Castle Limited are wholly owned by Mr. Dong. Mr. Dong is also a party to the Shareholders Agreement, is therefore deemed to be interested in all the Shares in which Newwood, Pacific Wits and Tairong are interested by virtue of section 317 of the SFO.
4. Pacific Wits is wholly owned by Mr. Ning. Mr. Ning and Pacific Wits are also the parties to the Shareholders Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Tairong are interested by virtue of section 317 of the SFO.
5. Tairong is wholly owned by Mr. Xu. Mr. Xu and Tairong are also the parties to the Shareholder Agreement, are therefore deemed to be interested in all the Shares in which Mr. Dong, Newwood and Pacific Wits are interested by virtue of section 317 of the SFO.
6. Panfaith Investments Limited is ultimately wholly owned by Mr. Li Xiaolong (an independent non-executive Director).
7. These Shares are personally held by Ms. Hu Hui.
8. These Shares are jointly held by Mr. Wang Hong (an independent non-executive Director) and his spouse.
9. Such disclosure of interests was made in the form of notice pursuant to Part XV of the SFO disclosed by Bilibili Inc. on 31 December 2024.
10. Such disclosure of interests was made in the form of notice pursuant to Part XV of the SFO disclosed by Maoyan Entertainment on 7 May 2026.

APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

FILING WITH REGULATORY AUTHORITIES IN THE PRC

Upon the completion of the Subscription, the Company will make filings with the regulatory authorities in the PRC in accordance with the relevant applicable laws and regulations, including the CSRC Filings.

GENERAL

The Company will make further announcements regarding any material progress in respect of the above matters as and when appropriate.

Shareholders and potential investors should note that Completion is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional adviser(s).

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company held on 24 June 2025
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“Company”	Huanxi Media Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 1003)
“Completion”	the completion of the Subscription for the Subscription Shares in accordance with the Subscription Agreement
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“CSRC Filing Report”	the filing report in relation to the Subscription and any transactions contemplated by the Subscription Agreement to be filed with the CSRC

“CSRC Filings”	the CSRC Filing Report (including any amendments, supplements and/or modifications thereof) and any relevant supporting materials (including, but not limited to, the PRC legal opinion to be issued by the counsel for the Company on the PRC laws, where applicable) to be filed with the CSRC pursuant to the applicable requirements under the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines issued by the CSRC (effective from March 31, 2023) (as amended, supplemented or otherwise modified from time to time)
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate to allot, issue and deal with the Shares granted to the Board by resolutions of the Shareholders passed at the Annual General Meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons
“Large Model API Services”	the Service Provider provides the Group with large model inference services, model access permissions, and related technical support through a standard API interface in accordance with the Service Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Phancy Group”	Phancy Group Co., Ltd., a company duly incorporated in the PRC, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6682)
“PRC”	the People’s Republic of China, for the purposes of this announcement, excluding Hong Kong and the Macau Special Administrative Region
“Service Agreement”	the Large Model API Services Framework Agreement dated 19 May 2026 entered into between the Company (as the Purchaser) and Phancy International Limited (as the Service Provider), which pertains to matters related to the Large Model API Services

“Service Provider” or “Subscriber”	Phancy International Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Phancy Group, and an independent third party
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription for the Subscription Shares by the Subscriber as contemplated in the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 19 May 2026 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	the subscription price of HK\$0.275 per Subscription Share
“Subscription Shares”	the 731,294,472 new Shares intended to be subscribed for by the Subscriber (or its nominee) under the Subscription
“Token”	the number of language units consumed by the model during the process of processing a request
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By Order of the Board
Huanxi Media Group Limited
Xiang Shaokun, Steven
Executive Director and Chief Executive Officer

Hong Kong, 19 May 2026

In this announcement, amounts quoted in US\$ have been converted to HK\$ at an exchange rate of US\$1.00 to HK\$7.85, for illustrative purposes only. The use of this exchange rate, where applicable, is for illustrative purposes only and does not imply that any amount has been or can be converted at this or any other exchange rate.

As at the date of this announcement, the Board comprises Mr. Xiang Shaokun, Steven (Chief Executive Officer) and Ms. Hu Hui as executive directors, Mr. Ning Hao and Mr. Xu Zheng as non-executive directors, and Mr. Wong Tak Chuen, Mr. Li Xiaolong and Mr. Wang Hong as independent non-executive directors.