



Datasea Establishes Joint Venture Company to Further Penetrate the Estimated Approximately 527.8 billion US dollars 5G Market in China

New Entity to be Focused on Increasing Scale of Datasea's 5G Services Utilizing Artificial Intelligence, which is Expected to Drive Significant Revenue in 2024

BEIJING, February 20, 2024 /PR Newswire/ -- Datasea Inc. (NASDAQ: DTSS) ("Datasea" or the "Company"), a Nevada incorporated digital technology corporation engaged in innovative business segments for intelligent acoustics and 5G multimodal communication technology in China, announced today that, on December 22, 2023, Guozhong Times (Beijing) Technology Ltd. ("Guozhong Times"), a subsidiary of the Chinese operating company contractually controlled by the Company, established a joint venture company in China with new partner Shenzhen Yiyun Technology Co., Ltd. ("Yiyun Technology"). The joint venture company, Datasea Yiyun (Shenzhen) Digital Technology Co., Ltd. ("DataSea Digital"), has been formed in an attempt to further penetrate the 5G multimodal communications sector by leveraging Artificial Intelligence ("AI") and combining Datasea's technology and service capabilities with Yiyun Technology's digital technology marketing, promotion and 5G operations capabilities. Datasea holds 66% total of the equity of DataSea Digital and Yiyun Technology holds a 34% ownership position.

Datasea's CEO Zhixin Liu commented, "We are pleased to have established this joint venture company with Shenzhen Yiyun Technology Co., Ltd., as it will combine the operating resources of our two companies in the field of 5G multimodal communication to enhance our core competitive advantages in the market and effectively provide 5G multimodal communication services to both enterprises and individual customers. We believe that the new joint venture will bring more efficient and intelligent AI based 5G multimodal communications solutions to customers across a wide spectrum of applications. The joint venture is a vital part of our strategic growth plan that we believe will create new sources of revenue while further diversifying our customer base."

DataSea Digital, the new joint venture company, will serve as the core business carrier of Datasea's AI based 5G multimodal communication services. Datasea's 5G multimodal communication represent a technological breakthrough based on the Company's original 5G messaging service. Leveraging the world's largest 5G network, computational power network, and middleware capabilities, the Company achieves multimodal data transmission through technological iterations and upgrades. A key attribute of the technology entails cross-modal information integration and data transmission and processing, which is carried out with images, videos, and text created by AI. This enriches transmission content, and makes user operation extremely convenient, lowers the requirements for users, and improves the quality of the customer experience and data information interaction.

The Company believes that the channel advantages and operational management strengths of both parties confer sustainable competitive advantages to the joint venture, its technological capabilities, the marketing and acquisition of new customers, and the pricing of products and services in China's 5G multimodal communication sector. In addition, operational objectives

for the joint venture have been established and a plan has been developed to promote optimal collaborative procedures and workload management.

Datasea's Technological Capabilities

As one of the leading service providers in China's 5G multimodal communication sector, Datasea will support DataSea Digital in continuously upgrading its main products and services, which include the following business areas: (1) 5G multimodal smart agriculture (digital rural) service platform; (2) 5G multimodal small and medium-sized enterprise service platform; (3) 5G multimodal logistics and express service platform; (4) 5G multimodal new media marketing service platform; and (5) the three major China telecom operators' 5G multimodal top up platform and other operation services.

Datasea's AI based 5G multimodal communication products exhibit high adhesion and high activity, and integrate technologies such as AI-driven interactions, multimedia, and multilingual processing modules, to provide efficient and convenient services with immersive experiences. This can bring brand enhancement, customer acquisition, market promotion and additional revenue to a wide range of enterprise customers. Datasea's 5G multimodal communication intelligent product solutions provide 5G digital and intelligent services and various value-added services for more than 48 million enterprises and individual users throughout China. The industries the Company serves include finance, banking and insurance, telecommunications, retail and consumer goods, transportation and logistics, smart home, smart agriculture, healthcare and medical, education, enterprise production, smart cities, the Internet of Things, entertainment and media, and finance.

Industry Data

According to the 'China Mobile Economic Development 2023' annual report released by GSMA, the number of 5G mobile phone users in China reached 805 million in 2023, accounting for 46.6% of China's mobile phone users, which is 2.5 times the global average. According to recent data released by GSMA, a global organization representing the interests of mobile network operators, it is projected that China will become the first market with a 5G connection of 1 billion users by 2025, and by 2030, China's 5G connections will reach 1.6 billion users, accounting for nearly one-third of the global total. According to TDIA estimates, the scale of China's 5G communication market was approximately 262.5 billion US dollars (1.89 trillion RMB) in 2022. It is projected that by 2025, the scale of China's 5G communication market will reach approximately 527.8 billion US dollars (3.8 trillion RMB).

About Shenzhen Yiyun Technology Co., Ltd.

Shenzhen Yiyun Technology Co., Ltd. ("Yiyun Technology") is a privately held, leading digital technology marketing and promotion and 5G operations company that has ongoing collaborations in the telecom, energy, transportation and financial sectors, and has service experience in 5G related fields. Yiyun Technology's core business focuses on the marketing, promotion and operation of a 5G+ business, and the provision of customer agency services for various 5G value-added services, entertainment digital product services, public utility payment channels, and other related service channels. It functions as a long-term supply chain enterprise for Chinese telecom operators and energy operators, and is an authorized operator for China's Transportation Card, which encompass numerous large and medium-sized industries and customer groups.

About Datasea Inc.

Datasea Inc. (“Datasea”) is a leading provider of products, services, and solutions for enterprise and retail customers in innovative industries, Intelligent Acoustics and 5G multimodal communication, especially focusing on ultrasonic, infrasound and directional sound technology. The Company’s advanced R&D technology serves as the core infrastructure and backbone for its products. Its 5G multimodal communication segment operates on a cloud platform based on AI. Datasea leverages cutting-edge technologies in intelligent acoustics, utilizing ultrasonic sterilization to combat viruses and prevent human infections, and is also developing innovations in directional sound and medical ultrasonic cosmetology. In July 2023, Datasea established a wholly-owned subsidiary, Datasea Acoustics LLC, in Delaware, in a strategic move to mark its global presence. This underlies Datasea's commitment to Intelligent Acoustics and its intent to offer leading edge acoustic solutions to the U.S. market. For additional information, please visit: www.dataseainc.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by terminology such as "will", "expects", "anticipates", "future", "intends", "plans", "believes", "estimates", "target", "going forward", "outlook," “objective” and similar terms. Such statements are based upon management's current expectations and current market and operating conditions, and relate to events that involve known or unknown risks, uncertainties and other factors, all of which are difficult to predict and which are beyond Datasea's control, which may cause Datasea's actual results, performance or achievements (including the RMB/USD value of its anticipated benefit to Datasea as described herein) to differ materially and in an adverse manner from anticipated results contained or implied in the forward-looking statements. Further information regarding these and other risks, uncertainties or factors is included in Datasea's filings with the U.S. Securities and Exchange Commission, which are available at www.sec.gov. Datasea does not undertake any obligation to update any forward-looking statement as a result of new information, future events or otherwise, except as required under law.

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