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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)

**VOLUNTARY ANNOUNCEMENT –
PURCHASE OF SHARES PURSUANT TO
POST-IPO SHARE AWARD SCHEME**

PURCHASE OF SHARES PURSUANT TO POST-IPO SHARE AWARD SCHEME

The Post-IPO Share Award Scheme conditionally adopted pursuant to the Shareholders' resolutions dated 22 June 2020 has been effective from the Listing Date.

Pursuant to the Scheme Rules, the Company entered into the Trust Deed with the Trustee on 24 September 2021 in respect of, among others, granting, administration or vesting of any Award Shares. On 7 October 2021, the Board approved to set aside funds through internal resources for the Trustee in respect of the purchase of the Shares on and/or off the market at appropriate time for the operation of the Scheme. The Shares purchased will be used to satisfy the Award to provide incentive to the Selected Participants in the future.

The Board believes that the current share price of the Company does not fully reflect the underlying value of the Company which, however, provides a good opportunity for the Trustee to purchase Shares to satisfy the grant of Award under the Scheme in the future.

As at the date of this announcement, no Shares were purchased by the Trustee and no Award was granted under the Scheme.

SUMMARY OF SCHEME RULES

Summary of the Scheme Rules is set out in the Company's prospectus dated 30 June 2020. The following information is extracted from the Scheme Rules for the purpose of this announcement.

Purpose

The purpose of the Post-IPO Share Award Scheme is to align the interests of Eligible Persons with those of our Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of our Group.

Scheme Limit

The maximum aggregate number of Shares underlying all grants made pursuant to the Post-IPO Share Award Scheme (excluding Shares which have been forfeited in accordance with the Scheme) will not exceed 32,000,000 Shares (representing approximately 2% of the total issued Shares as of the Listing Date) without further Shareholders' approval (the "**Scheme Limit**"), subject to an annual limit of 1% of the total number of issued Shares of the relevant times. Save as otherwise restricted by the Scheme Limit or the Listing Rules, there shall be no limit on the total number of non-vested Shares that may be granted to a Selected Participant under the Scheme.

LISTING RULES IMPLICATIONS

The Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. No approval from the Shareholders is required for the implementation and administration of the Scheme. This announcement is made by the Company on a voluntary basis.

DEFINITIONS

- “Actual Selling Price”** the actual price at which the Award Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer;
- “Affiliate”** means a company that directly, indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the Company and includes any company which is (a) the holding company of the Company; or (b) a subsidiary of holding company of the Company; or (c) a subsidiary of the Company; or (d) a fellow subsidiary of the Company; or (e) the controlling shareholder of the Company; or (f) a company controlled by the controlling shareholder of the Company; or (g) a company controlled by the Company; or (h) Associate of the holding company of the Company; or (i) Associate of the Company; or (j) Associate of controlling shareholder of the Company;
- “Associate”** shall have the meaning as set out in the Listing Rules;
- “Award”** an award granted by the Board to a Selected Participant, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Scheme Rules;
- “Award Shares”** the Shares granted to a Selected Participant in an Award;
- “Board”** the board of directors of the Company;
- “Company”** CATHAY MEDIA AND EDUCATION GROUP INC. 華夏視聽教育集團, a company incorporated in the Cayman Islands with limited liability;

“Eligible Person”	any individual, being an employee, director (including executive directors, non-executive directors and independent non-executive directors), officer, shareholder, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any Affiliate of the Group (including nominees and/or trustees of any employee benefit trust established for them) who the Board or its delegate(s) considers, in their sole discretion, to have contributed or will contribute to the Group; however, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person;
“Group”	the Company and its Subsidiaries from time to time, and the expression member of the Group shall be construed accordingly;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Date”	15 July 2020, the date on which the Shares were listed on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Post-IPO Share Award Scheme” or “Scheme”	the share award scheme conditionally adopted pursuant to the Shareholders’ resolutions dated 22 June 2020, which has been effective since the Listing Date;
“Scheme Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“Selected Participant”	any Eligible Person approved for participation in the Scheme and who has been granted any Award pursuant to the Scheme Rules;
“SFC”	the Securities and Futures Commission of Hong Kong;

“Shareholders”	the shareholders of the Company;
“Shares”	ordinary shares with a nominal value of US\$0.00001 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	any subsidiary (as defined in the Listing Rules) of the Company;
“Trust”	the trust constituted by the Trust Deed to service the Scheme;
“Trust Deed”	the trust deed entered into between the Company and the Trustee on 24 September 2021 (as may be restated, supplemented and amended from time to time); and
“Trustee”	Tricor Trust (Hong Kong) Limited, the trustee appointed by the Company for the purpose of the Trust.

By Order of the Board
Cathay Media and Education Group Inc.
Pu Shulin
Chairperson and Executive Director

China, 7 October 2021

As at the date of this announcement, the executive directors are Mr. Pu Shulin, Mr. Sun Haitao, Mr. Wu Ye and Mr. Yan Xiang and the independent non-executive directors are Mr. Zhang Jizhong, Mr. Lee Cheuk Yin Dannis and Mr. Huang Yu.