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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)

GRANT OF SHARE OPTIONS

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 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 31 May 2023, the Company granted an aggregate of 10,000,000 share options (the “**Options**”) to an employee of the Group (the “**Grantee**”) pursuant to the Company’s post-IPO share option scheme approved and adopted by the Company on 22 June 2020 (the “**Post-IPO Share Option Scheme**”), subject to acceptance by the Grantee. The Options entitle the Grantee to subscribe for an aggregate of 10,000,000 new ordinary shares with a nominal value of US\$0.00001 each in the share capital of the Company (the “**Shares**”).

The details of the grant of Options are as follows:

Date of grant:	31 May 2023
Number of Grantee:	1 employee
Number of Options granted:	10,000,000
Exercise price of the Options granted:	HK\$1.40 per Share, which represents the highest of: <ul style="list-style-type: none">(i) the closing price of HK\$1.40 per Share as stated in the daily quotations sheet of the Stock Exchange on 31 May 2023, being the date of grant of the Options;(ii) the average closing price of HK\$1.37 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the date of grant; and(iii) the nominal value of the Share of US\$0.00001 each.

Market price of the Shares on the date of the grant:	HK\$1.40 per Share
Validity period and exercise period:	5 years from the date of grant
Vesting period:	<ul style="list-style-type: none"> (i) 20% of the Options will vest on 30 April 2024; (ii) 30% of the Options will vest on 30 April 2025; (iii) 30% of the Options will vest on 30 April 2026; and (iv) 20% of the Options will vest on 30 October 2026.
Performance targets:	<p>The Options shall vest in accordance with the aforementioned vesting periods if the audited net profit of a consolidated affiliated entity of the Company is not less than a specified figure for each of the financial years preceding the relevant vesting dates (or in respect of the vesting date of 30 April 2024, the period from 1 May 2023 to 31 December 2023, and in respect of the vesting date of 30 October 2026, for the period from 1 January 2026 to 30 April 2026). The Board and the remuneration committee of the Company have the discretion to vest the Options to the Grantee on a pro-rata basis according to the actual results performance of the relevant consolidated affiliated entity. For the avoidance of doubt, the final vesting percentage will not exceed the percentages set out above.</p>
Clawback mechanism:	<p>The Options are subject to clawback in the event that the Grantee breaches certain rules relating to the Post-IPO Share Option Scheme.</p>

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Grantee is not (i) a Director, chief executive or substantial shareholder of the Company or their associate (each as defined in the Listing Rules); (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider (each as defined in the Listing Rules) with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Subsequent to the grant of the Options, the number of Shares available for future grant under the scheme mandate pursuant to the Post-IPO Share Option Scheme is 150,000,000.

The Post-IPO Share Option Scheme was adopted before the effective date of the new Chapter 17 of the Listing Rules. The Company will comply with the new Chapter 17 to the extent required by the transitional arrangements for the existing share schemes.

By order of the Board
Cathay Media and Education Group Inc.
Pu Shulin
Chairperson and executive Director

China, 31 May 2023

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 Chuek Yin Dannis and Mr. Huang Yu.