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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)

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was fully exercised by the Joint Global Coordinators, for themselves and on behalf of the International Underwriters, on July 31, 2020 (after trading hours), in respect of an aggregate of 60,000,000 Shares, representing 15% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option.

The Over-allotment Shares will be issued and allotted by the Company at HK\$3.10 per Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

A further announcement will be made by the Company after the end of the stabilization period in connection with the Global Offering pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The Company announces that the Over-allotment Option described in the Prospectus was fully exercised by the Joint Global Coordinators, for themselves and on behalf of the International Underwriters, on July 31, 2020 (after trading hours) in respect of an aggregate of 60,000,000 Shares (the “**Over-allotment Shares**”), representing 15% of the Offer Shares initially available under the Global Offering before any exercise of the Over-allotment Option.

Pursuant to the Stock Borrowing Agreement entered into between Macquarie Capital Limited and Cathay Media Holding Inc., Macquarie Capital Limited has borrowed 60,000,000 Shares from Cathay Media Holding Inc. to cover over-allocations in the International Offering. The Over-allotment Shares will be used to facilitate the return in full to Cathay Media Holding Inc. of the 60,000,000 borrowed Shares.

The Over-allotment Shares will be allotted and issued by the Company at HK\$3.10 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), being the Offer Price per Offer Share under the Global Offering.

APPROVAL OF LISTING

Approval for the listing of and permission to deal in the Over-allotment Shares has already been granted by the Listing Committee of the Stock Exchange. Listing of and dealings in the Over-allotment Shares are expected to commence on the Main Board of the Stock Exchange at 9:00 a.m. on August 5, 2020.

SHAREHOLDING STRUCTURE OF THE COMPANY UPON THE FULL EXERCISE OF THE OVER-ALLOTMENT OPTION

The shareholding structure of the Company immediately before and immediately after the completion of the allotment and issuance of the Over-allotment Shares pursuant to the Over-allotment Option is as follows:

Shareholders	Immediately before the completion of full exercise of the Over-allotment Option		Immediately after the completion of full exercise of the Over-allotment Option	
	Number of Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾	Number of Shares	Approximate percentage of the Company's issued share capital ⁽¹⁾
Cathay Media Holding Inc.	1,155,000,000	72.2%	1,155,000,000	69.6%
Orchid Asia	100,000,000	6.3%	100,000,000	6.0%
Snow Lake Funds	50,000,000	3.1%	50,000,000	3.0%
Foresight Orient Global Superior Choice SPC	25,000,000	1.6%	25,000,000	1.5%
Oceanic	6,250,000	0.4%	6,250,000	0.4%
Other Shareholders	263,750,000	16.5%	323,750,000	19.5%
Total	1,600,000,000	100.0%	1,660,000,000	100.0%

(1) The percentage figures are subject to rounding adjustments.

PUBLIC FLOAT

Immediately after the full exercise of the Over-allotment Option, no less than 25% of the total issued share capital of the Company will be held by the public in compliance with the requirements under Rule 8.08(1) of the Listing Rules.

USE OF PROCEEDS

The additional net proceeds of approximately HK\$182.3 million to be received by the Company from the issue of the Over-allotment Shares after deducting the underwriting commissions, transaction levy and trading fee (as applicable) relating to the exercise of the Over-allotment Option will be used by the Company for the purposes as set out in the section headed “Future Plans and Use of Proceeds” in the Prospectus on a pro rata basis.

A further announcement will be made by the Company after the end of the stabilization period in connection with the Global Offering pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

By Order of the Board of Directors
Cathay Media and Education Group Inc.
Pu Shulin
Chairman

Hong Kong, July 31, 2020

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.