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HOPE EDUCATION GROUP CO., LTD.

希望教育集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1765)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent



Reference is made to the announcement of Hope Education Group Co., Ltd. (the “**Company**”) dated 6 August 2020 (the “**Announcement**”) in relation to, amongst other things, the placing of new shares under general mandate. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the Completion take place on 13 August 2020. An aggregate of 465,000,000 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$2.55 per Placing Share pursuant to the terms and conditions of the Placing Agreement. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Placees and their ultimate beneficial owners are Independent Third Parties.

The gross proceeds from the Placing are approximately HK\$1,185.75 million. The Company intends to apply the net proceeds from the Placing primarily for acquisitions of schools in the PRC, construction and development of the Company’s schools in the PRC and general corporate purpose as to:

- (a) approximately 70% to 80% of the net proceeds will be utilized to further extend the education network of the Company and to seek more opportunities for expansion; and
- (b) approximately 20% to 30% of the net proceeds will be utilized to further enhance the level of operating the existing colleges and universities, improve the conditions of hardware and increase the investment of practical equipment.

EFFECTS IN SHAREHOLDING STRUCTURE

The 465,000,000 Placing Share represent approximately 6.43% of the issued share capital of the Company immediately upon the Completion. Set out below is the shareholding structure of the Company immediately before and after the Completion:

	Immediately before the Completion		Immediately after the Completion and as at the date of this announcement	
	Shares	%	Shares	%
Hope Education Investment Limited (<i>note</i>)	4,140,948,240	61.22%	4,140,948,240	57.28%
Placees			465,000,000	6.43%
Other Shareholders	2,623,189,678	38.78%	2,623,189,678	36.29%
Total	<u>6,764,137,918</u>	<u>100.00%</u>	<u>7,229,137,918</u>	<u>100.00%</u>

Note: Hope Education Investment Limited, a BVI company, is owned as to 49.00% by Maysunshine Limited, 34.385% by Tequ Group A Limited and 16.615% by Tequ Group Limited. Maysunshine Limited is owned as to 96.00% by Wang Huiwu (汪輝武), 2.00% by Fu Wenge (付文革) and 2.00% by Wang Degen (王德根).

Tequ Group A Limited is a wholly-owned subsidiary of Tequ Group (Hong Kong) Company Limited. Tequ Group (Hong Kong) Company Limited is wholly owned by Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司). Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司) is wholly owned by Sichuan Tequ Investment, which is in turn owned as to 55% by West Hope and 45% by Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司). West Hope is owned as to 60% by Chen Yuxin (陳育新) and 40% by Zhao Guiqin (趙桂琴). Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are spouses. Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司) is owed as to 52.20% by Zhang Qiang (張強).

Thus, Maysunshine Limited, Wang Huiwu (汪輝武), Tequ Group A Limited, Tequ Group (Hong Kong) Company Limited, Shanghai Yi Zeng Enterprise Management Co., Ltd. (上海乙增企業管理有限公司), Sichuan Tequ Investment, West Hope, Sichuan Puhua Agricultural Technology Development Limited (四川普華農業科技發展有限公司), Zhang Qiang (張強), Chen Yuxin (陳育新) and Zhao Guiqin (趙桂琴) are deemed to be interested in 4,140,948,240 Shares

By order of the Board
Hope Education Group Co., Ltd.
Chairman
Xu Changjun

Hong Kong, 13 August 2020

As at the date of this announcement, the executive Directors are Mr. Xu Changjun, Mr. Wang Huiwu and Mr. Li Tao; the non-executive Directors are Mr. Wang Degen, Mr. Tang Jianyuan and Mr. Lu Zhichao; and the independent non-executive Directors are Dr. Gao Hao, Mr. Chen Yunhua and Mr. Zhang Jin.