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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)**

## **PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**

The board of directors (the “**Board**”) of Hope Education Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) proposes to adopt a share option scheme (the “**Share Option Scheme**”) in accordance with Chapter 17 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), which is because the Company needs to establish and enhance the interests of employees and the shareholders as well as the interests of investors and the Company as a whole.

The effectiveness of the Share Option Scheme is subject to, among other things, (i) the approval of the shareholders of the Company (the “**Shareholders**”); (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be allotted and issued by the Company pursuant to the exercise of the options in accordance with the terms and conditions of the Share Option Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

The purpose of the Share Option Scheme is to provide incentives or rewards to certain eligible participants (the “**Eligible Participants**”) for their past services or performance for subscription of Shares, to improve the Company’s governance structure, establish and enhance the interests of employees and the Shareholders as well as the interests of investors and the Company as a whole; to establish benefit and risk sharing mechanisms and avoid short-term behavior, to promote the Company’s performance improvement and long-term stable development; to effectively attract, retain and motivate the core staff necessary for the development of the Company, stimulate employees’ morale and realize status transformation from “worker” to “partner” to achieve common prosperity, and consolidate the Company’s talent base for long-term sustainable development. The proposed Share Option Scheme will include the following main terms:

## **Maximum Number of Shares Available for Exercise**

The maximum number of Shares which may be issued upon full exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the ordinary share capital of the Company as at the date of adoption of the Share Option Scheme. The Company may seek the Shareholders' approval (and other necessary approvals) in a general meeting to refresh the 10% limit under the Share Option Scheme and any other share option schemes of the Company, provided that the total number of Shares which may be issued pursuant to the refreshed limit upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes must not exceed 10% of the issued ordinary share capital of the Company as at the date of approval of the refreshed limit.

The Company may seek separate approval from the Shareholders in a general meeting (and other necessary approvals) to grant options under the Share Option Scheme in excess of such limit, provided that options in excess of such limit may only be granted to the Eligible Participants specifically identified by the Company before such approval is sought. The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time.

## **Maximum Entitlement of Each Eligible Participant**

Unless approved by the Shareholders (and other necessary approvals have been obtained), the total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued ordinary share capital of the Company. Where any further grant of options to an Eligible Participant would result in the number of Shares issued and to be issued upon exercise of all options granted or to be granted to such Eligible Participant (including exercised, cancelled and outstanding options) representing more than 1% of the issued ordinary share capital of the Company in the 12-month period up to and including the date of such further grant, such further grant must be separately approved by the Shareholders in a general meeting and such Eligible Participant and its close associates (or if such Eligible Participant is a connected person, its associates) must abstain from voting and other approvals must be obtained in accordance with the Listing Rules. In such case, for the purpose of convening a general meeting of the Company, the Company shall dispatch a circular to the Shareholders disclosing the identity of such Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant) and all other information required under the Listing Rules.

## **Exercise Period**

Option holders shall not exercise the options within twelve (12) months from the date of grant, and may exercise the options in accordance with the terms of the Share Option Scheme during such option period (being not more than 10 years from the date of grant) to subscribe for all or part of the Shares in respect of the number of options to be granted and notified to the option holders as determined by the Board of the Company.

## **Exercise Price**

Subject to any adjustments made pursuant to the terms of the Share Option Scheme, the price per Share payable on the exercise of an option granted under the Share Option Scheme shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant of the options (which must be a trading day); (ii) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five trading days immediately preceding the date of grant of the options (which must be a trading day); and (iii) the nominal value of a Share.

## **Duration and Termination**

Unless terminated early in accordance with the relevant provisions of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date of its adoption. After expiry or termination of the Share Option Scheme, no further options shall be granted by the Company, but the provisions of the Share Option Scheme shall remain in force in all other respects to the extent necessary to give effect to the exercise of any option (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to the expiry or termination of the Share Option Scheme shall continue to be valid and exercisable in accordance with the new Share Option Scheme.

## **Circular**

The Board will convene an extraordinary general meeting (the“EGM”) to seek the Shareholder’s approval for the adoption of the Share Option Scheme.

A circular containing further details of the Share Option Scheme, together with the notice of the extraordinary general meeting, will be dispatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

**The Share Option Scheme is still subject to the approval of the Shareholders. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 29 November 2021

*As at the date of this announcement, the Board of the Company comprises Mr. Xu Changjun, Mr. Wang Huiwu and Mr. Li Tao as executive directors, Mr. Tang Jianyuan, Mr. Lu Zhichao and Mr. He Shengli as non-executive directors, and Mr. Zhang Jin, Mr. Chen Yunhua and Dr. Gao Hao as independent non-executive directors.*