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If you have sold or transferred all your shares in Hope Education Group Co., Ltd, you should at once hand this circular to the purchaser, the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 8 in this circular.

A notice convening the EGM to be held at 10:00 am on 18 March 2022 at 5/F, Executive Building, Sichuan TOP IT Vocational Institute, 2000 West District Avenue, PI Du District, Chengdu, Sichuan, China is set out on pages 19 to 20 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Company's branch share registrar and transfer office, Hong Kong Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be), if you so wish.

4 March 2022

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DEFINITIONS

“Adoption Date”	the date on which the Share Option Scheme is adopted by an ordinary resolution of the Shareholders at the EGM
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Auditors”	the auditors for the time being of the Company
“Board”	the board of Directors
“business day”	a day (other than a Saturday or a Sunday) on which licensed banks are generally open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“chief executive”	has the meaning ascribed to it under the Listing Rules
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Hope Education Group Co., Ltd. (希望教育集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 13 March 2017
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	the date on which the Board resolves to make a Grant Letter of an Option to a Participant, which date must be a business day
“Director(s)”	the director(s) of the Company;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described and subject to adjustments as set out in the provisions of the Share Option Scheme
“EGM”	the extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the adoption of the Share Option Scheme, the notice of which is set out on pages 19 to 20 of this circular

DEFINITIONS

“Grant Letter”	the offer of the grant of an Option made in accordance with the Share Option Scheme
“Grantee”	any Participant who accepts a Grant Letter in accordance with the terms of the Share Option Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries, including its consolidated affiliated entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	2 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules” or “Rule(s)”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Option(s)”	right granted to subscribe for Shares pursuant to the Share Option Scheme
“Option Period”	in respect of an Option, a period to be determined by the Board at its absolute discretion and notified by the Board to the Grantee as being the period during which an Option may be exercised and in any event such period of time shall not exceed a period of ten (10) years commencing on the Date of Grant
“Participant”	any director (excluding independent non-executive directors) of any member of the Company from time to time, and any senior management or core employee of any member of the Group as designated by the Board to be granted an Option under the Share Option Scheme

DEFINITIONS

“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of nominal value of US\$0.00001 each in the issued share capital of the Company or, if there has been a subsequent subdivision, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares in the share capital of the Company resulting from such sub-division, reduction, consolidation, reclassification or reconstruction
“Shareholder(s)”	shareholder(s) of the Company
“Share Option Scheme” or “Scheme”	the share option scheme proposed to be adopted by the Company at the EGM, a summary of principal terms of which is set out in Appendix to this circular
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	percent

LETTER FROM THE BOARD



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)

Executive Directors

Mr. Xu Changjun

Mr. Wang Huiwu (*Chief Executive Officer*)

Mr. Li Tao

Registered Office:

PO Box 309, Ugland House

Grand Cayman, KY1-1104

Cayman Islands

Non-executive Directors

Mr. He Shengli (*Chairman*)

Mr. Tang Jianyuan

Mr. Lu Zhichao

*Headquarters and Principal Place
of Business in China:*

5/F, Administrative Building

Sichuan TOP IT Vocational

Institute 2000 Xi Qu Avenue

Pidu District, Chengdu, PRC

Independent Non-executive Directors

Dr. Gao Hao

Mr. Chen Yunhua

Mr. Zhang Jin

*Principal Place of Business in
Hong Kong:*

40/F, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

4 March 2022

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF SHARE OPTION SCHEME
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 November 2021 in relation to the proposed adoption of Share Option Scheme.

The purpose of this circular is to provide you with information on the resolution regarding the proposed adoption of the Share Option Scheme to be proposed at the EGM and to set out the notice of the EGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF SHARE OPTION SCHEME

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 Board proposes to recommend to the Shareholders to approve the adoption of the Share Option Scheme. The Share Option Scheme will become effective after all the conditions precedent as referred to under the paragraph headed “Conditions Precedent of the Share Option Scheme” in this circular have been fulfilled. The Company had no subsisting share option scheme as at the Latest Practicable Date.

The purposes of the Share Option Scheme are to provide incentives or rewards to certain Participants for their past services or performance with the opportunity to subscribe for the Shares under the operation of the Share Option Scheme, to improve the Group’s corporate governance structure, to establish and enhance the interests of employees of the Group, the interests of the Company and the Shareholders as a whole; to establish benefit and risk sharing mechanisms and avoid short-term behavior, to enhance the Group’s performance and long-term and sustainable development by effectively attracting, retaining and motivating the core staff of the Group which would be beneficial to the consolidation of the Group’s talent base, to stimulate employees’ morale and assist them in their status transformation from “workers” to “partners” and to achieve common prosperity.

The Board will assess the Participants based on their potential and/or actual contribution to the Group. For the basis of determining the eligibility of Directors (excluding independent non-executive Directors) as the Participant, the Company will consider period of employment, responsibilities, time commitment, knowledge in the industry and prevailing market practice. For the basis of determining the eligibility of senior management and core employee as the Participant, the Company will consider individual performance, time commitment, responsibilities, work experience, professional qualifications and knowledge in the industry.

By granting Options to such Participant, the interests of the Option can be aligned directly with the performance of the Group and interests of shareholding through ownership of the Shares. And the Company believes that such arrangement will enable the Group to attract and motivate talents for the continual support to the Group thereby promote long-term growth and profits of the Group and create more value in the future.

The Board believes that the current arrangement of the Share Option Scheme including the minimum period for the Option to be held before being exercised, Exercise Price and the performance target will avoid the short-term behavior of the Participant and provide the Company with more flexibility in long-term planning of granting the Options to Participant, in which the purpose of the Share Option Scheme could be served by the Participant’s best contribution.

Subject to obtaining approval from the Shareholders with respect to the adoption of the Share Option Scheme, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, unless the Company obtains approval from the Shareholders in a general meeting to refresh such limit in accordance with the Listing Rules. Options lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company will not be counted for the purpose of calculating such 10% limit. The maximum aggregate number of Shares which may

LETTER FROM THE BOARD

be issued upon exercise of all outstanding options granted and yet 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.

As at the Latest Practicable Date, there were a total of 8,027,550,706 Shares in issue. Assuming that there is no change in the total number of Shares in issue between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued upon exercise of all Options which may be granted pursuant to the Share Option Scheme and any other share option schemes of the Company will be 802,755,070 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. The Company may seek separate approval by its Shareholders to renew the 10% limit on the basis that the maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of Shares in issue from time to time.

CONDITIONS PRECEDENT OF THE SCHEME

The Share Option Scheme shall be subject to the satisfaction of the following conditions:

- (i) the passing by the Shareholders of an ordinary resolution at a general meeting to approve the adoption of the Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Share which may be allotted and issued upon the exercise of Options which may be granted under the Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Scheme.

Once the Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

PRINCIPAL TERMS OF THE SHARE OPTION SCHEME

A summary of the principal terms of the Share Option Scheme is set out in the Appendix to this circular. The terms of the Share Option Scheme are in line with the provisions of the Chapter 17 of the Listing Rules.

EGM

A notice convening the EGM to be held at 5/F, Executive Building, Sichuan TOP IT Vocational Institute, 2000 West District Avenue, PI Du District, Chengdu on 18 March 2022 at 10:00 a.m. is set out on pages 19 to 20 of this circular.

LETTER FROM THE BOARD

At the EGM, an ordinary resolution will be proposed to approve the adoption of the Share Option Scheme and to authorise the Directors to enter into all such transactions, arrangements and agreements, to approve and execute all documents, instruments and agreements and to do all such acts as they may consider necessary, appropriate or expedient to give full effect to the Share Option Scheme.

A form of proxy for use at the EGM is enclosed in this circular. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to Company's branch share registrar and transfer office, Hong Kong Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be), if you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution to be passed at the EGM pursuant to the Articles. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Pursuant to the Articles, for the purpose of holding the EGM, the register of members of the Company will be closed from 15 March 2022 to 18 March 2022 (both days inclusive), during which period no transfer of Shares of the Company will be registered.

In order to be qualified for attending and voting at the EGM, Shareholders must lodge all share transfer documents with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 14 March 2022.

To the extent that the Board is aware having made all reasonable enquiries, as at the Latest Practicable Date:

- (i) there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder;
- (ii) there was no obligation or entitlement of any Shareholder whereby he, she or it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his, her or its Shares to a third party, either generally or on a case-by-case basis; and

LETTER FROM THE BOARD

- (iii) it was not expected that there would be any discrepancy between any Shareholder's beneficial shareholding interest in the Company, and the number of Shares in the Company in respect of which he, she, or it would control or would be entitled to exercise control over the voting right at the EGM.

DOCUMENTS ON DISPLAY

Copies of the Share Option Scheme are published at the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.hopeedu.com) for 14 days from the date of this circular up to and including the date of the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the adoption of the Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the ordinary resolution to be proposed at the EGM approving the adoption of the Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the EGM approving the adoption of the Share Option Scheme.

Yours faithfully,
For and on behalf of the Board
Hope Education Group Co., Ltd.
He Shengli
Chairman and non-executive Director

The following is a summary of the principal terms of the Scheme proposed to be approved at the EGM. This summary does not form part of, nor is it intended to be part of the rules of the Scheme and it should not be taken as affecting the interpretation of the rules of the Scheme:

1. PURPOSE

The purposes of the Scheme are to provide incentives or rewards to certain Participants for their past services or performance with the opportunity to subscribe for the Shares under the operation of the Scheme, to improve the Group's corporate governance structure, to establish and enhance the interests of employees of the Group, the interests of the Company and the Shareholders as a whole; to establish benefit and risk sharing mechanisms and avoid short-term behavior, to enhance the Group performance and long-term and sustainable development by effectively attracting, retaining and motivating the core staff of the Group which would be beneficial to the consolidation of the Group's talent base, to stimulate employees' morale and assist them in their status transformation from "workers" to "partners" and to achieve common prosperity.

2. CONDITIONS

The Scheme shall be subject to the satisfaction of the following conditions:

- (i) the approval of the Board;
- (ii) the passing by the Shareholders of an ordinary resolution at a general meeting to approve the adoption of the Scheme; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any Share which may be allotted and issued upon the exercise of Options which may be granted under the Scheme.

As at the Latest Practicable Date, the approval of the Board has been obtained.

3. DETERMINATION OF ELIGIBILITY

The Participants under the Scheme include any Director (excluding independent non-executive Directors) of any member of the Company from time to time, and any senior management or core employee of any member of the Group.

The Board will assess the Participants based on their potential and/or actual contribution to the Group. For the basis of determining the eligibility of Directors (excluding independent non-executive Directors) as the Participant, the Company will consider period of employment, responsibilities, time commitment, knowledge in the industry and prevailing market practice.

For the basis of determining the eligibility of senior management and core employee as the Participant, the Company will consider individual performance, time commitment, responsibilities, work experience, professional qualifications and knowledge in the industry.

4. DURATION AND MANAGEMENT

- (i) The Scheme will be valid for a period of ten (10) years commencing on the Adoption Date, unless terminated in advance under the relevant requirements of the Scheme. Upon expiry of the validity period of the Scheme, the Company shall not grant any Option to the Participants under the Scheme; however, each clause under the Scheme remains valid for the Options granted under the Scheme;
- (ii) The Scheme shall be managed by the Board; the decisions of Board (unless the Scheme provides otherwise) are final and binding on all parties; and
- (iii) The Board has the right to formulate or amend the requirements in relation to the management and operation of the Scheme from time to time, provided that such amendments shall not against the provisions of the Scheme.

5. GRANT OF OPTIONS

The Board may grant Options to any Participant who can make contributions to the business development or performance growth of the Group, with the maximum number of Options granted being no more than 10% of the number of issued shares of the Company on Adoption Date.

The grant of such Options to any Participant is prohibited at the following times:

- (i) after the occurrence of an event which constitutes inside information (as defined in the Securities and Futures Ordinance) of the Group and such occurrence has come to the attention of the Company or after such matter has been the subject of a decision, until the trading day on which such inside information has been published in accordance with the Listing Rules and the Securities and Futures Ordinance; or
- (ii) within the period commencing one month immediately preceding the earlier of: (a) the date of a Board meeting (as the date of the Board meeting to be held is first notified to the Stock Exchange by the Company under the Listing Rules); and (b) the deadline for the Company to publish its results announcement for any financial period, and ending on the date of such results announcement, provided that such period in which no grant of Options shall be made will cover any period of delay in publishing such results announcement.

Options shall be granted to the Participants through a Grant Letter, the date of which shall be deemed as the Date of Grant (subject to the acceptance of the Participants) in the form determined by the Board from time to time. A Grant Letter shall be deemed to have been accepted and an Option to which the Grant Letter relates shall be deemed to have been granted and accepted and to have taken effect when the Grant Letter is duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within seven (7) days from the Date of Grant (inclusive of the Date of Grant).

The Scheme does not stipulate any performance targets a Grantee is required to achieve before an Option may be granted. However, pursuant to the provisions of the Scheme, the Board may in its absolute discretion specify conditions, restrictions or limitations as it thinks fit when making a Grant Letter to a Participant (including, without limitation, as to any performance targets which must be satisfied by the Participant and/or the Company) provided that such conditions shall not be inconsistent with the Scheme. The Company believes that this will provide the Board with more flexibility in setting appropriate terms and conditions of the Options with sufficient weight given to the particular circumstances of each Grant, which better aligns with the intended purposes for adopting the Scheme.

Where any grant is intended to be made to the Participants who are the Directors (excluding independent non-executive Directors), chief executives or substantial shareholders of the Company or their respective associates, such grant shall first obtain the approval from the independent non-executive Directors of the Company.

6. EXERCISE PRICE

The Exercise Price will be determined by the Board, which shall be the higher of: (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Date of Grant (which must be a business day); (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five (5) business days immediately preceding the Date of Grant; and (c) the nominal value of a Share.

7. EXERCISE OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option, or purport to do so.

No Option shall be exercised within twelve (12) months from the Date of Grant. An Option may be exercised twelve months after the date on which the Option is granted and shall lapse in accordance with the provisions as set out in provision 8 below.

Subject to the following requirements of the Scheme, Options may be exercised by the Grantees at any time during the Option Period, provided that:

- (a) Powers on making a general offer: in the event of a general offer (by way of an acquisition offer or an agreed arrangement or other similar ways) being made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Grantees (or his/her personal representative, as the case may be) shall be entitled to exercise any outstanding Option in full at any time within one month from the date on which such acquisition offer becomes or is declared unconditional;
- (b) Powers on winding-up: in the event a notice is given by the Company to the members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, as the case may be, his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her Options at any time not later than two business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.
- (c) Powers on compromise or arrangement: in the event of a compromise or arrangement reached between the Company and its Shareholders or the creditors in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the holders of Options on the same day as it gives notice of the meeting to its Shareholders or the creditors to consider such a compromise or arrangement and each holder of Options (or, as the case may be, their legal personal representatives) may give notice thereof in writing to the Company (such notice shall be received by the Company not later than 7 business days before the proposed general meeting of the Company), together with a remittance of the exercise price of the relevant Options, to exercise the outstanding Options in full or in such amounts as may be specified in such notice, provided that the exercise of the Options shall be conditional upon the compromise or arrangement being approved by the court and becoming effective, and the Company shall as soon as practicable thereafter allot and issue to the holder of the Options the relevant number of Shares credited as fully paid pursuant to such exercise and shall register the holder of such Options as the holder of such Shares.

The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Articles and shall rank pari passu in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment. Prior to the Grantee being registered as a Shareholder on the register of members of the Company, the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions or any rights arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.

8. LAPSE OF OPTIONS

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) any other event which the Board considers appropriate; and
- (iii) if the Grantee is an employee (including any executive Director) or officer (including any non-executive Director) of the Company or any subsidiaries and his/her employment or office is terminated or he/she ceases to be an employee or officer as a result of any of the following events, or the date on which any of the following events occur, whichever is the earlier:
 - (a) he/she violates national laws and regulations, professional ethics, neglects his/her duties or commits professional misconduct, resulting in serious damage to the interests or reputation of the Company and causing direct or indirect financial losses to the Company;
 - (b) he/she is dismissed for violation of the rules and regulations of the Company and the provisions relating to rewards and punishments of the Company or for serious disciplinary offence;
 - (c) he/she has violated the law and disciplinary provisions, taken and demanded bribes, committed corruption and theft, leaked the operating and technical secrets of the Company, damaged the interests and reputation of the Company, and caused direct or indirect damage to the interests of the Company during his/her employment;
 - (d) he/she has been prosecuted for a criminal offence;
 - (e) he/she has caused undue loss to the Company by contravening the provisions of the relevant laws and regulations or the Articles;

- (f) he/she has committed misconduct;
- (g) he/she has become bankrupt or insolvent or has entered into any arrangement or composition with a substantial part of his creditors; or
- (h) (if the Board so determines) on any other ground which entitles the employer to terminate the employment at common law or under any applicable law or under a contract of service or terms of employment entered into between the Grantee and the Company or such subsidiary.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The number of Shares issued upon exercise of all Options to be granted under the Scheme shall not exceed 10% of the total number of Shares in issue on the Adoption Date. For the purpose of determining such 10% limit, Options which have lapsed pursuant to the terms of the Scheme shall not be included in the calculation. No Option shall be granted if the grant of an Option would result in exceeding the aforesaid 10% limit.

The Company may seek approval from its Shareholders in general meeting to update such 10% limit under the Scheme in accordance with the provisions of the Listing Rules. However, the total number of Shares which may be issued upon the exercise of all Options granted under the Scheme by the Company after the updated limit shall not exceed 10% of the total number of Shares in issue on the date of approval of the limit. For the purpose of determining the “updated limit”, Options previously granted under the Scheme (including Options which are unexercised, cancelled, lapsed or exercised pursuant to the Scheme) will not be included in the calculation. The Company shall send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

The Company may separately seek the approval of Shareholders in general meeting to grant Options exceeding the 10% limit in accordance with the Listing Rules, but only to such Participants as have been specifically designated by the Company prior to obtaining the relevant approval of Shareholders. In such case, the Company shall send a circular to the Shareholders containing a generic description of the specified Participant(s) who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participant(s) with an explanation as to how the terms of the Options serve such purpose, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

The number of Shares to be issued upon the exercise of all Options granted but not exercised pursuant to this Scheme and any other scheme of the Company shall not exceed 30% of the number of the total number of Shares in issue in the Company. No Option shall be granted if the grant of an option under any scheme of the Company would result in Shares being issued exceeding the limit.

In the event of conversion of capital reserve into new Shares, issue of bonus Shares, Share subdivision, Share consolidation or rights issue during the effective period of the Scheme, the number of Options will be subject to adjustments in accordance with the relevant requirements of the Scheme.

If the Company conducts a share consolidation or subdivision after the 10% limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all Options to be granted under all of the share option schemes of the Company under the 10% limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

Unless approved by the Shareholders, the total number of Shares in issue and to be issued upon the exercise of Options (including the exercised and outstanding Options) granted to each Grantee under the Scheme and any share option scheme of the Company within twelve months from the Date of Grant shall not exceed 1% of the total number of Shares in issue of the Company.

Where any further grant of Options to a Grantee would result in the total number of Shares in issue and to be issued upon the exercise of all Options (including the exercised, cancelled and outstanding Options) granted and to be granted to such Grantee within twelve months from the date of such further grant (inclusive of such date) exceeding 1% of the total number of Shares in issue and to be issued upon the exercise of all Options granted to such grantee (including the exercised, cancelled and outstanding options), such further grant shall be subject to the separate approval of the Shareholders in general meeting, where such Grantee and his close associates shall abstain from voting. In such case, the Company must send a circular to the Shareholders and the circular must disclose the identity of the Participant, the number and terms of the Options to be granted (and Options previously granted to such Participant), the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Exercise Price) of the Options to be granted to such Participant shall be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Exercise Price under note (1) to Rule 17.03(9).

11. GRANTING OPTIONS TO DIRECTOR, CHIEF EXECUTIVES OR SUBSTANTIAL SHAREHOLDER OR ANY OF THEIR RESPECTIVE ASSOCIATES

Where any grant is intended to be made to the Participants who are the Directors (excluding independent non-executive Directors), chief executives or substantial shareholders of the Company or any their respective associates, such grant must be approved by the independent non-executive Directors.

Where an Option is granted to a substantial shareholder or any of his respective associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to the Participant under the Scheme and any other share option schemes of the Company in the 12-month period up to and including the Date of Grant:

- (i) in aggregate, represent more than 0.1% of the number of Shares in issue; and
- (ii) the aggregate value of such Options, calculated based on the closing price on each relevant date as shown in the daily quotation sheets of the Stock Exchange, exceeds HKD5 million,

such further grant of Options must be approved by the Shareholders. In such case, the Company must send a circular to the Shareholders containing all the information as required under the Listing Rules. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting, except that any such person(s) may vote against the relevant resolution(s) at the general meeting provided that his/her/its intention to do so has been stated in the circular.

The circular to be issued by the Company to the Shareholders as above shall contain the following information:

- (i) details of the number and terms (including the Exercise Price) of the Options to be granted to each Participant, which must be fixed before the Shareholders' meeting, and the date of the Board meeting for proposing such further grant is to be taken as the Date of Grant for the purpose of calculating the Exercise Price under provision 6 above. The description of the terms of the options must include the information required under Rules 17.03(5) to 17.03(10);
- (ii) a recommendation from the independent non-executive Directors of the Company to the independent shareholders as to voting;
- (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

12. REORGANISATION OF CAPITAL STRUCTURE

In the event of any capitalisation issue, rights issue, consolidation or subdivision of Shares or reduction of share capital of the Company (other than the Shares issued as consideration for a transaction) and any Options remain outstanding (i.e. Options granted and outstanding but not yet lapsed or cancelled), the Company will adjust accordingly (if any):

- (i) the number of Shares subject to the outstanding Options;
- (ii) the number of Shares subject to the Scheme; and/or
- (iii) the Exercise Price in respect of each outstanding Option,

provided that, following any such adjustment, the proportion of the issued share capital of the Company which the Grantee is entitled to subscribe for pursuant to each Option shall be the same as immediately before such adjustment, but such adjustment shall not result in any Share being issued at a price below its par value.

In relation to any adjustment required by this paragraph, other than as a result of a capitalisation issue, such adjustment shall be subject to a written confirmation to the Board by the independent financial adviser or the Auditor that such adjustment satisfies the requirements of the foregoing provision. For the purposes of this provision, the independent financial adviser or the Auditor shall act as an expert and not as an arbitrator and his letter of confirmation shall (in the absence of manifest error) be conclusive and binding on the Company and the Grantee. Any adjustments to be made will comply with the Listing Rules and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

13. ALTERATION OF THE SCHEME

Any details of the Scheme may be amended by a resolution of the Board, provided no amendment may be made to the terms of the Scheme in favour of the Participant in respect of the matters subject to Rule 17.03 of the Listing Rules unless prior approval has been obtained from the Shareholders in the general meeting.

Any alterations to the terms and conditions of the Scheme, which are of a material nature, or any change to the terms of Option granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Scheme. Any change to the authority of the Board in relation to any alteration to the terms of the Scheme must be approved by the Shareholders in general meeting. Any amendments made to any clauses of the Scheme or granted Options are required to comply with the relevant provisions of the Listing Rules or any guideline issued by the Stock Exchange from time to time.

14. CANCELLATION

The Board may cancel any Option which has been granted but unexercised in accordance with the terms that may be agreed with the relevant Grantee in the manner as required under all the applicable laws relating to cancellation under the circumstances considered to be appropriate.

If the Company cancels any Options which have been granted but unexercised and grants new Options to the same Grantee, the new Options may only be issued under the Scheme from the limit of unexercised Options (excluding cancelled Options) approved by the Shareholders in accordance with provision 9 above.

15. TERMINATION

The Company, by ordinary resolution in a general meeting, or the Board, by ordinary resolution in its absolute discretion may consider appropriate and in the interest of the Company and its Shareholders, may at any time terminate this Scheme. The date of such an ordinary resolution being passed in a general meeting of the Company or a Board resolution being passed (as the case may be) shall be the effective date of the termination of this Scheme. Upon termination, no further Options shall be granted.

Notwithstanding anything contained in this provision 15, the provisions of the Scheme shall remain in full force and effect in all other respects and the Options granted prior to the effective date of the termination of this Scheme shall continue to be valid and exercisable in accordance with the provisions of this Scheme.

16. ADDITIONAL INFORMATION

The Company considers that it would not be appropriate to state the value of all Options that may be granted under the Scheme as if they had been granted at the Latest Practicable Date, given that a number of variables crucial for the calculation have not been determined. Such variables include the Exercise Price, exercise period, any performance targets set and other relevant variables.

The Board believes that it would not be meaningful and would be misleading to the Shareholders to calculate the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (“EGM”) of Hope Education Group Co., Ltd. (the “**Company**”) will be held at 5/F, Executive Building, Sichuan TOP IT Vocational Institute, 2000 West District Avenue, PI Du District, Chengdu, Sichuan, China on 18 March 2022 at 10:00 am for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing and trading of the shares of the Company (the “**Shares**”) to be allotted and issued pursuant to the exercise of any options granted under the share option scheme (the “**Scheme**”), a copy of which is tabled at the EGM and marked “A” and initialed by the Chairman of the EGM for identification purpose, the Scheme be and is hereby approved and adopted; and with effect from the date of the Scheme becoming unconditional and coming into effect and the Directors be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme, including without limitation to:

- (i) to implement and administer the Scheme under which options will be granted to the Participants (as defined in the Scheme) eligible under the Scheme to subscribe for the Shares, including but not limited to determining and granting the options in accordance with the terms of the Scheme;
- (ii) to modify and/or amend and/or interpret the Scheme from time to time provided that such modification and/or amendment and/or interpretation is effected in accordance with the provisions of the Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange;
- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the options under the Scheme;
- (iv) to make application at appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the Scheme; and

NOTICE OF EGM

- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Scheme, including but without limitation to, the Stock Exchange.”

Yours faithfully
By order of the Board
Hope Education Group Co., Ltd.
He Shengli
Chairman and non-executive Director

Hong Kong, 4 March 2022

Registered office:
PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal place of business in Hong Kong:
40/F, Dah Sing Financial Centre
No. 248 Queen’s Road East
Wanchai
Hong Kong

Notes:

- (i) A form of proxy for use at the EGM is enclosed.
- (ii) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
- (iii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notorially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. by 10 a.m. on 16 March 2022) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members will be closed from 15 March 2022 to 18 March 2022, both days inclusive to determine the entitlement of the Shareholders to attend the above meeting, during which period no Share transfers can be registered. All transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 14 March 2022.

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. He Shengli, Mr. Tang Jianyuan and Mr. Lu Zhichao; and the independent non-executive Directors are Dr. Gao Hao, Mr. Chen Yunhua and Mr. Zhang Jin.