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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)**

### **CONNECTED TRANSACTION ACQUISITION OF PROPERTIES**

#### **ACQUISITION OF PROPERTIES**

The Board of Directors announced, on 18 April 2022, the Purchasers (a consolidated affiliated entity of the Company) entered into the Sale and Purchase Agreements with the Vendors, under which Purchasers agreed to acquire the Properties as the training venues and student accommodation at a total consideration of RMB217,982,400 (equivalent to approximately HK\$269,114,074).

#### **LISTING RULES IMPLICATION**

As at the date of this announcement, Mr. Wang Huiwu is an executive Director and Controlling Shareholder of the Company, therefore a connected person of the Company. The remaining four Vendors (other than Mr. Wang Huiwu) are wholly-owned by Sichuan Mayflower, which is a 30%-controlled company of Mr. Wang Huiwu. Accordingly, each of the four Vendors is an associate of Mr. Wang Huiwu and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Sale and Purchase Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios for the Properties' Acquisition are more than 0.1% but less than 5%, pursuant to Chapter 14A of the Listing Rules, the Properties' Acquisition are subject to reporting and announcement requirements, but are exempt from the circular and Shareholders' approval requirement of the Listing Rules.

## INTRODUCTION

The Board of Directors announced, on 18 April 2022, the Purchasers (a consolidated affiliated entity of the Company) entered into the Sale and Purchase Agreements with the Vendors, under which Purchasers agreed to acquire the Properties as the training venues and student accommodation at a total consideration of RMB217,982,400 (equivalent to approximately HK\$269,114,074).

## THE PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENTS

The principal terms of the Sale and Purchase Agreements are summarized as follow:

<b>Date</b>	<b>Parties</b>	<b>Properties</b>	<b>Consideration</b>
1. 18 April 2022	<p>Purchaser: Guizhou Vocational Institute of Technology, a consolidated affiliated entity of the Company</p> <p>Vendor: Fuquan Golden May Property Development Co., Ltd.</p>	<p>Building 2 and Underground, Fuquan Cuilongwan, Shuangqiao Village, Jinshan subdistrict offices, Fuquan City.</p> <p>Gross floor area: 550 apartments of 16,569.51 m<sup>2</sup>, 132 parking space of 4,620.00 m<sup>2</sup> (subject to actual surveying and mapping).</p>	<p>The total price of this apartment: RMB56,385,500;</p> <p>The total price of parking space: RMB6,243,600.</p> <p>RMB62,629,100 (equivalent to approximately HK\$77,319,877) in total.</p>
2. 18 April 2022	<p>Purchaser: Guizhou Qiannan College of Science and Technology, a consolidated affiliated entity of the Company</p> <p>Vendor: Guizhou Mayflower Real Estate Development Co., Ltd.</p>	<p>Building 11 and 13, Hope College Town, Mengjiang Avenue, Lianjiang subdistrict offices, Huishui county.</p> <p>Gross floor area: 12 commercial units of 2,197.97 m<sup>2</sup> (subject to actual surveying and mapping).</p>	<p>RMB33,746,800 (equivalent to approximately HK\$41,662,716).</p>

<b>Date</b>	<b>Parties</b>	<b>Properties</b>	<b>Consideration</b>
3. 18 April 2022	<p>Purchaser: Sichuan Vocational College of Culture &amp; Communication, a consolidated affiliated entity of the Company</p> <p>Vendor: Mianzhu Golden May Property Development Co., Ltd.</p>	<p>Hope and Future City, East of the Xuefu Rd and north of Huaian Rd, College Town, Mianzhu City.</p> <p>Gross floor area: 136 commercial units of 4,057.72 m<sup>2</sup>, 279 residential units of 8,420.31 m<sup>2</sup>, 99 parking spaces of 1,667.70 m<sup>2</sup> (subject to actual surveying and mapping).</p>	<p>The total price of this commercial property: RMB39,481,100;</p> <p>The total price of this residential property: RMB49,673,000;</p> <p>The total price of parking space: RMB4,379,200.</p> <p>RMB93,533,300 (equivalent to approximately HK\$115,473,210) in total.</p>
4. 18 April 2022	<p>Purchaser: Jinci College of Shanxi Medical University, a consolidated affiliated entity of the Company</p> <p>Vendor: Qi County Mayflower Real Estate Development Co., Ltd.</p>	<p>Dongguan Village, Dongguan Town, Qi County.</p> <p>Gross floor area: 28 commercial units of 2,988.42 m<sup>2</sup> (subject to actual surveying and mapping).</p>	<p>RMB15,577,200 (equivalent to approximately HK\$19,231,111)</p>
5. 18 April 2022	<p>Purchaser: Sichuan Top IT Vocational Institute a consolidated affiliated entity of the Company</p> <p>Vendor: Wang Huiwu</p>	<p>Unit 401,4th floor, Building 1, No.5 Beisen North Rd, Qingyang District, Chengdu City</p> <p>Gross floor area: 879.44 m<sup>2</sup></p>	<p>RMB12,496,000 (equivalent to approximately HK\$15,427,160)</p>

## CONSIDERATION AND PAYMENT

The consideration of RMB62,629,100 (equivalent to approximately HK\$77,319,877) for Building 2 and Underground, Fuquan Cuilongwan, Shuangqiao Village, Jinshan sub-district offices, Fuquan City was determined after arm's length negotiations between the parties on normal commercial terms or better with reference to the valuation of the properties by the independent valuer, pursuant to which the valuation to the above properties as at 22 February 2022 was RMB62,629,100 (equivalent to approximately HK\$77,319,877). To the best knowledge of the Company, the original establishment cost of the above properties was approximately RMB88,134,822 (equivalent to approximately HK\$108,808,422).

The consideration of RMB33,746,800 (equivalent to approximately HK\$41,662,716) for Building 11 and 13, Hope College Town, Mengjiang Avenue, Lianjiang sub-district offices, Huishui county was determined after arm's length negotiations between the parties on normal commercial terms or better with reference to the valuation of the properties by the independent valuer, pursuant to which the valuation to the above properties as at 22 February 2022 was RMB33,746,800 (equivalent to approximately HK\$41,662,716). To the best knowledge of the Company, the original establishment cost of the above properties was approximately RMB11,527,361 (equivalent to approximately HK\$14,231,310).

The consideration of RMB93,533,300 (equivalent to approximately HK\$115,473,210) for Hope and Future City, East of the Xuefu Rd and north of Huaian Rd, College Town, Mianzhu City was determined after arm's length negotiations between the parties on normal commercial terms or better with reference to the valuation of the property by the independent valuer, pursuant to which the valuation to the above property as at 22 February 2022 was RMB93,533,300 (equivalent to approximately HK\$115,473,210). To the best knowledge of the Company, the original establishment cost of the above property was approximately RMB72,359,943 (equivalent to approximately HK\$89,333,263).

The consideration of RMB15,577,200 (equivalent to approximately HK\$19,231,111) for Dongguan Village, Dongguan Town, Qi County was determined after arm's length negotiations between the parties on normal commercial terms or better with reference to the valuation of the property by the independent valuer, pursuant to which the valuation to the above property as at 22 February 2022 was RMB15,577,200 (equivalent to approximately HK\$19,231,111). To the best knowledge of the Company, the original establishment cost of the above property was approximately RMB14,701,853 (equivalent to approximately HK\$18,150,436).

The consideration of RMB12,496,000 (equivalent to approximately HK\$15,427,160) for Unit 401, 4th floor, Building 1, No.5 Beisen North Rd, Qingyang District, Chengdu City was determined after arm's length negotiations between the parties on normal commercial terms or better with reference to the valuation of the property by the independent valuer, pursuant to which the valuation to the above property as at 24 January 2022 was RMB12,496,000 (equivalent to approximately HK\$15,427,160). To the best knowledge of the Company, the original establishment cost of the above property was approximately RMB14,862,536 (equivalent to approximately HK\$18,348,810).

The total consideration for the Properties' Acquisition shall be paid in cash in the following manner:

The Purchasers shall pay to the Vendors the total consideration in full within 30 working days after the signing of the Commercial Housing Sale and Purchase Agreements formally filed, and handle property rights according to the Commercial Housing Sale and Purchase Agreements. The consideration for the Properties will be funded by the Group's internal resources.

## **REASONS FOR AND BENEFITS OF THE PROPERTIES' ACQUISITION TRANSACTION**

Improving training quality and focusing on connotation development have been the educational philosophy of the Company. To better respond to the spirit of the Central Committee "improving training quality and running vocational education well", we invested resources in quality education to accommodate more students and support college development.

In 2021-2022 academic year, the Company newly enrolled 82,564 students, representing an increase of 15.08% year-on-year; the number of students at school was 232,059, representing an increase of 19.28% year-on-year. Both the number of newly enrolled students and students at school recorded high. As the state encourages students to accept vocational education, we expect the number of newly enrolled students will grow continuously and steadily. Currently, the utilization rate of the schoolhouses of the Company is 90.5%. In the meantime, we have comprehensively introduced small class teaching, which poses more requirements on schoolhouses and training venues, so we need to purchase and construct more venues for running the education, and satisfy the diversified and featured needs of more students and teachers in study, living and work.

The Company believes that acquiring the abovementioned properties with such geographical location as training venues and student accommodation not only can meet our urgent needs in a timely and expedient manner, but also improve our teaching conditions and support the development of our colleges. The Directors (including independent non-executive Directors) other than Mr. Wang Huiwu and Mr. Tang Jianyuan, are of the view that terms of Sale and Purchase Agreements (including the total consideration for the Properties' Acquisition) are fair and reasonable and entered into on normal commercial terms or better, in the ordinary and normal course of business of the Company and in the interests of the Company and the Shareholders as a whole.

## **GENERAL INFORMATION**

### **Information about the Company**

The Company is an investment holding company, and its subsidiaries are principally engaged in private higher education.

### **Sichuan Mayflower**

Sichuan Mayflower is a limited liability company incorporated under the laws of the PRC, and a 30%-controlled company of Mr. Wang Huiwu, the Controlling Shareholders of our Group. Sichuan Mayflower is a connected person of the Company, and its principal business activities are the provision of enterprise management services and enterprise consulting services.

## **Information of the Purchasers and the Vendors**

### ***Guizhou Vocational Institute of Technology***

Guizhou Vocational Institute of Technology (a consolidated affiliated entity of the Company) is established in 2016, and is a full-time ordinary higher education institution.

### ***Guizhou Qiannan College of Science and Technology***

Guizhou Qiannan College of Science and Technology (a consolidated affiliated entity of the Company), formerly known as College of Science and Technology of Guizhou University, is an undergraduate general higher education institution approved by the Guizhou Provincial People's Government in May 2001 with first batch of approval of the MOE granted in January 2004, which was approved to convert into as Guizhou Qiannan College of Science and Technology in 2021.

### ***Sichuan Vocational College of Culture & Communication***

Founded in 2005, Sichuan Vocational College of Culture & Communication (a consolidated affiliated entity of the Company) is a full-time ordinary higher education institution approved by the People's Government of Sichuan Province, filed with the MOE, administered by the Education Office of Sichuan Province, included into the national uniform enrollment scheme and possessing the qualification of independently issuing national recognized college diplomas.

### ***Jinci College of Shanxi Medical University***

Founded in 2002, Jinci College of Shanxi Medical University (a consolidated affiliated entity of the Company) is the sole independent college of full-time undergraduate education for medical majors in Shanxi Province approved by the MOE and the People's Government of Shanxi Province and established with new mechanisms and new models.

### ***Sichuan TOP IT Vocational Institute***

Founded in 2000, Sichuan TOP IT Vocational Institute (a consolidated affiliated entity of the Company) is one of the first national demonstration software vocational and technical colleges approved by the MOE.

### ***Fuquan Golden May Property Development Co., Ltd.***

Fuquan Golden May Property Development Co., Ltd. is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Sichuan Mayflower. The principal business activity of Fuquan Golden May Property Development Co., Ltd. is the operation and development of real estate in Fuquan.

### ***Guizhou Mayflower Real Estate Development Co. Ltd.***

Guizhou Mayflower Real Estate Development Co. Ltd. is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Sichuan Mayflower. The principal business activity of Guizhou Mayflower Real Estate Development Co. Ltd. is the operation and development of real estate in Guizhou.

***Mianzhu Golden May Property Development Co., Ltd.***

Mianzhu Golden May Property Development Co., Ltd. is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Sichuan Mayflower. The principal business activity of Mianzhu Golden May Property Development Co., Ltd. is the operation and development of real estate in Mianzhu.

***Qi County Mayflower Real Estate Development Co. Ltd.***

Qi County Mayflower Real Estate Development Co. Ltd. is a limited liability company incorporated under the laws of the PRC and a wholly-owned subsidiary of Sichuan Mayflower. The principal business activity of Qi County Mayflower Real Estate Development Co. Ltd. is the operation and development of real estate in Qi County.

***Mr. Wang Huiwu***

Mr. Wang Huiwu is an executive Director and the Controlling Shareholder, and is a connected person of the Company.

Save as disclosed in this announcement, to the best knowledge and belief of the Directors after making all reasonable enquiries, the counterparties and the ultimate beneficial owners of the counterparties are independent third parties.

**LISTING RULES IMPLICATION**

As at the date of this announcement, Mr. Wang Huiwu is an executive Director and Controlling Shareholder of the Company, therefore a connected person of the Company. The remaining four Vendors (other than Mr. Wang Huiwu) are wholly-owned by Sichuan Mayflower, which is a 30%-controlled company of Mr. Wang Huiwu. Accordingly, each of the four Vendors is an associate of Mr. Wang Huiwu and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Sale and Purchase Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more applicable percentage ratios for the Properties' Acquisition are more than 0.1% but less than 5%, pursuant to Chapter 14A of the Listing Rules, the Properties' Acquisition are subject to reporting and announcement requirements, but are exempt from the circular and Shareholders' approval requirement of the Listing Rules.

Mr. Wang Huiwu and Mr. Tang Jianyuan (Directors of the Company) are deemed to have material interests in the transactions and have therefore abstained from voting on the relevant resolutions at the Board meeting. Save for the above Directors, no other Directors have a material interest in the Properties' Acquisition.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“associate”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors of the Company;
“Central Committee”	Central Committee of the Communist Party of China;
“Commercial Housing Sale and Purchase Agreements”	agreements in which real estate development enterprises sell uncompleted or completed housings to the public, transfer the ownership of the housings to the purchasers, and the purchasers pay the prices;
“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;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules;
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the directors of our Company;
“Group”	the Company, its subsidiaries, including its consolidated affiliated entities;
“HK\$” or “Hong Kong Dollar(s)”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MOE”	the Ministry of Education of China;
“PRC”	the People’s Republic of China;
“Properties”	the properties to be acquired in the Sale and Purchase Agreements;
“Properties’ Acquisition”	the acquisition of the Properties by the Purchasers from the Vendors under the Sale and Purchase Agreements;
“Purchaser(s)”	Guizhou Vocational Institute of Technology, Guizhou Qiannan College of Science and Technology, Sichuan Vocational College of Culture & Communication and Jinci College of Shanxi Medical University, respectively;



“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreements”	5 respective sale and purchase agreements dated 18 April 2022 entered into between the Purchasers and the Vendors in respect of the sale and purchase of the Properties;
“Shareholder(s)”	holder(s) of the Share(s) of the Company with a nominal value of USD0.00001 each;
“Sichuan Mayflower”	Sichuan Mayflower Enterprise Management Co., Ltd, a company incorporated in the China with limited liability on 10 November, 2020;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor(s)”	Fuquan Golden May Property, Guizhou Mayflower Property, Mianzhu Golden May Property, Qi County Mayflower Real Estate and Wang Huiwu, respectively;
“%”	percentage; and
“30%-controlled company”	has the meaning ascribed thereto under the Listing Rules.

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

Hong Kong, 19 April 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.*