

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION AND THE PROPOSED SUBSCRIPTION OF SHARES OF THE TARGET COMPANY;**

**AND**

### **(2) ENTRUSTMENT OF VOTING RIGHTS IN THE TARGET COMPANY**

#### **THE ACQUISITION**

The Board is pleased to announce that on 12 October 2020, Sichuan Tequ Mayflower Education Management Co., Ltd. (四川特驅五月花教育管理有限公司), a wholly-owned subsidiary of Hope Education Group Co., Ltd., (hereinafter referred to as the “**Purchaser**”) entered into the Share Transfer Agreement with Dingli Corp., Ltd. (珠海世紀鼎利科技股份有限公司) (hereinafter referred to as the “**Vendor**”), pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares of the Target Company at the consideration of RMB392,500,000 (subject to adjustments). The Sale Shares represent approximately 8.75% of the entire share capital of the Target Company as at the date of this announcement.

Upon Completion, the Company will through the Purchaser be interested in approximately 8.75% of the entire share capital of the Target Company.

#### **THE PROPOSED SUBSCRIPTION**

The Board further announces that Tequ Mayflower WFOE has entered into the Subscription Agreement, pursuant to which, Tequ Mayflower WFOE subscribed 171,000,000 shares of the Target Company at the Subscription Price after completion of the Entrustment as agreed in the Voting Rights Proxy Agreement upon obtaining consent from the board of directors and the general meeting of the Target Company and having approved or filed by the relevant regulatory authorities. As disclosed in the announcement of the Target Company dated 12 October 2020, the issue price per Offer Share is RMB5.27 and the Subscription Price is RMB901,170,000 which are determined in accordance with the requirements under the relevant laws and regulations of the PRC. It is expected that immediately after completion of the Acquisition and the Proposed Subscription, the Company will, through Tequ Mayflower WFOE, hold approximately 29.76% of the entire share capital in the Target Company.

The Proposed Subscription is subject to the approval by the shareholders of the Target Company and the relevant regulatory authorities in the PRC including the Shenzhen Stock Exchange and CSRC.

## **ENTRUSTMENT OF VOTING RIGHTS IN THE TARGET COMPANY**

On 12 October 2020, Mr. Ye, the actual controller of the Target Company, entered into the Voting Rights Proxy Agreement with Tequ Mayflower WFOE, to entrust the voting rights attached to his remaining 8% shareholdings of the Target Company currently held by Mr. Ye, representing the voting rights attached to 45,744,700 shares, in aggregate, to Tequ Mayflower WFOE.

On 12 October 2020, Mr. Ye, the actual controller of the Target Company entered into the Acting-In-Concert Agreement with Tequ Mayflower WFOE, pursuant to which, in relation to the Entrusted Voting Rights, Mr. Ye undertook to exercise his voting rights at the general meeting of the Target Company in accordance with the decision made by Tequ Mayflower WFOE. If there are other matters beyond the Entrusted Voting Rights that require Mr. Ye to exercise shareholder's voting rights, Mr. Ye shall exercise his voting rights at the general meeting of the Target Company in accordance with the decision made by Tequ Mayflower WFOE.

## **LISTING RULES IMPLICATIONS**

As the Acquisition and the Proposed Subscription are conducted in respect of the shares in the same Target Company, the Acquisition and the Proposed Subscription were aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition, in aggregation with the Proposed Subscription, is more than 25% and less than 100%. The Acquisition, in aggregation with the Proposed Subscription, constitute a major transaction of the Company, and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. As no Shareholders have a material interest in the Acquisition and the Proposed Subscription, no Shareholders would be required to abstain from voting if the Company was to convene a general meeting for approving the Acquisition and the Proposed Subscription. The Company will not be required to convene a general meeting for approving the Acquisition and the Proposed Subscription because the Company has obtained the written shareholder's approval from Hope Education Investment in lieu of convening a general meeting as permitted by Rule 14.44 of the Listing Rules. Hope Education Investment controls 4,140,948,240 Shares, representing approximately 57.24% of the issued share capital of the Company as at the date of this announcement.

## **DESPATCH OF CIRCULAR**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further details of the Acquisition, the Proposed Subscription and the transactions contemplated thereunder; (ii) financial information of the Group; (iii) financial information of the Target Group; (iv) the unaudited pro forma financial information of the Enlarged Group; and (v) the valuation report of the Target Group shall be despatched to the Shareholders within 15 business days after the publication of this announcement, i.e. on or before 3 November 2020. As additional time is likely to be required for the Company to prepare and finalize certain information for inclusion in the circular, the Company expects to apply to the Stock Exchange for an extension of the time to despatch the circular pursuant to Rule 14.41(a) of the Listing Rules.

**The Acquisition is subject to a number of conditions precedents which may or may not be fulfilled, as such the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

**The Proposed Subscription is subject to the approval of the relevant regulatory authorities in the PRC, including the Shenzhen Stock Exchange and CSRC. The Proposed Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE ACQUISITION**

The Board is pleased to announce that on 12 October 2020, the Purchaser entered into the Share Transfer Agreement with the Vendor, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Shares of the Target Company at the consideration of RMB392,500,000 (subject to adjustments). The Sale Shares represent approximately 8.75% of the entire share capital of the Target Company as at the date of this announcement. Upon Completion, the Company will through the Purchaser be interested in approximately 8.75% of the entire share capital of the Target Company.

## **THE SHARE TRANSFER AGREEMENT**

The principal terms of the Share Transfer Agreement are set out below:

<b>Date</b>	12 October 2020
<b>Parties</b>	(i) the Purchaser; and (ii) the Vendor.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

### **Share Transfer**

Pursuant to the Share Transfer Agreement, the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell the Sale Shares, free from all encumbrances at the consideration of RMB392,500,000 (subject to adjustments).

## Consideration

The Consideration is RMB392,500,000, subject to the following adjustments:

- if an ex-right event of the Target Company is triggered between the date of execution of the Share Transfer Agreement and the completion of share register in relation to the transfer of the Sale Shares in the CSDC, the number of the Sale Shares and the average price per Sale Shares shall be adjusted accordingly; and the Consideration shall remain unchanged;
- if an ex-dividend event of the Target Company is triggered between the date of execution of the Share Transfer Agreement and the completion of share register in relation to the transfer of the Sale Shares in the CSDC, the number of the Sale Shares shall remain unchanged; and average price per Sale Shares shall exclude the amount of the dividend paid; hence the Consideration shall be adjusted accordingly.

The Consideration shall be settled in cash in the following manner: –

- (a) a sum of RMB10,000,000, being the deposit amount, shall be payable by the Purchaser to the Vendor's designated bank account by electronic fund transfer within three Business Days after the execution of the Share Transfer Agreement and publication of this announcement (the "**Deposit**");
- (b) the amount of tax responsible and payable by the Vendor to the relevant tax authorities in the PRC, deducting the Deposit paid, shall be payable by the Purchaser to the Vendor's designated bank account by electronic fund transfer as part of the Consideration within five Business Days after satisfaction of the conditions, including (i) the Purchaser having completed the relevant approval, filings or compliance procedures involved in the Acquisition under the relevant requirements under the Listing Rules; (ii) the approval of the Anti-monopoly Bureau of the State Administration for Market Regulation on concentration of undertakings is obtained (if applicable); and (iii) the compliance review on the Acquisition by the Shenzhen Stock Exchange is completed and the confirmation opinion in relation to the Acquisition from the Shenzhen Stock Exchange is obtained (the "**First Installment**");
- (c) 70% of the Consideration in the sum of RMB274,750,000, deducting the Deposit and the First Installment paid, shall be payable by the Purchaser to the Vendor's designated bank account by electronic fund transfer within three Business Days after the completion of share register in relation to the transfer of the Sale Shares in the CSDC; and
- (d) the remaining balance of the Consideration in the sum of RMB117,750,000 shall be payable by the Purchaser to the Vendor's designated bank account by electronic fund transfer within three Business Days upon satisfaction of the conditions, including (i) the new seal and all licenses of the Target Company and its subsidiaries, including but not limited to the original and copy of the business license, financial information and bank seal, are collected and kept by the Purchaser; (ii) the completion of re-election of the board of directors of the Target Company; and (iii) the candidates designated by the Purchaser are appointed as the chairman and legal representative of the Target Company and that the registration and filings of the same are completed.

The Consideration was determined between the Purchaser and the Vendor after arm's length negotiation with reference to, among other things, (i) the financial performance of the Target Company; (ii) the average of the closing price of the Target Company's shares from 20 trading days immediately preceding 25 September 2020; (iii) the prospect of the vocational education business in the PRC; and (iv) the prospect of the business of the Target Company and the synergies that may be created following Completion.

The Consideration will be funded by the Group's internal resources.

### **Conditions Precedent of the Share Transfer Agreement**

Completion is subject to the following conditions precedent being fulfilled, including but not limited to:—

- (a) the Target Company and Tequ Mayflower WFOE having executed the Subscription Agreement in relation to the issue of new shares to Tequ Mayflower WFOE;
- (b) the Purchaser having completed the relevant approval, filings or compliance procedures involved in the Acquisition under the relevant requirements under the Listing Rules;
- (c) the approval of the Anti-monopoly Bureau of the State Administration for Market Regulation on concentration of undertakings is obtained (if applicable);
- (d) the compliance review on the Acquisition by the Shenzhen Stock Exchange is completed and the confirmation opinion in relation to the Acquisition from the Shenzhen Stock Exchange is obtained; and
- (e) the share register in relation to the transfer of the Sale Shares in the CSDC is completed.

## **Completion**

Completion shall take place within five Business Days upon all the conditions precedents are fulfilled by the Purchaser or the Vendor (as the case may be), or such other date as may be agreed by the parties to the Share Transfer Agreement in writing.

Upon Completion, the Company will through the Purchaser be interested in approximately 8.75% of the entire share capital of the Target Company.

## **THE PROPOSED SUBSCRIPTION**

The Board further announces that Tequ Mayflower WFOE has entered into the Subscription Agreement, pursuant to which, Tequ Mayflower WFOE subscribed 171,000,000 shares of the Target Company at the Subscription Price after completion of the Entrustment as agreed in the Voting Rights Proxy Agreement upon obtaining consent from the board of directors and the general meeting of the Target Company and having approved or filed by the relevant regulatory authorities. As disclosed in the announcement of the Target Company dated 12 October 2020, the issue price per Offer Share is RMB5.27 and the Subscription Price is RMB901,170,000 which are determined in accordance with the requirements under the relevant laws and regulations of the PRC.

**Date**                    12 October 2020

**Parties**                (i)     Tequ Mayflower WFOE, as the subscriber; and  
                              (ii)     the Target Company, as the issuer.

## **Subject matter**

Tequ Mayflower WFOE has entered into the Subscription Agreement, pursuant to which, Tequ Mayflower WFOE subscribed 171,000,000 shares of the Target Company at the Subscription Price after completion of the Entrustment as agreed in the Voting Rights Proxy Agreement upon obtaining consent from the board of directors and the general meeting of the Target Company and having approved or filed by the relevant regulatory authorities. As disclosed in the announcement of the Target Company dated 12 October 2020, the issue price per Offer Share is RMB5.27 and the Subscription Price is RMB901,170,000 which are determined in accordance with the requirements under the relevant laws and regulations of the PRC. As at the date of this announcement, the Proposed Subscription is subject to the approval of the relevant regulatory authorities, including the Shenzhen Stock Exchange and CSRC. The Company will issue further announcement(s) to update the Shareholders and the investors after the Proposed Subscription had been approved by the relevant regulatory authorities in the PRC.



## **Subscription Price**

The pricing date of the Offer Share is the announcement date of the sixth meeting of the fifth board of directors of the Target Company, i.e. 12 October 2020 (the “**Pricing Date**”). The issue price of the Offer Share at which the Offer Shares are offered for subscription is RMB5.27 which is 80% of the average of the closing price of the Target Company’s shares from 20 trading days immediately preceding the Pricing Date. The Subscription Price is RMB901,170,000 which is determined in accordance with the requirements under the relevant laws and regulations of the PRC.

The Subscription Price shall be settled in cash and payable by Tequ Mayflower WFOE to the Target Company’s designated bank account by electronic fund transfer within five Business Days after obtaining the approval of the relevant regulatory authorities, including the Shenzhen Stock Exchange and CSRC and Tequ Mayflower WFOE receiving the payment notice from the Target Company.

The Subscription Price will be funded by the Group’s internal resources.

## **Completion**

Completion of the Proposed Subscription is conditional upon (i) the approval by the shareholders of the Target Company; and (ii) the approval of the relevant regulatory authorities in the PRC including the Shenzhen Stock Exchange and CSRC.

It is expected that immediately after completion of the Acquisition and the Proposed Subscription, the Company will, through Tequ Mayflower WFOE, hold approximately 29.76% of the entire share capital of the Target Company.

## **Lock-up**

The Offer Shares subscribed by Tequ Mayflower WFOE is subject to lock-up restrictions. Tequ Mayflower WFOE is not permitted to transfer any of the Offer Shares within 18 months upon the listing of such Offer Shares on the Shenzhen Stock Exchange.

## **THE ENTRUSTMENT**

On 12 October 2020, Mr. Ye, the actual controller of the Target Company entered into the Voting Rights Proxy Agreement with Tequ Mayflower WFOE, to entrust the voting rights attached to his remaining 8% shareholdings of the Target Company currently held by Mr. Ye, representing the voting rights attached to 45,744,700 shares, in aggregate, to Tequ Mayflower WFOE. After the Voting Right Proxy Agreement becomes effective, Tequ Mayflower WFOE will hold in aggregate the voting rights of the Target Company of approximately 16.75%.

## **THE VOTING RIGHTS PROXY AGREEMENT**

The principal terms of the Voting Rights Proxy Agreement are set out below:

- Date** 12 October 2020
- Parties** (i) Tequ Mayflower WFOE; and  
(ii) Mr. Ye.

### **Entrustment period**

The Voting Rights Proxy Agreement will become effective from the date of completion of share register in relation to the transfer of the Sale Shares in the CSDC (the “**Effective Date**”). The entrustment period commences from the Effective Date and shall cease upon the occurrence of any of the following events (whichever date is earlier):–

- (a) the completion of share register in relation to the Proposed Subscription; or
- (b) Mr. Ye has transferred the Entrusted Shares to Tequ Mayflower WFOE in accordance with the terms and conditions as stipulated in the Share Transfer Agreement; or
- (c) Tequ Mayflower WFOE owns in aggregate the share capital of the Target Company of not less than 16.75%, such as increasing its shareholdings by other means including purchase shares in the secondary market and Target Company issuing further shares to purchase assets from Tequ Mayflower WFOE, etc.

### **Entrusted Voting Rights**

The voting rights attached to Mr. Ye’s 45,744,700 shares of the Target Company, representing approximately 8% of the entire share capital and voting rights of the Target Company as at the date of this announcement.

During the entrustment period, Mr. Ye irrevocably appoints Tequ Mayflower WFOE to exercise shareholder’s rights attached to his 45,744,700 shares in the Target Company at Tequ Mayflower WFOE’s free will pursuant to the relevant PRC laws and regulations and articles of association of the Target Company, including the rights to:

- (a) convene and participate in shareholders’ meeting in the capacity of a proxy of Mr. Ye;
- (b) submit any proposals regarding nomination, recommendation, election, designation or appointment and removal of the directors, supervisors and other senior officers of the Target Company; and
- (c) exercise the voting rights and execute any relevant documents with regards to matters to be discussed and resolved at the general meeting of shareholders in accordance with the relevant laws, regulations, rules and other legally binding normative documents or articles of association of the Target Company.



Tequ Mayflower WFOE shall exercise the voting rights attached to the Entrusted Shares under the Voting Rights Proxy Agreement by means of on-site voting at the general meetings. Within the entrustment period, Mr. Ye shall not exercise the voting rights attached to the Entrusted Shares, and shall not interfere with Tequ Mayflower WFOE's exercise of voting rights attached to the Entrusted Shares.

## **THE ACTING-IN-CONCERT AGREEMENT**

On 12 October 2020, Mr. Ye, the actual controller of the Target Company entered into the Acting-In-Concert Agreement with Tequ Mayflower WFOE, pursuant to which in relation to the Entrusted Voting Rights, Mr. Ye undertook to exercise his voting rights at the general meeting of the Target Company in accordance with the decision made by Tequ Mayflower WFOE. If there are other matters beyond the Entrusted Voting Rights that require Mr. Ye to exercise shareholder's voting rights, Mr. Ye shall exercise his voting rights at the general meeting of the Target Company in accordance with the decision made by Tequ Mayflower WFOE.

The Acting-In-Concert Agreement is effective on the execution date of the Acting-In-Concert Agreement and will be automatically terminated upon the termination of the Voting Rights Proxy Agreement.

## **INFORMATION ABOUT THE PARTIES**

### **The Company and the Purchaser**

The principal business of the Company is investment holding, and its subsidiaries are mainly engaged in private higher education. The principal business of the Purchaser is investment holding. The Purchaser is a limited liability company established in the PRC which is wholly owned by Hope Education Group (Hong Kong) Company Limited, which in turn wholly owned by the Company.

### **The Vendor**

The Vendor is the actual controller of the Target Company who owns 95,744,400 shares in the Target Company, representing approximately 16.75% of the entire share capital of the Target Company as at the date of this announcement.

To the best of each of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons.

### **The Target Company**

The Target Company is a joint stock limited company established in the PRC, whose A shares have been listed on the Shenzhen Stock Exchange (stock code: 300050). The Target Group is principally engaged in vocational education business and the provision of services for mobile communication as well as internet of things service.

As at the date of this announcement, the Target Company is owned by the Vendor as to approximately 16.75%. It is expected that immediately after completion of the Acquisition and the Proposed Subscription, the Company will, through Tequ Mayflower WFOE, hold approximately 29.76% of the entire share capital of the Target Company.

## Financial information of the Target Group

Set out below is a summary of the financial information of the Target Group for the years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December	
	2018 (RMB) (audited)	2019 (RMB) (audited)
<b>Revenue</b>	983,233,236.40	1,244,350,146.93
<b>Net profit before tax</b>	55,093,436.41	(475,051,514.57)
<b>Net profit after tax</b>	51,815,819.42	(485,874,982.78)

The unaudited total assets value of Target Group as of 30 June 2020 was approximately RMB3,180,523,633.13.

## REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE PROPOSED SUBSCRIPTION

The Company believes that the Acquisition and the Proposed Subscription will diversify the scope of business of the Group and lay a foundation for new business for the Group; seek greater industrial synergy and expand channels for the growth of the Group; enhance the market competitiveness of the Group; especially in seeking for room of breakthrough in industry extension of the vocational education.

Taking into consideration the prospect of the education industry in the PRC, the Directors are of the view that the Acquisition and the Proposed Subscription are in the interests of the Company and the Shareholders as a whole, and are also of the view that the terms of the Share Transfer Agreement and the Subscription Agreement, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

As the Acquisition and the Proposed Subscription are conducted in respect of the shares in the same Target Company, the Acquisition and the Proposed Subscription were aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. The highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition, in aggregation with the Proposed Subscription, is more than 25% and less than 100%. The Acquisition, in aggregation with the Proposed Subscription, constitute a major transaction of the Company, and is subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **WRITTEN SHAREHOLDER'S APPROVAL**

Pursuant to the Listing Rules, Shareholders' approval is required for a major transaction. As no Shareholders have a material interest in the Acquisition and the Proposed Subscription, no Shareholders would be required to abstain from voting if the Company was to convene a general meeting for approving the Acquisition and the Proposed Subscription. The Company will not be required to convene a general meeting for approving the Acquisition and the Proposed Subscription because the Company has obtained the written shareholder's approval from Hope Education Investment in lieu of convening a general meeting as permitted by Rule 14.44 of the Listing Rules. Hope Education Investment controls 4,140,948,240 Shares, representing approximately 57.24 % of the issued share capital of the Company as at the date of this announcement.

## **DESPATCH OF CIRCULAR**

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further details of the Acquisition, the Proposed Subscription and the transactions contemplated thereunder; (ii) financial information of the Group; (iii) financial information of the Target Group; (iv) the unaudited pro forma financial information of the Enlarged Group; and (v) the valuation report of the Target Group shall be despatched to the Shareholders within 15 business days after the publication of this announcement, i.e. on or before 3 November 2020. As additional time is likely to be required for the Company to prepare and finalize certain information for inclusion in the circular, the Company expects to apply to the Stock Exchange for an extension of the time to despatch the circular pursuant to Rule 14.41(a) of the Listing Rules.

**The Acquisition is subject to a number of conditions precedents which may or may not be fulfilled, as such the Acquisition may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

**The Proposed Subscription is subject to the approval by the relevant regulatory authorities in the PRC, including the Shenzhen Stock Exchange and CSRC. The Proposed Subscription may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquisition”	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Share Transfer Agreement;
“Acting-in-Concert Agreement”	the acting in concert agreement dated 12 October 2020 entered into between Mr. Ye and Tequ Mayflower WFOE in relation to the confirmation and undertaking of their acting in concert;
“Board”	the board of Directors of the Company;
“Business Days”	a day (excluding Saturday, Sunday and any other public holidays) on which banks in the PRC are generally open for settlement business;
“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 and the Shares are listed on the Main Board of the Stock Exchange;
“Completion”	the completion of Acquisition in accordance with the terms and conditions of the Share Transfer Agreement;
“connected person(s)”	has the same meaning ascribed to it in the Listing Rules;
“Consideration”	the total consideration of the Acquisition;
“Controlling Shareholder”	has the meaning ascribed to it in the Listing Rules;
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司);
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會);
“Director(s)”	the directors of the Company;
“Enlarged Group”	the Group and the Target Group upon completion of the Acquisition and the Proposed Subscription;
“Entrusted Shares”	45,744,700 shares of the Target Company which the voting rights are entrusted to Tequ Mayflower WFOE by Mr. Ye;
“Entrustment”	the entrustment by Mr. Ye of part of his voting rights in the Target Company to Tequ Mayflower WFOE pursuant to the Voting Rights Proxy Agreement;
“Group”	the Company and its subsidiaries, including its consolidated affiliated entities;

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hope Education Investment”	Hope Education Investment Limited, a company incorporated in the BVI with limited liability and a Controlling Shareholder of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer Shares”	171,000,000 new A shares proposed to be issued by the Target Company to the designated shareholders for subscription;
“PRC”	the People’s Republic of China;
“Proposed Subscription”	the proposed subscription of 171,000,000 new A shares of the Target Company by Tequ Mayflower WFOE pursuant to the Subscription Agreement;
“Purchaser” or “Tequ Mayflower WFOE”	Sichuan Tequ Mayflower Education Management Co., Ltd. (四川特驅五月花教育管理有限公司), a company established in the PRC with limited liability and a wholly-foreign owned enterprise of Hope Education Group (Hong Kong) Company Limited;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	50,000,000 shares held by the Vendor in the Target Company;
“Shareholder(s)”	holder(s) of the ordinary share(s) of a nominal value of US\$0.00001 each of the Company;
“Share Transfer Agreement”	the share transfer agreement dated 12 October 2020 entered into between the Purchaser and Vendor in respect of the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	the subscription agreement dated 12 October 2020 entered into between Tequ Mayflower WFOE and the Target Company in relation to the Proposed Subscription;
“Subscription Price”	the total subscription amount of subscribing 171,000,000 new shares of the Target Company from Tequ Mayflower WFOE;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;

“Target Company”	Dingli Corp., Ltd. (珠海世紀鼎利科技股份有限公司), a joint stock limited company established in the PRC, whose A shares have been listed on the Shenzhen Stock Exchange (stock code: 300050);
“Target Group”	the Target Company and its subsidiaries;
“Vendor” or “Mr. Ye”	Mr. Ye Bin, the actual controller of the Target Company who owns 95,744,400 shares in the Target Company, representing approximately 16.75% of the entire share capital of the Target Company as at the date of this announcement;
“Voting Rights Proxy Agreement”	the voting rights proxy agreement dated 12 October 2020 entered into between Mr. Ye and Tequ Mayflower WFOE in relation to the Entrustment; and
“%”	per cent.

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

Hong Kong, 12 October 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.*