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**Wisdom Education International Holdings Company Limited**  
**光正教育國際控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 6068)**

**VOLUNTARY ANNOUNCEMENT**  
**PROPOSED ESTABLISHMENT AND OPERATION OF**  
**A HIGH SCHOOL IN ZHONGSHAN**

The board of directors (the “**Board**”) of Wisdom Education International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 30 August 2023, Dongguan Ruixing Commercial Services Co., Ltd. (東莞瑞興商務服務有限公司) (“**Dongguan Ruixing**”), a wholly-owned subsidiary of the Company, entered into a contractual arrangement (the “**Zhongshan Contractual Arrangement**”) with Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司) (“**Guangdong Guangzheng**”) and Zhongshan Wenrui Education Investment Co., Ltd. (中山市文睿教育投資有限公司) (“**Zhongshan Wenrui**”), which enables the Group to obtain control over Zhongshan Wenrui.

Guangdong Guangzheng (which is beneficially owned as to 62% by Mr. Liu Xuebin, an executive director of the Company, and as to 38% by Ms. Li Suwen, chairperson of the Board and an executive director of the Company) holds 100% of the equity interest in Zhongshan Wenrui.

**THE PROPOSED ZHONGSHAN HIGH SCHOOL**

Zhongshan Wenrui, a company established under the laws of the People’s Republic of China (the “**PRC**”) on 21 December 2021, intends to establish and operate a new high school in Zhongshan (the “**Proposed Zhongshan High School**”). As at the date of this announcement, Zhongshan Wenrui has obtained the educational land use right for a parcel of land (the “**Site**”) with a total site area of approximately 98,092 square metres (“**sq.m.**”) at a consideration of approximately RMB103 million. The total gross floor area of the Proposed Zhongshan High School will be approximately 105,000 sq.m.

The education land use right for the Site was acquired by Zhongshan Wenrui, following a successful bidding conducted by Guangdong Guangzheng as disclosed in the announcement of the Company dated 22 March 2022. Zhongshan Wenrui currently targets to commence the operation of the Proposed Zhongshan High School for the school year commencing in September 2025 with a capacity of up to 5,000 students.

## **CONSOLIDATION OF ZHONGSHAN WENRUI BY WAY OF THE ZHONGSHAN CONTRACTUAL ARRANGEMENT**

By way of background, as disclosed in the Company’s annual report for the year ended 31 August 2021, Guangdong Guangzheng and its subsidiaries had been deconsolidated from the Group as of 31 August 2021 following the issuance of the Implementation Regulations of the PRC on the Law Regarding the Promotion of Private Education (the “**Implementation Regulations**”). Among other things, the Implementation Regulations prohibit social organisations and individuals from controlling a private school that provides compulsory education by means of merger, acquisition, contractual arrangements and a private school providing compulsory education is prohibited from conducting transactions with its related parties. Compulsory education in this context means the nine years of curriculum education mandated by the PRC, consisting of six years of primary education and three years of secondary education.

As advised by the Company’s PRC legal advisers, on the basis that the Proposed Zhongshan High School will not offer compulsory education but will only operate as a standalone high school, the Zhongshan Contractual Arrangement shall not be prohibited by the Implementation Regulations. Nevertheless, for the reasons set out in the section headed “Contractual Arrangements – PRC Laws and Regulations Relating to Foreign Ownership in the Education Industry – High school education” in the prospectus of the Company dated 16 January 2017 (the “**Prospectus**”), it remains impracticable for the Group to hold any direct equity interest in Zhongshan Wenrui.

In light of the aforesaid and in order for the Group to obtain control over Zhongshan Wenrui, the Zhongshan Contractual Arrangement was entered into on 30 August 2023, which consists of the following documents:

- An exclusive management consultancy and business cooperation agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui, pursuant to which Dongguan Ruixing has obtained the exclusive right to provide, or designate any third party to provide comprehensive corporate management consultancy and educational management consultancy services, intellectual property licensing services and technical and business support services to Zhongshan Wenrui. This agreement enables Dongguan Ruixing to receive substantially all of the economic interest returns generated by Zhongshan Wenrui.

- An exclusive call option agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui, pursuant to which Dongguan Ruixing has obtained an irrevocable and exclusive right to purchase all or part of equity interests in Zhongshan Wenrui from Guangdong Guangzheng at nil consideration or a minimum purchase price permitted under PRC laws and regulations.
- A power of attorney granted by Guangdong Guangzheng in favour of Dongguan Ruixing, pursuant to which Guangdong Guangzheng has irrevocably appointed Dongguan Ruixing, or any person designated by Dongguan Ruixing, as its attorney-in-fact to appoint directors and vote on its behalf on all matters of Zhongshan Wenrui requiring shareholders' approval under its articles of associations and under the relevant PRC laws and regulations.
- A loan agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui, pursuant to which Dongguan Ruixing (or its designated related party) is entitled to provide interest-free loans to Zhongshan Wenrui from time to time in accordance with the PRC laws and regulations.
- An equity pledge agreement entered into among Dongguan Ruixing, Guangdong Guangzheng and Zhongshan Wenrui, pursuant to which Guangdong Guangzheng has unconditionally and irrevocably pledged all of its equity interests in Zhongshan Wenrui to Dongguan Ruixing to guarantee performance of the obligations of Guangdong Guangzheng under the above documents.

The terms and conditions of the Zhongshan Contractual Arrangement are substantially the same as those of the “Contractual Arrangements” referred to in the Prospectus. As disclosed in the section headed “Connected Transactions – Continuing Connected Transactions – Contractual Arrangements” of the Prospectus, the framework under the Contractual Arrangements (as defined in the Prospectus) may be reproduced in relation to any existing or new operating company engaging in the same business as that of the Group which the Group might wish to establish when justified by business expediency, without obtaining the approval of the independent shareholders of the Company, on substantially the same terms and conditions as the then Contractual Arrangements (as defined in the Prospectus). On this basis, no approval from the independent shareholders of the Company will be required for the Zhongshan Contractual Arrangement. Please refer to the sections headed “Contractual Arrangements – Operation of the Contractual Arrangements” and “Connected Transactions – Continuing Connected Transactions – Contractual Arrangements” in the Prospectus for more details.

## FINANCIAL IMPACT

Pursuant to the Zhongshan Contractual Arrangement, the Company has obtained power over Zhongshan Wenrui, the rights to variable returns from its involvement with Zhongshan Wenrui, and the ability to affect those returns through its power over Zhongshan Wenrui. Therefore, the Company considers that it has obtained control over Zhongshan Wenrui and hence regards Zhongshan Wenrui as an indirect subsidiary. The Group will consolidate the entire financial position and results of Zhongshan Wenrui and its subsidiaries (if any) in the consolidated financial statements of the Group going forward.

No consideration is payable by the Group for the entering into of the Zhongshan Contractual Arrangement and the consolidation of Zhongshan Wenrui. As at the date of the Zhongshan Contractual Arrangement, Guangdong Guangzheng was owed approximately RMB101 million from Zhongshan Wenrui in the form of an interest-free shareholder loan in relation to the preparatory work for the establishment of the Proposed Zhongshan High School (including the educational land use right for the Site). In light of the consolidation of Zhongshan Wenrui by the Group pursuant to the Zhongshan Contractual Arrangement, the aforesaid shareholder loan due to Guangdong Guangzheng will be settled by way of setting off against the corresponding amount due from Guangdong Guangzheng to the Group.

**The Proposed Zhongshan High School is still in its preparatory stage and has not yet been established as at the date of this announcement. The establishment and operation of such school may not be implemented as contemplated or at all. Shareholders and other investors shall exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Wisdom Education International Holdings Company Limited**  
**Li Jiuchang**  
*Executive Director*

Dongguan, 30 August 2023

*As at the date of this announcement, the Board of the Company comprises three executive directors, namely Ms. Li Suwen, Mr. Liu Xuebin and Mr. Li Jiuchang; and three independent non-executive directors, namely Prof. Sun Kai Lit Cliff, BBS, J.P., Mr. Tam King Ching Kenny and Mr. Huang Weiguo.*