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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)

VOLUNTARY ANNOUNCEMENT ACQUISITION OF LAND USE RIGHT IN ZHANGSHU, JIANGXI

Hope Education Group Co., Ltd. (the “**Company**”) and its board (the “**Board**”) of directors (“**Directors**”) wish to disclose the information on the acquisition by the Group of the land use right of a land parcel in Zhangshu to the shareholders and potential investors of the Company.

Acquisition

The Board is pleased to announce that, on 23 August 2019, A wholly-owned subsidiary of the Group, entered into a land use right acquisition agreement with the Municipal Government of Zhangshu City, Jiangxi Province. Pursuant to which, Zhangshu Yude Education Management Co., Ltd. will acquire the land use right of the target land from the Municipal Government of Zhangshu City, Jiangxi Province through the process of bidding invitation, auction and listing, with an aim to establish a new vocational college of traditional Chinese medicine thereon. The cash consideration on the acquisition of the land use right is RMB20.55 million, the total amounts of planned development investment for the project is no less than RMB400 million, which is invested by multi stages.

Principal Terms of the Agreement

The principal terms of the agreement are summarised below:

Date

23 August 2019

Parties

- (i) The Municipal Government of Zhangshu City, Jiangxi Province; and
- (ii) Zhangshu Yude Education Management Co., Ltd.

The Municipal Government of Zhangshu City is a governmental body in the PRC.

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiries, the Municipal Government of Zhangshu City is a third party independent from the Group and its connected persons (as defined in the Listing Rules).

Information on the Target Land

The target land is located at the south side of Xinjie Road, Geshan Town, Zhangshu City, Jiangxi Province, the PRC (中國江西省樟樹市閣山鎮新街路南側), with a total area of approximately 201 mus (equivalent to approximately 134,250 square meters). The target land is a state-owned construction land planned for education use. The land use right of the target land is granted for a period of 50 years from the date of the grant.

Payment for the Target Land

The Board expects that the consideration of the land use right of the target land will be RMB20,550,000 (equivalent to approximately HK\$22,724,190) and will be paid in one lump sum within 30 days after the signing of the land use right acquisition agreement.

Reasons and Benefits for the Acquisition

The target land is located in Zhangshu City, Jiangxi Province. Zhangshu is the capital city for Chinese traditional medicine and the first city in Jiangxi Province that ranks among the top 100 county-level cities in the PRC. The establishment of a new technical college of traditional Chinese medicine on the target land with medicine, medical care and other majors in healthcare is not only in line with the strategy of the Group to speed up its city penetration and establish specialized majors, but also in response to the call of the country to develop the healthcare service industry. The land acquisition marks an important step for the Group to set up a new medical college in Zhangshu. We expect that, upon completion, the college will bring more high calibre medical and healthcare professionals to the society.

Currently, China is in a stage with rising urbanization rate and rapid population aging. The proportion of population at or above the age of 60 has reached 17.92% and the proportion of population at or above the age of 65 has reached 11.9%, with elderly population increasing at a rate of 10 million every year. Meanwhile, the urbanization rate is also at a rapid development range of 30-70%. In 2018, the urbanization rate of permanent population was 59.58%, 47.94 percentage points higher than that by the end of 1949. In the current stage of social development, people are attaching more importance on health and the demand for medical talents is increasing. The establishment of a new medical college in the capital city of Chinese traditional medicine will have a positive impact on the sustainable development of the Group in the future, and is also in the interests of the Group and its shareholders as a whole.

Others

The Acquisition does not constitute a notifiable transaction or connected transaction under Chapter 14 or Chapter 14A of the Listing Rules. This announcement is made by the Company on a voluntary basis.

As the Acquisition is subject to government approvals, it may or may not proceed as contemplated or at all. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Definitions

“Group”	the Company and its subsidiaries, including its consolidated affiliated entities
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Municipal Government of Zhangshu City”	the municipal government of Zhangshu City, Jiangxi Province

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

Hong Kong, 25 August 2019

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