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Wisdom Education International Holdings Company Limited

睿見教育國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 6068)

STRATEGIC COOPERATION IN RELATION TO THE ESTABLISHMENT OF AN EDUCATION INDUSTRY FUND

This announcement is made by Wisdom Education International Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

STRATEGIC COOPERATION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司) (“**Guangdong Guangzheng**”), a subsidiary of the Company, entered into a strategic cooperation agreement (the “**Strategic Cooperation**”) with Guangdong Huiyin Haide Equity Investment Fund Management Company Limited (廣東匯垠海德股權投資基金管理有限公司) (“**Huiyin Haide**”) in relation to the establishment of an education industry fund principally for the investment of schools in the Guangdong — Hong Kong — Macao Greater Bay Area (“**Greater Bay Area**”) (the “**Industry Fund**”) with a target size of investment of approximately RMB2,500 million which will be raised by phases on a project basis.

The principal terms of the Strategic Cooperation include:

Date:	19 March 2019
Parties:	(i) Guangdong Guangzheng; and (ii) Huiyin Haide
Fund manager:	Huiyin Haide
Target size of Industry Fund:	RMB2,500 million will be raised by phases on a project basis, of which RMB1,000 million to be contributed by (i) Guangdong Guangzheng as to RMB700 million; and (ii) Huiyin Haide as to RMB300 million.
Term:	Seven years, extendable for two one-year terms
Purpose of the Industry Fund and mode of cooperation:	<p>The purpose of the Industry Fund is primarily for the establishment of schools in the Greater Bay Area and potential investment in the education industry in the People's Republic of China ("PRC").</p> <p>The Industry Fund will set up a platform company and different project companies for holding interests in different schools. The platform company will apply the fund raised from the Industry Fund towards financing, among other things, the expenditures in establishing new schools and the operation expenses of schools.</p> <p>Guangdong Guangzheng or its affiliates will provide management services to such schools held by the project companies in return for a service fee. Guangdong Guangzheng will be entitled to a right of first refusal for acquiring any investment project proposed to be disposed of by the Industry Fund on the same conditions offered to third party purchasers.</p> <p>An investment committee of the Fund will be responsible for the investment decisions to be made by the Industry Fund.</p>

The definitive rights and obligations of Guangdong Guangzheng and Huiyin Haide to specific transactions contemplated under the Strategic Cooperation are subject to the further agreement(s) to be separately negotiated and entered into by the relevant parties. For the avoidance of doubt, the Strategic Cooperation does not constitute any definitive contractual obligation on the parties to invest in the Industry Fund or any other form of capital commitment (whether equity, loan or otherwise) for the parties to the Strategic Cooperation.

REASONS FOR THE STRATEGIC COOPERATION

Huiyin Haide is a fund management company established in the PRC, with investments in a range of industries, including but not limited to education, infrastructure, environmental protection and healthcare. The assets under management (“AUM”) of Huiyin Haide exceeds RMB2,000 million as of 31 December 2018. Guangzhou Huiyintianyue Equity Investment Fund Management Co. Ltd (廣州匯垠天粵股權投資基金管理有限公司), a wholly-owned subsidiary of Guangzhou Industrial Investment Fund Management Co. Ltd (廣州產業投資基金管理有限公司) (“**Guangzhou Fund**”), is the largest shareholder of Huiyin Haide.

Guangzhou Fund is an industrial investment platform established by Guangzhou Municipal Committee and People’s Government of Guangzhou Municipality with AUM of approximately RMB139 billion as of 31 December 2017.

The Directors believe that Huiyin Haide is a fund management platform which possesses a solid investment track record, comprehensive services as well as outstanding financing and investment capabilities.

The Directors are of the view that the cooperation between the Group and Huiyin Haide contemplated under the Strategic Cooperation (i) provides an additional channel for the Group to identify, set up or develop schools in Greater Bay Area or other potential cities in PRC for its expansion, as the Group is entitled to a right of first refusal to acquire investment projects of the Industry Fund under the Strategic Cooperation; (ii) can further expand the Group’s financing channels and lower the finance cost of the Group; (iii) is conducive to promoting industry-education integration and school-enterprise cooperation and allows the parties to promote mutual development by leveraging on the Group’s operational capability in the education industry, and Huiyin Haide’s financial management capabilities; and (iv) will broaden the Group’s income base with returns from the Industry Fund.

Based on the above, the Directors consider that the terms of the Strategic Cooperation and the transactions contemplated thereunder are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

By order of the board of directors of
Wisdom Education International Holdings Company Limited
Ng Cheuk Him
Company Secretary

Dongguan, China, 20 March 2019

As at the date of this announcement, the Board of the Company comprises four executive directors, namely Mr. LIU Xuebin, Ms. LI Suwen, Mr. Li Jiuchang and Mr. WANG Yongchun; and three independent non-executive directors, namely Mr. SUN Kai Lit Cliff, Mr. TAM King Ching Kenny and Mr. HUANG Weiguo.