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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)

DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF CLASS A PARTICIPATING SHARES IN A FUND
AND CHANGE IN USE OF PROCEEDS

THE SUBSCRIPTION

On 14 April 2022, the Company (as Subscriber) entered into the Subscription Agreement with the Fund, pursuant to which the Company agreed to subscribe for the Class A Participating Shares at a total subscription amount of HK\$117 million.

CHANGE IN USE OF PROCEEDS

As a result of the deconsolidation of the Group's schools as of 31 August 2021, the Company believes that there is currently no longer an immediate need to apply any proceeds from the Placing for construction and development of the schools in the PRC. The Subscription will be settled by utilizing the remaining Net Placing Proceeds.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect to the Subscription exceed 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

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PRINCIPAL TERMS OF THE SUBSCRIPTION

The principal terms of the Subscription are summarised as follows:

Date

14 April 2022

Parties

1. The Fund;
2. The Company, as the Subscriber

Assets to be acquired and the subscription amount

Pursuant to the Subscription Agreement and Private Placing Memorandum, the Subscriber agreed to subscribe for the Participating Shares at a total subscription amount of HK\$117 million. Completion of the Subscription is expected to take place on or before 30 April 2022 at which time full payment for the Subscription is to be made by the Subscriber.

The Class A Participating Shares are being subscribed for under the Subscription Agreement and Private Placing Memorandum on terms set out below. The Subscription will be funded by the unutilized net proceeds of the Placing.

Information on the Fund

Further details of the Fund are as follows:

Name of the Fund: GLAM-HKCFC MBS FUND

Investment Objective and Strategy: The Fund principally invests in unlisted mortgage debts and/or mortgage backed securities in Hong Kong and a wide range of instruments, in order to seek long-term capital appreciation.

Notwithstanding the foregoing, the Fund may hold other assets, including but not limited to private debts, listed and unlisted equities, preferred stocks, convertible securities, equity-related instruments, currencies, commodities, futures, forwards, options, warrants, swaps and other derivative instruments, should the Investment Manager deem such strategy to be prudent over any time period.

Subscription Amount: HK\$117 million

Participating Shares: Class A Participating Shares

Number of Shares to be Subscribed:	117,000
Subscription Price:	HK\$1,000 per Class A Participating Share
Dividend Policy:	Each Class A Participating Share is entitled to a dividend of 5.75% to 7.25% per annum to be declared quarterly on each Distribution Date, subject to the investment performance and returns of the Fund and if the directors of the Fund consider it appropriate to do so.
Lock-up Period:	In respect of any series of Class A Participating Shares, a period of twelve (12) months or such other period of time commencing from the Business Day immediately following the close of the relevant Subscription Day as the directors of the Fund may determine in their discretion, during which Class A Participating Shares may not be redeemed without the consent of the directors of the Fund.
Redemption:	<p>Class A Participating Shares may be redeemed at the option of their holders on any Redemption Day at the relevant price equal to the net asset value per share of the relevant class as at the valuation day.</p> <p>The directors of the Fund may, when determining the redemption price of a Class A Participating Share, deduct from the net asset value per Class A Participating Share an amount which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available bid price of such investments, and (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in realising assets or closing out positions to provide funds to meet any redemption request. Further, the directors of the Fund may arrange for a revaluation of Class A Participating Shares if they consider that the redemption price calculated in relation to any day does not accurately reflect the true value of the Class A Participating Shares.</p>
Redemption Day:	Subject to the relevant Lock-up Period, the first Business Day in each month, or such other Business Days as the directors of the Fund may from time to time prescribe.

Management Fee:	There is no management fee.
Performance Fee:	The Investment Manager is entitled to receive a performance fee in respect of each Class A Participating Share in an amount equal to each of the net asset value per Class A Participating Share, after deducting the dividends actually declared in respect of the Class A Participating Share, the relevant accrued expenses for the Performance Period and further deducting the Subscription Price, calculated and accrued as at each Valuation Point and payable quarterly in arrears.

Accounting Treatment

It is expected that the Subscription will be accounted for as a long-term investment under the non-current assets of the consolidated statement of financial position of the Group, and that the Fund will not be regarded as a subsidiary of the Company.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

As disclosed in the announcement of the Company dated 11 August 2020, the Company intended to use the net proceeds from the Placing for construction and development of the Group's schools in the PRC and general corporate purpose.

As a result of the deconsolidation of the Group's schools as of 31 August 2021, the Company believes that there is currently no longer an immediate need to apply any proceeds from the Placing for construction and development of the schools in the PRC. The Subscription will be settled by utilizing the remaining net proceeds from the Placing.

As the Remaining Business have asset-light models in general, the Board believes the Subscription provides an opportunity to the Company to enhance return by utilising the idle cash of the Company for long-term investment with an expected stable yield.

Based on the reasons as set out above, the Directors consider that the terms of the Subscription Agreement and Private Placement Memorandum are fair and reasonable and the Subscription is in the interest of the Company and Shareholders as a whole.

INFORMATION OF THE GROUP

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the provision of premium primary and secondary educational services in the PRC.

INFORMATION OF THE FUND

The Fund is an exempted company with limited liability incorporated on 3 January 2019 in the Cayman Islands pursuant to the Companies Act of the Cayman Islands, and registered as a mutual fund with the Cayman Islands Monetary Authority on 9 May 2019. The Fund is a regulated mutual fund under the Cayman Islands Mutual Fund Act. The Fund commenced operations on 5 July 2019. The authorized share capital of the Fund is US\$50,000 being made up of 100 management shares of US\$1.00 each and 49,900,000 participating shares of US\$0.001 each. All of the management shares in issue, which are the voting shares in the Fund, are held by Glorious Maple Limited. The director of Glorious Maple Limited is Mr. Yeung Wan Yiu, and the ultimate beneficial owners of Glorious Maples Limited are Mr. Yeung Wan Yiu and Mr. Hong Ching Wei.

The Fund currently has only one class of participating shares in issue which is the Class A Participating Shares. The latest net asset value per Class A Participating Share of the Fund is HK\$1,000 as at 28 February 2022. Since the commencement of the Fund's operations, the actual dividend distribution rate of the Class A Participating Shares has been maintained at approximately 5.75% per annum.

The Investment Manager of the Fund is GLAM Capital Limited.

INFORMATION OF THE INVESTMENT MANAGER

The Investment Manager is a limited liability company incorporated in Hong Kong. It is licensed for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities by the Securities and Futures Commission under the Securities and Futures Ordinance of Hong Kong, with CE number BNR298.

The directors of the Investment Manager are Mr. Yeung Wan Yiu and Mr. Chu Chun Yi, and the ultimate beneficial owners of the Investment Manager are Mr. Yeung Wan Yiu, Mr. Hong Ching Wei and Mr. Chu Chun Yi.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Fund, the Investment Manager and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

CHANGE IN USE OF PROCEEDS

Reference is made to the announcements of the Company dated 11 August 2020 and 18 August 2020 (collectively, the "**Announcements**"). As disclosed in the Announcements, the completion of the Placing took place on 18 August 2020. The net proceeds from the Placing were approximately HK\$545.7 million (equivalent to approximately RMB487.7 million) ("**Net Placing Proceeds**"). The Company intended to use the Net Placing Proceeds for the construction and development of the Group's schools in the PRC and general corporate purpose.

As a result of the deconsolidation of the Group's schools as of 31 August 2021 (the “**Deconsolidation**”), the Company believes that there is currently no longer an immediate need to apply any remaining Net Placing Proceeds for construction and development of the schools in the PRC. The Board believes the Subscription provides an opportunity to the Company to enhance return by utilising the idle cash of the Company for long-term investment with an expected stable yield. In view of the above, the Board resolved to change the proposed use of Net Placing Proceeds in the following manner:

	Intended use of Net Placing Proceeds <i>RMB million</i>	Utilised amount of Net Placing Proceeds as at 31 August 2021 <i>RMB million</i>	Unutilised amount of the Net Placing Proceeds as at 31 August 2021 <i>RMB million</i>	Revised use of the unutilised Net Placing Proceeds <i>RMB million</i>
Construction and development of Schools	150.0	46.7	103.3	–
General corporate purpose	337.7	287.7	50	58.2
Subscription of the Fund	–	–	–	95.1
	<u>487.7</u>	<u>334.4</u>	<u>153.3</u>	<u>153.3</u>
Total:				

Reasons for and Benefits of the Change in Use of Proceeds

Having considered the effect of the Deconsolidation and the Implementation Regulations, the business model of the Remaining Business, which is to provide ancillary services to students, and the future strategic development of the Group, the Board believes that there is no longer an immediate need to apply any proceeds from the Placing for construction and development of the schools in the PRC.

The Company has been actively exploring various investment opportunities for the sake of enhancing the efficiency and effectiveness of capital utilisation in order to bring value to the Group and its shareholders. The Board believes that the above change will enable the Company to deploy financial resources in a more efficient manner in accordance with changes in the Group's future plans and strategies and the latest regulatory development in the PRC. The Board intends to settle the Subscription by utilizing the remaining Net Placing Proceeds. As the Remaining Business have asset-light models in general, the Board believes the Subscription provides an opportunity to the Company to enhance return by utilising the idle cash of the Company for long-term investment with an expected stable yield.

Save for the aforesaid changes, there is no other changes in the use of the Net Placing Proceeds. The Board considers that the change is in the best interest of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group. The Board will continuously assess the plans for the use of unutilised Net Placing Proceeds and may revise or amend such plans where necessary to cope with the changing market conditions and strive for better business performance for the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect to the Subscription exceed 5% but not more than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to announcement and notification requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the Board of Directors
“Business Day”	any day (excluding a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Class A Participating Share”	a participating share designated as Class A Share
“Company” or “Subscriber”	Wisdom Education International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 6068)
“Director(s)”	the director(s) of the Company
“Distribution Date”	the last Business Day of every March, June, September and December
“Fund”	GLAM-HKCFC MBS FUND, an exempted company with limited liability incorporated in the Cayman Islands on 3 January 2019, and registered as a mutual fund with the Cayman Islands Monetary Authority on 9 May 2019
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Implementation Regulations”	the Implementation Regulations of the PRC on the Law Regarding the Promotion of Private Education which came into effect on 1 September 2021
“Investment Manager”	GLAM Capital Limited, a company incorporated with limited liability in Hong Kong, licensed for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities by the Securities and Futures Commission under the Securities and Futures Ordinance of Hong Kong, with CE number BNR298

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Period”	a period of twelve (12) months or such other period of time commencing from the Business Day immediately following the close of the relevant Subscription Day as the directors of the Fund may determine in their discretion, during which Class A Participating Shares may not be redeemed without the consent of the directors of the Fund
“Performance Period”	each 3-month period ending on 31 March, 30 June, 30 September and 31 December of each year, provided if any such period is less than 3 months, such period shall still be considered as a Performance Period
“Placing”	the placing of 130,000,000 new Shares on 18 August 2020 under a placing agreement entered into between the Company and Citigroup Global Markets Limited (as placing agent) dated 11 August 2020
“PRC”	the People’s Republic of China, excluding Taiwan, Hong Kong and Macau Special Administrative Region for the purpose of this announcement
“Private Placing Memorandum”	the private placing memorandum issued by the Fund in May 2019 in connection with the offer of Participating Shares
“Remaining Business”	the remaining business of the Group subsequent to the deconsolidation of Guangdong Guangzheng Educational Group Co., Ltd. (廣東光正教育集團有限公司) and its subsidiaries on 31 August 2021, which is mainly engaged in the provision of ancillary services to students
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Class A Participating Shares at a total subscription amount of HK\$117 million pursuant to the Subscription Agreement and Private Placing Memorandum

“Subscription Agreement”	the agreement dated 14 April 2022 entered into between the Subscriber and the Fund in relation to the Subscription
“Subscription Day”	the first Business Day in each month, or such other Business Days as the directors of the Fund may from time to time prescribe, in respect of applications (subscription forms and the required documents) which are received together with application moneys in cleared funds (either by wire transfer or cheque) before the Subscription Dealing Deadline at the Subscription Price.
“Subscription Dealing Deadline”	5:00 p.m. (Hong Kong time) on the 2nd business day before the relevant Subscription Day or such later time or day before the Valuation Point in relation to the relevant Subscription Day as the directors of the Fund may in their discretion determine in any particular case
“Valuation Day”	the last Business Day in each month, or such other Business Days as the directors of the Fund may from time to time prescribe
“Valuation Point”	the close of business in the last relevant market to close on each Valuation Day in each month or such other time on such day as the directors of the Fund may from time to time prescribe
“%”	per cent

By Order of the Board
Wisdom Education International Holdings Company Limited
Li Suwen
Chairperson

Dongguan, 14 April 2022

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