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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)

POSSIBLE ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE CONNECTED TRANSACTION PROPOSED EGM TO SEEK INDEPENDENT SHAREHOLDERS' APPROVAL

Reference is made to the announcement of the Company dated 25 June 2018 (the “**Announcement**”) in relation to the Credit Agreement dated 22 June 2018 entered into between the Company (as borrower), PA Chokmah (as lender), an indirectly wholly owned subsidiary of China Ping An Insurance Overseas, and Mr. Liu (as guarantor) in relation to the provision of the Loan of a principal amount of up to HK\$500 million by PA Chokmah to the Company.

POSSIBLE ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

Subject to the satisfaction of the Conversion Conditions (including the requirement for Independent Shareholders' approval) and in the absence of any Conversion Restriction Event, HK\$200 million, representing 40% of the Loan, will be mandatorily converted into the Shares of the Company on the Maturity Date and up to HK\$100 million, representing 20% of the Loan, may be, at the option of PA Chokmah, convertible into the Shares of the Company during the Discretionary Conversion Period.

GRANT OF PUT OPTION BY CONTROLLING SHAREHOLDER

In connection with the Credit Agreement, on 22 June 2018, Mr. Liu also entered into the Put Option Deed with PA Chokmah pursuant to which, among other things, Mr. Liu conditionally agreed to grant to PA Chokmah a right to require Mr. Liu to purchase some or all of the Conversion Shares.

LISTING RULE IMPLICATIONS AND EGM

Mr. Liu, being an executive Director and one of the controlling shareholders of the Company, is a connected person of the Company. In view that some or all of the Conversion Shares to be issued to PA Chokmah may be sold to Mr. Liu as the grantor upon the possible exercise of the Put Option under the Put Option Deed, the grant of the Put Option constitutes a connected transaction of the Company, which is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the Maturity Date will fall on 16 July 2020, to satisfy the Conversion Conditions and the Put Conditions, the Company will convene an EGM to obtain approval from the Independent Shareholders for the resolutions in relation to the grant of the Specific Mandate to allot and issue part or all of the Conversion Shares and the Put Option as described in the section headed "Listing Rules implications" of this announcement.

A circular containing, among other things, (i) details of the Specific Mandate for the issue of the Conversion Shares and the Put Option Deed; (ii) the advice from the independent financial adviser appointed by the Company; (iii) recommendation of the Independent Board Committee established by the Board; and (iv) a notice of the EGM, will be despatched to the Shareholders on or about 19 June 2020. If it is expected that there will be a delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

As the allotment and issue of the Conversion Shares under the Credit Agreement and the transactions contemplated under the Put Option Deed are subject to conditions precedent and even if such conditions precedent are fulfilled, any exercise of the Discretionary Conversion and the Put Option is at the discretion of PA Chokmah, the Conversion as contemplated under the Credit Agreement and the exercise of the Put Option may or may not proceed as contemplated or at all. Shareholders and other investors shall exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the Announcement in relation to the Credit Agreement dated 22 June 2018 entered into between the Company (as borrower), PA Chokmah (as lender), an indirectly wholly owned subsidiary of China Ping An Insurance Overseas, and Mr. Liu (as guarantor) in relation to the provision of the Loan of a principal amount of up to HK\$500 million by PA Chokmah to the Company. The Loan is subject to a fixed interest rate of 6.8% per annum, payable every six months, subject to default interest provisions. As at the date of this announcement, the outstanding amount of the Loan amounts to HK\$500 million and the accrued outstanding interest amounts to HK\$13 million.

In connection with the Credit Agreement, on 22 June 2018, Mr. Liu also entered into the Put Option Deed with PA Chokmah pursuant to which, among other things, Mr. Liu conditionally agreed to grant to PA Chokmah a right to require Mr. Liu to purchase some or all of the Conversion Shares. Please refer to the Announcement for a summary of the principal terms of the Credit Agreement and the Put Option Deed.

POSSIBLE ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

Subject to the satisfaction of the Conversion Conditions (including the requirement for Independent Shareholders' approval) and in the absence of any Conversion Restriction Event, HK\$200 million, representing 40% of the Loan, will be mandatorily converted into the Shares of the Company on the Maturity Date and up to HK\$100 million, representing 20% of the Loan, may be, at the option of PA Chokmah, convertible into the Shares of the Company during the Discretionary Conversion Period as part of the repayment of the Loan pursuant to the terms of the Credit Agreement.

As the Maturity Date will fall on 16 July 2020, to satisfy the Conversion Conditions, the Company will convene an EGM to obtain approval from the Independent Shareholders in relation to the grant of the Specific Mandate to allot and issue part or all of the Conversion Shares.

Conversion of the Loan

Subject to satisfaction of the Conversion Conditions prior to the Maturity Date and no Conversion Restriction Event is then continuing or would result from any Conversion, HK\$200 million, representing 40% of the Loan (the "**Mandatory Principal**"), shall be mandatorily converted into the Shares of the Company on the Maturity Date at the price per Conversion Share representing a 20% discount of the arithmetic average of the closing price of a Share for each of the 90 consecutive trading days immediately preceding the Maturity Date (the "**Mandatory Conversion**"). There is no price ceiling (or floor) for the Mandatory Conversion.

Subject to satisfaction of the Conversion Conditions prior to the last day of the Discretionary Conversion Period and no Conversion Restriction Event is then continuing or would result from any Conversion, PA Chokmah has the right to convert, on one occasion, no more than HK\$100 million, representing 20% of the Loan (the “**Discretionary Principal**”) at the price per Conversion Share representing a 10% discount of the arithmetic average of the closing price of a Share for each of the 90 consecutive trading days immediately preceding the date of conversion (the “**Discretionary Conversion**”). There is no price ceiling (or floor) for the Discretionary Conversion.

Conversion Conditions

The conversion of the Mandatory Principal and the Discretionary Principal is conditional upon the satisfaction of the following Conversion Conditions:

- (i) approval by the Independent Shareholders of the Company for (A) the issue of the Conversion Shares pursuant to that Conversion; and (B) the Put Option relating to the Conversion Shares to be issued by the Company pursuant to that Conversion; and
- (ii) approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares to be issued by the Company pursuant to that Conversion.

The Conversion Conditions may not be waived.

“**Conversion Restriction Event**” occurs if, with respect to a Conversion, (a) such Conversion would result in any non-compliance with the Listing Rules (including but not limited to public float requirements), any other applicable laws and regulations (including as a result of a change in law, regulation, interpretation of the law or administrative practice of a government, governmental department or regulatory body) or the constitutional documents of the Company; (b) such Conversion would trigger any mandatory general offer obligation under the Takeovers Code published by the Securities and Futures Commission of Hong Kong, whether or not a whitewash waiver could be obtained thereunder; (c) the Shares having ceased to be listed on the Stock Exchange; or (d) listing of or dealing in any Shares on the Stock Exchange having been suspended for more than five consecutive trading days immediately prior to a date of Conversion.

If the Conversion Conditions are not satisfied prior to the Maturity Date (in respect of the Mandatory Principal) or prior to the last day of the Discretionary Conversion Period (in respect of the Discretionary Principal), or a Conversion does not occur due to any of the Conversion Restriction Events, the Conversion will not take place and the Company must repay PA Chokmah in accordance with the terms of the Credit Agreement.

Ranking

The Conversion Shares, when allotted and issued, shall rank *pari passu* in all respects with the other Shares in issue.

PA Chokmah's Lock-up Undertaking

PA Chokmah undertakes to the Company (the “**PA Chokmah's Lock-up Undertaking**”) that, from the date of the Credit Agreement up to the date falling six months from the Maturity Date, save in so far as agreed in writing by the Company or otherwise for transfer to related entities as permitted under the Credit Agreement, PA Chokmah shall not:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Conversion Share or any interests therein; or
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of any Conversion Share or any interests therein, whether any such transaction described in (i) or (ii) is to be settled by delivery of Conversion Shares, in cash or otherwise; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

After the Maturity Date, the PA Chokmah's Lock-up Undertaking may be early terminated by PA Chokmah by written notice to the Company.

The Company's Lock-up Undertaking

Subject to the early termination by the Company as set out below, if any Conversion Share is issued pursuant to a Conversion, the Company undertakes not to issue any new securities or Share equivalents from the Maturity Date to the last day of the Relevant Period (as defined below) (the “**Company's Lock-up Undertaking**”).

During the Relevant Period, the Company's Lock-up Undertaking may be early terminated by the Company by written notice to PA Chokmah.

The Company's Lock-up Undertaking shall not restrict the Company from issuing any Shares pursuant to the exercise of any options granted or to be granted, or from granting any options, from time to time during the Relevant Period pursuant to the share option scheme(s) adopted or to be adopted by the Company and disclosed to the public, except as otherwise provided under the Credit Agreement.

For the purpose of the above, the “**Relevant Period**” means a period of 6 months plus 45 days from the date of Conversion.

GRANT OF PUT OPTION BY CONTROLLING SHAREHOLDER

Put Option

As requested by PA Chokmah, subject to the satisfaction of the Put Conditions (as defined below), pursuant to the Put Option Deed, Mr. Liu granted to PA Chokmah the Put Option to sell to Mr. Liu, and Mr. Liu is obligated to purchase from PA Chokmah, upon exercise of such option, some or all of the Conversion Shares at the Put Price (as defined below).

The grant of the Put Option is conditional upon the satisfaction of the following conditions (together, the “**Put Conditions**”):

- (i) the drawdown under the Credit Agreement having been conducted in accordance with the terms and conditions thereof;
- (ii) the Company having obtained its Independent Shareholders’ approval as may be required under the Listing Rules for (A) the issue of the Conversion Shares; and (B) the Put Option; and
- (iii) approval from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares having been obtained and remaining in full force and effect.

Exercise Period

The Put Option may be exercised within the period beginning on the date which falls on the expiry of the six-month period from the Maturity Date and ending on the date which is the first anniversary of the Maturity Date (both dates inclusive), save as otherwise provided in the Put Option Deed (the “**Put Period**”). For the avoidance of doubt, the Put Option may be exercised on one occasion only.

Put Price

The Put Price will be an amount which enables PA Chokmah to realise an internal rate of return of 13% (or a higher internal rate of return if Mr. Liu’s undertakings under the Put Option Deed as set out below are breached) on the aggregate amount of the relevant portion of the Mandatory Principal and, as the case may be, the Discretionary Principal in respect of the Conversion Shares to be put by PA Chokmah to Mr. Liu.

Mr. Liu's Undertakings under the Put Option Deed

Under the Put Option Deed, Mr. Liu undertakes to PA Chokmah that, from the date of the Put Option Deed up to the earliest of (i) the Conversion Conditions in respect of the Mandatory Conversion not being satisfied by the Maturity Date, or if they are satisfied or partially satisfied by the Maturity Date, the Conversion Conditions in respect of the Discretionary Conversion not being satisfied by the date falling three months from the Maturity Date; (ii) the expiry of the Put Period; and (iii) the date on which the completion of the sale and purchase of the Conversion Shares in accordance with the Put Option Deed occurs:

- (a) to the extent reasonably practicable and to the extent permissible under the constitutional documents of the Company and the applicable laws and regulations, Mr. Liu must not resign from his position as an executive director of the Company and shall devote a substantial part of his time and efforts in the operation of the Company's business; and
- (b) he shall procure that no Change of Control occurs.

A "**Change of Control**" occurs if:

- (i) any person or group of persons (other than Mr. Liu and his affiliates) acting in concert gains Control of the Company or becomes the beneficial owner (directly or indirectly) of 30% or more of the issued voting share capital of the Company; or
- (ii) Mr. Liu, his affiliates together with parties acting in concert with Mr. Liu and/or his affiliates cease to Control the Company or be the beneficial owners (directly or indirectly through subsidiaries) of more than 51% of the issued voting share capital of the Company; or
- (iii) Mr. Liu and his affiliates cease to hold more shares in the Company than any other shareholder.

FINANCIAL IMPLICATIONS IF CONVERSION DOES NOT OCCUR

If the Conversion Conditions are not satisfied prior to the Maturity Date (in respect of the Mandatory Principal) or prior to the last day of the Discretionary Conversion Period (in respect of the Discretionary Principal), the Company must repay the Mandatory Principal on the Maturity Date or, as applicable, the Discretionary Principal on the last day of the Discretionary Conversion Period, in each case together with an exit fee in an amount which will ensure that PA Chokmah's internal rate of return in respect of the Mandatory Principal (or, as applicable, the Discretionary Principal) is not less than 13% per annum.

If the Conversion Conditions have been satisfied prior to the Maturity Date (in the case of the Mandatory Principal) or prior to the last day of the Discretionary Conversion Period (in the case of the Discretionary Principal), but in either case a Conversion does

not occur due to (a) or (b) of the Conversion Restriction Events, the Company must repay the Mandatory Principal on the Maturity Date or, as applicable, the Discretionary Principal on the last day of the Discretionary Conversion Period, in each case together with an exit fee in an amount which will ensure that PA Chokmah's internal rate of return in respect of the Mandatory Principal and/or the Discretionary Principal is not less than 13% per annum.

If the Conversion Conditions have been satisfied prior to the Maturity Date (in the case of the Mandatory Principal) or prior to the last day of the Discretionary Conversion Period (in the case of the Discretionary Principal), but in either case a Conversion does not occur due to (c) or (d) of the Conversion Restriction Events, the Company must repay the Mandatory Principal on the Maturity Date or, as applicable, the Discretionary Principal on the last day of the Discretionary Conversion Period, in each case together with an exit fee in an amount which will ensure PA Chokmah to realise an internal rate of return in respect of the Mandatory Principal and/or the Discretionary Principal which is higher than 13% per annum.

The Company has sufficient financial resources to repay the Loan together with the required exit fee as mentioned above if the Conversion Conditions are not satisfied prior to the Maturity Date (in respect of the Mandatory Principal) or prior to the last day of the Discretionary Conversion Period (in respect of the Discretionary Principal), or a Conversion does not occur due to any of the Conversion Restriction Events. The Company has accrued a majority of the relevant exit fee as finance costs in the Company's financial statements over the period of the Loan.

REASONS FOR AND BENEFIT OF THE TRANSACTIONS

The Group is one of the leading private education groups in the Southern China operating premium private primary and secondary schools as measured by student enrolment. The Group has a growth roadmap including the expansion of capacity of its schools, the potential acquisition of local private schools and the development of more greenfield schools. In particular, the Group will put more resources on its expansion in the Greater Bay Area.

China Ping An Insurance Overseas is the key platform for overseas investment of Ping An Group with a proven investment track record in various industries. With its in-depth industry knowledge, China Ping An Insurance Overseas believes that private primary and secondary education in China is one of the promising businesses with fast growing potential, high visibility and strong cash flows. China Ping An Insurance Overseas also believes that the development of the Greater Bay Area will boost the demand for quality private primary and secondary school education and, therefore, the Group with its reputable school brand will benefit from the development of the Greater Bay Area.

The Directors believe that the issue of the Conversion Shares to PA Chokmah upon conversion of part of the Loan pursuant to the terms of the Credit Agreement can broaden the Company's shareholder base, and will allow the Company to settle part of the Loan without utilising existing financial resources of the Company which in turn, can reduce the gearing level and strengthen the financial position of the Group.

The Directors (excluding the independent non-executive Directors whose view will be formed after considering the advice of the independent financial adviser appointed by the Company) consider that the terms of the issue of the Conversion Shares under the Credit Agreement and the grant of the Put Option are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Mr. Liu, being an executive Director of the Company, is also the grantor of the Put Option and is considered to have a material interest in the transactions contemplated under the Credit Agreement and the Put Option Deed. In addition, Ms. Li, being an executive Director and the Chairperson of the board of Directors of the Company, has all along been acting in concert with Mr. Liu. Therefore, Mr. Liu and Ms. Li have abstained from voting on the Board resolutions in relation to the approval for the potential issue and allotment of part or all of the Conversion Shares to PA Chokmah and the grant of the Put Option.

GENERAL INFORMATION

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 education in the PRC.

Mr. Liu is an executive Director and one of the controlling shareholders of the Company.

PA Chokmah, an indirectly wholly owned subsidiary of China Ping An Insurance Overseas, is a limited liability company incorporated in the Cayman Islands principally engaged in investment holding.

China Ping An Insurance Overseas is a limited liability company incorporated in Hong Kong and a directly wholly owned subsidiary of Ping An Group. China Ping An Insurance Overseas is the key platform for overseas investment of Ping An Group with a proven track record in various industries.

Ping An Group is a joint stock limited company duly incorporated in the PRC with limited liability, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601318) and the H shares of which are listed on the Stock Exchange (stock code: 2318).

To the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, each of PA Chokmah and its ultimate beneficial owner(s) is not a connected person of the Company.

FUND RAISING DURING THE PAST TWELVE MONTHS

The Company has not raised funds on any issue of equity securities in the past 12 months immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Solely for illustration purpose, under the hypothetical scenario where the cut-off date for the purpose of determining the respective conversion prices for the Mandatory Conversion and the Discretionary Conversion were to be 29 May 2020 (i.e. the conversion price for the Mandatory Conversion would be HK\$2.31, while the conversion price for the Discretionary Conversion would be HK\$2.60) and where PA Chokmah exercised its right under the Discretionary Conversion in full on the same date, and assuming the absence of any other changes, set out below is the shareholding structure of the Company:

	Number of Shares (Approximate Percentage of Total)		
	Prior to any issue of Conversion Shares	Immediately upon issue of Conversion Shares under the Mandatory Conversion	Immediately upon issue of Conversion Shares under the Mandatory Conversion and the Discretionary Conversion
<i>Controlling Shareholders and parties acting in concert</i>			
• Mr. Liu (through his controlled corporation)	930,000,000 (45.43%)	930,000,000 (43.59%)	930,000,000 (42.81%)
• Ms. Li (directly and through her controlled corporation)	572,128,000 (27.95%)	572,128,000 (26.81%)	572,128,000 (26.34%)
Sub-total:	<u>1,502,128,000</u> (73.38%)	<u>1,502,128,000</u> (70.40%)	<u>1,502,128,000</u> (69.15%)
<i>Others</i>			
• PA Chokmah	—	86,580,087 (4.06%)	125,041,625 (5.76%)
• Other Shareholders	545,026,000 (26.62%)	545,026,000 (25.54%)	545,026,000 (25.09%)
Total:	<u>2,047,154,000</u> (100%)	<u>2,133,734,087</u> (100%)	<u>2,172,195,625</u> (100%)

Please note that the above table is merely for illustration purpose given that the conversion price for the Conversion Shares cannot be determined until the date of the Conversion.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

LISTING RULES IMPLICATIONS

Specific mandate for the allotment and issue of the Conversion Shares

The Company will seek the Specific Mandate from the Independent Shareholders at the EGM to allot and issue the Conversion Shares pursuant to Rule 13.36(1) of the Listing Rules.

Independent shareholders' approval for the grant of Put Option

Mr. Liu, being an executive Director and one of the controlling shareholders of the Company, is a connected person of the Company. In the event that PA Chokmah exercises the Put Option, Mr. Liu will be required to purchase some or all of the Conversion Shares in accordance with the terms of the Put Option Deed. In view that some or all of the Conversion Shares to be issued to PA Chokmah may be sold to Mr. Liu as the grantor upon the possible exercise of the Put Option under the Put Option Deed, the grant of the Put Option constitutes a connected transaction of the Company, which is subject to the announcement, reporting and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders in respect of the grant of the Specific Mandate to issue and allot part or all of the Conversion Shares and the Put Option. An independent financial adviser has been appointed by the Company to advise the Independent Shareholders in respect thereof and the manner of voting by the Independent Shareholders on the relevant resolutions.

EGM

As the Maturity Date will fall on 16 July 2020, to satisfy the Conversion Conditions and the Put Conditions, the Company will convene an EGM to obtain approval from the Independent Shareholders for the resolutions in relation to the grant of the Specific Mandate to allot and issue part or all of the Conversion Shares and the Put Option as described in the section headed "Listing Rules implications" above.

Pursuant to the Listing Rules, Mr. Liu and his close associates shall abstain from voting on the resolutions at the EGM. Ms. Li, as another controlling shareholder of the Company acting in concert with Mr. Liu, and her close associates shall also abstain from voting on the resolutions at the EGM.

A circular containing, among other things, (i) details of the Specific Mandate for the issue of the Conversion Shares and the Put Option Deed; (ii) the advice from the independent financial adviser appointed by the Company; (iii) recommendation of the Independent Board Committee established by the Board; and (iv) a notice of the EGM, will be despatched to the Shareholders on or about 19 June 2020. If it is expected that there will be a delay to the despatch of the circular, a further announcement will be published in accordance with the Listing Rules stating the reason for the delay and the new expected date of despatch of the circular.

As the allotment and issue of the Conversion Shares under the Credit Agreement and the transactions contemplated under the Put Option Deed are subject to conditions precedent and even if such conditions precedent are fulfilled, any exercise of the Discretionary Conversion and the Put Option is at the discretion of PA Chokmah, the Conversion contemplated under the Credit Agreement and the exercise of the Put Option may or may not proceed as contemplated or at all. Shareholders and other investors shall exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Announcement”	announcement of the Company dated 25 June 2018 in relation to the Credit Agreement and the Put Option Deed
“Board”	the board of Directors
“China Ping An Insurance Overseas”	China Ping An Insurance Overseas (Holdings) Limited, a limited liability company incorporated in Hong Kong and a directly wholly owned subsidiary of Ping An Group
“Company”	Wisdom Education International Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Control”	(a) in relation to a corporate person: (i) direct or indirect ownership or control of more than 50% of the outstanding voting securities of such corporate person; (ii) the ability to appoint or remove more than one-half of the directors of the board (or equivalent governing body) of such person; (iii) the right to control the votes at a meeting of the board of directors (or equivalent governing body) of such person; or (iv) the ability to direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising); or

(b) in relation to a non-corporate person: (i) direct or indirect ownership or control of a comparable voting interest (as set forth in paragraph (a) above) for such person; (ii) the ability to direct or cause the direction of the management and policies of such person (whether by contract or howsoever arising); or (iii) the operational or practical control of such person

“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Conversion”	the Mandatory Conversion and the Discretionary Conversion, as the case may be
“Conversion Conditions”	the conversion conditions as summarised in the section headed “Possible Issue of New Shares under Specific Mandate — Conversion Conditions” of this announcement
“Conversion Restriction Events”	the conversion restriction events as summarised in the section headed “Possible Issue of New Shares under Specific Mandate — Conversion Conditions” of this announcement
“Conversion Shares”	the Shares to be allotted and issued by the Company pursuant to the conversion of the Mandatory Principal and, as the case may be, the Discretionary Principal under the Credit Agreement
“Credit Agreement”	the credit agreement dated 22 June 2018 entered into between the Company, PA Chokmah and Mr. Liu in relation to the provision of the Loan by PA Chokmah to the Company
“Director(s)”	the director(s) of the Company
“Discretionary Conversion”	has the meaning ascribed to it under the section headed “Possible Issue of New Shares under Specific Mandate — Conversion of the Loan” of this announcement
“Discretionary Conversion Period”	during the period from the Maturity Date up to the expiry of a three-month period therefrom
“Discretionary Principal”	has the meaning ascribed to it under the section headed “Possible Issue of New Shares under Specific Mandate — Conversion of the Loan” of this announcement
“EGM”	an extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider and, if thought fit, approve the grant of the Specific Mandate to allot and issue part or all of the Conversion Shares and the Put Option, and the transactions contemplated thereunder

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders as to whether the grant of the Specific Mandate to issue and allot part or all of the Conversion Shares and the Put Option are fair and reasonable and in the interests of the Company and the Shareholders as a whole
“Independent Shareholders”	Shareholders who are not required to abstain from voting at the EGM to approve the grant of the Specific Mandate to allot and issue part or all of the Conversion Shares and the Put Option, and the transactions contemplated thereunder
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan to be made under the facility provided under the Credit Agreement
“Mandatory Conversion”	has the meaning ascribed to it under the section headed “Possible Issue of New Shares under Specific Mandate — Conversion of the Loan” of this announcement
“Mandatory Principal”	has the meaning ascribed to it under the section headed “Possible Issue of New Shares under Specific Mandate — Conversion of the Loan” of this announcement
“Maturity Date”	24 months from the date on which the Loan was made, being 16 July 2020
“Mr. Liu”	Mr. Liu Xuebin, an executive Director and a controlling shareholder of the Company
“Ms. Li”	Ms. Li Suwen, an executive Director, the Chairperson of the Board, the chief executive officer of the Company and a controlling shareholder of the Company
“PA Chokmah”	PA Chokmah Investment Limited, a limited liability company incorporated in the Cayman Islands, the lender under the Credit Agreement and an indirectly wholly owned subsidiary of China Ping An Insurance Overseas

“Ping An Group”	Ping An Insurance (Group) Company of China, Ltd., a joint stock limited company duly incorporated in the PRC with limited liability, the A shares of which are listed on the Shanghai Stock Exchange (stock code: 601318) and the H shares of which are listed on the Stock Exchange (stock code: 2318)
“PRC”	the People’s Republic of China, excluding Taiwan, Hong Kong and Macau Special Administrative Region for the purpose of this announcement
“Put Option”	the put option conditionally agreed to be granted by Mr. Liu to PA Chokmah pursuant to the terms and conditions of the Put Option Deed
“Put Option Deed”	the put option deed dated 22 June 2018 entered into between Mr. Liu and PA Chokmah in relation to the grant of the Put Option by Mr. Liu to PA Chokmah
“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
“Specific Mandate”	the specific mandate to be granted to the Directors by the Independent Shareholders at the EGM to allot and issue part or all of the Conversion Shares to PA Chokmah as contemplated under the Credit Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs

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

Dongguan, 29 May 2020

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.