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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent



THE PLACING

The Board announces that on 11 August 2020 (before trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which, the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as, the agent of the Company to procure, on a best effort basis, purchasers for 130,000,000 new Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents: (a) approximately 6.4% of the total existing issued Shares as at the date of this announcement; and (b) approximately 6.0% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares).

The Placing Shares are expected to be placed to no less than six independent Places, who and whose ultimate beneficial owners are independent of the Company and the connected persons of the Company.

The Placing Shares will be allotted and issued under the General Mandate.

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

As completion of the Placing is subject to satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

THE PLACING

The Board announces that on 11 August 2020 (before trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which, the Company agreed to appoint the Placing Agent, and the Placing Agent agreed to act as the agent of the Company to procure, on a best effort basis purchasers for 130,000,000 new Shares at the Placing Price upon the terms and subject to the conditions set out in the Placing Agreement.

THE PLACING AGREEMENT

Date

11 August 2020 (before trading hours)

Parties

- (i) The Company; and
- (ii) The Placing Agent

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are independent of the Company and the connected persons of the Company.

Number of the Placing Shares

The Placing Agent has agreed to act as agent of the Company to procure, on a best effort basis, purchasers for 130,000,000 new Shares at the Placing Price (excluding brokerage, the SFC transaction levy and the Stock Exchange trading fee payable by the purchasers), upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents: (a) approximately 6.4% of the total existing issued Shares, as at the date of this announcement; and (b) approximately 6.0% of the total issued Shares, as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue by the Company of the Placing Shares).

Rights of the Placing Shares

The Placing Shares will rank *pari passu* with the other existing Shares upon issuance.

Placees

The Placing Shares are expected to be placed to no less than six independent Placees, who and whose respective ultimate beneficial owners are independent of the Company and the connected persons of the Company.

Immediately after completion of the Placing, it is expected that none of the Placees will become a substantial shareholder (as defined under the Listing Rules) of the Company.

Placing Price

The Placing Price is HK\$4.24 per Placing Share and represents:

- (i) a discount of approximately 9.8% to the closing price of HK\$4.70 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.9% to the average closing price of approximately HK\$4.56 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a discount of approximately 5.0% to the average closing price of approximately HK\$4.47 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to and including the Last Trading Day.

The net Placing Price (after deducting the costs and expenses of the Placing) is approximately HK\$4.20 per Placing Share. Based on a nominal value of HK\$0.01 per Share, the aggregate nominal value of the Placing Shares is HK\$1,300,000.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent after taking into account factors including the recent market price of the Shares and the current market conditions.

Conditions of the Placing

Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) before completion of the Placing, there shall not have occurred:
 - (i) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Group taken as a whole; or

- (ii) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange or any other exchange or over the counter market on which the Company's securities are admitted or listed for trading, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the Singapore Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
- (iii) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the People's Republic of China (the "PRC"), Japan, Singapore, the U.S., the United Kingdom, any other member of the European Economic Area ("EEA") or the Cayman Islands of a national emergency or war or other calamity or crisis; or
- (iv) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, Japan, Singapore, the U.S., the United Kingdom, any other member of the EEA or the Cayman Islands and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the PRC, Japan, Singapore, the U.S., the United Kingdom, any member of the EEA or the Cayman Islands; or
- (v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the PRC, Japan, Singapore, the U.S., the United Kingdom, any member of the EEA or the Cayman Islands or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgement of the Placing Agent, would make the placement of the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (b) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date (as defined below);
- (c) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date;
- (d) the Placing Agent having received certain legal opinions in form and substance reasonably satisfactory to the Placing Agent; and
- (e) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares and such listing and permission not subsequently being revoked prior to the delivery of the definitive share certificate(s) representing the Placing Shares on the Closing Date.

The Placing Agent in its sole discretion may waive any of the foregoing conditions other than condition (e). In the event that (i) any of the events set out in paragraph (a) above occurs at any time between the date of the Placing Agreement and the Closing Date, or (ii) the Company does not deliver the Placing Shares on the Closing Date, or (iii) any of the conditions set out in paragraphs (b) to (e) above has not been satisfied or waived in writing on the dates specified therein, the Placing Agent may elect, in its sole discretion, to terminate the Placing Agreement.

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

Completion of the Placing

Completion of the Placing is expected to take place on 18 August 2020 or at such other time and/or date as the Company and the Placing Agent may agree and in compliance with the Listing Rules (the “**Closing Date**”).

As completion of the Placing is subject to satisfaction of certain conditions precedent, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

LOCK-UP UNDERTAKING

The Company has undertaken to the Placing Agent that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, unless the Company has obtained the prior written consent of the Placing Agent, the Company shall not:

- (a) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company;
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in this paragraph or (a) above is to be settled by delivery of Shares or such other securities, in cash or otherwise;
- (c) publicly announce an intention to effect any such transaction described in paragraphs (a) or (b) above.

The foregoing shall not apply to (i) the issue of the Placing Shares under the Placing Agreement, (ii) the grant of any options under the share option scheme(s) of the Company or any issue of shares pursuant to the exercise of any options granted or to be granted under such scheme(s), or (iii) the grant of any shares under the share award scheme(s) of the Company.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

As disclosed in the Company's circular and poll results announcement dated 9 December 2019 and 13 January 2020 respectively, the grant of the General Mandate was approved by the Shareholders at the annual general meeting of the Company held on 13 January 2020.

As of the date of this announcement, no Shares have been allotted and issued under the General Mandate. The Placing Shares will be allotted and issued pursuant to the General Mandate.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Directors consider that the Placing represents a good opportunity for the Company to broaden its shareholder and capital bases while raising funds.

The Directors are of the opinion that the terms of the Placing Agreement, including the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$551.20 million. The Company intends to use the net proceeds (after deducting related costs and expenses) from the Placing for construction and development of the Group's schools in the PRC and general corporate purpose.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that all Placing Shares are fully placed, and there is no other change to the share capital of the Company prior to completion of the Placing, the shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Placing is set out as follows:

	As at the date of this announcement		Immediately upon completion of the Placing	
	Number of Shares	Approximate percentage of the Company's issued share capital	Number of Shares	Approximate percentage of the Company's issued share capital
Mr. Liu Xuebin (“ Mr. Liu ”) <i>(Note 1)</i>	930,000,000 <i>(Note 2)</i>	45.43%	930,000,000 <i>(Note 2)</i>	42.72%
Ms. Li Suwen (“ Ms. Li ”) <i>(Note 1)</i>	572,128,000 <i>(Notes 3 & 4)</i>	27.95%	572,128,000 <i>(Notes 3 & 4)</i>	26.28%
Other Shareholders	545,026,000	26.62%	545,026,000	25.03%
Placees	—	—	130,000,000	5.97%
Total	2,047,154,000	100%	2,177,154,000	100%

Notes:

1. Mr. Liu and Ms. Li are co-founders of the Group and are acting in concert with each other.
2. Mr. Liu holds the entire issued capital of Bright Education (Holdings) Co. Limited (“**Bright Education Holdings**”), a company incorporated in the British Virgins Islands, and is therefore deemed to be interested in 930,000,000 Shares held by Bright Education Holdings.
3. Ms. Li holds the entire issued capital of Bright Education Investment Co. Limited (“**Bright Education Investment**”), a company incorporated in the British Virgins Islands, and is therefore deemed to be interested in 570,000,000 Shares held by Bright Education Investment.
4. The number of Shares held by Ms. Li consists of 570,000,000 Shares held by corporation controlled by her and 2,128,000 Shares held as beneficial owner.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising exercises in the past twelve months immediately before the date of this announcement.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors of the Company
“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
“Company”	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)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 13 January 2020 to allot, issue and deal with the Shares
“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 People’s Republic of China
“Last Trading Day”	10 August 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	investor(s) procured by the Placing Agent to purchase the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing to the Placees procured by the Placing Agent of the Placing Shares subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Citigroup Global Markets Limited

“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 11 August 2020 (before trading hours) in respect of the Placing
“Placing Price”	HK\$4.24 per Placing Share
“Placing Shares”	130,000,000 new Shares to be issued under the Placing Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.” or “United States”	United States of America
“%”	per cent

By order of the Board
Wisdom Education International Holdings Company Limited
LI Suwen
Chairperson

Hong Kong, 11 August 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.